

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
THIRD QUARTER ENDED 31 JULY 2012**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.07.2012 RM'000	Preceding Year Corresponding Quarter 31.07.2011 RM'000	Current Year To Date 31.07.2012 RM'000	Preceding Year Corresponding Period 31.07.2011 RM'000
Revenue	57,047	90,390	168,529	189,083
Investment income/(loss)	1,560	(5,525)	(2,019)	(3,671)
Cost of sale of development properties	(6,515)	(32,436)	(8,992)	(38,823)
Operating expenses	(24,208)	(34,778)	(101,280)	(72,950)
Other operating income	19,979	24,003	26,012	27,703
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Profit from operations	47,863	41,654	82,250	101,342
Financing costs	(7,269)	(6,934)	(16,872)	(18,328)
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Profit before taxation	40,594	34,720	65,378	83,014
Taxation	(2,526)	(3,019)	(11,186)	(11,504)
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Profit for the period	38,068	31,701	54,192	71,510
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Foreign currency translation	3,380	309	785	2,745
Fair value changes on hedging instrument	(3)	323	(351)	2,537
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Other comprehensive income for the period (net of tax)	3,377	632	434	5,282
	-----	-----	-----	-----
Total comprehensive income for the period	41,445	32,333	54,626	76,792
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Profit attributable to:				
Owners of the parent	37,906	31,581	49,760	66,867
Minority interest	162	120	4,432	4,643
	-----	-----	-----	-----
Profit for the period	38,068	31,701	54,192	71,510
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Total comprehensive income attributable to:				
Owners of the parent	41,283	32,213	50,194	72,149
Minority interest	162	120	4,432	4,643
	-----	-----	-----	-----
Total comprehensive income for the period	41,445	32,333	54,626	76,792
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Basic EPS (sen)	11.03	9.19	14.48	19.46

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 2011

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

	Unaudited As At 31.07.2012 RM'000	Audited As At 31.10.2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	178,555	179,942
Land held for development	432,839	431,473
Long term receivables	16,520	16,266
Investment properties	991,582	982,927
Investment in a joint venture	150	-
Intangible assets	6,334	4,718
Other investments	-	-
Deferred tax assets	10,190	10,171
	-----	-----
Total non current assets	1,636,170	1,625,497
	-----	-----
Current assets		
Development properties	44,253	44,172
Inventories, at cost	33,649	42,179
Trade receivables	7,904	7,359
Other receivables	23,009	19,558
Tax recoverable	4,742	6,674
Held for trading investments	237,781	97,076
Available-for-sale investments	-	1,722
Cash and bank balances	478,348	600,769
	-----	-----
Total Current Assets	829,686	819,509
	-----	-----
TOTAL ASSETS	2,465,856	2,445,006
	=====	=====
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	343,617	343,617
Reserves	1,529,913	1,505,489
	-----	-----
	1,873,530	1,849,106
Minority interests	70,299	66,911
	-----	-----
Total equity	1,943,829	1,916,017
	=====	=====

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

	Unaudited As At 31.07.2012 RM'000	Audited As At 31.10.2011 RM'000
Non-current liabilities		
Long term loan	350,887	55,000
Long term payable	9,000	18,000
Deferred taxation	38,940	38,937
	-----	-----
Total non-current liabilities	398,827	111,937
	-----	-----
Current liabilities		
Short term borrowings	37,062	327,826
Derivatives structures	-	48
Trade payables	21,677	22,621
Other payables	62,371	64,905
Taxation	2,090	1,652
	-----	-----
Total current liabilities	123,200	417,052
	-----	-----
Total liabilities	522,027	528,989
	-----	-----
TOTAL EQUITY AND LIABILITIES	2,465,856	2,445,006
	=====	=====
Net assets per share attributable to owners of the parent (RM)	5.45	5.38

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 2011

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
THIRD QUARTER ENDED 31 JULY 2012**

← 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 2011	343,617	305,044	1,200,445	1,849,106	66,911	1,916,017
Total comprehensive income	-	434	49,760	50,194	4,432	54,626
Dividend	-	-	(25,770)	(25,770)	(1,044)	(26,814)
As at 31 July 2012	343,617	305,478	1,224,435	1,873,530	70,299	1,943,829
Preceding Year Corresponding Period						
As at 1 November 2010 as previously stated	343,617	300,114	1,113,899	1,757,630	61,555	1,819,185
Prior year adjustment	-	-	1,829	1,829	-	1,829
Effects of adopting FRS 139	-	(2,384)	-	(2,384)	-	(2,384)
At 1 November 2010, as restated	343,617	297,730	1,115,728	1,757,075	61,555	1,818,630
Total comprehensive income	-	5,282	66,867	72,149	4,643	76,792
Dividend	-	-	(25,771)	(25,771)	(1,044)	(26,815)
As at 31 July 2011	343,617	303,012	1,156,824	1,803,453	65,154	1,868,607

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 2011

SELANGOR PROPERTIES BERHAD*(Company Number: 5199-X)**(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2012**

	Period ended 31.07.2012 RM'000	Period ended 31.07.2011 RM'000
CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	65,378	83,014
Adjustments for non-cash item	1,436	(4,102)
Working capital changes	2,672	420
	-----	-----
Net cash generated from operation	69,486	79,332
Taxes paid	(10,515)	(11,419)
	-----	-----
Net cash generated from operating activities	58,971	67,913
	=====	=====
CASH FLOWS GENERATED FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of FVTPL financial assets	(137,306)	-
Proceeds from disposal of FVTPL financial assets	14,121	11,278
Purchase of AFS financial assets	-	(1,384)
Proceeds from disposal of AFS financial assets	1,722	-
Investment in joint venture	(150)	-
Additional cost incurred on investment property	(3,832)	-
Purchase of PPE and Intangibles	(7,514)	(13,356)
Payment for acquisition of property	(9,000)	(9,000)
Proceeds from disposal of PPE and Intangibles	43	-
Dividend Received from investments	1,084	776
	-----	-----
Net cash used in investing activities	(140,832)	(11,686)
	=====	=====
CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of borrowings	2,342	36,416
Dividend paid	(25,771)	(25,771)
Dividend paid by a subsidiary to minority interest	(1,044)	(1,044)
Interest paid	(16,872)	(16,095)
	-----	-----
Net cash used in financing activities	(41,345)	(6,494)
	=====	=====
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(123,206)	49,733
EFFECTS OF EXCHANGE RATE CHANGES	785	673
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR	600,769	595,744
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	478,348	646,150
	=====	=====

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011

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 2011. 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 2011.

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 2011 except for the adoption of the following Financial Reporting Standards, Amendments to FRSs and Issues Committee Interpretations (“IC Interpretations”) that are effective for the financial periods beginning on or after 1 November 2011.

FRSs, Amendments to FRSs and Interpretations	Effective for Financial periods beginning on or after
Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters	1 January 2011
Amendments to FRS 7 : Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 1 : Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	1 January 2011
Amendments to FRS101 : Presentation of Financial Statements	1 January 2011
Amendments to FRS 121 : The Effects of Changes in Foreign Exchange Rates	1 January 2011
Amendments to FRS 128 : Investments in Associates	1 January 2011
Amendments to FRS 131 : Interests in Joint Ventures	1 January 2011
Amendments to FRS 132 : Financial Instruments: Presentation	1 January 2011
Amendments to FRS 134 : Interim Financial Reporting	1 January 2011
Amendments to FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2011
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011

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

3. Annual Audited Financial Statements

The audited financial statements of the Company for the preceding financial year ended 31 October 2011 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

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 2011 was paid on 14 May 2012.

9. Segment Revenue and Segment Result

The analysis of the Group operations for the period ended 31 July 2012 is as follows: -

By Industries	Revenue	Segment Results	Total Assets Employed
	RM'000	RM'000	RM'000
Property Investment Holding	31,167	15,956	539,091
Property Development	5,241	2,402	443,499
Education	86,993	17,386	251,438
Investment holding	2,852	20,130	640,479
Australia Operations	42,275	9,804	576,407
Others	1	(300)	10
Unallocated Corporate Assets	-	-	14,932
	<u>168,529</u>	<u>65,378</u>	<u>2,465,856</u>

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 20 June 2012, 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 period 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		
28/05/2012 – 28/05/2014	25,000	(9)
28/05/2012 – 27/02/2015	25,000	(9)

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 31 July 2012.

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 RM37,008,000 (2011 : RM11,995,000).

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 RM40.6 million for the current quarter under review as compared to RM34.7 million for the preceding year corresponding quarter.

The performances of the respective business sectors are as follows:

	3 Q2012 RM'000	3 Q2011 RM'000	PTD2012 RM'000	PTD2011 RM'000
Revenue				
Property Investment Holding	10,479	9,964	31,167	29,382
Property Development	800	3,629	5,241	8,899
Education	25,411	23,960	86,993	79,626
Investment Holding	1,333	677	2,852	2,811
Australia Operation	19,023	52,160	42,275	68,365
Others	1	-	1	-
	57,047	90,390	168,529	189,083
	3 Q2012 RM'000	3 Q2011 RM'000	PTD2012 RM'000	PTD2011 RM'000
Profit before tax				
Property Investment Holding	5,384	4,756	15,956	14,726
Property Development	(1,612)	8,971	2,402	9,125
Education	1,851	1,753	17,386	17,917
Investment Holding	23,359	8,478	20,130	20,357
Australia Operation	11,625	10,775	9,804	20,916
Others	(13)	(13)	(300)	(27)
	40,594	34,720	65,378	83,014

Property Investment Holding

Higher profit achieved for the period to 31 July 2012 was mainly due to interest income of RM1.5 million received from land acquisition.

Property Development

The delay in the new launches has resulted in lower revenue and incurring losses as compared to preceding year quarter.

Education

For the 3rd quarter under review, the revenue grew by 6% to RM25.4 million as a result of increase in student enrollment into the various campuses in Damansara and Fraser. However there is slight decreased in profit before tax by 3.6% as a result of higher depreciation on campus facilities and personnel cost.

Investment Holding

For the quarter under review, the profit before tax was RM23.4 million as compared to RM8.5 million in preceding year corresponding quarter. Higher profit achieved was mainly due to foreign exchange gain as a result of the weakening of the ringgit.

Australian Operation

It achieved a profit before tax of RM9.8 million for the period to 31 July 2012 as compared to RM20.9 million in the preceding period to 31 July 2011. Higher profit achieved in the preceding period to 31 July 2011 was mainly due to the take up of the profit for the Claremont Apartments.

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 RM40.6 million as compared to RM19.7 million in the preceding quarter ended 30 April 2012

The performance of the respective business sectors are as follows:

	3Q2012 RM'000	2Q2012 RM'000
Profit before tax		
Property Investment Holding	5,384	7,051
Property Development	(1,612)	(509)
Education	1,851	11,386
Investment Holding	23,359	3,269
Australia Operation	11,625	(1,441)
Others	(13)	(23)
	-----	-----
	40,594	19,733
	-----	-----

Property Investment Holding

For the quarter under review, it incurred a lower profit before tax of RM5.4 million as compared to RM7.0 million. This is mainly due to higher operating cost and reversal of over accrued of interest income.

Property Development

For the quarter under review the property division incurred a loss of RM1.6 million as a result of delay in the new launches. Target to launch the new phase in the early part of 2013. The current focus is on the on-going development project in Bukit Permata and Selayang Mulia.

Education

The education sector recorded a profit before tax of RM1.8 million for the quarter as compared to RM11.4 million recorded in the preceding quarter which is in line with the seasonal fluctuation of the industry.

Investment Holding

For the quarter it achieved a profit before tax of RM23.4 million as compared to RM3.3 million. Higher profit for the quarter is mainly due to foreign exchange gain as a result of the strengthening of AUD and SGD.

Australian Operation

For the quarter under review, it achieved a profit before tax of RM11.6 million as compared to a loss of RM1.4 million in the last quarter. The increase in profit for the current quarter was due to foreign exchange gain whereas in the last quarter it experience a foreign exchange loss. The high occupancy for Claremont Quarters continue to contribute positively to the Australian operation.

3. Current Financial Year Prospect

The Group is cautiously positive in FY2012. The property investment and education sector of the Group are expected to remain stable and will continue to contribute positively to the Group. The occupancy rate for Menara Milenium in Damansara Heights and Claremont Shopping Centre in Perth, Australia remain high. For property development in Bukit Permata and Selayang Mulia, the Group is reviewing its development plan and new launches are expected to be made in the beginning of 2013. For the Group's Damansara Heights land, the proposed development of the land will be design to provide integration and connectivity with the Mass Rapid Transit project.

Barring unforeseen circumstances, the Group expects the operation in Malaysia and Australia to remain positive. However, the Groups profitability will be subject to currency fluctuations in view of our overseas investment.

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 31.07.2012	
	Current Quarter	Financial Year To- Date
	RM'000	RM'000
Current year provision	2,244	11,201
Deferred Taxation	282	(15)
	-----	-----
	2,526	11,186
	=====	=====

The effective rate of taxation of the Group is lower than the statutory rate of taxation because the gain from overseas subsidiary company, Allied Provincial Investment, a company incorporated in the British Virgin Island 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 31 July 2012: -

a) Summary of Dealings in Quoted Securities:	RM' 000
Cost of Disposal	16,140
Proceeds from Disposal	14,121

Total loss on disposal	(2,019)
	=====
b) Total investments in quoted securities as at end of the reporting period: -	
	RM' 000
i. At cost	274,897
ii. At book value	237,781
(after provision for impairment)	
iii. At market value	237,781
	=====

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 2011 to 31 July 2012 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 31 July 2012 are as follows: -

Security	Currency	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	AUD	-	295,887	295,887
Secured	RM	-	55,000	55,000
Unsecured	RM	37,062	-	37,062
Total		37,062	350,887	387,949

10. 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 (28/05/2012 – 28/05/2014)	25,000	(9)
(28/05/2012 – 27/02/2015)	25,000	(9)

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 the floating rate of the swap as at 31 July 2012.

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 31 July 2012.

13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.07.2012	Preceding Year Corresponding Quarter Ended 31.07.2011	Current Year To date Ended 31.07.2012	Preceding Year Corresponding Period 31.07.2011
Net profit/(loss) for the period attributable to shareholders of the parent (RM'000)	37,906	31,581	49,760	66,867
Basic earnings/(loss) per share (sen)	11.03	9.19	14.48	19.46
Number of ordinary shares in issue (RM'000)	343,617	343,617	343,617	343,617

14. Additional Disclosures

Notes to the Statement of Comprehensive Income comprises:-

	3 MONTHS ENDED 31/07/2012 RM'000	9 MONTHS ENDED 31/07/2012 RM'000
Interest income	(105)	87
Other income including investment income	2,199	5,986
Interest expense	(7,269)	(16,872)
Depreciation and amortization	(2,640)	(7,264)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	769	(564)
Impairment of assets	N/A	N/A
Foreign exchange gain/(loss)	27,835	17,441
Gain or loss on derivatives	N/A	N/A
Exceptional item	N/A	N/A

PART C

1. Disclosure of Realised and Unrealised Profits or losses

The breakdown of the retained profits of the Group as at the reporting date 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 31.07.2012 RM'000	As At 31.10.2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	1,637,971	1,634,057
- Unrealised	356,266	332,687
	-----	-----
	1,994,237	1,966,744
Less: Consolidated adjustments	(769,802)	(766,299)
	-----	-----
Retained earnings as per financial statements	1,224,435	1,200,445
	-----	-----