

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

**Interim Financial Report**  
**31 October 2003**

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**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2003**

|                                       | (AUDITED)<br>AS AT<br>CURRENT<br>FINANCIAL<br>YEAR END<br>31/10/2003<br>RM'000 | (AUDITED)<br>AS AT<br>PRECEDING<br>FINANCIAL<br>YEAR END<br>31/10/2002<br>RM'000 |
|---------------------------------------|--|--|
| Property, Plant and Equipment         | 158,300  | 126,546  |
| Land Held for Development             | 785,941  | 355,291  |
| Investment in Associated Companies    | 97,896   | 92,876   |
| Long Term Investments                 | 40,891   | 43,110   |
| Amounts owing by Associated Companies | 326  | 2,869  |
| Deferred Tax Assets                   | 1,656  | 2,948  |
| Current Assets                        |  |  |
| Land under development                | 527,979  | 297,482  |
| Gross amount due from customers       | 56,947   | 48,039   |
| Inventories                           | 17,950   | 13,758   |
| Trade and other receivables           | 335,095  | 301,383  |
| Amounts owing by associated companies | 13,439   | 6,544  |
| Current tax assets                    | 5,404  | 5,315  |
| Deposits                              | 160,700  | 298,106  |
| Cash and bank balances                | 108,148  | 251,757  |
|                                       | 1,225,662  | 1,222,384  |
| Current Liabilities                   |  |  |
| Trade and other payables              | 235,062  | 182,377  |
| Share application monies              | -  | 239,626  |
| Short term borrowings                 | 89,387   | 45,583   |
| Bank overdraft                        | -  | 356  |
| Current tax liabilities               | 11,462   | 23,518   |
|                                       | 335,911  | 491,460  |
| Net Current Assets                    | 889,751  | 730,924  |
|                                       | 1,974,761  | 1,354,564  |
| Shareholders' Funds                   |  |  |
| Share Capital                         | 559,422  | 431,000  |
| Reserves                              |  |  |
| Share Premium                         | 239,011  | 114,282  |
| Merger Reserve                        | -  | (66,436)   |
| Revaluation Reserve                   | 1,151  | 1,151  |
| Retained Profit                       | 436,538  | 431,340  |
| Proposed Dividend                     | 31,328   | 13,521   |
| Shareholders' Equity                  | 1,267,450  | 924,858  |
| Minority Interests                    | 1,449  | 1,472  |
| Long Term Borrowings                  | 703,491  | 425,994  |
| Other Long Term Liabilities           | 1,446  | 1,446  |
| Deferred Tax Liabilities              | 925  | 794  |
|                                       | 1,974,761  | 1,354,564  |
|                                       | 1,974,761  | 1,354,564  |
| Net Tangible Assets Per Share (RM)    | 2.27   | 2.15   |

(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 YEAR ENDED 31 OCTOBER 2003**  
*(The figures have been audited)*

|   | FOURTH QUARTER                                     |   | CUMULATIVE QUARTER                                    |  |
|---|--|---|---|--|
|   | CURRENT<br>YEAR<br>QUARTER<br>31/10/2003<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>31/10/2002<br>RM'000 | CURRENT<br>YEAR<br>TO<br>DATE<br>31/10/2003<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD<br>31/10/2002<br>RM'000 |
| Revenue   | 225,573  | 135,540   | 821,741   | 647,574  |
| Cost of sales                                       | (169,355)  | (91,115)  | (620,335)   | (474,633)  |
| Gross profit  | 56,218   | 44,425  | 201,406   | 172,941  |
| Other operating income                              | 291  | (3,678)   | 7,233   | 5,034  |
| Administrative and general expenses                 | (10,643)   | (9,832)   | (42,654)  | (38,905)   |
| Profit from operations                              | 45,866   | 30,915  | 165,985   | 139,070  |
| Net (loss)/ profit from investing activities        | (2,193)  | (974)   | 4,955   | 4,542  |
| Share of profit less losses of associated companies | 2,918  | 6,081   | 13,083  | 8,805  |
| Finance costs                                       | (1,122)  | 1,469   | (4,934)   | (4,241)  |
| Profit before taxation                              | 45,469   | 37,491  | 179,089   | 148,176  |
| Taxation  | (15,059)   | (12,696)  | (53,120)  | (44,552)   |
| Profit after taxation                               | 30,410   | 24,795  | 125,969   | 103,624  |
| Minority interests                                  | 42   | 66  | 62  | (2)  |
| Net profit for the year                             | 30,452   | 24,861  | 126,031   | 103,622  |
| Basic earnings per share (sen)                      | 5.46   | 5.13  | 22.73   | 22.54  |
| Diluted earnings per share (sen)                    | 5.23   | 5.06  | 22.29   | 21.58  |

(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 YEAR ENDED 31 OCTOBER 2003**  
*(The figures have been audited)*

|                              | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Merger<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Unappropriated<br>Profit<br>RM'000 | Dividend<br>RM'000 | Total<br>RM'000  |
|------------------------------|----------------------------|----------------------------|-----------------------------|----------------------------------|------------------------------------|--------------------|------------------|
| <b>Balance at 31.10.2002</b> |                            |                            |                             |                                  |                                    |                    |                  |
| As previously stated         | 431,000                    | 114,282                    | (66,436)                    | 1,151                            | 428,392                            | 13,521             | 921,910          |
| Prior year adjustment        | -                          | -                          | -                           | -                                | 2,948                              | -                  | 2,948            |
| <b>As restated</b>           | <b>431,000</b>             | <b>114,282</b>             | <b>(66,436)</b>             | <b>1,151</b>                     | <b>431,340</b>                     | <b>13,521</b>      | <b>924,858</b>   |
| Transfer of reserves         | -                          | -                          | 66,436                      | -                                | (66,436)                           | -                  | -                |
| Issue of shares              |                            |                            |                             |                                  |                                    |                    |                  |
| - 1 for 3 rights issue       | 123,143                    | 120,680                    | -                           | -                                | -                                  | -                  | 243,823          |
| - pursuant to ESOS           | 5,279                      | 6,087                      | -                           | -                                | -                                  | -                  | 11,366           |
| Share issue expenses         | -                          | (2,038)                    | -                           | -                                | -                                  | -                  | (2,038)          |
| Net profit for the year      | -                          | -                          | -                           | -                                | 126,031                            | -                  | 126,031          |
| Final Dividend paid          | -                          | -                          | -                           | -                                | (1)                                | (13,521)           | (13,522)         |
| Interim Dividend paid        | -                          | -                          | -                           | -                                | (23,068)                           | -                  | (23,068)         |
| Dividend proposed            | -                          | -                          | -                           | -                                | (31,328)                           | 31,328             | -                |
| <b>Balance at 31.10.2003</b> | <b>559,422</b>             | <b>239,011</b>             | <b>-</b>                    | <b>1,151</b>                     | <b>436,538</b>                     | <b>31,328</b>      | <b>1,267,450</b> |
| <b>Balance at 1.11.2001</b>  |                            |                            |                             |                                  |                                    |                    |                  |
| As previously stated         | 334,798                    | 108,182                    | (66,436)                    | 1,151                            | 354,882                            | 13,928             | 746,505          |
| Prior year adjustment        | -                          | -                          | -                           | -                                | 1,732                              | -                  | 1,732            |
| <b>As restated</b>           | <b>334,798</b>             | <b>108,182</b>             | <b>(66,436)</b>             | <b>1,151</b>                     | <b>356,614</b>                     | <b>13,928</b>      | <b>748,237</b>   |
| Issue of shares              |                            |                            |                             |                                  |                                    |                    |                  |
| - Private placement          | 33,570                     | 68,819                     | -                           | -                                | -                                  | -                  | 102,389          |
| - pursuant to ESOS           | 1,060                      | 1,477                      | -                           | -                                | -                                  | -                  | 2,537            |
| - 1 for 6 bonus issue        | 61,572                     | (61,572)                   | -                           | -                                | -                                  | -                  | -                |
| Share issue expenses         | -                          | (2,624)                    | -                           | -                                | -                                  | -                  | (2,624)          |
| Net profit for the year      | -                          | -                          | -                           | -                                | 103,622                            | -                  | 103,622          |
| Final Dividend paid          | -                          | -                          | -                           | -                                | (11)                               | (13,928)           | (13,939)         |
| Interim Dividend paid        | -                          | -                          | -                           | -                                | (15,364)                           | -                  | (15,364)         |
| Dividend proposed            | -                          | -                          | -                           | -                                | (13,521)                           | 13,521             | -                |
| <b>Balance at 31.10.2002</b> | <b>431,000</b>             | <b>114,282</b>             | <b>(66,436)</b>             | <b>1,151</b>                     | <b>431,340</b>                     | <b>13,521</b>      | <b>924,858</b>   |

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

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 OCTOBER 2003**  
*(The figures have been audited)*

|  | AS AT<br>CURRENT<br>FINANCIAL<br>YEAR END<br>31/10/2003<br>RM'000 | AS AT<br>PRECEDING<br>FINANCIAL<br>YEAR END<br>31/10/2002<br>RM'000 |
|--|---|---|
| Profit before tax                                  | 179,089   | 148,176   |
| Adjustments for:-                                  |   |   |
| Non-cash items                                     | (1,769)   | 1,553   |
| Non-operating items                                | (7,363)   | (6,948)   |
| Operating profit before changes in working capital | <u>169,957</u>  | <u>142,781</u>  |
| Net Change in current assets                       | (269,419)   | (188,097)   |
| Net Change in current liabilities                  | 53,034  | 21,021  |
| Cash generated used in operations                  | <u>(46,428)</u>   | <u>(24,295)</u>   |
| Interest received                                  | 2,226   | 1,196   |
| Interest paid                                      | (24,842)  | (19,148)  |
| Tax paid   | (59,359)  | (49,632)  |
| Net cash used in operating activities              | <u>(128,403)</u>  | <u>(91,879)</u>   |
| <b>Investing Activities</b>                        |   |   |
| Equity investments                                 | -   | (52,452)  |
| Other investments                                  | (446,704)   | (204,387)   |
| Net cash used in investing activities              | <u>(446,704)</u>  | <u>(256,839)</u>  |
| <b>Financing Activities</b>                        |   |   |
| Transactions with shareholders                     | (23,065)  | 72,999  |
| Bank borrowings                                    | 317,260   | 268,182   |
| Others financing activities                        | 142   | -   |
| Share application monies                           | -   | 239,626   |
| Net cash from financing activities                 | <u>294,337</u>  | <u>580,807</u>  |
| Net change in cash and cash equivalents            | (280,770)   | 232,089   |
| <b>Cash and cash equivalent at 1 November</b>      | <u>547,718</u>  | <u>315,629</u>  |
| <b>Cash and cash equivalent at 31 October</b>      | <u>266,948</u>  | <u>547,718</u>  |

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

|  | 2003<br>RM'000 | 2002<br>RM'000 |
|--|----------------|----------------|
| Deposits                                 | 160,700        | 298,106        |
| Cash and bank balances                   | 108,148        | 251,757        |
| Bank overdrafts                          | -              | (356)          |
|  | <u>268,848</u> | <u>549,507</u> |
| Less: Deposits pledged to licensed banks | (1,900)        | (1,789)        |
|  | <u>266,948</u> | <u>547,718</u> |

(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 except for the adoption of MASB 25 - Income Taxes.

The change in accounting policy in respect to the recognition of deferred tax assets for deductible temporary differences has been applied retrospectively and comparative figures have been restated accordingly. The effects have been incorporated in the financial statement by way of prior year adjustments as stated in page 3 of the Condensed Consolidated Statement of Changes in Equity.

### 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 year 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 year ended 31 October 2003.

### 5. **Changes in estimates**

There were no material changes in estimates for the financial year ended 31 October 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) 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; and
- (b) 5,278,764 new ordinary shares of RM1.00 each pursuant to the Company's Employee's Share Option Scheme (ESOS) with exercise prices ranging from RM1.84 to RM2.98 per share. The total cash proceeds arising from the exercise of options under the ESOS during the current financial year-to-date amounted to RM11,365,410.

### 7. **Dividends 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.

An interim dividend of 5% comprising 2% tax exempt and 3% less 28% tax amounting to RM23,067,852 was paid in respect of the current financial year ending 2003.

## 8. Segmental Reporting

|  | <b>Construction</b><br>RM'000 | <b>Property<br/>Development</b><br>RM'000 | <b>Other<br/>Operations</b><br>RM'000 | <b>Eliminations</b><br>RM'000 | <b>Consolidated</b><br>RM'000 |
|--|-------------------------------|---|---------------------------------------|-------------------------------|-------------------------------|
| <u>Revenue</u>   |                               |   |                                       |                               |                               |
| External Sales   | 202,006                       | 591,147                                   | 28,588                                | -                             | 821,741                       |
| Inter-segment sales  | 243,879                       | 14,677                                    | 27,760                                | (286,316)                     | -                             |
| Total Revenue  | 445,885                       | 605,824                                   | 56,348                                | (286,316)                     | 821,741                       |
| <u>Results</u>   |                               |   |                                       |                               |                               |
| Segment results  | 13,090                        | 149,536                                   | 3,359                                 |                               | 165,985                       |
| Net Profit from<br>investing Activities                    |                               |   |                                       |                               | 4,955                         |
| Finance costs  |                               |   |                                       |                               | (4,934)                       |
| Share of profits less<br>losses of associated<br>companies | 13,483                        | (57)                                      | (343)                                 |                               | 13,083                        |
| Taxation   |                               |   |                                       |                               | (53,120)                      |
| Profit after taxation                                      |                               |   |                                       |                               | 125,969                       |

## 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 year ended 31 October 2003 till 11 December 2003 (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 9, Note 8 (c) & (d) of the Status of Corporate Proposals.

## 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 following:-

- (a) The disposal of 4,900 ordinary shares of RM1.00 each in S. P. Setia Security Services Sdn. Bhd. (formerly known as Darul Tahap (M) Sdn. Bhd.), resulting in S P Setia Berhad holding 51% of the total paid up share capital of S. P. Setia Security Services Sdn. Bhd. (formerly known as Darul Tahap (M) Sdn. Bhd.);
- (b) Setia Duta One Sdn. Bhd. and S P Setia Project Management Sdn. Bhd., wholly owned subsidiaries of S P Setia Berhad are the first subscribers of a company limited by guarantee called DN Homeowners Berhad (incorporated for the purposes of managing and maintaining the common area, club house and recreational park of Duta Nusantara, Sri Hartamas, Kuala Lumpur); and
- (c) The acquisition of 20,000 ordinary shares in Kenari Kayangan Sdn. Bhd. for a cash consideration of RM1.00, resulting in S P Setia Berhad holding 99.998% of the total paid up share capital of Kenari Kayangan 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**

|   | <b>31/10/2003</b> |
|---|-------------------|
|   | RM'000            |
| Contractual commitment to purchase development land | 40,987            |
| Other conditional contractual commitment            | 9,120             |
|   | <hr/>             |

14. **Related Party Transactions**

|   | <b>31/10/2003</b> |
|---|-------------------|
|   | RM'000            |
| <b><u>Recurrent Transactions</u></b>  |                   |
| <i>Cumulative from 1 November 2002 to 31 October 2003:-</i>   |                   |
| <i>Transaction with associated companies:</i>   |                   |
| (i) Construction service rendered to Setia Putrajaya Sdn. Bhd. ("SPJ")  | 11,274            |
|   | <hr/>             |
| <i>Transactions with directors of the Company and companies, firms in which they have interest:</i>   |                   |
| (i) Rental paid to Dato' Voon Tin Yow   | 30                |
| (ii) Rental paid to Alsirat Sdn. Bhd., a company in which Datuk Abdul Rashid bin Abdul Manaf and Dato' Sri Liew Kee Sin have interest   | 72                |
| (iii) Legal fees paid to Shahrizat 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 | 963               |
|   | <hr/>             |

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 RM126.03 million on the back of a revenue of RM821.74 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, Bukit Indah Bandar Nusajaya, Johor and Pusat Bandar Puchong. 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 RM4.78 million compared to the preceding quarter ended 31 July 2003. This was mainly attributable to lower profit recognised on properties completed and handed over in Bukit Indah Bandar Nusajaya, Johor.

### 3. Prospects for the Next Financial Year

The prospects for residential properties is expected to be strong with an improving economic outlook, historic low mortgage rates and positive flow through effects from the Economic Stimulus Package introduced by the Government in May 2003. Accordingly the Group will focus on launching several new Klang Valley projects, namely the Setia Alam township, Eco-Parks Joint Venture and a new high-end project adjacent to Duta Nusantara whilst maintaining the performance of our existing Johor Bahru projects. This is in line with the Group's strategy to further strengthen our position as a property developer of choice among house buyers in all our target markets which ranges from mass affordable housing to high-end niche products. Apart from this, the Group will also pursue for more Government Infrastructure Projects in the coming year.

Given this bright outlook for the residential property market and the economy as a whole, the Board of Directors is confident that the Group's performance for the next financial year will be better.

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

Not applicable as no profit forecast was published.

### 5. Income Tax

Income Tax comprises: -

|                             | FOURTH QUARTER             |   | CUMULATIVE                 |  |
|-----------------------------|----------------------------|---|----------------------------|--|
|                             | CURRENT<br>YEAR<br>QUARTER | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER | CURRENT<br>YEAR<br>TO DATE | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD |
|                             | 31/10/2003<br>RM'000       | 31/10/2002<br>RM'000                          | 31/10/2003<br>RM'000       | 31/10/2002<br>RM'000                         |
| - current income tax        | 13,188                     | 11,191  | 47,764                     | 42,179                                       |
| - deferred taxation         | 1,159                      | (1,246)                                       | 1,407                      | (1,246)                                      |
| - associated companies      | 931                        | 2,143   | 4,206                      | 2,970  |
| - in respect of prior years | (219)                      | 608   | (257)                      | 649  |
|                             | 15,059                     | 12,696  | 53,120                     | 44,552                                       |

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

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

There were no profits on sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current quarter and financial 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                 | <u>565</u> |
| Total disposals                 | <u>-</u>   |
| Total profit/(loss) on disposal | <u>-</u>   |

Total investments in quoted securities as at 31 October 2003 are as follows:-

|               |               |
|---------------|---------------|
|               | RM'000        |
| At cost       | <u>48,296</u> |
| At book value | <u>40,554</u> |
| Market value  | <u>41,411</u> |

#### 8. Status of Corporate Proposals

The following are the corporate proposals that have been announced by the Company but not completed as at 11 December 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;
- (b) On 29 September 2003, a conditional Sales and Purchase Agreement was entered into by Setia Duta One Sdn. Bhd., a wholly owned subsidiary of S P Setia Berhad to acquire approximately 13.054 acres of freehold land located in the District of Kuala Lumpur, State of Wilayah Persekutuan, Kuala Lumpur for a total consideration of RM48,220,013.95. The land acquisition become unconditional on 11 November 2003;
- (c) Proposed disposal on 13 November 2003 by Bandar Setia Alam Sdn. Bhd., a wholly owned subsidiary of S P Setia Berhad, of a piece of land measuring approximately 791 acres held under Geran 31493, lots 2895 and 2896, Mukim of Bukit Raja, District of Petaling, State of Selangor to Bandar Eco-Setia Sdn. Bhd., a wholly owned subsidiary of S P Setia Berhad, for a total cash consideration of RM275,689,846.08; and
- (d) Proposed issuance on 13 November 2003 by Bandar Eco-Setia Sdn. Bhd., a wholly owned subsidiary of S P Setia, of 24,999,998 ordinary shares of RM1.00 each ("shares") at an issue price of RM1.00 per share and 225,000,000 cumulative redeemable preference shares of RM0.01 each ("RPS") at an issue price of RM1.00 per RPS, to S P Setia Berhad, the Employees Provident Fund and Great Eastern Life Assurance (Malaysia) Berhad in relation to the Proposed Joint Venture between the parties.

### 9. Group Borrowings and Debt Securities

Total group borrowings as at 31 October 2003 were as follows:

|                                    | <b>Secured</b><br>RM'000 | <b>Unsecured</b><br>RM'000 | <b>Total</b><br>RM'000 |
|------------------------------------|--------------------------|----------------------------|------------------------|
| Hire Purchase & Leasing Borrowings | -                        | 8,665                      | 8,665                  |
| Short Term Bank Borrowings         | 84,677                   | 1,797                      | 86,474                 |
| Long Term Bank Borrowings          | 569,536                  | 3,203                      | 572,739                |
| 4.5% Redeemable Unsecured Bonds    | -                        | 125,000                    | 125,000                |
|                                    | 654,213                  | 138,665                    | 792,878                |

### 10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 11 December 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 December 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 a final dividend in respect of the financial year ended 31 October 2003.
- (ii) Amount per share : 5 sen less income tax of 28%  
2 sen tax exempted
- (iii) Previous corresponding period : 2 sen less income tax of 28%  
1 sen tax exempted
- (iv) Date payable : To be determined later
- (v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.
- (b) Total dividend for the current financial year : 8 sen less income tax of 28%  
4 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 126,031,000 (2002: RM103,622,000) by the weighted average number of shares in issue of 554,405,000 (2002: 459,813,000). The weighted average number of shares in issue is calculated as follows:-

|   | FOURTH QUARTER                                     |   | CUMULATIVE QUARTER                                 |  |
|---|--|---|--|--|
|   | CURRENT<br>YEAR<br>QUARTER<br>31/10/2003<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>31/10/2002<br>RM'000 | CURRENT<br>YEAR<br>TO DATE<br>31/10/2003<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD<br>31/10/2002<br>RM'000 |
| Net profit attributable to shareholders                 | 30,452   | 24,861  | 126,031  | 103,622  |
| Number of ordinary shares at beginning of the period    | 556,108  | 369,368   | 431,000  | 334,798  |
| Effect of bonus issue                                   | -  | 61,572  | -  | 61,572   |
| Effect of shares issued pursuant to - private placement | -  | -   | -  | 11,772   |
| Effect of shares issued pursuant to - Rights issue      | -  | 53,790  | 122,299  | 51,019   |
| - Company's ESOS  | 1,959  | 58  | 1,106  | 652  |
| Weighted average number of ordinary shares              | 558,067  | 484,788   | 554,405  | 459,813  |
| Basic Earning Per share (sen)                           | 5.46   | 5.13  | 22.73  | 22.54  |

The diluted earnings per share has been calculated by dividing the Group's net profit for the period of RM126,031,000 (2002: RM103,622,000) 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:

|   | FOURTH QUARTER                                     |   | CUMULATIVE QUARTER                                 |  |
|---|--|---|--|--|
|   | CURRENT<br>YEAR<br>QUARTER<br>31/10/2003<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>QUARTER<br>31/10/2002<br>RM'000 | CURRENT<br>YEAR<br>TO DATE<br>31/10/2003<br>RM'000 | PRECEDING<br>YEAR<br>CORRESPONDING<br>PERIOD<br>31/10/2002<br>RM'000 |
| Net profit attributable to shareholders                     | 30,452   | 24,861  | 126,031  | 103,622  |
| Weighted average number of ordinary shares as per basic EPS | 558,067  | 484,788   | 554,405  | 459,813  |
| Effect of shares option/warrants                            | 24,177   | 6,716   | 11,076   | 20,389   |
| Weighted average number of ordinary shares (diluted)        | 582,244  | 491,504   | 565,481  | 480,202  |
| Diluted Earning Per share (sen)                             | 5.23   | 5.06  | 22.29  | 21.58  |