

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 30 September 2008

	INDIVIDUAL QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	6,299	4,789	23,384	12,930
Cost of sales	(3,487)	(1,813)	(13,718)	(6,559)
Gross profit	2,812	2,976	9,666	6,371
Other income	420	62	648	2,331
Administrative expenses	(2,585)	(1,902)	(7,300)	(5,511)
Other expenses	(686)	(310)	(1,610)	(958)
Finance costs	(321)	(404)	(1,005)	(1,181)
(Loss)/Profit before taxation	(360)	422	399	1,052
Taxation	(391)	(636)	(1,612)	(953)
(Loss)/Profit for the financial period	(751)	(214)	(1,213)	99
Attributable to:-				
Equity holders of the Company	(1,141)	(772)	(2,754)	(807)
Minority interests	390	558	1,541	906
	(751)	(214)	(1,213)	99
	Sen	Sen	Sen	Sen
(Loss)/Earnings per 20 sen share attributable to equity holders of the Company:-				
- Basic	(0.15)	(0.10)	(0.37)	(0.11)
- 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)

MUI PROPERTIES BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
At 30 September 2008

	30/09/2008	31/12/2007
	RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,250	6,157
Investment properties	30,992	30,943
Prepaid land lease payments	997	1,008
Development properties	35,263	35,263
Investments	147,811	149,913
Deferred tax assets	381	548
Goodwill on consolidation	5,015	5,015
	<u>226,709</u>	<u>228,847</u>
Current assets		
Development properties and expenditure	74,622	73,187
Inventories	23,819	28,482
Trade and other receivables	13,527	14,067
Deposits, bank balances and cash	40,470	41,538
	<u>152,438</u>	<u>157,274</u>
Assets of disposal group classified as held for sale	<u>2,424</u>	<u>2,419</u>
	<u>154,862</u>	<u>159,693</u>
TOTAL ASSETS	<u>381,571</u>	<u>388,540</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	152,812	152,812
Treasury shares, at cost	(6,301)	(6,301)
Reserves	148,315	155,612
	<u>294,826</u>	<u>302,123</u>
Minority interests	59,276	57,735
Total equity	<u>354,102</u>	<u>359,858</u>
Non-current liabilities		
Employee benefits	402	402
Deferred taxation	451	451
	<u>853</u>	<u>853</u>
Current liabilities		
Borrowings	20,203	22,465
Trade and other payables	5,342	4,584
Provision for taxation	1,071	548
Amounts due to related companies	-	232
	<u>26,616</u>	<u>27,829</u>
Total liabilities	<u>27,469</u>	<u>28,682</u>
TOTAL EQUITY AND LIABILITIES	<u>381,571</u>	<u>388,540</u>
	RM	RM
Net assets per 20 sen share attributable to equity holders of the Company	0.40 *	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)

MUI PROPERTIES BERHAD

Company No.: 6113-W
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Period Ended 30 September 2008

	Attributable to Equity Holders of the Company						Minority	Total	
	Non-Distributable					Retained profits/ (Accumulated Losses)	Total	Interests	Equity
	Share Capital	Treasury Shares	Other Reserves	General Reserve					
CUMULATIVE 9 MONTHS	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30 September 2008									
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	-	-	(1,253)	-	-	(1,253)	-	(1,253)	
Loss for the financial period	-	-	-	-	(2,754)	(2,754)	1,541	(1,213)	
Dividend for the financial year ended 31 December 2007	-	-	-	-	(3,290)	(3,290)	-	(3,290)	
At 30 September 2008	152,812	(6,301)	31,985	10,649	105,681	294,826	59,276	354,102	
30 September 2007									
At 1 January 2007	382,030	(6,301)	182,922	10,649	(275,228)	294,072	56,449	350,521	
Net income recognised directly in equity	-	-	11,438	-	-	11,438	-	11,438	
Loss for the financial period	-	-	-	-	(807)	(807)	906	99	
At 30 September 2007	382,030	(6,301)	194,360	10,649	(276,035)	304,703	57,355	362,058	

(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)

MUI PROPERTIES BERHAD

Company No.: 6113-W
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For The Financial Period Ended 30 September 2008**

	CUMULATIVE 9 MONTHS	
	30/09/2008	30/09/2007
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	399	1,052
Net Adjustments		
Gain on distribution arising from an investment	-	(2,041)
Others	1,130	1,334
	<hr/>	<hr/>
Operating profit before working capital changes	1,529	345
Net changes in working capital	4,288	12,732
	<hr/>	<hr/>
Cash generated from operating activities	5,817	13,077
Interest paid	(1,005)	(1,181)
Tax refund	37	772
Income tax paid	(965)	(927)
	<hr/>	<hr/>
Net cash generated from operating activities	3,884	11,741
Cash Flows From Investing Activities		
Proceeds from distribution arising from an investment	-	2,041
Proceeds from disposal of property, plant and equipment	97	28
Purchase of property, plant and equipment	(646)	(45)
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(549)	2,024
Cash Flows From Investing Activities		
Dividend paid	(3,290)	-
	<hr/>	<hr/>
Net cash used in investing activities	(3,290)	-
Cash Flows From Financing Activities		
Repayment of bank borrowings	-	(1,000)
	<hr/>	<hr/>
Net cash used in financing activities	-	(1,000)
Effect of exchange rate changes	(235)	(1,823)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(190)	10,942
Cash and cash equivalents at 1 January		
As previously reported	39,073	26,838
Effects of exchange rate changes on cash and cash equivalents	1,384	(597)
As restated	40,457	26,241
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	40,267	37,183

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

MUI PROPERTIES BERHAD

Company No.: 6113-W
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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 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 30 September 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 30 September 2008.

A7. Issuances or Repayments of Debts and Equity Securities

As at 30 September 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 30 September 2008.

A8. Dividend Paid

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, which was paid on 26 May 2008.

Other than the above, there was no dividend paid by the Company during the financial period ended 30 September 2008 (30 September 2007: Nil).

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A9. Segment Information

The analysis of the Group's operations for the financial period ended 30 September 2008 is as follows:-

	Properties RM'000	Investment Holding RM'000	Total RM'000
Revenue			
- External	22,894	490	23,384
- Inter-segment	-	-	-
Total	<u>22,894</u>	<u>490</u>	<u>23,384</u>
Results			
Segment results	<u>5,544</u>	<u>(4,140)</u>	1,404
Finance costs			<u>(1,005)</u>
Profit before taxation			<u>399</u>

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 30 September 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 30 September 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 disposal are disclosed in Note B8.

THSB's asset is a piece of vacant freehold land held for development. During the financial period ended 30 September 2008, THSB had no revenue and had insignificant expenses and cashflows. As at 30 September 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.

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B. NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

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

During the nine months ended 30 September 2008, the Group recorded revenue of RM23.4 million compared with the previous year corresponding period's revenue of RM12.9 million. The increase in revenue was 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. However, the Group recorded a pre-tax profit of RM0.4 million as compared with a pre-tax profit of RM1.1 million in the previous year corresponding period which included investment gain of RM2.0 million.

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

For the current quarter, the Group recorded revenue of RM6.3 million and pre-tax loss of RM0.4 million compared with revenue of RM6.7 million and pre-tax loss of RM0.1 million in the preceding quarter. The higher revenue and lower loss in the preceding quarter were mainly contributed by the higher income from property development projects recognised during the said quarter.

B3. Prospects for Current Financial Year

The Group's property development operations have shown improved sales over the previous year in a sluggish property market. 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's property operations to perform satisfactorily for the remaining period in the financial year ending 31 December 2008.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

Taxation comprises :-

	Third Quarter		Cumulative 9 months	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
	RM'000	RM'000	RM'000	RM'000
Current taxation	375	554	1,481	877
Deferred taxation	46	(40)	154	(46)
(Over)/Under provision in respect of prior years	(30)	122	(23)	122
	<u>391</u>	<u>636</u>	<u>1,612</u>	<u>953</u>

The tax charge for the financial period ended 30 September 2008 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 disposal of investments and/or properties during the financial period ended 30 September 2008.

B7. Quoted Securities

a) There were no purchases and disposal of quoted securities for the financial period ended 30 September 2008.

b) Total investments in quoted securities as at 30 September 2008 are as follows:-

	RM'000
At cost	15,400
Less: Allowance for diminution in value of investments	<u>(3,005)</u>
At book value	<u>12,395</u>
Market value	<u>13,265</u>

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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 approvals of the Securities Commission and its shareholders for the transaction on 28 April 2008 and 7 August 2008 respectively. The transaction is pending completion.

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 30 September 2008 are as follows:-

	RM'000
Short Term Borrowings	
- Unsecured	<u>20,203</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 in respect of the financial period ended 30 September 2008 (30 September 2007: Nil).

B13. (Loss)/Earnings Per Share

(a) (Loss)/Basic earnings per share

The (loss)/basic earnings per ordinary share is calculated by dividing the (loss)/profit 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>Third Quarter</u>		<u>Cumulative 9 months</u>	
	30/09/2008	30/09/2007	30/09/2008	30/09/2007
Loss for the financial period attributable to equity holders of the Company (RM'000)	(1,141)	(772)	(2,754)	(807)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Loss per share (sen)	<u>(0.15)</u>	<u>(0.10)</u>	<u>(0.37)</u>	<u>(0.11)</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: 24 November 2008