

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

Interim Financial Report
30 April 2007

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S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2007

	(UNAUDITED) AS AT CURRENT FINANCIAL YEAR END 30/04/2007 RM'000	(RESTATED) AS AT PRECEDING FINANCIAL YEAR END 31/10/2006 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	49,481	47,207
Investment Properties	102,930	92,180
Prepaid lease payments	895	899
Land Held for Property Development	833,759	735,826
Investment in Associated Companies	222,603	210,058
Long Term Investments	3,289	17,724
Amount owing by Associated Companies	368	400
Deferred tax assets	1,192	644
	1,214,517	1,104,938
Current Assets		
Property Development costs	747,685	715,653
Gross amount due from customers	30,688	25,745
Inventories	21,995	25,423
Trade and other receivables	360,961	419,031
Amount owing by associated companies	14,010	19,423
Current tax assets	14,083	11,830
Deposits	126,579	204,151
Cash and bank balances	96,122	99,733
	1,412,123	1,520,989
TOTAL ASSETS	2,626,640	2,625,927
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	504,454	498,513
Reserves		
Share Premium	438,430	417,274
Option Reserve	-	1,395
Retained Profit	744,435	689,513
Dividend	49,100	95,715
Equity Attributable to Equity Holders of the Company	1,736,419	1,702,410
Minority Interests	1,301	1,302
Total Equity	1,737,720	1,703,712
Non-current liabilities		
Long Term Borrowings	506,557	520,284
Other Long Term Liabilities	1,446	1,446
Deferred Tax Liabilities	2,351	2,214
	510,354	523,944
Current Liabilities		
Trade and other payables	292,891	319,799
Short term borrowings	58,326	63,390
Bank overdraft	6,252	-
Current tax liabilities	21,097	15,082
	378,566	398,271
Total liabilities	888,920	922,215
TOTAL EQUITY AND LIABILITIES	2,626,640	2,625,927
Net Assets Per Share (RM)	2.58	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 30 APRIL 2007
(The figures have not been audited)

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER (RESTATED)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD (RESTATED)
	30/04/2007 RM'000	30/04/2006 RM'000	30/04/2007 RM'000	30/04/2006 RM'000
Revenue	286,802	298,293	542,008	577,413
Cost of sales	(201,483)	(217,386)	(381,252)	(421,028)
Gross profit	85,319	80,907	160,756	156,385
Other operating income	1,359	1,218	3,269	2,744
Selling and marketing expenses	(5,766)	(3,640)	(8,964)	(7,205)
Administrative and general expenses	(14,417)	(9,992)	(35,756)	(26,896)
Profit from operations	66,495	68,493	119,305	125,028
Net profit from investing activities				
- gross dividend from unquoted preference shares in an associated company	1,715	1,715	3,487	3,487
- others	4,982	4,068	9,327	6,209
Share of profits less losses of associated companies	7,588	5,334	11,572	8,561
Finance costs	(235)	(300)	(511)	(711)
Profit before taxation	80,545	79,310	143,180	142,574
Tax expense	(20,786)	(20,831)	(36,676)	(37,747)
Profit for the period	59,759	58,479	106,504	104,827
Attributable to:				
Equity holders of the Company	59,759	58,479	106,505	104,828
Minority interests	-	-	(1)	(1)
	59,759	58,479	106,504	104,827
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	8.88	8.85	15.87	15.91
- Diluted earnings per share (sen)	8.88	8.83	15.86	15.87

(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 30 APRIL 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
Balance at 1.11.2006								
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)	-	-	-	-
Balance at 1.11.2006 (restated)	498,513	417,274	1,395	689,513	95,715	1,702,410	1,302	1,703,712
Profit for the period	-	-	-	106,505	-	106,505	(1)	106,504
Final dividend paid	-	-	-	(2,485)	(95,715)	(98,200)	-	(98,200)
Interim dividend declared	-	-	-	(49,100)	49,100	-	-	-
Issue of ordinary shares pursuant to ESOS	5,941	21,156	(1,393)	-	-	25,704	-	25,704
ESOS lapsed	-	-	(2)	2	-	-	-	-
Balance at 30.04.2007	504,454	438,430	-	744,435	49,100	1,736,419	1,301	1,737,720
Balance at 1.11.2005	490,734	398,623	-	595,473	89,510	1,574,340	1,359	1,575,699
Profit for the period	-	-	-	104,828	-	104,828	(1)	104,827
Final dividend paid	-	-	-	(849)	(89,510)	(90,359)	-	(90,359)
Interim dividend declared	-	-	-	(47,585)	47,585	-	-	-
Share option granted under ESOS	-	-	613	-	-	613	-	613
Issue of ordinary shares pursuant to ESOS	4,947	9,476	-	-	-	14,423	-	14,423
ESOS lapsed	-	-	(2)	2	-	-	-	-
Balance at 30.04.2006	495,681	408,099	611	651,869	47,585	1,603,845	1,358	1,605,203

(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 30 APRIL 2007
(The figures have not been audited)

	6 MONTHS ENDED 30/04/2007 RM'000	6 MONTHS ENDED 30/04/2006 RM'000
Profit before taxation	143,180	142,574
Adjustments for:-		
Non-cash items	(15,919)	(11,391)
Non-operating items	(8,735)	(4,814)
Operating profit before changes in working capital	<u>118,526</u>	<u>126,369</u>
Net Change in current assets	(21,583)	(80,169)
Net Change in current liabilities	(26,785)	33,482
Cash generated from operations	<u>70,158</u>	<u>79,682</u>
Interest received	1,678	1,535
Interest paid	(15,293)	(14,318)
Tax paid	(32,005)	(34,864)
Net cash generated from operating activities	<u>24,538</u>	<u>32,035</u>
Investing Activities		
Other investments	(15,454)	6,284
Net cash (used in)/generated from investing activities	<u>(15,454)</u>	<u>6,284</u>
Financing Activities		
Transactions with shareholders	(72,496)	(75,936)
Bank borrowings	(19,875)	(48,021)
Net cash used in financing activities	<u>(92,371)</u>	<u>(123,957)</u>
Net changes in cash and cash equivalents	(83,287)	(85,638)
Cash and cash equivalents at 1 November	293,799	398,117
Cash and cash equivalents at 30 April	<u>210,512</u>	<u>312,479</u>

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

	30.04.2007 RM'000	30.04.2006 RM'000
Deposits	126,579	195,530
Cash and bank balances	96,122	125,730
Bank overdraft	(6,252)	(5,809)
	<u>216,449</u>	<u>315,451</u>
Less: Deposits pledged to licensed banks	(96)	(91)
Sinking Fund and Escrow Accounts	(5,841)	(2,881)
	<u>210,512</u>	<u>312,479</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 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:

	As previously reported RM'000	Effect RM'000	As restated RM'000
Balance Sheet			
At 31 October 2006			
Share Premium	416,710	564	417,274
Option Reserve	-	1,395	1,395
Unappropriated Profit	691,472	(1,959)	689,513
Income Statement			
3 months ended 30 April 2006			
Cost of sales	216,976	410	217,386
Administrative expenses	9,789	203	9,992
6 months ended 30 April 2006			
Cost of sales	420,618	410	421,028
Administrative expenses	26,693	203	26,896

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 figures have been restated to conform with the presentation in the current period as follows:-

	As previously reported RM'000	Effect RM'000	As restated RM'000
Balance Sheet			
At 31 October 2006			
Property, plant and equipment	140,286	(93,079)	47,207
Investment properties	-	92,180	92,180
Prepaid lease payments	-	899	899

	As previously reported RM'000	Effect RM'000	As restated RM'000
Income Statement			
3 months ended 30 April 2006			
Share of profits less losses of associated companies	7,531	(2,197)	5,334
Profit before taxation	82,120	(2,810)	79,310
Tax expense	23,028	(2,197)	20,831
6 months ended 30 April 2006			
Share of profits less losses of associated companies	12,298	(3,737)	8,561
Profit before taxation	146,924	(4,350)	142,574
Tax expense	41,484	(3,737)	37,747

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 30 April 2007.

5. **Changes in estimates**

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

A final dividend of 20 sen less 27% income tax amounting to RM98,200,362 was paid in respect of the financial year ended 31 October 2006.

8. Segmental Reporting

	Property Development RM'000	Construction RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>					
External Sales	431,050	82,047	28,911	-	542,008
Inter-segment sales	16,183	13,687	4,806	(34,676)	-
Total Revenue	447,233	95,734	33,717	(34,676)	542,008
<u>Results</u>					
Segment results	111,849	5,212	2,244	-	119,305
Net Profit from investing Activities - others					9,327
Share of profits less losses of associated companies and dividend on preference shares	11,790	3,270	(1)	-	15,059
Finance costs					(511)
Profit before taxation					143,180
Tax expense					(36,676)
Profit for the period					106,504

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 30 April 2007 till 20 June 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 12, Note 8(k) 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 the following:-

- (a) Acquisition of 70 ordinary shares of RM1.00 each in Aeropod Sdn Bhd ("Aeropod") resulting Aeropod becoming a 70% owned subsidiary of S P Setia Berhad; and
- (b) Acquisition of 70 ordinary shares of RM1.00 each in Exceljade Sdn Bhd ("Exceljade") resulting in Exceljade becoming a 70% owned subsidiary of S P Setia Berhad.

12. Contingent Liabilities

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

13. Commitments

	30/04/2007
	RM'000
Contractual commitment to purchase development lands	298,214
Contractual commitment for acquisition of property, plant and equipment	439
Conditional contractual commitment to acquire development land	9,120
Conditional contractual commitment to acquire unquoted shares	2,076
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14. Related Party Transactions

	01/11/2006
	to
	30/04/2007
	RM'000
<i>Transactions with associated companies:</i>	
(i) Construction services rendered	11,860
(ii) Security services rendered	171
(iii) Project management and administrative fee received and receivable	3,670
(iv) Rental received and receivable	186
(v) Marketing expenses charged	91
(vi) Sale of development property to a director of subsidiary companies	1,140
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<i>Transactions with directors of the Company and companies, firms in which they have interests:</i>	
(i) Rental paid to a director	15
(ii) Rental paid to a company in which a director has interest	36
(iii) Legal fees charged by a firm in which a director is a consultant	84
(iv) Disposal of a motor vehicle to a director	150
(v) Sale of development properties to directors of the Company	1,198
(vi) Sale of development properties to directors of subsidiary companies	1,749
(vii) Sale of development properties to companies in which a director of the Company has financial interest	12,074
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**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 RM106.5 million on the back of revenue totalling RM542 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, *SetiaHills* at Bukit Indah Ampang, *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 RM80.5 million, which is RM17.9 million higher than the preceding quarter ended 31 January 2007. This was mainly attributable to higher profit recognised on properties sold in *Setia Indah* and *Setia Tropika* in Johor and the commencement of profit recognition on properties sold in *SetiaHills* in Bukit Indah Ampang.

3. Prospects for the Current Financial Year

The Board of Directors remain 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, Johor Bahru and favourable sales performance in our maiden launch of *Setia Pearl Island* in Penang.

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 30/04/2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2006 RM'000	CURRENT YEAR TO DATE 30/04/2007 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2006 RM'000
- current income tax	18,085	18,194	36,572	37,320
- deferred taxation	2,187	2,637	(410)	427
- in respect of prior years	514	-	514	-
	20,786	20,831	36,676	37,747

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 were as follows:-

	CURRENT QUARTER 30/04/2007 RM'000	CURRENT YEAR TO DATE 30/04/2007 RM'000
Total purchase consideration	-	-
Total sale proceeds	9,611	19,682
Total profit on disposal	3,130	5,495

Total investments in quoted securities as at 30 April 2007 were as follows:-

	RM'000
At cost	6,647
At book value	2,952
Market value	4,050

8. Status of Corporate Proposals

The following are the corporate proposals that have been announced by the Company but not completed as at 20 June 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) 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;

- (d) 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;
- (e) 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 (“RPS”) of RM0.01 each at an issue price of RM1.00 per RPS to Futurecrest and Topasia Projects Sdn Bhd as announced on 10 January 2007;
- (f) 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;
- (g) 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;
- (h) 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;
- (i) Proposed conditional share sale and purchase agreement as announced on 12 April 2007 for the acquisition by S P Setia Berhad of an existing 70% equity interest in Kemboja Mahir Sdn Bhd from Dato’ Abu Sujak bin Mahmud and Beh Hang Kong at a total purchase consideration of RM2,306,500;
- (j) Proposed acquisition as announced on 12 April 2007 by Exceljade Sdn Bhd (“Excel”), a subsidiary of S P Setia Berhad of 2 pieces of freehold land, one measuring approximately 3.93 acres held under Geran 40001 Lot 28 Bandar and District of Kuala Lumpur State of Wilayah Persekutuan from Swasta Setia Holdings Sdn Bhd for a cash consideration of RM51,289,700 and another measuring approximately 2.03 acres held under Geran 40002 Lot 29 Bandar and District of Kuala Lumpur State of Wilayah Persekutuan from Swasta Setia Properties Sdn Bhd for a cash consideration of RM26,547,100; and
- (k) Proposed acquisition as announced on 30 May 2007 by Sendiman Sdn Bhd, a subsidiary of S P Setia Berhad, of approximately 6.204 acres of freehold land held under various titles situated in Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan from Tenaga Nasional Berhad for a total cash consideration of RM73,866,605.

9. Group Borrowings and Debt Securities

Total group borrowings as at 30 April 2007 were as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Hire Purchase & Leasing Borrowings	-	3,557	3,557
Bank Overdraft	-	6,252	6,252
Short Term Bank Borrowings	47,884	9,000	56,884
Long Term Bank Borrowings	504,442	-	504,442
	<u>552,326</u>	<u>18,809</u>	<u>571,135</u>

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 20 June 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 20 June 2007, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

12. Dividends

(a) The board of Directors has recommended an interim dividend in respect of the financial year ending 31 October 2007.

(ii) Amount per share : 10 sen less income tax of 27%

(iii) Previous corresponding period : 10 sen less income tax of 28%

(iv) Date payable : 9 August 2007

(v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 25 July 2007.

(b) Total dividend for the current financial period : 10 sen less income tax of 27%

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:-

	SECOND QUARTER PRECEDING		CUMULATIVE QUARTER PRECEDING	
	CURRENT YEAR QUARTER 30/04/2007 RM'000	YEAR CORRESPONDING QUARTER 30/04/2006 RM'000	CURRENT YEAR TO DATE 30/04/2007 RM'000	YEAR CORRESPONDING PERIOD 30/04/2006 RM'000
Profit for the period	59,759	58,479	106,505	104,828
Number of ordinary shares at beginning of the period	672,605	659,954	664,685	654,312
Effect of shares issued pursuant to Company's ESOS	-	592	6,483	4,729
Weighted average number of ordinary shares	672,605	660,546	671,168	659,041
Basic Earnings Per share (sen)	8.88	8.85	15.87	15.91

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:

	SECOND QUARTER PRECEDING		CUMULATIVE QUARTER PRECEDING	
	CURRENT YEAR QUARTER 30/04/2007 RM'000	YEAR CORRESPONDING QUARTER 30/04/2006 RM'000	CURRENT YEAR TO DATE 30/04/2007 RM'000	YEAR CORRESPONDING PERIOD 30/04/2006 RM'000
Profit for the period	59,759	58,479	106,505	104,828
Weighted average number of ordinary shares as per basic EPS	672,605	660,546	671,168	659,041
Effect of share options	-	1,422	473	1,661
Weighted average number of ordinary shares (diluted)	672,605	661,968	671,641	660,702
Diluted Earnings Per share (sen)	8.88	8.83	15.86	15.87