

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
SECOND QUARTER ENDED 30 APRIL 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.04.2011 RM'000	Preceding Year Corresponding Quarter 30.04.2010 RM'000	Current Year To Date 30.04.2011 RM'000	Preceding Year Corresponding Period 30.04.2010 RM'000
Revenue	51,884	52,358	98,693	108,265
Investment income/(loss)	2,429	(182)	1,854	(627)
Cost of sale of development properties	(780)	(1,041)	(6,387)	(11,268)
Operating expenses	(10,241)	(59,262)	(38,172)	(95,898)
Other operating income	2,230	(4,017)	3,700	3,541
Profit from operations	45,522	(12,144)	59,688	4,013
Financing costs	(6,859)	(3,884)	(11,394)	(7,772)
Profit before taxation	38,663	(16,028)	48,294	(3,759)
Taxation	(5,251)	(6,181)	(8,485)	(10,489)
Profit for the period	33,412	(22,209)	39,809	(14,248)
Foreign currency translation	2,600	(1,184)	2,436	(2,117)
Fair value changes on hedging instrument	1,267	-	2,214	-
Other comprehensive income for the period (net of tax)	3,867	(1,184)	4,650	(2,117)
Total comprehensive income for the period	37,279	(23,393)	44,459	(16,365)
Profit attributable to:				
Owners of the parent	30,224	(25,625)	35,286	(18,849)
Minority interest	3,188	3,416	4,523	4,601
Profit for the period	33,412	(22,209)	39,809	(14,248)
Total comprehensive income attributable to:				
Owners of the parent	34,091	(26,809)	39,936	(20,966)
Minority interest	3,188	3,416	4,523	4,601
Total comprehensive income for the period	37,279	(23,393)	44,459	(16,365)
Basic EPS (sen)	8.80	(7.46)	10.27	(5.49)

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 October 2010

SELANGOR PROPERTIES BERHAD*(Company Number: 5199-X)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 30.04.2011 RM'000	Audited As At 31.10.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	173,644	169,808
Land held for development	939,544	850,300
Long term receivables	14,290	12,637
Investment properties	476,732	476,732
Intangible assets	4,365	4,420
Other investments	1,384	75,436
Deferred tax assets	10,459	10,467
	-----	-----
Total non current assets	1,620,418	1,599,800
	-----	-----
Current assets		
Development properties	44,162	43,764
Inventories, at cost	27,416	32,655
Trade receivables	11,365	21,248
Other receivables	24,874	49,960
Tax recoverable	3,412	4,219
Held for trading investments	97,690	-
Other investments	-	14,630
Cash and bank balances	602,470	595,744
	-----	-----
Total Current Assets	811,389	762,220
	-----	-----
TOTAL ASSETS	2,431,807	2,362,020
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	343,617	343,617
Reserves	1,425,794	1,414,013
	-----	-----
	1,769,411	1,757,630
Minority interests	65,033	61,555
	-----	-----
Total equity	1,834,444	1,819,185
	=====	=====

SELANGOR PROPERTIES BERHAD*(Company Number: 5199-X)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 30.04.2011 RM'000	Audited As At 31.10.2010 RM'000
Non-current liabilities		
Long term loan	406,958	344,377
Long term payable	18,000	27,000
Deferred taxation	28,672	28,684
	-----	-----
Total non-current liabilities	453,630	400,061
	-----	-----
Current liabilities		
Short term borrowings	35,065	53,099
Derivatives structures	170	-
Trade payables	16,285	23,178
Other payables	89,381	64,771
Taxation	2,832	1,726
	-----	-----
Total current liabilities	143,733	142,774
	-----	-----
Total liabilities	597,363	542,835
	-----	-----
TOTAL EQUITY AND LIABILITIES	2,431,807	2,362,020
	=====	=====
Net assets per share attributable to owners of the parent (RM)	5.15	5.12

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statement for the year ended 31 October 2010

SELANGOR PROPERTIES BERHAD*(Company Number: 5199-X)**(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
SECOND QUARTER ENDED 30 APRIL 2011****← Attributable to equity holders of the Company →**

	Share Capital RM'000	Non- Distributable Reserve RM'000	Retained earnings RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Current Year To Date						
As at 1 November 2010	343,617	300,114	1,113,899	1,757,630	61,555	1,819,185
Effects of adopting FRS 139	-	(2,384)	-	(2,384)	-	(2,384)
Total comprehensive income	-	4,650	35,286	39,936	4,523	44,459
Transaction with owners:						
Dividend	-	-	(25,771)	(25,771)	(1,045)	(26,816)
As at 30 April 2011	343,617	302,380	1,123,414	1,769,411	65,033	1,834,444
Preceding Year Corresponding Period						
As at 1 November 2009	343,617	291,113	1,111,797	1,746,527	53,256	1,799,783
Total comprehensive income	-	(2,117)	(18,849)	(20,966)	4,601	(16,365)
Transaction with owners:						
Dividend	-	-	(25,771)	(25,771)	-	(25,771)
As at 30 April 2010	343,617	288,996	1,067,177	1,699,790	57,857	1,757,647

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2010

SELANGOR PROPERTIES BERHAD*(Company Number: 5199-X)**(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT****6 MONTHS ENDED 30 APRIL 2011**

	30.04.2011	30.04.2010
	RM'000	RM'000
Net cash generated from/(used in) operating activities	34,595	10,489
Net cash generated from/(used in) investing activities	(15,742)	(3,078)
Net cash generated from/(used in) financing activities	(12,816)	(51,334)
Net increase/(decrease) in cash and cash equivalents	<u>6,037</u>	<u>(43,923)</u>
Effects of exchange rate changes	689	(348)
Cash and cash equivalents at beginning of year	595,744	656,321
Cash and cash equivalents at end of the period	<u>602,470</u> =====	<u>612,050</u> =====

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 October 2010

PART A

Explanatory Notes Pursuant to FRS 134 “Interim Financial Reporting”

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for investment properties, held-for-trading investment and available-for-sale investment which are stated at fair values.

The interim financial statements is unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 October 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 October 2010.

2. Accounting Policies

The accounting policies and methods of computation and presentation adopted by the Group in this quarterly report are consistent with those adopted in the audited financial statements for the financial year ended 31 October 2010 except for the adoption of new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and Issues Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”) that become effective and are relevant to the Group for the financial year beginning 1 November 2010.

The adoption of the FRSs, Amendments to FRSs and IC Interpretations do not have any significant impact on the financial statements of the Group except for the following:

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively on 1 November 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of the respective accounts as at 1 November 2010. Comparatives are not restated. The details of the changes in accounting policies and effects arising from the adoption of FRS139 are discussed below.

- **Held-for-trading investments**

Prior to 1 November 2010, the Group’s other investments were carried at lower of cost and market value, determined on an aggregate basis. Upon the adoption of FRS 139, these investments are classified as financial assets held-for-trading and accordingly are stated at their fair values and are presented as current assets in the statement of financial position. Net gains or losses arising from changes in fair value including foreign exchange differences are recognised in profit or loss. There is no adjustment made to the opening balance of retained earnings as at 1 November 2010 as the carrying amounts of the other investments approximated the fair values as at that date.

- **Available-for-sale investments**

Available-for-sale investments are measured at fair value. Any gains or losses from changes in fair value of these investments are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses are recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group’s right to receive payment is established.

- **Derivative financial instruments and hedge accounting**

Prior to 1 November 2010, the Group does not recognise derivative financial instruments in the statement of financial position. Upon the adoption of FRS139, derivative financial instruments are recognised at fair value and are presented as current in the statement of financial position. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group enters into derivative transactions for trading and for cash flow hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the profit or loss. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies cash flow hedge accounting.

Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%. If a cash flow hedge meets the hedge effectiveness criteria, the portion of gain or loss on the hedging instrument that is determined to be an effective hedge should be recognised in other comprehensive income, and the ineffective portion should be recognised immediately in profit or loss.

The Group discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

As at 1 November 2010, the fair value of the cash flow hedge amounted to negative RM2,384,000. Accordingly, the Group presented the cash flow hedge within current liabilities with the corresponding entry taken to equity.

3. Annual Audited Financial Statements

The audited financial statements of the Company for the preceding financial year ended 31 October 2010 were not subject to any qualification.

4. Comments on the Seasonality or Cyclicity of Operations

The operations of the Group were not affected by any seasonal or cyclical factors.

5. Unusual Items

Save for the information disclosed in this interim financial report, there were no unusual items affecting assets, liabilities, equity, net income or cash flow.

6. Changes in Estimates of Amounts Reported Previously

There were no material changes in estimates of amounts used in the preparation of the financial statement in the current financial quarter and current financial period as compared to the previous corresponding financial quarterly and financial period.

7. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and the financial year-to-date.

8. Dividends Paid

There was no dividend paid during the financial quarter ended 30 April 2011. A first and final dividend of 10% less 25% tax amounting to RM25,771,257 (7.5 sen) in respect of financial year ended 31 October 2010 was approved by shareholders on 29 April 2011 and was paid on 20 May 2011.

9. Segment Revenue and Segment Result

The analysis of the Group operations for the period ended 30 April 2011 is as follows: -

By Industries	Revenue	Segment Results	Total Assets Employed
	RM'000	RM'000	RM'000
Property Investment Holding	19,418	9,970	551,691
Property Development	5,270	154	448,209
Education	55,666	16,164	245,928
Investment holding	2,134	11,879	612,035
Australia Operations	16,205	10,141	560,066
Others	-	(14)	7
Unallocated Corporate Assets	-	-	13,871
	98,693	48,294	2,431,807

10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statement.

11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the current quarter as at 22 June 2011, being the last practicable date from the date of the issue of this report which are expected to have an operational or financial impact on the Group.

12. 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 including business combinations, acquisition or disposal of subsidiary and long term investments, restructuring and discontinuing of operation.

13. Derivatives

The Group has the following derivative agreement to hedge against interest rate risk:

Type of Derivatives	Notional Value AUD'000	Fair Value AUD'000
Interest rate swap (Less than 1 year)	113,348	(52)

The rationale of this interest rate swap is to have certainty of interest payment and cash flow. The fair value of the interest rate swap is the estimated amount that the company would receive or pay to terminate the swap. It represents the difference between the fixed and floating rate of the swap as at 30 April 2011.

14. Changes in Contingent Liabilities or Contingent Assets since the Last Annual Reporting Date

There were no material changes in contingent liabilities or contingent assets since the last audited reporting date.

15. Capital Commitments

The capital and development expenditure approved and contracted for amounted to RM3,895,000 (2010 : RM15,204,000).

PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

1. Review of Performance

The Group recorded a profit before tax of RM38.7 million for the current quarter under review as compared to a loss of RM16.0 million for the preceding year corresponding quarter. The higher profit for the current quarter is mainly attributable to higher gain from the education division and an unrealised foreign exchange gain of RM14.0 million which is due to the strengthening of the Australian Dollar. The preceding year corresponding quarter loss was mainly due to a foreign exchange loss of RM38.8 million.

2. Comments on Material Changes in the Profit/(Loss) Before Taxation for the Quarter Reported as Compared with the Preceding Quarter

For the quarter under review, the group achieved a profit before tax of RM38.7 million as compared to a profit before tax of RM9.6 million in the preceding quarter ended 31 January 2011. The higher profit in the current quarter was mainly attributable to higher contribution from education division, overseas investment and higher unrealised foreign exchange gain of RM14.0 million due to the strengthening of the Australian Dollar.

3. Current Financial Year Prospect

Barring unforeseen circumstances, the Group's prospect for our Malaysian and Australian operations for the current financial year remain positive.

4. Variances between Actual Profit and Forecast Profit

Not applicable as no profit forecast was published.

5. Tax Expense

Tax expense comprise of the following:

	As at 30.04.2011	
	Current Quarter	Financial Year To- Date
	RM'000	RM'000
Current year provision	5,204	8,488
Deferred Taxation	47	(3)
	-----	-----
	5,251	8,485
	=====	=====

The effective rate of taxation of the Group is lower than the statutory rate of taxation mainly due to gain from a subsidiary company, Allied Provincial Invest Ltd, a company incorporated in the British Virgin Islands which is tax free.

6. Profits/(losses) from Sale of Unquoted Investments and/or Properties Respectively for the Current Quarter and Financial Year-to-date

There was no disposal 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. Purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies

Particulars of the purchase or disposal of quoted securities for the period to 30 April 2011: -

a) Summary of Dealings in Quoted Securities:	RM' 000
Cost of Disposal	10,951
Proceeds from Disposal	12,805

Total profit on disposal	1,854
	=====
b) Total investments in quoted securities as at end of the reporting period: -	
	RM' 000
i. At cost	140,684
ii. At book value	97,690
(after provision for impairment)	
iii. At market value	97,690
	=====

The sales and purchases of the securities as mentioned in note 7(a) were carried out by the subsidiary Company, Allied Provincial Invest Ltd., a company incorporated in The British Virgin Islands, during the period from 1 November 2010 to 30 April 2011 in the ordinary course of business. The principal activity of the said subsidiary company is that of investment holding and the transactions are of a revenue nature.

The sales and purchases of the above securities were in respect of quoted securities held overseas.

8. Status of Corporate Proposals

There were no outstanding corporate proposals as at the date of this report.

9. Group Borrowings

Total Group borrowings and debt securities as at 30 April 2011 are as follows: -

Security	Currency	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	AUD	-	351,958	351,958
Secured	RM	-	55,000	55,000
Unsecured	RM	35,065	-	35,065
Total		35,065	406,958	442,023

10. Disclosure pursuant to implementation of FRS 139: Recognition and Measurement

With the adoption of FRS 139 Financial Instrument Recognition and Measurement, off balance sheet financial instruments are now recognised on the financial statements.

11. Material Litigation

There are no other changes in material litigation since the last annual reporting date.

12. Dividend

No dividend has been proposed or declared for the current quarter ended 30 April 2011.

13. **Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30.04.2011	Preceding Year Corresponding Quarter Ended 30.04.2010	Current Year To date Ended 30.04.2011	Preceding Year Corresponding Period 30.04.2010
Net profit/(loss) for the period attributable to shareholders of the parent (RM'000)	30,224	(25,625)	35,286	(18,849)
Basic earnings/(loss) per share (sen)	8.80	(7.46)	10.27	(5.49)
Number of ordinary shares in issue (RM'000)	343,617	343,617	343,617	343,617

PART C

1. Disclosure of Realised and Unrealised Profits or losses

The breakdown of the retained profits of the Group as at 30 April 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with guidance on 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 as issued by the Malaysian Institute of Accountants.

	As At 30.04.2011 RM'000	As At 31.10.2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	1,617,676	1,614,980
- Unrealised	269,870	259,231
	-----	-----
	1,887,546	1,874,211
Less: Consolidated adjustments	(764,132)	(760,312)
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Retained earnings as per financial statements	1,123,414	1,113,899
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