

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 31 March 2008

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	10,431	3,915	10,431	3,915
Cost of sales	(6,558)	(2,741)	(6,558)	(2,741)
Gross profit	3,873	1,174	3,873	1,174
Other income	115	3,147	115	3,147
Administrative expenses	(2,306)	(2,184)	(2,306)	(2,184)
Other expenses	(474)	(287)	(474)	(287)
Finance costs	(352)	(374)	(352)	(374)
Profit before taxation	856	1,476	856	1,476
Taxation	(710)	(186)	(710)	(186)
Profit for the financial period	146	1,290	146	1,290
Attributable to:-				
Equity holders of the Company	(495)	1,128	(495)	1,128
Minority interests	641	162	641	162
	146	1,290	146	1,290
	Sen	Sen	Sen	Sen
Earnings/(Loss) per 20 sen share attributable to equity holders of the Company:-				
- Basic	(0.07)	0.15	(0.07)	0.15
- Fully diluted	N/A	N/A	N/A	N/A

Note:-

N/A - Not applicable

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**At 31 March 2008**

	<b>31/03/2008</b>	<b>31/12/2007</b>
	<b>RM'000</b>	<b>(Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,231	6,157
Investment properties	30,940	30,943
Prepaid land lease payments	1,008	1,008
Development properties	35,263	35,263
Investments	140,971	149,913
Deferred tax assets	427	548
Goodwill on consolidation	5,015	5,015
	<u>219,855</u>	<u>228,847</u>
<b>Current assets</b>		
Development properties and expenditure	74,290	73,187
Inventories	24,116	28,482
Trade and other receivables	17,628	14,067
Deposits, bank balances and cash	38,540	41,538
	<u>154,574</u>	<u>157,274</u>
<b>Assets of disposal group classified as held for sale</b>	<u>2,424</u>	<u>2,419</u>
	<u>156,998</u>	<u>159,693</u>
<b>TOTAL ASSETS</b>	<u>376,853</u>	<u>388,540</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	152,812	152,812
Treasury shares, at cost	(6,301)	(6,301)
Reserves	141,823	155,612
	<u>288,334</u>	<u>302,123</u>
<b>Minority interests</b>	58,376	57,735
<b>Total equity</b>	<u>346,710</u>	<u>359,858</u>
<b>Non-current liabilities</b>		
Employee benefits	402	402
Deferred taxation	451	451
	<u>853</u>	<u>853</u>
<b>Current liabilities</b>		
Borrowings	20,173	22,465
Trade and other payables	4,599	4,584
Dividend payable	3,290	-
Provision for taxation	946	548
Amounts due to related companies	282	232
	<u>29,290</u>	<u>27,829</u>
<b>Total liabilities</b>	<u>30,143</u>	<u>28,682</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>376,853</u>	<u>388,540</u>
	<b>RM</b>	<b>RM</b>
Net assets per 20 sen share attributable to equity holders of the Company	0.39 *	0.41 *

\* The net assets per share is based on the number of ordinary shares issued less shares repurchased

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For The Financial Period Ended 31 March 2008**

	Attributable to Equity Holders of the Company						Minority	Total
	Non-Distributable					Total	Interests	Equity
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	General Reserve RM'000	Retained profits/ (Accumulated Losses) RM'000			
At 1 January 2008	152,812	(6,301)	33,238	10,649	111,725	302,123	57,735	359,858
Net expenses recognised directly in equity	-	-	(10,004)	-	-	(10,004)	-	(10,004)
Loss for the financial period	-	-	-	-	(495)	(495)	641	146
Dividend for the financial year ended 31 December 2007	-	-	-	-	(3,290)	(3,290)	-	(3,290)
At 31 March 2008	152,812	(6,301)	23,234	10,649	107,940	288,334	58,376	346,710
At 1 January 2007	382,030	(6,301)	182,922	10,649	(275,228)	294,072	56,449	350,521
Net expenses recognised directly in equity	-	-	(3,586)	-	-	(3,586)	-	(3,586)
Profit for the financial period	-	-	-	-	1,128	1,128	162	1,290
At 31 March 2007	382,030	(6,301)	179,336	10,649	(274,100)	291,614	56,611	348,225

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
For The Financial Period Ended 31 March 2008**

	<b>CUMULATIVE 3 MONTHS</b>	
	<b>31/03/2008</b>	<b>31/03/2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	856	1,476
Net Adjustments		
Gain on distribution arising from an investment	-	(2,061)
Others	373	419
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	1,229	(166)
Net changes in working capital	(238)	10,715
	<hr/>	<hr/>
Cash generated from operating activities	991	10,549
Interest paid	(352)	(374)
Tax refund	36	107
Income tax paid	(225)	(145)
	<hr/>	<hr/>
Net cash generated from operating activities	450	10,137
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Proceeds from distribution arising from an investment	-	2,061
Proceeds from disposal of property, plant and equipment	88	28
Purchase of property, plant and equipment	(140)	(44)
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	(52)	2,045
	<hr/>	<hr/>
Effect of exchange rate changes	(56)	(1,629)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	342	10,553
Cash and cash equivalents at 1 January		
As previously reported	39,073	26,838
Effects of exchange rate changes on cash and cash equivalents	(1,048)	(510)
	<hr/>	<hr/>
As restated	38,025	26,328
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March</b>	<b>38,367</b>	<b>36,881</b>
	<hr/>	<hr/>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007).



## **A. NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1. Basis of preparation**

The Interim Financial Report of the Group is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting. The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2007.

### **A2. Changes in Accounting Policies**

The significant accounting policies adopted in this interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2007:-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs has not resulted in any material adjustments to the financial statements of the Group.

### **A3. Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not qualified.

### **A4. Seasonal or Cyclical Factors**

The Group's property development operations in Malaysia are dependent on the economic conditions in Malaysia which would affect demand for properties.

### **A5. Exceptional Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2008.

### **A6. Changes in Estimates of Amounts Reported Previously**

There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the financial period ended 31 March 2008.

### **A7. Issuances or Repayments of Debts and Equity Securities**

As at 31 March 2008, the number of treasury shares held is 23,145,300 ordinary shares.

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares by the Company for the financial period ended 31 March 2008.

### **A8. Dividend Paid**

There was no dividend paid by the Company during the financial period ended 31 March 2008. (31 March 2007: Nil).

The Board of Directors had on 27 February 2008 declared an interim dividend of 0.6 sen per 20 sen share (3.0%) less tax at 26% in respect of the financial year ended 31 December 2007 amounting to RM3,289,661 (31 December 2006: Nil), which was paid on 26 May 2008.



#### A9. Segment Information

The analysis of the Group's operations for the financial period ended 31 March 2008 is as follows:-

	Properties RM'000	Investment Holding RM'000	Total RM'000
<b>Revenue</b>			
- External	10,259	172	10,431
- Inter-segment	-	-	-
Total	10,259	172	10,431
<b>Results</b>			
Segment results	2,712	(1,504)	1,208
Finance costs			(352)
Profit before taxation			856

#### A10. Property, Plant and Equipment

The valuation of freehold land has been brought forward without amendment from the previous annual report.

#### A11. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 March 2008 that have not been reflected in the financial statements for the said period as at the date of this report.

#### A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2008.

#### A13. Assets of Disposal Group Classified As Held For Sale

On 14 September 2007, the Company entered into an agreement with Pan Malaysian Industries Berhad ("PMI") to dispose to PMI the 385,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of Two Holdings Sdn Bhd ("THSB"), a wholly owned subsidiary company. Accordingly, THSB is classified as a disposal group held for sale. Further details on the proposed disposal are disclosed in Note B8.

THSB's asset is a piece of vacant freehold land held for development. During the financial period ended 31 March 2008, THSB had no revenue and had insignificant expenses and cashflows. As at 31 March 2008, THSB had insignificant liabilities and the net book value of the development land is RM2.4 million.

#### A14. Contingent Liabilities

There are no material contingent liabilities as at the date of this report.

#### A15. Capital Commitments

There are no material capital commitments as at the date of this report.



## B. NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

### B1. Review of Performance of the Company and its Principal Subsidiaries

During the financial period ended 31 March 2008, the Group recorded revenue of RM10.4 million and pre-tax profit of RM0.9 million compared with the previous year corresponding period's revenue of RM3.9 million and pre-tax profit of RM1.5 million. The increase in revenue is mainly due to higher revenue from the property development projects as well as income from the sale of oil palm fruits harvested from land not opened up for development yet. The higher profit in the previous year was mainly contributed by investment gains.

### B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

For the current quarter, the Group recorded revenue of RM10.4 million which is higher than the revenue of RM9.4 million in the preceding quarter. However pre-tax profit was lower at RM0.9 million compared with the pre-tax profit of RM4.8 million in the preceding quarter. The higher profit in the preceding quarter was mainly contributed by gains on disposal of investments and foreign exchange.

### B3. Prospects for Current Financial Year

The Group's property development operations have shown improving sales. In addition, the Group's subsidiary, West Synergy Sdn Bhd has on 4 February 2008 entered into an agreement with UCSI Education Sdn Bhd for the latter to establish an education township on a 160-acre piece of land at Bandar Springhill, Negeri Sembilan. This is expected to enhance the marketability of Bandar Springhill.

Barring any unforeseen circumstances, the Directors expect the Group to perform satisfactorily for the remaining periods in the financial year ending 31 December 2008.

### B4. Variance of Actual Profit from Forecast Profit

Not applicable.

### B5. Taxation

Taxation comprises :-

	First Quarter		Cumulative 3 months	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	RM'000	RM'000	RM'000	RM'000
Current taxation	600	151	600	151
Deferred taxation	92	35	92	35
Under provision in respect of prior years	18	-	18	-
	<u>710</u>	<u>186</u>	<u>710</u>	<u>186</u>

The tax charge for the financial period ended 31 March 2008 is higher than the statutory rate of tax applicable. This is mainly due to taxable profit of certain subsidiaries and the absence of group relief on losses incurred by other subsidiaries.

### B6. Sale of Investments and/or Properties

There were no gain on disposal of investments and/or properties during the financial period ended 31 March 2008.

### B7. Quoted Securities

a) There were no purchases and disposal of quoted securities for the financial period ended 31 March 2008.

b) Total investments in quoted securities as at 31 March 2008 are as follows:-

	RM'000
At cost	14,747
Less: Allowance for diminution in value of investments	<u>(3,005)</u>
At book value	<u>11,742</u>
Market value	<u>16,440</u>



#### B8. Status of Corporate Proposals

On 14 September 2007, the Company entered into an agreement with Pan Malaysian Industries Berhad ("PMI") to dispose to PMI the 385,000 ordinary shares of RM1.00 each representing the entire issued and paid up capital of Two Holdings Sdn Bhd, a wholly owned subsidiary company, for a cash consideration of RM9.3 million. PMI has obtained the approval of the Securities Commission for the proposal on 28 April 2008. The proposal is pending approval to be obtained from the shareholders of PMI at a general meeting to be convened.

Other than the above, the Group has not announced any corporate proposals which have not been completed as at the date of this report.

#### B9. Group Borrowings

Total Group borrowings as at 31 March 2008 are as follows:-

	RM'000
Short Term Borrowings	
- Unsecured	<u>20,173</u>

#### B10. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at the date of this report.

#### B11. Material Litigation

There is no material litigation involving the Group as at the date of this report.

#### B12. Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2008 ( 31 March 2007: Nil).

#### B13. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) for the financial period attributable to equity holders of the Company with the weighted average number of shares in issue during the period as follows:-

	<u>First Quarter</u>		<u>Cumulative 3 months</u>	
	<u>31/03/2008</u>	<u>31/03/2007</u>	<u>31/03/2008</u>	<u>31/03/2007</u>
Profit/(Loss) for the financial period (RM'000)	(495)	1,128	(495)	1,128
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	<u>(0.07)</u>	<u>0.15</u>	<u>(0.07)</u>	<u>0.15</u>

(b) Diluted earnings per share is not disclosed as it is not applicable.

**By Order of the Board**  
**MUI PROPERTIES BERHAD**

**Leong Park Yip**  
**Company Secretary**

**Date: 27 May 2008**