

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2016

Contents	Page
Unaudited Condensed Consolidated Statement of Comprehensive Income	1
Unaudited Condensed Consolidated Statement of Financial Position	2 - 3
Unaudited Condensed Consolidated Statement of Changes In Equity	4
Unaudited Condensed Consolidated Statement of Cash Flows	5
Notes to the Interim Report	6 - 8
Additional Information to the Interim Report	9 - 13
Supplementary information	14

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED 31 JANUARY 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.1.2016 RM'000	Preceding Year Corresponding Quarter 31.1.2015 RM'000	Current Year To Date 31.1.2016 RM'000	Preceding Year Corresponding Period 31.1.2015 RM'000
Revenue	30,241	24,324	30,241	24,324
Investment loss	(6,028)	(6,223)	(6,028)	(6,223)
Cost of sale of development properties	(120)	(3,126)	(120)	(3,126)
Operating expenses	(39,616)	(17,932)	(39,616)	(17,932)
Other operating income	4,108	66,303	4,108	66,303
Profit/(Loss) from operation	(11,415)	63,346	(11,415)	63,346
Finance costs	(3,315)	(3,700)	(3,315)	(3,700)
Profit/(Loss) before taxation	(14,730)	59,646	(14,730)	59,646
Income tax expense	(1,378)	(1,557)	(1,378)	(1,557)
Profit/(Loss) for the financial period	(16,108)	58,089	(16,108)	58,089
Foreign currency translation	(9,299)	(1,880)	(9,299)	(1,880)
Fair value changes on hedging instrument	50	14	50	14
Other comprehensive income/(loss) for the period (net of tax)	(9,249)	(1,866)	(9,249)	(1,866)
Total comprehensive income/(loss) for the period	(25,357)	56,223	(25,357)	56,223
Profit/(Loss) attributable to owners of the parent	(16,108)	58,089	(16,108)	58,089
Total comprehensive income/(loss) attributable to owners of the parent	(25,357)	56,223	(25,357)	56,223
Basic EPS (sen)	(4.69)	16.91	(4.69)	16.91

The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2015

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.1.2016 RM'000	Audited As At 31.10.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	3,518	3,465
Land held for property development	384,509	384,425
Long term receivables	26,796	23,650
Investment properties	1,178,199	1,191,954
Other investments	9,108	9,406
Deferred tax assets	10,480	10,480
	<hr/>	<hr/>
Total Non-current Assets	1,612,610	1,623,380
	<hr/>	<hr/>
Current assets		
Inventories	83,600	85,955
Trade receivables	1,450	1,818
Other receivables	2,442	4,298
Tax recoverable	4,761	4,603
Short term investments	960,631	929,528
Short term deposits	585	585
Cash and bank balances	278,038	338,634
	<hr/>	<hr/>
Total Current Assets	1,331,507	1,365,421
	<hr/>	<hr/>
TOTAL ASSETS	2,944,117	2,988,801
	<hr/>	<hr/>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	343,617	343,617
Reserves	2,231,669	2,257,026
	<hr/>	<hr/>
Total equity	2,575,286	2,600,643
	<hr/>	<hr/>

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31.1.2016 RM'000	Audited As At 31.10.2015 RM'000
LIABILITIES		
Non-current liabilities		
Long term borrowings	221,490	228,780
Cash flow hedge instrument	1,033	1,067
Deferred tax liabilities	101,390	103,376
Total Non-current Liabilities	323,913	333,223
Current liabilities		
Cash flow hedge instrument	1,139	1,177
Short term borrowings	5,002	12,016
Trade payables	349	198
Other payables	28,827	31,921
Tax payable	9,601	9,623
Total Current Liabilities	44,918	54,935
TOTAL LIABILITIES	368,831	388,158
TOTAL EQUITY AND LIABILITIES	2,944,117	2,988,801
Net assets per share attributable to owners of the parent (RM)	7.49	7.57

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2015

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 JANUARY 2016**

	← Attributable to equity holders of the Company →			Total Equity RM'000
	Share Capital RM'000	Non- Distributable Reserve RM'000	Retained earnings RM'000	
Current Year To Date				
As at 1 November 2015	343,617	269,838	1,987,188	2,600,643
Total comprehensive income	-	(9,249)	(16,108)	(25,357)
As at 31 January 2016	<u>343,617</u>	<u>260,589</u>	<u>1,971,080</u>	<u>2,575,286</u>
Preceding Year Corresponding Period				
At 1 November 2014	343,617	263,812	1,434,742	2,042,171
Total comprehensive income	-	(1,866)	58,089	56,223
As at 31 January 2015	<u>343,617</u>	<u>261,946</u>	<u>1,492,831</u>	<u>2,098,394</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 October 2015

SELANGOR PROPERTIES BERHAD

(Company Number: 5199-X)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 JANUARY 2016**

	3 Months ended	
	31.1.2016	31.1.2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(14,730)	59,646
Adjustments for non-cash item	35,954	(59,618)
Working capital changes	(2,544)	(379)
Net cash generated from operation	18,680	(351)
Interest received	1,517	2,128
Taxes paid	(1,557)	(1,723)
Net cash generated from operating activities	<u>18,640</u>	<u>54</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of FVTPL financial assets	(111,703)	(9,093)
Proceeds from disposal of FVTPL financial assets	54,803	7,456
Additions of investment properties	(3,538)	-
Purchase of property, plant and equipment	(275)	(1,096)
Dividends received from foreign investments	4,683	1,307
Net cash (used in) / generated from investing activities	<u>(56,030)</u>	<u>(1,426)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(6,889)	(1,823)
Interest paid	(3,316)	(3,681)
Net cash used in financing activities	<u>(10,205)</u>	<u>(5,504)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(47,595)	(6,876)
EFFECTS OF EXCHANGE RATE CHANGES	(13,001)	33,917
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>338,634</u>	<u>347,185</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>278,038</u>	<u>374,226</u>

*The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction
with the Audited Financial Statements for the year ended 31 October 2015*

PART A

Explanatory Notes Pursuant to MFRS 134 “Interim Financial Reporting”

1. Basis of Preparation

The condensed consolidated interim financial statements for the year ended 31 October 2015 of the Group have been prepared in accordance with the International Financial Reporting Standards compliant framework, Malaysian Financial Reporting Standards (“MFRS”), MFRS 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”), and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 October 2015.

The explanatory notes attached to these condensed consolidated 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 financial year ended 31 October 2015.

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 2015 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group’s financial period beginning 1 November 2015:-

Effective for annual periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendment to MFRSs	Annual Improvements to FRSs 2012 - 2014 Cycle
MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations
MFRS 127	Equity Method in Separate Financial Statements
MFRS 101	Disclosure Initiatives
MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception

Effective for annual financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Deferred

MFRS 116 and MFRS 141	Agriculture: Bearer Plants
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3. Annual Audited Financial Statements

The audited financial statements of the Company for the preceding financial year ended 31 October 2015 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 statements 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

No dividend has been paid for the current quarter and financial period to date.

9. Segment Revenue and Segment Result

The analysis of the Group operations for the period ended 31 January 2016 is as follows: -

	Revenue RM'000	Segment Results RM'000	Total Assets Employed RM'000
By Industries			
Property Investment	11,991	3,571	601,866
Property Development	120	(78)	532,917
Investment Holding	9,106	(21,967)	1,216,869
Australian Operations	9,024	3,877	577,217
Others	-	(133)	9
Unallocated Corporate Assets	-	-	15,239
	<u>30,241</u>	<u>(14,730)</u>	<u>2,944,117</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 statements.

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

There were no material events subsequent to the end of the financial period reported that have not been reflected in these financial statements.

12. Changes in the Composition of the Group

There were no other changes in the composition of the Group for the financial period ended 31 January 2016.

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		
28/05/2014 – 29/05/2017	25,000	285
27/02/2015 – 27/02/2018	25,000	451

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 January 2016.

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 expenditure approved and contracted for amounted to RM32,200,000 (2015: RM21,759,000).

PART B

Explanatory Notes Pursuant to Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements

1. Review of Performance

The Group recorded a loss before tax of RM14.7 million for the current quarter under review as compared to profit before tax of RM59.6 million for the preceding year corresponding quarter.

The performances of the respective business sectors are as follows:

	1Q 2016 RM'000	1Q 2015 RM'000	YTD2016 RM'000	YTD2015 RM'000
Revenue				
Property Investment	11,991	11,006	11,991	11,006
Property Development	120	246	120	246
Investment Holding	9,106	2,808	9,106	2,808
Australian Operations	9,024	10,264	9,024	10,264
	<u>30,241</u>	<u>24,324</u>	<u>30,241</u>	<u>24,324</u>
	1Q 2016 RM'000	1Q 2015 RM'000	YTD2016 RM'000	YTD2015 RM'000
Profit before tax				
Property Investment	3,571	9,182	3,571	9,182
Property Development	(78)	(263)	(78)	(263)
Investment Holding	(21,967)	53,698	(21,967)	53,698
Australian Operations	3,877	(3,061)	3,877	(3,061)
Others	(133)	90	(133)	90
	<u>(14,730)</u>	<u>59,646</u>	<u>(14,730)</u>	<u>59,646</u>

Property Investment

Higher revenue reported for the period ended 31 January 2016 of RM12.0 million as compared to the preceding year corresponding period of RM11.0 million was mainly due to higher occupancy coupled with higher rental rate achieved. The current investment properties still enjoy high occupancy and will continue to contribute positively to the Group.

Lower profit before tax for the reviewing period as compared to the preceding year corresponding period was mainly due to a gain of RM5.9 million from the disposal of investment properties was recognised in the preceding year corresponding period.

Property Development

Development division continues to incur operating losses due to the poor market sentiments which has a low take up rate on properties. As a result, the Management has decided to suspend the sale of properties of its Bukit Permata project and to relaunch it in early 2017.

Investment Holding

The Group's recorded higher dividend of RM4.7 million to the current quarter as compared to RM1.3 million in the preceding year corresponding period from its overseas investment, and also higher distribution income of RM3.5 million from its placement with unit trusts.

For the quarter under review, it recorded a loss of RM22.0 million as compared to RM53.7 million profit in the preceding year corresponding period. The loss was mainly due to foreign exchange losses of RM24.9 million as the Ringgit strengthened against USD, SGD and AUD in the current quarter, whereas RM57.4 million gain recognised in the preceding year corresponding period was mainly attributable to foreign exchange gains.

1. Review of Performance (Cont'd.)

Australian Operations

Lower revenue of RM9.0 million for the current quarter as compared to the preceding year corresponding period of RM10.3 million was mainly due to disposal of a residential unit in the preceding year, mitigated by higher rental income in the current quarter.

Australian operation recorded a higher profit of RM3.9 million as compared to RM3.1 million loss in the preceding year corresponding period mainly from higher rental and operating income coupled with lower foreign exchange loss.

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 loss before tax of RM14.7 million as compared to profit before tax of RM514.7 million in the preceding quarter ended 31 October 2015.

The performance of the respective business sectors are as follows:

	1Q2016 RM'000	4Q2015 RM'000
Profit before tax		
Property Investment	3,571	16,347
Property Development	(78)	236
Investment Holding	(21,967)	74,987
Australia Operation	3,877	37,692
Others	(133)	385,476
	<u>(14,730)</u>	<u>514,738</u>

Property Investment

For the quarter under review, it recorded a lower profit of RM3.6 million as compared to profit of RM16.3 million in the preceding quarter. The higher profits in the preceding quarter was contributed by the inclusion of fair value adjustment on properties of RM17.2 mil, offset against provision for expenses.

Property Development

For the quarter under review, the property division recorded sales of low-cost housing units which contributed minor losses to the Group. In preceding quarter, the Group achieved sales in profitable low-cost shops.

Investment Holding

For the current quarter, it recorded a loss of RM22.0 million as compared to profit of RM75.0 million in the preceding quarter. This is mainly due to foreign exchange loss in the current quarter as the Ringgit strengthened against USD, SGD and AUD while in the preceding quarter, the Ringgit weakened against these currencies and resulted in foreign exchange gains achieved.

Australian Operations

For the quarter under review, it recorded a profit of RM3.9 million as compared to a profit of RM37.7 million in the preceding quarter which had included a fair value gain of RM17.8 million from properties and RM7.6 million foreign exchange gain.

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

Others

While business operations remain stable in the current quarter, the higher profits in preceding quarter was attributable to a non-recurring profit of RM403.9 millions (excluding Real Property Gains Tax of RM17.1 million) related to the proposed disposal of a parcel of freehold land measuring 25,686 square meters held under Geran 70133, Lot 56495 Mukim/Daerah Kuala Lumpur, Negeri Wilayah Persekutuan which was completed on 30 September 2015.

3. Current Financial Year Prospects

The property investment of the Group is expected to remain stable and will continue to contribute positively to the Group. The Group's investment properties in Menara Milenium in Damansara Heights and Claremont Shopping Centre in Perth, Australia continue to enjoy high occupancy rates. The Group plans to launch a high-end 18-storey condominium at Damansara Heights in the second half of 2016. For property development in Bukit Permata, the Group has suspended the sales of properties as a result of the poor market sentiments arising from unfavourable economic environment and continuing stringent bank lending guidelines to the purchasers. Subject to the market conditions, the project may be relaunched in early 2017 when the property sector is expected to improve. The proposed development of the Group's land bank in Damansara Heights is in its initial planning stage with considerations on designs which will provide integration and connectivity with the surrounding Mass Rapid Transit project.

Barring unforeseen circumstances, the Group expects the operations in Malaysia and Australia to remain positive in 2016. However, in view of our overseas investments, fluctuations in foreign currency exchange will affect the Group's profitability.

4. Variances between Actual Profit and Forecast Profit

Not applicable as no profit forecast was published.

5. Tax Expense

Tax expense comprise the following:

	As at 31.1.2016	
	Current Quarter	Financial Year To-Date
	RM'000	RM'000
Current year provision	<u>1,378</u>	<u>1,378</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation mainly because the investment income generated by the Group, from Malaysian unit trusts are not taxable while the losses incurred by overseas subsidiary company, Allied Provincial Invest Ltd (incorporated in the British Virgin Islands), are not tax deductible.

6. Status of Corporate Proposals

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

7. Group Borrowings

Total Group borrowings and debt securities as at 31 January 2016 are as follows: -

Security	Currency	Short term RM'000	Long term RM'000	Total RM'000
Secured	AUD	-	221,490	221,490
Unsecured	RM	5,002	-	5,002
Total		5,002	221,490	226,492

The foreign currency term loans comprise 2 loans which bear interest at rates ranging from 3.78% to 4.17%. These loans are secured by registered mortgages over investment properties of the Group and will mature on 1 November 2017 and 28 February 2018.

8. 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		
28/05/2014 – 29/05/2017	25,000	285
27/02/2015 – 27/02/2018	25,000	451

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 January 2016.

9. Material Litigation

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

10. Dividend

The Board of Directors does not recommend any dividend for the current quarter ended 31 January 2016.

11. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.1.2016	Preceding Year Corresponding Quarter Ended 31.1.2015	Current Year To Date Ended 31.1.2016	Preceding Year Corresponding Period 31.1.2015
Net profit for the period attributable to shareholders of the parent (RM'000)	(16,108)	58,089	(16,108)	58,089
Basic earnings per share (sen)	(4.69)	16.91	(4.69)	16.91
Number of ordinary shares in issue ('000)	343,617	343,617	343,617	343,617

12. Additional Disclosures

Notes to the Statement of Comprehensive Income comprises:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.1.2016	Preceding Year Corresponding Quarter Ended 31.1.2015	Current Year To Date Ended 31.1.2016	Preceding Year Corresponding Period 31.1.2015
Interest income	610	1,543	610	1,543
Dividend income	4,683	1,307	4,683	1,307
Distribution income from unit trusts	3,941	471	3,941	471
Interest expense	(3,316)	(3,700)	(3,316)	(3,700)
Depreciation	(222)	(140)	(222)	(140)
Fair value changes of financial assets at fair value through profit or loss	(7,752)	(4,691)	(7,752)	(4,691)
Gain/(loss) on disposal of:				
- unquoted investments	1,724	(1,532)	1,724	(1,532)
- investment properties	-	5,972	-	5,972
Foreign exchange gain/(loss)	(24,851)	57,393	(24,851)	57,393

Other than as disclosed above, there was no amortisation, provision for and write off of receivables and inventories, gain or loss on disposal of quoted investments, impairment of assets, gain or loss on derivatives and exceptional item for the current quarter and financial year to date.

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 31.1.2016 RM'000	As At 31.10.2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	2,151,395	2,179,494
- Unrealised	<u>597,043</u>	<u>585,052</u>
	2,748,438	2,764,546
Less: Consolidated adjustments	<u>(777,358)</u>	<u>(777,358)</u>
Retained earnings as per financial statements	<u>1,971,080</u>	<u>1,987,188</u>