

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

**Interim Financial Report**  
**31 January 2007**

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**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JANUARY 2007**

	<b>(UNAUDITED)</b> AS AT CURRENT FINANCIAL YEAR END 31/01/2007 RM'000	<b>(RESTATED)</b> AS AT PRECEDING FINANCIAL YEAR END 31/10/2006 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	47,397	47,207
Investment Properties	101,777	92,180
Prepaid lease payments	897	899
Land Held for Property Development	813,245	735,826
Investment in Associated Companies	214,387	210,058
Long Term Investments	9,709	17,724
Amount owing by Associated Companies	415	400
Deferred tax assets	3,296	644
	1,191,123	1,104,938
<b>Current Assets</b>		
Property Development costs	788,148	715,653
Gross amount due from customers	40,052	25,745
Inventories	25,458	25,423
Trade and other receivables	277,516	419,031
Amount owing by associated companies	12,308	19,423
Current tax assets	12,197	11,830
Deposits	235,380	204,151
Cash and bank balances	84,472	99,733
	1,475,531	1,520,989
<b>TOTAL ASSETS</b>	2,666,654	2,625,927
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	504,454	498,513
Reserves		
Share Premium	438,430	417,274
Option Reserve	-	1,395
Retained Profit	736,261	689,513
Dividend	95,715	95,715
<b>Equity Attributable to Equity Holders of the Company</b>	1,774,860	1,702,410
<b>Minority Interests</b>	1,301	1,302
<b>Total Equity</b>	1,776,161	1,703,712
<b>Non-current liabilities</b>		
Long Term Borrowings	503,874	520,284
Other Long Term Liabilities	1,446	1,446
Deferred Tax Liabilities	2,269	2,214
	507,589	523,944
<b>Current Liabilities</b>		
Trade and other payables	294,145	319,799
Short term borrowings	65,382	63,390
Bank overdraft	7,212	-
Current tax liabilities	16,165	15,082
	382,904	398,271
<b>Total liabilities</b>	890,493	922,215
<b>TOTAL EQUITY AND LIABILITIES</b>	2,666,654	2,625,927
Net Assets Per Share (RM)	2.64	2.56

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 October 2006)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 JANUARY 2007**  
*(The figures have not been audited)*

	<b>FIRST QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER (RESTATED)</b>	<b>CURRENT YEAR TO DATE</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD (RESTATED)</b>
	<b>31/01/2007 RM'000</b>	<b>31/01/2006 RM'000</b>	<b>31/01/2007 RM'000</b>	<b>31/01/2006 RM'000</b>
Revenue	255,206	279,120	255,206	279,120
Cost of sales	(179,769)	(203,642)	(179,769)	(203,642)
Gross profit	<u>75,437</u>	<u>75,478</u>	<u>75,437</u>	<u>75,478</u>
Other operating income	1,910	1,526	1,910	1,526
Selling and marketing expenses	(3,198)	(3,565)	(3,198)	(3,565)
Administrative and general expenses	(21,339)	(16,904)	(21,339)	(16,904)
Profit from operations	<u>52,810</u>	<u>56,535</u>	<u>52,810</u>	<u>56,535</u>
Net profit from investing activities				
- gross dividend from unquoted preference shares in an associated company	1,772	1,772	1,772	1,772
- others	4,345	2,141	4,345	2,141
Share of profits less losses of associated companies	3,984	3,227	3,984	3,227
Finance costs	(276)	(411)	(276)	(411)
Profit before taxation	<u>62,635</u>	<u>63,264</u>	<u>62,635</u>	<u>63,264</u>
Taxation	(15,890)	(16,916)	(15,890)	(16,916)
Profit for the period	<u>46,745</u>	<u>46,348</u>	<u>46,745</u>	<u>46,348</u>
Attributable to:				
Equity holders of the Company	46,746	46,349	46,746	46,349
Minority interests	(1)	(1)	(1)	(1)
	<u>46,745</u>	<u>46,348</u>	<u>46,745</u>	<u>46,348</u>
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	<u>6.98</u>	<u>7.05</u>	<u>6.98</u>	<u>7.05</u>
- Diluted earnings per share (sen)	<u>6.97</u>	<u>7.03</u>	<u>6.97</u>	<u>7.03</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 October 2006)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 JANUARY 2007**  
*(The figures have not been audited)*

	Attributable to Equity Holders of the Company					Minority Interests	Total Equity	
	Non-Distributable		Distributable					
	Share Capital RM'000	Share Premium RM'000	Option Reserve RM'000	Unappropriated Profit RM'000	Dividend RM'000	Total RM'000	RM'000	RM'000
<b>Balance at 1.11.2006</b>								
As previously stated	498,513	416,710	-	691,472	95,715	1,702,410	1,302	1,703,712
Effect of adopting <i>FRS 2</i>	-	564	1,395	(1,959)	-	-	-	-
<b>Balance at 1.11.2006 (restated)</b>	498,513	417,274	1,395	689,513	95,715	1,702,410	1,302	1,703,712
Profit for the period	-	-	-	46,746	-	46,746	(1)	46,745
Issue of ordinary shares pursuant to ESOS	5,941	21,156	(1,393)	-	-	25,704	-	25,704
ESOS lapsed	-	-	(2)	2	-	-	-	-
<b>Balance at 31.01.2007</b>	504,454	438,430	-	736,261	95,715	1,774,860	1,301	1,776,161
<b>Balance at 1.11.2005</b>	490,734	398,623	-	595,473	89,510	1,574,340	1,359	1,575,699
Profit for the period	-	-	-	46,349	-	46,349	(1)	46,348
Issue of ordinary shares pursuant to ESOS	4,231	7,648	-	-	-	11,879	-	11,879
<b>Balance at 31.01.2006</b>	494,965	406,271	-	641,822	89,510	1,632,568	1,358	1,633,926

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2006)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 JANUARY 2007**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED 31/01/2007 RM'000</b>	<b>3 MONTHS ENDED 31/01/2006 RM'000</b>
Profit before taxation	62,635	63,264
Adjustments for:-		
Non-cash items	(4,859)	(3,816)
Non-operating items	(4,804)	(2,412)
Operating profit before changes in working capital	<u>52,972</u>	<u>57,036</u>
Net Change in current assets	14,208	(59,044)
Net Change in current liabilities	(25,425)	(10,602)
Cash generated from/(used in) operations	<u>41,755</u>	<u>(12,610)</u>
Interest received	1,020	789
Interest paid	(7,254)	(6,859)
Tax paid	(17,141)	(19,221)
Net cash generated from/(used in) operating activities	<u>18,380</u>	<u>(37,901)</u>
<b>Investing Activities</b>		
Other investments	(13,764)	7,498
Net cash (used in)/generated from investing activities	<u>(13,764)</u>	<u>7,498</u>
<b>Financing Activities</b>		
Transactions with shareholders	25,704	11,879
Bank borrowings	(14,604)	(33,772)
Net cash generated from/(used in) financing activities	<u>11,100</u>	<u>(21,893)</u>
Net changes in cash and cash equivalents	15,716	(52,296)
<b>Cash and cash equivalents at 1 November</b>	293,799	398,117
<b>Cash and cash equivalents at 31 January</b>	<u>309,515</u>	<u>345,821</u>

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

	<b>31.01.2007 RM'000</b>	<b>31.01.2006 RM'000</b>
Deposits	235,380	247,667
Cash and bank balances	84,472	114,975
Bank overdraft	(7,212)	(15,148)
	<u>312,640</u>	<u>347,494</u>
Less: Deposits pledged to licensed banks	(95)	(91)
Sinking Fund and Escrow Accounts	(3,030)	(1,582)
	<u>309,515</u>	<u>345,821</u>

(The Condensed Consolidated cash flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 October 2006)

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. Basis of preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2006.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 October 2006 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) that are relevant to the Group and are effective for the financial period beginning on or after 1 January 2006:-

- FRS 2 - Share-based Payment
- FRS 3 - Business Combinations
- FRS 5 - Non-current Assets Held for Sale and Discontinued Operations
- FRS 101 - Presentation of Financial Statements
- FRS 102 - Inventories
- FRS 108 - Accounting Policies, Changes in Estimates and Errors
- FRS 110 - Events after the Balance Sheet Date
- FRS 116 - Property, Plant and Equipment
- FRS 117 - Leases
- FRS 121 - The Effects of Changes in Foreign Exchange Rates
- FRS 124 - Related Party Disclosures
- FRS 127 - Consolidated and Separate Financial Statements
- FRS 128 - Investment in Associates
- FRS 132 - Financial Instruments: Disclosure and Presentation
- FRS 133 - Earnings Per Share
- FRS 136 - Impairment of Assets
- FRS 138 - Intangible Assets
- FRS 140 - Investment Property

The adoption of the above FRSs does not have significant financial impact to the Group except for the FRSs as disclosed below:

#### (a) FRS 2: Share-based Payment

This FRS requires that an entity recognise as an expense in its financial statements share-based payment transactions with employees or other parties to be settled in cash, other assets or equity instruments of the entity.

Prior to 1 January 2006, no expense was recognised in the income statement for share options granted to employees. With the adoption of *FRS 2*, the fair value of share options granted is recognised as part of employee compensation within the staff costs category in the income statement over the vesting periods of the grants, with a corresponding increase in equity.

The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by the vesting date. The fair value of the share options is computed using a binomial options pricing model.

Under the transitional provisions of *FRS 2*, this FRS shall apply to share options granted after 31 December 2004 and which were not yet vested on 1 January 2006. The application is retrospective and accordingly, the comparative balance sheet figures as at 31 October 2006 are restated and opening balance of unappropriated profit as at 1 November 2006 has been adjusted.

The financial impact to the Group arising from this change in accounting policy is as follows:

	<b>As previously reported RM'000</b>	<b>Effect RM'000</b>	<b>As restated RM'000</b>
<b>Balance Sheet</b>			
Share Premium	416,710	564	417,274
Option Reserve	-	1,395	1,395
Unappropriated Profit	691,472	(1,959)	689,513

Upon expiry of the share option on 25 January 2007, the balance of the option reserve was transferred to unappropriated profit.

**(b) FRS 101: Presentation of Financial Statements**

The adoption of the revised *FRS 101* has affected the presentation of minority interests and other disclosure in the income statement, balance sheet and statement of changes in equity.

Minority interests are now presented within total equity in the consolidated balance sheet and as an allocation from net profit for the period in the consolidated income statement. The movement of minority interests is now presented in the consolidated statement of changes in equity.

Share of profits less losses of associated companies is now reported net of tax as a single line item above the Group profit before taxation.

The revised *FRS 101* has give rise to new classes of assets and liabilities which are required to be reported on the face of the consolidated balance sheet. The comparative financial statements of the Group have been restated to conform with the presentation in the current period as follows:-

	<b>As previously reported RM'000</b>	<b>Effect RM'000</b>	<b>As restated RM'000</b>
<b>Income Statement</b>			
Share of profits less losses of associated companies	4,767	(1,540)	3,227
Profit before taxation	64,804	(1,540)	63,264
Taxation	18,456	(1,540)	16,916
<b>Balance Sheet</b>			
Property, plant and equipment	140,286	(93,079)	47,207
Investment properties	-	92,180	92,180
Prepaid lease payments	-	899	899

**2. Qualified audit report**

The preceding audited financial statements for the year ended 31 October 2006 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 31 January 2007.

5. **Changes in estimates**

There were no material changes in estimates for the financial period ended 31 January 2007.

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 for the following:-

- a) 7,920,809 new ordinary shares of RM0.75 each pursuant to the Company's Employees' Share Option Scheme (ESOS) with exercise prices ranging from RM1.74 to RM3.47 per share. The total cash proceeds arising from the exercise of options under the ESOS during the current financial year-to-date amounted to RM25,704,286.

7. **Dividends paid**

There were no payment of dividend during the current financial quarter and year-to-date ended 31 January 2007.

8. **Segmental Reporting**

	<b>Property Development</b>	<b>Construction</b>	<b>Other Operations</b>	<b>Eliminations</b>	<b>Consolidated</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
External Sales	192,147	47,610	15,449	-	255,206
Inter-segment sales	9,048	9,255	2,398	(20,701)	-
Total Revenue	201,195	56,865	17,847	(20,701)	255,206
<u>Results</u>					
Segment results	47,280	4,140	1,390	-	52,810
Net Profit from investing Activities - others					4,345
Share of profits less losses of associated companies and dividend on preference shares	4,236	1,521	(1)	-	5,756
Finance costs					(276)
Profit before taxation					62,635
Taxation					(15,890)
Profit for the period					46,745

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 current quarter ended 31 January 2007 till 21 March 2007 (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 11, Note 8(g), (h) and (i) 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.

**12. Contingent Liabilities**

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

**13. Commitments**

	<b>31/01/2007</b>
	RM'000
Contractual commitment to purchase development land	216,561
Contractual commitment for acquisition of property, plant and equipment	439
Conditional contractual commitment to acquire development land	<u>9,120</u>

**14. Related Party Transactions**

	<b>01/11/2006</b>
	<b>to</b>
	<b>31/01/2007</b>
	RM'000
<i>Transactions with associated companies:</i>	
(i) Construction services rendered	7,485
(ii) Security services rendered	75
(iii) Project management and administrative fee received and receivable	1,530
(iv) Rental received and receivable	93
(v) Marketing expenses charged	<u>50</u>
<i>Transactions with directors of the Company and companies, firms in which they have interests:</i>	
(i) Rental paid to a director	8
(ii) Rental paid to a company in which a director has interest	18
(iii) Legal fees charged by a firm in which a director is a consultant	69
(iv) Disposal of a motor vehicle to a director	<u>150</u>

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

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

For the current year to date, the Group achieved a profit after taxation of RM46.7 million on the back of revenue totalling RM255.2 million. The Group's profit and revenue were mainly derived from its property development activities carried out in *Setia Alam* at Shah Alam, *Duta Tropika* at Sri Hartamas, *Bukit Indah* at Bandar Nusajaya, *Setia Indah* and *Setia Tropika* in Johor. Apart from property development, the Group's construction and wood-based manufacturing activities also contributed to the earnings achieved.

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

The group's current quarter profit before tax is RM62.6 million, which is lower than the preceding quarter ended 31 October 2006. This was primarily due to the following:

- the large volume of completed properties handed over to purchasers during the quarter ended 31 October 2006 in our Klang Valley projects namely *Setia Alam* and *Setia Eco-Park* in Shah Alam as well as *Duta Tropika* in Sri Hartamas which resulted in higher profits recognised in the preceding quarter.
- Slower progress of works in the month of December 2006 and early January 2007 due to inclement weather in Johor Bahru.

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

The Board of Directors remains confident that the Group's performance for the current financial year will be better than the previous financial year. This is due to the continued positive sales performance recorded by the Group's projects in Klang Valley and Johor Bahru, the upcoming launch of *Setia Pearl Island* in Penang and 2 proposed new commercial development projects namely *Setia Avenue* in *Setia Alam* and *Setia Walk* in *Pusat Bandar Puchong*.

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

Not applicable as no profit forecast was published.

**5. Income Tax**

Income Tax comprises: -

	FIRST QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/01/2007 RM'000	31/01/2006 RM'000	31/01/2007 RM'000	31/01/2006 RM'000
- current income tax	18,487	19,126	18,487	19,126
- deferred taxation	(2,597)	(2,210)	(2,597)	(2,210)
	<u>15,890</u>	<u>16,916</u>	<u>15,890</u>	<u>16,916</u>

**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 financial year-to-date were as follows:-

	RM'000
Total purchase consideration	-
Total sale proceeds	<u>10,071</u>
Total profit on disposal	<u>2,365</u>

Total investments in quoted securities as at 31 January 2007 were as follows:-

	RM'000
At cost	13,127
At book value	9,372
Market value	13,110

#### 8. Status of Corporate Proposals

The following are the corporate proposals that have been announced by the Company but not completed as at 21 March 2007, 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) Proposed disposal by S P Setia Berhad, as announced on 24 April 2004, of its entire 50% equity interest in Setia Putrajaya Sdn. Bhd. ("SPJ") comprising 25,000,000 ordinary shares of RM1.00 each to Prudent Location Sdn. Bhd. ("Prudent"), a company incorporated with the objective of assuming the listing status of Kramat Tin Dredging Berhad ("Kramat"), for a total consideration of RM74 million to be satisfied by the issuance of RM37 million ordinary shares of RM1.00 each in Prudent and RM37 million irredeemable convertible preference shares ("ICPS") of RM1.00 each in Prudent.

Subsequently, as announced on 15 April 2005, the total consideration for the disposal of S P Setia Berhad's 50% equity interest in SPJ was revised to approximately RM69 million to be satisfied by the issuance of approximately RM34.5 million ordinary shares of RM1.00 each in Prudent and approximately RM34.5 million ICPS of RM1.00 each in Prudent.

The Securities Commission has approved the proposal submitted by Kramat, vide their letter dated 9 June 2005 subject to certain terms and conditions – the revised deadline for the implementation of the proposal is 31 October 2007;

- (c) Proposed acquisition by Setia Promenade Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad, as announced on 27 September 2005, of approximately 112.59 acres of freehold land comprising the Total Golf Land (approx 103.25 acres), Club Land (approx 4.60 acres) and Hotel Land (approx 4.74 acres) held under various titles situated in Mukim 12, District of Barat Daya, State of Pulau Pinang from PPH Resorts (Penang) Sdn Bhd for a total cash consideration of RM144,280,000 ("Purchase Consideration").

Subsequently, as announced on 23 June 2006, both parties have mutually agreed to modify the mode and manner of payment which led to a reduction of Purchase Consideration by RM4,000,000 to RM140,280,000. The proposed acquisition became unconditional on 18 August 2006. The acquisition of the Total Golf Land and Club Land has been completed and vacant possession of the Lands has been delivered on 2 November 2006. The acquisition of the Hotel Land for a consideration sum of RM12 million is still pending completion;

- (d) Conditional agreement to lease between Bandar Setia Alam Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad and Tesco Stores (Malaysia) Sdn Bhd of approximately 8 acres of freehold land together with building in the Mukim of Bukit Raja, District of Petaling, State of Selangor, as announced on 30 May 2006;

- (e) Proposed joint venture between Setia Promenade Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad with PPH Resorts (Penang) Sdn Bhd on approximately 45 acres of freehold land in the state of Pulau Pinang as announced on 12 December 2006;
- (f) Proposed acquisition by Kesas Kenangan Sdn Bhd (“Kesas Kenangan”) a wholly owned subsidiary of S P Setia Berhad’s wholly owned subsidiary, Futurecrest (M) Sdn Bhd (“ Futurecrest”), of a piece of freehold land measuring approximately 948.703 acres and held under various titles situated in Mukim of Pulau, District of Johor Bahru from Kawasan Mestika Sdn Bhd as vendor and Gan Theng Enterprise Sdn Bhd as proprietor for a total cash consideration of RM227,290,264.74 and the proposed issuance by Kesas Kenangan of 29,999,998 ordinary shares of RM1.00 each (“Shares”) at an issue price of RM1.00 per Share and 70,000,000 cumulative redeemable preference shares of RM0.01 each (“RPS”) at an issue price of RM1.00 per RPS to Futurecrest and Topasia Projects Sdn Bhd as announced on 10 January 2007;
- (g) Proposed disposal by Bukit Indah (Johor) Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad, of a piece of land measuring approximately 37.78 acres held under H.S.(D) 433016, Lot PTD 90606, Mukim of Pulau, District of Johor Bahru to Raion Capital Berhad for a cash consideration of RM106,970,292 as announced on 14 February 2007;
- (h) Conditional development agreement and lease agreement between Bandar Setia Alam Sdn Bhd (“Lessor”), a wholly owned subsidiary of S P Setia Berhad and Tenby Educare Sdn Bhd (“Lessee”) for the construction of an integrated school complex together with necessary infrastructure on a piece of freehold land measuring approximately 14 acres situated at Mukim of Bukit Raja, District of Petaling, State of Selangor Darul Ehsan and for the lease of the land and school complex to the Lessee, as announced on 8 March 2007; and
- (i) Proposed disposal by Ambleside Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad, of a piece of leasehold commercial land measuring approximately 14.5 acres held under H.S.(D) 83614, Lot PTD 1019, Mukim of Ulu Kelang, District of Kuala Lumpur to AEON CO.(M) Bhd for a cash consideration of RM53,687,700 as announced on 13 March 2007.

#### 9. Group Borrowings and Debt Securities

Total group borrowings as at 31 January 2007 were as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	RM'000	RM'000	RM'000
Hire Purchase & Leasing Borrowings	-	3,072	3,072
Bank Overdraft	3,692	3,520	7,212
Short Term Bank Borrowings	56,000	8,000	64,000
Long Term Bank Borrowings	502,184	-	502,184
	561,876	14,592	576,468

#### 10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 21 March 2007, 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 21 March 2007, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

#### 12. Dividends

No interim dividend has been recommended in respect of the financial period ended 31 January 2007.

### 13. Earnings Per Share Attributable To Equity Holders of The Company

The basic earnings per share has been calculated by dividing the Group's profit by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:-

	FIRST QUARTER PRECEDING		CUMULATIVE QUARTER PRECEDING	
	CURRENT YEAR QUARTER 31/01/2007 RM'000	YEAR CORRESPONDING QUARTER 31/01/2006 RM'000	CURRENT YEAR TO DATE 31/01/2007 RM'000	YEAR CORRESPONDING PERIOD 31/01/2006 RM'000
Profit for the period	46,746	46,349	46,746	46,349
Number of ordinary shares at beginning of the period	664,685	654,312	664,685	654,312
Effect of shares issued pursuant to Company's ESOS	5,093	3,274	5,093	3,274
Weighted average number of ordinary shares	669,778	657,586	669,778	657,586
Basic Earnings Per share (sen)	6.98	7.05	6.98	7.05

The diluted earnings per share has been calculated by dividing the Group's profit by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the ESOS, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	FIRST QUARTER PRECEDING		CUMULATIVE QUARTER PRECEDING	
	CURRENT YEAR QUARTER 31/01/2007 RM'000	YEAR CORRESPONDING QUARTER 31/01/2006 RM'000	CURRENT YEAR TO DATE 31/01/2007 RM'000	YEAR CORRESPONDING PERIOD 31/01/2006 RM'000
Profit for the period	46,746	46,349	46,746	46,349
Weighted average number of ordinary shares as per basic EPS	669,778	657,586	669,778	657,586
Effect of share options	946	1,845	946	1,845
Weighted average number of ordinary shares (diluted)	670,724	659,431	670,724	659,431
Diluted Earnings Per share (sen)	6.97	7.03	6.97	7.03