

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

(The figures are unaudited)

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

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	6,975	9,412	30,359	22,342
Cost of sales	(4,140)	(6,623)	(17,858)	(13,182)
Gross profit	2,835	2,789	12,501	9,160
Other income	626	9,730	1,274	12,061
Administrative expenses	(2,417)	(2,158)	(9,717)	(7,669)
Other expenses	(2,800)	(5,215)	(4,410)	(6,173)
Finance costs	(387)	(361)	(1,392)	(1,542)
(Loss)/Profit before taxation	(2,143)	4,785	(1,744)	5,837
Taxation	(115)	(320)	(1,727)	(1,273)
(Loss)/Profit for the financial period	(2,258)	4,465	(3,471)	4,564
Attributable to:-				
Equity holders of the Company	(2,529)	4,085	(5,283)	3,278
Minority interests	271	380	1,812	1,286
	(2,258)	4,465	(3,471)	4,564
	Sen	Sen	Sen	Sen
(Loss)/Earnings per 20 sen share attributable to equity holders of the Company:-				
- Basic	(0.34)	0.55	(0.71)	0.44
- 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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**CONDENSED CONSOLIDATED BALANCE SHEET**  
At 31 December 2008

	<b>31/12/2008</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	5,538	6,157
Investment properties	30,990	30,943
Prepaid land lease payments	993	1,008
Development properties	35,263	35,263
Investments	122,619	149,913
Deferred tax assets	449	548
Goodwill on consolidation	5,015	5,015
	<b>200,867</b>	<b>228,847</b>
<b>Current assets</b>		
Development properties and expenditure	76,072	73,187
Inventories	22,810	28,482
Trade and other receivables	13,693	14,067
Deposits, bank balances and cash	49,657	41,538
	<b>162,232</b>	<b>157,274</b>
<b>Assets of disposal group classified as held for sale</b>	<b>2,424</b>	<b>2,419</b>
	<b>164,656</b>	<b>159,693</b>
<b>TOTAL ASSETS</b>	<b>365,523</b>	<b>388,540</b>
<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	129,146	155,612
	<b>275,657</b>	<b>302,123</b>
<b>Minority interests</b>	<b>59,547</b>	<b>57,735</b>
<b>Total equity</b>	<b>335,204</b>	<b>359,858</b>
<b>Non-current liabilities</b>		
Employee benefits	518	402
Deferred taxation	451	451
	<b>969</b>	<b>853</b>
<b>Current liabilities</b>		
Borrowings	21,517	22,465
Trade and other payables	7,242	4,584
Provision for taxation	591	548
Amounts due to related companies	-	232
	<b>29,350</b>	<b>27,829</b>
<b>Total liabilities</b>	<b>30,319</b>	<b>28,682</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>365,523</b>	<b>388,540</b>
	<b>RM</b>	<b>RM</b>
Net assets per 20 sen share attributable to equity holders of the Company	0.37 *	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 31 December 2008**

CUMULATIVE 12 MONTHS	Attributable to Equity Holders of the Company						Minority	Total	
	Non-Distributable					Retained profits/ (Accumulated Losses)	Total	Interests	Equity
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	General Reserve 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	-	-	(17,893)	-		-	(17,893)	-	(17,893)
Loss for the financial period	-	-	-	-		(5,283)	(5,283)	1,812	(3,471)
Dividend for the financial year ended 31 December 2007	-	-	-	-		(3,290)	(3,290)	-	(3,290)
At 31 December 2008	152,812	(6,301)	15,345	10,649		103,152	275,657	59,547	335,204
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	-	-	4,773	-		-	4,773	-	4,773
Profit for the financial period	-	-	-	-		3,278	3,278	1,286	4,564
Par value reduction	(229,218)	-	-	-		229,218	-	-	-
Share premium reduction	-	-	(154,457)	-		154,457	-	-	-
At 31 December 2007	152,812	(6,301)	33,238	10,649		111,725	302,123	57,735	359,858

(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**

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

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before taxation	(1,744)	5,837
Net Adjustments		
Gain on distribution arising from an investment	-	(2,028)
Loss/(Gain) on disposal of investments	1,958	(3,688)
Others	1,194	6,429
	<hr/>	<hr/>
Operating profit before working capital changes	1,408	6,550
Net changes in working capital	5,795	3,258
	<hr/>	<hr/>
Cash generated from operating activities	7,203	9,808
Interest paid	(1,392)	(1,542)
Tax refund	35	772
Income tax paid	(1,679)	(1,164)
	<hr/>	<hr/>
Net cash generated from operating activities	4,167	7,874
<b>Cash Flows From Investing Activities</b>		
Proceeds from distribution arising from an investment	-	2,028
Proceeds from disposal of property, plant and equipment	97	28
Proceeds from disposal of investments	8,614	6,863
Purchase of property, plant and equipment	(684)	(47)
Repayment to related companies	(232)	-
	<hr/>	<hr/>
Net cash generated from investing activities	7,795	8,872
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(3,290)	-
Repayment of bank borrowings	-	(1,000)
	<hr/>	<hr/>
Net cash used in financing activities	(3,290)	(1,000)
	<hr/>	<hr/>
Effect of exchange rate changes	(1,333)	(2,239)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	7,339	13,507
Cash and cash equivalents at 1 January		
As previously reported	39,073	26,838
Effects of exchange rate changes on cash and cash equivalents	1,728	(1,272)
As restated	40,801	25,566
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	<b>48,140</b>	<b>39,073</b>

(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 31 December 2008, other than as follows:-

	Fourth Quarter		Cumulative 12 months	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
(Loss)/Gain on disposal of investments	(1,958)	3,688	(1,958)	3,688
Gain on foreign exchange	205	3,769	205	3,769
Non-recurring expenses for repair and maintenance of a development project	(485)	-	(485)	-
Write back of/(Allowance for) diminution in value of long term investments	529	(4,624)	529	(4,624)
	<u>(1,709)</u>	<u>2,833</u>	<u>(1,709)</u>	<u>2,833</u>

### 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 December 2008.

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

As at 31 December 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 December 2008.

## MUI PROPERTIES BERHAD

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### 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 31 December 2008 (31 December 2007: Nil).

### A9. Segment Information

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

	Properties RM'000	Investment Holding RM'000	Total RM'000
<b>Revenue</b>			
- External	29,489	870	30,359
- Inter-segment	-	-	-
Total	<u>29,489</u>	<u>870</u>	<u>30,359</u>
<b>Results</b>			
Segment results	<u>5,612</u>	<u>(5,964)</u>	(352)
Finance costs			(1,392)
Loss before taxation			<u>(1,744)</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 31 December 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 December 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 31 December 2008, THSB had no revenue and had insignificant expenses and cashflows. As at 31 December 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.

## MUI PROPERTIES BERHAD

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### B. NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

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

During the 12 months ended 31 December 2008, the Group recorded revenue of RM30.4 million compared with the previous year corresponding period's revenue of RM22.3 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 loss of RM1.7 million as compared with a pre-tax profit of RM5.8 million in the previous year corresponding period. The results for the period under review included a loss on disposal of investments of RM2.0 million while the results for the previous period included investment gain and exchange gain totalling RM7.5 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 RM7.0 million and pre-tax loss of RM2.1 million compared with revenue of RM6.3 million and pre-tax loss of RM0.4 million in the preceding quarter. The pre-tax loss in the current quarter included loss on disposal of investments of RM2.0 million.

#### 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. However, due to the lower price of palm oil currently, the income from the sale of oil palm fruits will be affected.

The Directors expect the Group's property operations to be challenging for the financial year ending 31 December 2009 in view of the current global unfavourable economic conditions.

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

Not applicable.

#### B5. Taxation

Taxation comprises :-

	Fourth Quarter		Cumulative 12 months	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
	RM'000	RM'000	RM'000	RM'000
Current taxation	328	312	1,809	1,189
Deferred taxation	(116)	(24)	38	(70)
(Over)/Under provision in respect of prior years	(97)	32	(120)	154
	<u>115</u>	<u>320</u>	<u>1,727</u>	<u>1,273</u>

The tax charge for the financial period ended 31 December 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 31 December 2008 other than the disposal of unquoted investments and the loss on the disposal is as disclosed in Note A5.

#### B7. Quoted Securities

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

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

	<b>RM'000</b>
At cost	15,400
Less: Allowance for diminution in value of investments	<u>(2,476)</u>
At book value	<u>12,924</u>
Market value	<u>11,315</u>

## MUI PROPERTIES BERHAD

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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 was completed on 30 January 2009 and the gain on the disposal is approximately RM7.3 million.

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 December 2008 are as follows:-

	RM'000
Short Term Borrowings	
- Unsecured	<u>21,517</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 31 December 2008 ( 31 December 2007: 0.6 sen per 20 sen share (3.0%) less tax at 26%).

### 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>Fourth Quarter</u>		<u>Cumulative 12 months</u>	
	<u>31/12/2008</u>	<u>31/12/2007</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
(Loss)/Profit for the financial period attributable to equity holders of the Company (RM'000)	(2,529)	4,085	(5,283)	3,278
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
(Loss)/Earnings per share (sen)	<u>(0.34)</u>	<u>0.55</u>	<u>(0.71)</u>	<u>0.44</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: 26 February 2009**