

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

**Interim Financial Report**  
**31 January 2009**

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	Page No.
Condensed Consolidated Balance Sheet	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Cash Flow Statement	4
Notes to the Interim Financial Report	5-7
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	8-13

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JANUARY 2009**

	(UNAUDITED) AS AT CURRENT FINANCIAL YEAR END 31/01/2009 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/10/2008 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	80,811	80,226
Investment Properties	170,220	167,931
Land Held for Property Development	1,154,593	1,133,456
Prepaid Lease Payments	877	880
Investment in Associated Companies	110,666	106,560
Other Investments	551	553
Amount Owing by Associated Companies	992	304
Amount Owing by Jointly Controlled Operation	6,550	6,447
Deferred Tax Assets	14,676	14,520
	1,539,936	1,510,877
<b>Current Assets</b>		
Property Development Costs	833,848	786,262
Gross Amount Due From Customers	3,904	10,163
Inventories	26,734	29,630
Trade And Other Receivables	310,796	342,907
Amount Owing by Associated Companies	16,564	14,877
Amount Owing By Jointly Controlled Entities	11,673	5,032
Current Tax Assets	25,842	23,449
Deposits	399,267	393,598
Cash and Bank Balances	172,770	199,225
	1,801,398	1,805,143
<b>TOTAL ASSETS</b>	3,341,334	3,316,020
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	762,604	762,524
Reserves		
Share Premium	218,017	217,584
Warrant Reserve	47,766	47,798
Exchange Translation Reserve	503	1,500
Retained Earnings	977,111	945,936
<b>Equity Attributable to Equity Holders of the Company</b>	2,006,001	1,975,342
<b>Minority Interests</b>	358	358
<b>Total Equity</b>	2,006,359	1,975,700
<b>Non-current liabilities</b>		
Long Term Borrowings	870,902	886,769
Other Long Term Liabilities	1,446	1,446
Deferred Tax Liabilities	1,178	1,194
	873,526	889,409
<b>Current Liabilities</b>		
Trade And Other Payables	372,982	367,381
Short Term Borrowings	69,665	67,266
Bank Overdrafts	11,860	6,790
Current Tax Liabilities	6,942	9,474
	461,449	450,911
<b>Total Liabilities</b>	1,334,975	1,340,320
<b>TOTAL EQUITY AND LIABILITIES</b>	3,341,334	3,316,020
Net Assets Per Share (RM)	1.97	1.94

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 JANUARY 2009**  
*(The figures have not been audited)*

	FIRST QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/01/2009 RM'000	31/01/2008 RM'000	31/01/2009 RM'000	31/01/2008 RM'000
Revenue	259,916	303,657	259,916	303,657
Cost of sales	(198,927)	(206,980)	(198,927)	(206,980)
Gross profit	60,989	96,677	60,989	96,677
Other operating income	2,745	2,916	2,745	2,916
Selling and marketing expenses	(2,764)	(7,563)	(2,764)	(7,563)
Administrative and general expenses	(24,939)	(27,177)	(24,939)	(27,177)
Profit from operations	36,031	64,853	36,031	64,853
Net profit from investing activities	5,796	4,044	5,796	4,044
Share of profits less losses of associated companies	3,321	3,072	3,321	3,072
Finance costs	(609)	(4,079)	(609)	(4,079)
Profit before taxation	44,539	67,890	44,539	67,890
Taxation	(13,364)	(19,364)	(13,364)	(19,364)
Profit for the period	31,175	48,526	31,175	48,526
Attributable to:				
Equity holders of the Company	31,175	48,526	31,175	48,526
Minority interests	-	-	-	-
	31,175	48,526	31,175	48,526
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	3.07	4.81	3.07	4.81
- Diluted earnings per share (sen)	- *	4.80	- *	4.80

\* *Anti-dilutive*

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 JANUARY 2009**  
*(The figures have not been audited)*

	Attributable to Equity Holders of the Company					Minority Interests	Total Equity	
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Exchange Translation Reserve RM'000	Unappropriated Profit RM'000			Total RM'000
<b>Balance at 1.11.2008</b>	762,524	217,584	47,798	1,500	945,936	1,975,342	358	1,975,700
Net expenses recognised directly in equity								
- Translation differences for the year	-	-	-	(997)	-	(997)	-	(997)
Profit for the period	-	-	-	-	31,175	31,175	-	31,175
Issue of ordinary shares pursuant to - Exercise of Warrants	80	433	(32)	-	-	481	-	481
<b>Balance at 31.01.2009</b>	762,604	218,017	47,766	503	977,111	2,006,001	358	2,006,359
<b>Balance at 1.11.2007</b>	504,454	438,430	-	-	897,999	1,840,883	492	1,841,375
Profit for the period	-	-	-	-	48,526	48,526	-	48,526
Issue of shares - 1 for 2 bonus issue	252,227	(252,227)	-	-	-	-	-	-
Issue of warrants	-	-	37,528	-	-	37,528	-	37,528
<b>Balance at 31.01.2008</b>	756,681	186,203	37,528	-	946,525	1,926,937	492	1,927,429

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 JANUARY 2009**  
*(The figures have not been audited)*

	<b>3 MONTHS ENDED 31/01/2009 RM'000</b>	<b>3 MONTHS ENDED 31/01/2008 RM'000</b>
Profit before taxation	44,539	67,890
Adjustments for:-		
Non-cash items	(166)	(1,155)
Non-operating items	(6,647)	(2,055)
Operating profit before changes in working capital	<u>37,726</u>	<u>64,680</u>
Net Change in current assets	27,661	18,037
Net Change in current liabilities	(24,986)	(15,601)
Cash generated from operations	<u>40,401</u>	<u>67,116</u>
Interest received	1,266	1,243
Interest paid	(11,365)	(8,122)
Rental received	142	221
Tax paid	(18,180)	(19,763)
Net cash generated from operating activities	<u>12,264</u>	<u>40,695</u>
<b>Investing Activities</b>		
Equity investments	-	(2,292)
Other investments	(16,010)	(105,170)
Net cash used in investing activities	<u>(16,010)</u>	<u>(107,462)</u>
<b>Financing Activities</b>		
Transactions with shareholders	481	-
Bank borrowings	(16,719)	(214,737)
Others financing activities	-	499,751
Net cash generated from financing activities	<u>(16,238)</u>	<u>285,014</u>
Net changes in cash and cash equivalents	(19,984)	218,247
<b>Effect of exchange rate changes</b>	(235)	-
<b>Cash and cash equivalents at 1 November 2008/2007</b>	575,502	397,617
<b>Cash and cash equivalents at 31 January 2009/2008</b>	<u>555,283</u>	<u>615,864</u>

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

	<b>31.01.2009 RM'000</b>	<b>31.01.2008 RM'000</b>
Deposits	399,267	445,731
Cash and bank balances	172,770	193,171
Bank overdrafts	(11,860)	(18,274)
	<u>560,177</u>	<u>620,628</u>
Less: Deposits pledged to licensed banks	(3,947)	(98)
Sinking Fund and Escrow Accounts	(947)	(4,666)
	<u>555,283</u>	<u>615,864</u>

(The Condensed Consolidated cash flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

## 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 2008.

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 2008.

### 2. 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.

### 3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items for the financial period ended 31 January 2009.

### 4. Changes in estimates

There were no material changes in estimates for the financial period ended 31 January 2009.

### 5. Debts and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current year-to-date except for the following:-

- a) 107,350 new ordinary shares of RM0.75 each pursuant to the exercise of warrants at RM4.48 per share. The total cash proceeds arising from the exercise of warrants during the current financial year to-date amounted to RM480,928.

### 6. Dividends paid

There were no payment of dividend during the current financial quarter and year-to-date ended 31 January 2009.

## 7. 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	228,627	10,110	21,179	-	259,916
Inter-segment sales	7,903	660	12,125	(20,688)	-
Total revenue	236,530	10,770	33,304	(20,688)	259,916
<u>Results</u>					
Segment results	35,868	(821)	984	-	36,031
Net profit from investing activities					5,796
Share of net profits less losses of associated companies	2,840	481	-	-	3,321
Finance costs					(609)
Profit before taxation					44,539
Tax expense					(13,364)
Profit for the period					31,175

## 8. Material Events subsequent to the End of Period

There were no material transactions or events subsequent to the current quarter ended 31 January 2009 till 12 March 2009 (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 10, Note 8(ii) and page 11, Note 8(vii) of the Status of Corporate Proposals.

## 9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year.

## 10. Contingent Liabilities

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

## 11. Capital Commitments

	<b>31/01/2009</b>
	RM'000
Contractual commitment to purchase development lands	70,533
Contractual commitment for acquisition of investment properties	6,508
Contractual commitment for acquisition of property, plant and equipment	3,915
	<u>3,915</u>

## 12. Significant Related Party Transactions

	01/11/2008 To 31/01/2009 RM'000
<i>Transactions with associated companies:</i>	
( i ) Construction services rendered	2,859
( ii ) Security services rendered	136
( iii ) Project management and administrative fee received and receivable	1,845
( iv ) Marketing expenses charged	38
( v ) Sale of goods	3,448
( vi ) Rental paid and payable	<u>143</u>
 <i>Transaction with jointly controlled entities:</i>	
( i ) Interest charged	119
( ii ) Project management fee charged	244
( iii ) Security services rendered	17
( iv ) Sales of goods	<u>940</u>
 <i>Transactions with directors of the Company and subsidiary companies, members of their family and companies, firms and trust body in which they have interests:</i>	
( i ) Rental paid to a company in which a director has interest	18
( ii ) Security services rendered to a director of the Company	41
( iii ) Security services rendered to a director of subsidiary Company	11
( iv ) Security services rendered to a trust body in which a director of the Company and a director of subsidiary companies are the trustee	21
( v ) Disposal of motor vehicles to directors of the Company	1,625
( vi ) Disposal of motor vehicles to directors of subsidiary companies	734
( vii ) Disposal of motor vehicles to company in which a director of the Company has financial interest	<u>630</u>

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

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

For the current year to date, the Group achieved a profit after taxation of RM31.2 million on the back of revenue totalling RM260 million. The Group's profit and revenue were mainly derived from its property development activities carried out in the Klang Valley, Johor Bahru and Penang. Ongoing projects which contributed to the Group's profit and revenue include *Setia Alam* and *Setia Eco-Park* at Shah Alam, *SetiaHills* at Bukit Indah Ampang, *Bukit Indah*, *Setia Indah*, *Setia Tropika* and *Setia Eco Gardens* in Johor Bahru and *Setia Pearl Island* in Penang. Apart from property development, the Group's wood-based manufacturing activities also contributed to the earnings achieved.

The Group's profit after tax for the current financial period is RM17 million lower than the profit after tax for the preceding financial year corresponding period. This was mainly due to the inclusion of profit from the disposal of land in AU2, Mukim of Ulu Kelang, Kuala Lumpur to AEON CO.(M) Bhd amounting to RM26 million in the corresponding quarter of the preceding financial year.

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

The Group's current quarter profit before tax is RM44.5 million, which is RM58 million lower than the preceding quarter ended 31 October 2008. This is mainly due to the following:-

- Profit recognition of RM26.9 million on the disposal of the 25.07% interest held in Loh & Loh Corporation Berhad in the preceding quarter; and
- Lower profit contribution from property development due to the global financial crisis which negatively impacted sentiments beginning from September 2008 last year – this has resulted in slow property sales during the 1<sup>st</sup> quarter of this financial year.

Property development segmental margins are also lower at 15.7% this quarter compared to 17.9% in the preceding quarter. This mainly due to lower margins achieved by the initial phases of *Setia Eco Gardens* and several phases in other ongoing projects which were launched during the 1<sup>st</sup> and 2<sup>nd</sup> quarters of FY2008. For these phases, building contracts had to be awarded at the height of the construction price increase in order to enable the 24 month delivery period to purchasers to be met.

Whilst cost pressures have to a large extent abated, the Group's profit margins in the months ahead will also be impacted by the structural shift in its product mix. This is because integrated commercial and high rise development projects such as the *Setia Walk* project typically carry lower margins as compared to landed residential properties. However, due to the much higher density of such projects, the overall yield per acre of land should nevertheless be better.

### 3. Prospects for the Current Financial Year

Given the ongoing global financial turmoil and its adverse effects on the domestic economy it is evident that 2009 will be an extremely challenging year. Whilst the Group is still relatively well placed due to its strong financial position with RM572 million cash and a net gearing of only 0.19 as at 31 January 2009 this is not something we can take for granted.

The Board has already disclosed its overall strategy to ride out the present financial storm which is premised on a flexible three-pronged business model with key focus on cash-conservation and cash-generation. This business model was discussed in detail in the announcement of the Company's results for the 4<sup>th</sup> quarter of FY2008.

As mentioned above, sales during the 1<sup>st</sup> quarter was very weak due to the extreme caution exercised by potential purchasers in the light of the unending flow of bad economic and financial news. However, the Group's experience during the Asian Financial Crisis has taught us that there will still be buyers of property provided they believe that they are getting good value for their money. This was the key motivation behind the introduction of the S P Setia 5/95 Home Loan Package which was launched on 19 January 2009. Under this innovative package, which is scheduled to run for 3 months, buyers pay only 5% upon signing the SPA and nothing more until completion. This significantly lessens the upfront capital commitment faced by house-buyers and more importantly absolves buyers of any further cash outflow to service interest payment, stamp duties and legal fees until vacant possession.

To complement the 5/95 programme the Group is also coming up with new products with smaller built-ups thus lowering entry prices which the Group feels will be well-received by house-buyers in the current economic environment. Judging from the Group's leading sales indicators of approximately RM300 million in slightly less than 2 months since the launch of the 5/95 programme, the Board is confident that the proactive measures taken by management will be successful in spurring sales significantly over the 3-month promotional period.

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

Not applicable as no profit forecast was published.

#### 5. Income Tax

Income Tax comprises: -

	FIRST QUARTER PRECEDING		CUMULATIVE PRECEDING	
	CURRENT YEAR QUARTER	YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	YEAR CORRESPONDING PERIOD
	31/01/2009 RM'000	31/01/2008 RM'000	31/01/2009 RM'000	31/01/2008 RM'000
- current taxation	13,533	23,215	13,533	23,215
- deferred taxation	(590)	(3,851)	(590)	(3,851)
- in respect of prior years	421	-	421	-
	<u>13,364</u>	<u>19,364</u>	<u>13,364</u>	<u>19,364</u>

The group's effective tax rate for the current quarter is higher 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

There were no purchases and disposals of quoted securities for the financial year.

Total investments in quoted securities as at 31 January 2009 were as follows:-

	RM'000
At cost	878
At book value	214
Market value	214

## 8. Status of Corporate Proposals

The following are the status of corporate proposals that have been announced by the Company but not completed as at 12 March 2009, the latest practicable date which shall not be earlier than 7 days from the date of this announcement: -

- (i) 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 proposed mixed residential and commercial development project.

On 21 August 2007, a Memorandum of Understanding was entered into between Datuk Bandar Kuala Lumpur and Pelita Dunia Sdn Bhd, currently a wholly owned subsidiary of S P Setia Berhad, pertaining to the proposed mixed residential and commercial development of the State Lands and Private Lands;

- (ii) 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 SPJ Corporation Bhd ("SPJ Corp") (*formerly known as Prudent Location Sdn. Bhd.*), 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 SPJ Corp and RM37 million irredeemable convertible preference shares ("ICPS") of RM1.00 each in SPJ Corp.

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 SPJ Corp and approximately RM34.5 million ICPS of RM1.00 each in SPJ Corp. The Securities Commission ("SC") has approved the proposal submitted by Kramat, vide their letter dated 9 June 2005 subject to certain terms and conditions.

As announced on 27 February 2009, the proposal will not be implemented as the parties to the proposal were not able to vary the relevant agreement to extend the completion date which expired on 28 February 2009 as one of the parties to the proposal has stated its intention of not proceeding with any variations after assessing the implications of the changes which include, amongst others, the downward revision to the valuation of SPJ. The downward revision is following the development of certain material changes in relation to the development projects of SPJ and its subsidiaries which was announced on 23 January 2009;

- (iii) Conditional agreement to lease between Bukit Indah (Johor) Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad and Tesco Stores (Malaysia) Sdn Bhd of approximately 9.69 acres of freehold land together with building in the Mukim of Pulai, District of Johor Bahru, State of Johor as announced on 29 October 2007;

- (iv) Cooperation agreement as announced on 3 January 2008 by Setia Saigon East Limited and Setia D-Nine Limited, both wholly owned subsidiaries of S P Setia Berhad and Saigon Hi-Tech Park Development Company to jointly develop a mixed real property development on a parcel of land measuring approximately 32 hectares or 79 acres located in District 9, Ho Chi Minh City, Vietnam.

As announced on 5 January 2009, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 3 July 2009;

- (v) Development agreement entered into by Aeropod Sdn Bhd, a 70% owned subsidiary of S P Setia Berhad and the State Government of Sabah for the proposed development of a piece of land measuring approximately 59.21 acres in Tanjung Aru, Kota Kinabalu, Sabah as announced on 29 January 2008.

As announced on 2 February 2009, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 29 October 2009;

- (vi) Proposed disposal by Bandar Setia Alam Sdn Bhd (“BSA”), a wholly owned subsidiary of S P Setia, of approximately 30.5 acres of freehold land located within Precinct 1 of the Setia Alam township (“Said Land”) to Greenhill Resources Sdn Bhd for a total consideration of RM119,572,200.00 and proposed joint venture between BSA and Lend Lease Asian Retail Investment Fund 2 Limited, a wholesale real estate development fund managed by Lend Lease Investment Management Pte Ltd, for the development of a retail mall on the Said Land, as announced on 2 July 2008.

On 30 September 2008, the parties have mutually agreed to extend the period for the fulfilment of the conditions precedent to expire on 31 March 2009; and

- (vii) Proposed establishment of an employees share option scheme (“ESOS”) for the grant of options to eligible employees and Executive Directors of S P Setia and its subsidiaries (except for subsidiaries which are dormant) to subscribe for new shares in the Company as announced on 9 January 2009.

The ESOS was approved by the shareholders at the extraordinary general meeting on 25 February 2009 and Bursa Malaysia Securities Berhad has vide its letter dated 4 March 2009, approved in-principle the listing of the additional new ordinary shares of RM0.75 each, to be issued pursuant to the exercise of options to be granted under the ESOS.

## 9. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 January 2009 were as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	RM'000	RM'000	RM'000
Hire Purchase & Leasing Borrowings	-	308	308
Bank Overdrafts	3,390	8,470	11,860
Short Term Bank Borrowings	69,522	-	69,522
Long Term Bank Borrowings	407,108	-	407,108
2% Redeemable Serial Bonds	-	463,629	463,629
	<u>480,020</u>	<u>472,407</u>	<u>952,427</u>

## 10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 12 March 2009, 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 12 March 2009, 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 2009.

### 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 for the period attributable to equity holders of the Company by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:-

	FIRST QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2008 RM'000	CURRENT YEAR TO DATE 31/01/2009 RM'000	PRECEDING CORRESPONDING YEAR 31/01/2008 RM'000
Profit for the period attributable to equity holders of the Company	31,175	48,526	31,175	48,526
Number of ordinary shares at beginning of the period	1,016,698	672,605	1,016,698	672,605
Effect of bonus issue	-	336,303	-	336,303
Effect of shares issued pursuant to Exercise of Warrants	32	-	32	-
Weighted average number of ordinary shares	1,016,730	1,008,908	1,016,730	1,008,908
Basic Earnings Per Share (sen)	3.07	4.81	3.07	4.81

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

	FIRST QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/01/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/01/2008 RM'000	CURRENT YEAR TO DATE 31/01/2009 RM'000	PRECEDING CORRESPONDING YEAR 31/01/2008 RM'000
Profit for the period attributable to equity holders of the Company	-*	48,526	-*	48,526
Weighted average number of ordinary shares as per basic EPS	-*	1,008,908	-*	1,008,908
Effect of potential exercise of Warrants/ ESOS	-*	2,095	-*	2,095
Weighted average number of ordinary shares	-*	1,011,003	-*	1,011,003
Diluted Earnings Per Share (sen)	-*	4.80	-*	4.80

\* *Anti-dilutive.*

#### 14. Qualified audit report

The preceding audited financial statements for the year ended 31 October 2008 were not qualified.