

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

Interim Financial Report
31 October 2015

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S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2015
(The figures have not been audited)

	(UNAUDITED) As At 31 October 2015	(AUDITED) As At 31 October 2014
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	138,615	135,118
Investment Properties	813,481	700,205
Land Held for Property Development	4,602,653	4,643,294
Concession Assets	166,884	100,107
Investment in Jointly Controlled Entities	1,137,966	657,653
Investment in an Associated Company	118,021	94,101
Amount Owing by Former Joint Venture Partner	-	14,398
Deferred Tax Assets	207,993	172,706
	<u>7,185,613</u>	<u>6,517,582</u>
Current Assets		
Property Development Costs	2,745,692	2,982,007
Gross Amount Due from Customers	15,135	14,859
Inventories	57,909	46,043
Trade and Other Receivables	1,207,620	743,956
Amount Owing by Jointly Controlled Entities	480,116	315,088
Amount Owing by an Associated Company	168	-
Amount Owing by Former Joint Venture Partner	8,000	-
Current Tax Assets	71,963	76,044
Deposits	1,838,265	1,165,099
Cash and Bank Balances	1,868,956	1,246,941
	<u>8,293,824</u>	<u>6,590,037</u>
TOTAL ASSETS	<u>15,479,437</u>	<u>13,107,619</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	1,971,244	1,903,748
Reserves		
Share Premium	2,496,598	2,290,486
Option Reserve	60,499	43,363
Exchange Translation Reserve	377,078	11,958
Retained Earnings	2,070,289	1,609,026
Equity Attributable to Owners of the Company	<u>6,975,708</u>	<u>5,858,581</u>
Perpetual Bond	622,800	622,998
Non-controlling Interests	<u>357,073</u>	<u>310,101</u>
Total Equity	<u>7,955,581</u>	<u>6,791,680</u>
Non-Current Liabilities		
Long Term Borrowings	3,376,433	3,387,935
Redeemable Cumulative Preference Shares	55,768	55,768
Deferred Tax Liabilities	9,565	10,769
	<u>3,441,766</u>	<u>3,454,472</u>
Current Liabilities		
Gross Amount Due to Customers	262	163
Trade and Other Payables	2,267,335	1,924,039
Short Term Borrowings	1,603,257	879,403
Bank Overdrafts	64,067	51,656
Current Tax Liabilities	147,169	6,206
	<u>4,082,090</u>	<u>2,861,467</u>
Total Liabilities	<u>7,523,856</u>	<u>6,315,939</u>
TOTAL EQUITY AND LIABILITIES	<u>15,479,437</u>	<u>13,107,619</u>
Net Assets Per Share Attributable to Owners of the Company	<u>2.65</u>	<u>2.31</u>

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 October 2014)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 OCTOBER 2015
(The figures have not been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 October 2015	31 October 2014	31 October 2015	31 October 2014
	RM'000	RM'000	RM'000	RM'000
Revenue	1,414,733	1,233,528	5,605,823	3,810,102
Cost of sales	(1,019,823)	(875,813)	(3,989,926)	(2,702,488)
Gross profit	<u>394,910</u>	<u>357,715</u>	<u>1,615,897</u>	<u>1,107,614</u>
Other income	54,212	44,930	175,138	173,624
Selling and marketing expenses	(80,917)	(55,072)	(200,619)	(169,478)
Administrative and general expenses	(99,528)	(68,169)	(273,026)	(251,395)
Share of profits less losses of jointly controlled entities	(22,817)	(40,942)	(96,897)	(77,867)
Share of profits less losses of associated companies	186	(156)	(331)	(94)
Finance costs	(28,106)	(16,001)	(97,065)	(59,966)
Profit before taxation	<u>217,940</u>	<u>222,305</u>	<u>1,123,097</u>	<u>722,438</u>
Taxation	(78,602)	(67,404)	(335,522)	(205,719)
Profit for the period	<u>139,338</u>	<u>154,901</u>	<u>787,575</u>	<u>516,719</u>
Other comprehensive income:				
Item that may be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	231,229	(15,719)	365,658	8,867
Total comprehensive income for the period	<u>370,567</u>	<u>139,182</u>	<u>1,153,233</u>	<u>525,586</u>
Profit attributable to:				
Holders of Perpetual Bond	9,134	9,133	36,236	32,066
Non-controlling interests	10,521	14,458	41,357	78,977
	<u>19,655</u>	<u>23,591</u>	<u>77,593</u>	<u>111,043</u>
Owners of the Company	<u>119,683</u>	<u>131,310</u>	<u>709,982</u>	<u>405,676</u>
	<u>139,338</u>	<u>154,901</u>	<u>787,575</u>	<u>516,719</u>
Total comprehensive income attributable to:				
Holders of Perpetual Bond	9,134	9,133	36,236	32,066
Non-controlling interests	10,830	14,502	41,895	78,956
	<u>19,964</u>	<u>23,635</u>	<u>78,131</u>	<u>111,022</u>
Owners of the Company	<u>350,603</u>	<u>115,547</u>	<u>1,075,102</u>	<u>414,564</u>
	<u>370,567</u>	<u>139,182</u>	<u>1,153,233</u>	<u>525,586</u>
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	<u>4.58</u>	<u>5.19</u>	<u>27.66</u>	<u>16.30</u>
- Diluted earnings per share (sen)	<u>4.54</u>	<u>5.15</u>	<u>27.39</u>	<u>16.21</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 October 2014)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2015
(The figures have not been audited)

	Attributable to owners of the Company					Perpetual Bond	Non-controlling interests	Total Equity	
	Share Capital RM'000	Share Premium RM'000	Share- Based Payment Reserve RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000				Total RM'000
Balance at 1.11.2014	1,903,748	2,290,486	43,363	11,958	1,609,026	5,858,581	622,998	310,101	6,791,680
Total other comprehensive income for the period represented by exchange differences on translation of foreign operations	-	-	-	365,120	-	365,120	-	538	365,658
Profit for the period	-	-	-	-	709,982	709,982	-	41,357	751,339
Distribution for the period	-	-	-	-	-	-	36,236	-	36,236
Distribution paid	-	-	-	-	-	-	(36,434)	-	(36,434)
Transactions with owners:									
Liquidation/derecognition of subsidiary companies	-	-	-	-	-	-	-	5,077	5,077
Dividends paid	-	-	-	-	(248,719)	(248,719)	-	-	(248,719)
Issuance of ordinary shares									
- Dividend Reinvestment Plan ("DRP")	56,859	169,241	-	-	-	226,100	-	-	226,100
- Exercise of Employee Share Grant Plan ("ESGP")	5,125	16,321	(21,446)	-	-	-	-	-	-
- Exercise of Employee Share Option Scheme ("ESOS")	5,512	20,788	(3,753)	-	-	22,547	-	-	22,547
Share issuance expense	-	(238)	-	-	-	(238)	-	-	(238)
Share-based payment under Employees' Long Term Incentive Plan ("LTIP")	-	-	42,335	-	-	42,335	-	-	42,335
Balance at 31.10.2015	1,971,244	2,496,598	60,499	377,078	2,070,289	6,975,708	622,800	357,073	7,955,581
Balance at 1.11.2013	1,844,034	2,128,696	23,529	(987)	1,530,271	5,525,543	-	(846)	5,524,697
Effects arising from adoption of FRS 10 and FRS 11	-	-	-	4,057	(53,904)	(49,847)	-	256,084	206,237
Balance at 1.11.2013, as restated	1,844,034	2,128,696	23,529	3,070	1,476,367	5,475,696	-	255,238	5,730,934
Total other comprehensive income for the year represented by exchange differences on translation of foreign operations	-	-	-	8,888	-	8,888	-	(21)	8,867
Profit for the year	-	-	-	-	405,676	405,676	-	78,977	484,653
Issuance of Perpetual bond	-	-	-	-	-	-	609,000	-	609,000
Distribution for the year	-	-	-	-	-	-	32,066	-	32,066
Distribution paid	-	-	-	-	-	-	(18,068)	-	(18,068)
Transactions with owners:									
Issuance of ordinary shares									
- Dividend Reinvestment Plan ("DRP")	49,683	126,105	-	-	-	175,788	-	-	175,788
- Exercise of Employee Share Grant Plan ("ESGP")	3,048	9,751	(12,799)	-	-	-	-	-	-
- Exercise of Employee Share Option Scheme ("ESOS")	6,983	26,345	(4,751)	-	-	28,577	-	-	28,577
Share issuance expense	-	(411)	-	-	-	(411)	-	-	(411)
Disposal of a subsidiary	-	-	-	-	-	-	-	(614)	(614)
Liquidation of subsidiaries	-	-	-	-	-	-	-	821	821
Dividends paid	-	-	-	-	(273,017)	(273,017)	-	-	(273,017)
Dividends declared to non-controlling interests of subsidiary company	-	-	-	-	-	-	-	(24,300)	(24,300)
Share-based payment under Employees' Long Term Incentive Plan ("LTIP")	-	-	37,384	-	-	37,384	-	-	37,384
Balance at 31.10.2014	1,903,748	2,290,486	43,363	11,958	1,609,026	5,858,581	622,998	310,101	6,791,680

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2014)

S P SETIA BERHAD
(Company No.: 19698-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2015
(The figures have not been audited)

	12 MONTHS ENDED 31 October 2015 RM'000	12 MONTHS ENDED 31 October 2014 RM'000
Profit before taxation	1,123,097	722,438
Adjustments for:-		
Non-cash items	168,905	85,424
Non-operating items	(22,033)	(38,049)
Operating profit before changes in working capital	<u>1,269,969</u>	<u>769,813</u>
Changes in property development costs	825,523	187,288
Changes in gross amount due from/to customers	(1,184)	(14,906)
Changes in inventories	4,086	(20,850)
Changes in receivables	(139,806)	(39,254)
Changes in payables	26,211	(12,046)
Cash generated from operations	<u>1,984,799</u>	<u>870,045</u>
Interest received	30,523	36,163
Interest paid	(243,876)	(196,729)
Rental received	1,945	1,810
Tax paid	(236,001)	(263,048)
Net cash generated from operating activities	<u>1,537,390</u>	<u>448,241</u>
Investing Activities		
Additions to land held for future development	(319,850)	(488,160)
Purchase of property, plant and equipment	(26,413)	(23,062)
Additions to investment properties	(106,841)	(115,171)
Additions to concession assets	(66,777)	(56,573)
Proceeds from disposal of property, plant and equipment	788	16,496
Proceeds from disposal of investment properties	-	44,324
Proceeds from disposal of associated companies	-	1,908
Net outflow from liquidation/derecognition of subsidiary companies	(2,379)	(5,510)
Acquisition of additional shares in existing jointly controlled entities	(364,225)	(254,644)
Capital contribution to an associated company	(1,350)	(93,249)
Advances to jointly controlled entities	(126,619)	(173,257)
(Advances to)/Repayment by an associated company	(168)	9,720
Other investments	69,553	45,477
Net cash used in investing activities	<u>(944,281)</u>	<u>(1,091,701)</u>

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(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2015
(The figures have not been audited)

	12 MONTHS ENDED 31 October 2015 RM'000	12 MONTHS ENDED 31 October 2014 RM'000
Financing Activities		
Proceeds from issuance of ordinary shares - exercise of ESOS	22,547	28,577
Payment of share issuance expenses	(238)	(411)
Advances from a minority shareholder of a subsidiary company	-	15,619
Drawdown of bank borrowings	2,237,499	1,131,150
Repayment of bank borrowings	(1,589,009)	(777,265)
Proceeds from issuance of Perpetual bond	-	609,000
Perpetual bond distribution paid	(36,434)	(18,068)
Interest paid	(1,218)	(2,923)
Redeemable cumulative preference share dividends paid to minority shareholder of subsidiary companies	(1,272)	(3,353)
Dividends paid	(22,619)	(97,229)
Net cash generated from financing activities	<u>609,256</u>	<u>885,097</u>
Net changes in cash and cash equivalents	1,202,365	241,637
Effect of exchange rate changes	75,084	1,970
Cash and cash equivalents at 1 November 2014/2013	2,332,802	2,089,195
Cash and cash equivalents at 31 October 2015/2014	<u>3,610,251</u>	<u>2,332,802</u>
	31 October 2015	31 October 2014
	RM'000	RM'000
Deposits	1,838,265	1,165,099
Cash and bank balances	1,868,956	1,246,941
Bank overdrafts	(64,067)	(51,656)
	<u>3,643,154</u>	<u>2,360,384</u>
Less: Deposits pledged and maintained in Sinking Fund	(2,000)	(2,000)
Sinking Fund, Debt Service Reserve and Escrow Accounts	(30,903)	(25,582)
	<u>3,610,251</u>	<u>2,332,802</u>

(The Condensed Consolidated Statements Of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 October 2014)

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 (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2014.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 October 2014 except for the adoption of the following Amendments to FRSs:-

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRSs	Annual Improvements to FRSs 2010-2013 Cycle

The following are the Amendments to FRSs and IC Interpretation which are effective but are not applicable to the Group:-

Amendments to FRS 119	Defined Benefits Plans: Employee Contributions
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above Amendments to FRSs does not have any material impact on the financial statements of the Group.

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 October 2015.

4. Material changes in estimates

There were no material changes in estimates for the financial period ended 31 October 2015.

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 financial period-to-date except for the following:

- (a) Allotment of 6,832,119 new ordinary shares of RM0.75 each pursuant to the vesting of Employee Share Grant Plan (“ESGP”);
- (b) Issuance of 7,349,974 new ordinary shares of RM0.75 each pursuant to the exercise of Employees’ Share Options Scheme (“ESOS”) at the following option prices; and

		ESOS 1	ESOS 2
Exercise price	(RM)	<u>3.07</u>	<u>3.03</u>
No. of shares issued	(‘000)	<u>6,924</u>	<u>426</u>

- (c) Issuance of 75,811,900 new ordinary shares of RM0.75 each pursuant to Dividend Reinvestment Plan duly renewed (“DRP”) at the following issue prices:

		3 rd DRP	4 th DRP
Exercise price	(RM)	<u>3.10</u>	<u>2.83</u>
No. of shares issued	(‘000)	<u>42,787</u>	<u>33,025</u>

6. Dividends paid

a) Final dividend in respect of the financial year ended 31 October 2014

A single tier final dividend, in respect of the financial year ended 31 October 2014 of 5.7 sen per ordinary shares of RM0.75 each amounting to RM144,910,495, was approved by the shareholders at the Annual General Meeting on 26 March 2015.

The shareholders elected to reinvest RM132,639,328 at the price of RM3.10 per share pursuant to the Dividend Reinvestment Plan duly renewed (“3rd DRP”), accordingly a total of 42,786,880 new ordinary shares of RM0.75 each were issued and the remaining portion of RM12,271,167 was paid in cash on 8 June 2015.

b) Interim dividend in respect of the financial period from 1 November 2014 to 31 December 2015

On 15 June 2015, the Board of Directors had declared a single-tier interim dividend of 4 sen per share for the financial period from 1 November 2014 to 31 December 2015 (“Interim Dividend”) amounting to RM103,808,213 and determined that Dividend Reinvestment Plan (“4th DRP”) shall apply to the entire Interim Dividend.

Based on the election made by the shareholders, a total of 33,025,020 new ordinary shares were issued and the remaining portion of RM10,347,406 was paid in cash on 9 September 2015.

7. Segmental Reporting

The segmental analysis for the financial period ended 31 October 2015 is as follows:-

	Property Development	Construction	Other Operations	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
External sales	5,142,570	247,697	215,556	-	5,605,823
Inter-segment sales	152,545	310,719	59,136	(522,400)	-
Total revenue	<u>5,295,115</u>	<u>558,416</u>	<u>274,692</u>	<u>(522,400)</u>	<u>5,605,823</u>
Gross profit	1,555,561	15,486	44,850	-	1,615,897
Other operating income	155,303	1,454	18,381	-	175,138
Operating expenses	(444,827)	(9,787)	(19,031)	-	(473,645)
Share of net profits less losses of jointly controlled entities	(95,974)	-	(923)	-	(96,897)
Share of net profits less losses of an associated company	(331)	-	-	-	(331)
Finance costs	(89,117)	(42)	(7,906)	-	(97,065)
Profit before taxation	<u>1,080,615</u>	<u>7,111</u>	<u>35,371</u>	<u>-</u>	<u>1,123,097</u>
Tax expense					(335,522)
Profit for the period					<u><u>787,575</u></u>

8. Material Events subsequent to the End of Financial Period

There were no material transactions or events subsequent to the current quarter ended 31 October 2015 till 3 December 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date except for the following:

- (i) Voluntarily winding up of Suharta Sdn Bhd (“Suharta”), an indirect subsidiary of S P Setia Berhad on 10 November 2014;
- (ii) Acquisition of 2 ordinary shares of RM1.00 each in Vero Legacy Sdn Bhd (“Vero Legacy”) on 7 January 2015, resulting in Vero Legacy becoming a wholly owned subsidiary of S P Setia Berhad; and
- (iii) Acquisition of 2 ordinary shares of RM1.00 each in Plentitude Circle Sdn Bhd (“Plentitude Circle”) on 7 January 2015, resulting in Plentitude Circle becoming a wholly owned subsidiary of S P Setia Berhad.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group since the last financial year.

11. Capital Commitments

	As at 31/10/2015 RM'000
Contractual commitments for construction of investment properties	525,767
Contractual commitments for acquisition of property, plant and equipment	337
Contractual commitments in relation to Development Agreement	<u>100,000</u>

12. Significant Related Party Transactions

	01/11/2014 To 31/10/2015 RM'000
<i>Transactions with jointly controlled entities:-</i>	
(i) Project management and administrative fee received and receivable	21,764
(ii) Rental received and receivable	1,158
(iii) Event service fee charged	145
(iv) Group marketing fee charged	235
(v) Construction services rendered	110,526
(vi) Staff secondment	1,029
(vii) Interest received and receivable	6,189
<i>Transactions with directors of subsidiary companies:-</i>	
(i) Sale of development properties to directors of subsidiary companies and their immediate family members	9,543
<i>Transactions between jointly controlled entities and directors of subsidiary companies:-</i>	
(i) Estate management fee received and receivable	29

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

1. Review of Group Performance

Revenue and profit before taxation (“PBT”) of the respective operating business segments for the current quarter are analysed as follows:-

	4Q2015	4Q2014	PTD2015	PTD2014
	RM’000	RM’000	RM’000	RM’000
Revenue				
Property Development	1,321,414	1,110,981	5,142,570	3,509,863
Construction	41,801	91,157	247,697	196,161
Other Operations	51,518	31,390	215,556	104,078
	<u>1,414,733</u>	<u>1,233,528</u>	<u>5,605,823</u>	<u>3,810,102</u>
Profit before taxation				
Property Development	204,189	217,679	1,080,615	704,644
Construction	1,500	8,012	7,111	12,976
Other Operations	12,251	(3,386)	35,371	4,818
	<u>217,940</u>	<u>222,305</u>	<u>1,123,097</u>	<u>722,438</u>

Certain comparatives for the quarter and financial period ended 31 October 2015 have been reclassified to enhance comparability of the amounts disclosed.

(a) Performance of the current quarter against the same quarter in the preceding year (Q4 FY 2015 vs Q4 FY 2014)

Property Development

The Group achieved 19% higher revenue on the back of increased revenue and profit recognition from the development of our strong sales pipeline achieved to date and the timely staged handovers of our Australian project (*Fulton Lane*), which has been accounted for based on the completion method.

PBT has however decreased by 6%, mainly due to higher selling & marketing expenses.

Ongoing projects which contributed to the profit and revenue achieved include *Setia Alam* and *Setia Eco Park* in Shah Alam, *Setia EcoHill* in Semenyih, *Setia Eco Glades* in Cyberjaya, *Setia Sky Residences* at Jalan Tun Razak, *KL Eco City* at Jalan Bangsar, *Aeropod* in Kota Kinabalu, *Bukit Indah*, *Setia Indah*, *Setia Tropika*, *Setia Eco Cascadia*, *Setia Business Park II*, *Setia Eco Gardens* and *Setia Sky 88* in Johor Bahru, *Setia Pearl Island*, *Setia Vista*, *Setia Pinnacle*, *Brook Residences* and *Setia V Residences* in Penang, *18 Woodsville and Eco Sanctuary* in Singapore and *Fulton Lane* in Australia.

Construction

Revenue for the current quarter is mainly derived from the construction of the following:

- (a) a concession asset in Penang undertaken pursuant to a Build-Operate-Transfer Agreement with the Majlis Perbandaran Pulau Pinang, in exchange for development rights in Penang;
- (b) Jabatan Keretapi Negeri Sabah building in Sabah undertaken pursuant to a Development Agreement with the Sabah State Government, in exchange for a land in Sabah for the *Aeropod* project;

1. Review of Group Performance (continued)

(a) Performance of the current quarter against the same quarter in the preceding year (Q4 FY 2015 vs Q4 FY 2014) (continued)

Construction (continued)

- (c) Kompleks Institut Penyelidikan Kesihatan Bersepadu (“INIH Complex”) in *Setia Alam* undertaken pursuant to a Privatisation Agreement with the Ministry of Health, in exchange for a land in Bangsar for the *Setia Federal Hill* project; and
- (d) Commuter station at *KL Eco City* undertaken pursuant to a Privatisation Agreement with Datuk Bandar Kuala Lumpur, in exchange for development of *KL Eco City*.

The construction profit for the above projects is not significant to the Group as they are carried out as part of a land and development right exchange arrangement. The Group derives commercial benefits substantially from the development of the land and development right so acquired.

Other Operations

Revenue and profit from Other Operations mainly contributed by wood-based manufacturing, trading activities, and the operation of retail mall and Setia City Convention Centre. Revenue and PBT from other operations increased due to higher volume of trade.

(b) Performance of the current period to-date against the same period in the preceding year (Q4 PTD 2015 vs Q4 PTD 2014)

For the current period to-date, the Group achieved a PBT of RM1.12 billion on the back of revenue totalling RM5.61 billion, which are 55% and 47% respectively higher than the PBT and revenue achieved for the preceding period to-date.

The contribution from each business segment is set out below:

Property Development

With higher revenue and profit recognised from the development of our strong sales pipeline built to date and the timely staged handovers of *Fulton Lane*, our property development division achieved 47% higher revenue and 53% higher PBT for the current period to-date.

Construction

Revenue and PBT remain a small percentage of overall Group operations.

Other Operations

This segment has also delivered stronger result with higher revenue and PBT.

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

The Group’s current quarter PBT is RM217.9 million, which is RM188.4 million lower than the preceding quarter ended 31 July 2015. The lower PBT was mainly due to handovers of *Fulton Lane* were substantially completed in the preceding quarter.

3. Prospects for the Current Financial Period from 1 November 2014 to 31 December 2015

The Group achieved RM911 million of sales for the fourth quarter of the financial period. As at 31 October 2015, total Group's sales for the 12 months period from 1 November 2014 to 31 October 2015 totalled RM3.45 billion. The Group will have an additional two months (November and December) to end its financial year in line with the change to its financial year end from 31 October 2015 to 31 December 2015.

International Projects

During the fourth quarter, the international projects contributed RM157 million (17%) and overall, RM1.25 billion (36%) towards the Group's total sales for the 12 months period under review. Sales contribution from the Group's international projects continue to be robust and with our maiden property project in Melbourne, **Fulton Lane** being completed ahead of schedule, it further underscores the management conviction to venture into established global cities like London and Melbourne.

Malaysian Projects

On the local front, the property industry continues to face challenges due to the current economic uncertainties of a weaker Ringgit Malaysia, lower oil price, rising costs of living after the implementation of GST and tighter lending from banks. All these have contributed to the overall weak market sentiments.

Despite the challenging market condition, the Group's strategy to launch mid-priced range products continues to be fruitful as the local projects contributed RM754 million (83%) sales in the current quarter. Major contributors are from the Group's township projects in the Klang Valley region like **Setia Alam** and **Setia EcoHill** which already have established amenities and infrastructures in place. For the 12 months period under review, Malaysian projects contributed RM2.20 billion (64%) towards the Group's total sales.

With unbilled sales of RM9.5 billion, the Board is confident that with the Group's strong brand name, established township and right product strategies, the Group will continue to perform well in the remaining financial period.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2015	31/10/2014	31/10/2015	31/10/2014
	RM'000	RM'000	RM'000	RM'000
- current taxation	97,000	56,400	358,836	167,295
- in respect of prior years	(1)	4,932	13,821	13,919
- deferred taxation	(19,395)	12,361	(18,481)	37,635
- in respect of prior years	998	(6,289)	(18,654)	(13,130)
	<u>78,602</u>	<u>67,404</u>	<u>335,522</u>	<u>205,719</u>

The Group's effective tax rate for the current quarter and financial period to-date is slightly higher than the statutory tax rate mainly due to certain non-tax deductible expenses and higher tax rate in Australia.

6. Status of Corporate Proposals

The following are the status of corporate proposals that have been announced by the Company which had been completed since the preceding quarter report and those which are not completed as at 3 December 2015, the latest practicable date which shall not be earlier than 7 days from the date of this announcement:-

- (i) On 26 October 2009, a subsidiary of S P Setia Berhad, Setia Lai Thieu Limited (“Setia LT”), had entered into an In-Principle Agreement with Investment and Industrial Development Corporation (Becamex IDC Corp) (“Becamex”) for the assignment of the implementation and development of an independent mixed-use real estate project on a piece of land measuring approximately 108,400 square metres or 26.79 acres located in Lai Thieu Town, Thuan An District, Binh Duong Province, Vietnam (“Land”) from Becamex to a company to be established by Setia LT in Vietnam for a total consideration of USD16,260,000.

As announced on 11 March 2010, the People’s Committee of Binh Duong Province has on 10 March 2010 issued the Investment Certificate for the establishment of Setia Lai Thieu One Member Company Limited (“NewCo”) to undertake the development of EcoXuan Lai Thieu on the Land for a term of 50 years from the date of issuance of the Investment Certificate.

On approval of the masterplan in the scale of 1/500 for EcoXuan Lai Thieu, the area of the Land was increased from 108,400 square metres to 109,685 square metres (27.10 acres) and by the increase in land area, the total consideration payable to Becamex was adjusted to USD16,452,750 based on the rate of USD150 per square metre.

The outstanding balance of USD98,202 will be settled upon the issuance of the land use right certificate in the name of Setia LT; and

- (ii) On 6 February 2013, Setia Eco Templer Sdn Bhd (“SET” or “Developer”), a wholly owned subsidiary of S P Setia Berhad has entered into an agreement (“Development Agreement”) with Cash Band (M) Berhad (“CBB” or “Landowner”), for the proposed development of a mixed residential and commercial project on various parcels of leasehold land measuring approximately 194.65 acres in the District of Gombak.

The Development Agreement is pending the fulfillment of the conditions precedent therein within a period of twelve (12) months from the date of the Development Agreement, with an automatic extension of a period of twelve (12) months thereafter and/or such other extended period to be mutually agreed in writing by the parties for the fulfillment of the conditions precedent.

As announced on 2 February 2015, SET and CBB had vide a Letter of Extension of Approval Period dated 16 January 2015 mutually agreed to extend the time for the fulfilment of the conditions precedent by an additional period of two (2) months from 6 February 2015 to 5 April 2015.

As announced on 3 April 2015, SET and CBB had vide a Letter for Further Extension of Approval Period dated 3 April 2015 mutually agreed to further extend the time for the fulfilment of the conditions precedents, which was previously extended to 5 April 2015, by an additional period of two (2) months from 6 April 2015 to 5 June 2015.

As announced on 5 June 2015, SET and CBB had vide a Letter for Third Extension of Approval Period dated 5 June 2015 mutually agreed to further extend the time for the fulfilment of the conditions precedents, which was previously extended to 5 June 2015, by an additional period of six (6) months from 6 June 2015 to 5 December 2015.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 October 2015 were as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Bank Overdrafts	7,958	56,109	64,067
Short Term Bank Borrowings	973,257	630,000	1,603,257
Long Term Bank Borrowings	2,950,113	426,320	3,376,433
Redeemable cumulative preference shares	-	55,768	55,768
	<u>3,931,328</u>	<u>1,168,197</u>	<u>5,099,525</u>

Currency exposure profile of borrowings is as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Ringgit Malaysia	3,609,247	1,168,197	4,777,444
Singapore Dollar	199,280	-	199,280
Australian Dollar	99,998	-	99,998
United States Dollar	20,528	-	20,528
Vietnamese Dong	2,275	-	2,275
	<u>3,931,328</u>	<u>1,168,197</u>	<u>5,099,525</u>

8. Material Litigation

The Group is not engaged in any material litigation as at 3 December 2015, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

9. Dividends Declared

The Board of Directors declared a single-tier interim dividend of 4 sen per share in respect of the financial period from 1 November 2014 to 31 December 2015 and determined that Dividend Reinvestment Plan ("DRP") shall apply to the entire interim dividend.

A total of 33,025,020 ordinary shares of RM0.75 each were issued at RM2.83 per share on 9 September 2015 pursuant to the DRP. The remaining cash dividend was paid on 9 September 2015.

10. 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:-

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2015	31/10/2014	31/10/2015	31/10/2014
	'000	'000	'000	'000
Profit for the period attributable to equity holders of the Company (RM)	119,683	131,310	709,982	405,676
Number of ordinary shares at beginning of the period	2,595,205	2,521,738	2,538,331	2,458,712
Effect of shares issued pursuant to:				
- Dividend Reinvestment Plan ("DRP")	18,307	4,010	21,495	27,554
- Vesting of ESGP	-	5	2,247	1,333
- Exercise of ESOS	9	5,443	4,354	1,445
Weighted average number of ordinary shares	2,613,521	2,531,196	2,566,427	2,489,044
Basic Earnings Per Share (sen)	4.58	5.19	27.66	16.30

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 LTIP granted, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2015	31/10/2014	31/10/2015	31/10/2014
	'000	'000	'000	'000
Profit for the period attributable to equity holders of the Company (RM)	119,683	131,310	709,982	405,676
Weighted average number of ordinary shares as per basic Earnings Per Share	2,613,521	2,531,196	2,566,427	2,489,044
Effect of potential exercise of LTIP	24,246	18,014	25,262	13,461
Weighted average number of ordinary shares	2,637,767	2,549,210	2,591,689	2,502,505
Diluted Earnings Per Share (sen)	4.54	5.15	27.39	16.21

11. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:-

	31/10/2015 RM'000	31/10/2014 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	2,533,571	2,047,994
- Unrealised	<u>180,547</u>	<u>142,809</u>
	2,714,118	2,190,803
Total share of (accumulated losses)/retained profits from jointly controlled entities:		
- Realised	(187,843)	(84,926)
- Unrealised	<u>2,162</u>	<u>897</u>
	(185,681)	(84,029)
Total share of accumulated losses from associated companies:		
- Realised	(2,614)	(987)
- Unrealised	<u>-</u>	<u>-</u>
	(2,614)	(987)
Less: Consolidation adjustments	<u>(455,534)</u>	<u>(496,761)</u>
Total Group retained profits as per consolidated accounts	<u><u>2,070,289</u></u>	<u><u>1,609,026</u></u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

12. Notes to the Statement of Comprehensive Income

Notes to the Statement of Comprehensive Income comprises:-

	3 MONTHS ENDED 31/10/2015 RM'000	12 MONTHS ENDED 31/10/2015 RM'000
Interest income	33,864	107,003
Other income including investment income	19,451	65,919
Interest expense	(28,106)	(97,065)
Depreciation and amortisation	(16,119)	(38,361)
Provision for and write off of receivables	(6,501)	(6,501)
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	1,091
Impairment of assets	N/A	N/A
Foreign exchange gain/(loss)	897	1,125
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

13. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2014 was unqualified.