

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 30 June 2009

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	RM'000	RM'000	RM'000	RM'000
Revenue	5,556	6,654	13,215	17,085
Cost of sales	(2,950)	(3,673)	(7,954)	(10,231)
Gross profit	2,606	2,981	5,261	6,854
Gain on disposal of a subsidiary company	-	-	7,555	-
Gain on disposal of an investment property	805	-	805	-
Other income	240	113	617	228
Administrative expenses	(1,666)	(2,409)	(3,463)	(4,715)
Other expenses	(426)	(450)	(889)	(924)
Finance costs	(277)	(332)	(605)	(684)
Profit/(Loss) before taxation	1,282	(97)	9,281	759
Taxation	(425)	(511)	(358)	(1,221)
Profit/(Loss) for the financial period	857	(608)	8,923	(462)
Attributable to:-				
Equity holders of the Company	283	(1,118)	7,828	(1,613)
Minority interests	574	510	1,095	1,151
	857	(608)	8,923	(462)
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings/(Loss) per 20 sen share attributable to equity holders of the Company:-				
- Basic	0.04	(0.15)	1.06	(0.22)
- 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 2008 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED BALANCE SHEET**  
**At 30 June 2009**

	<b>30/06/2009</b>	<b>31/12/2008</b>
	<b>RM'000</b>	<b>(Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,324	5,538
Investment properties	28,893	30,990
Prepaid land lease payments	986	993
Development properties	35,263	35,263
Investments	129,721	122,618
Deferred tax assets	586	449
Goodwill on consolidation	5,000	5,015
	<u>206,773</u>	<u>200,866</u>
<b>Current assets</b>		
Development properties and expenditure	73,818	76,072
Inventories	25,211	22,810
Trade and other receivables	16,925	13,693
Deposits, bank balances and cash	55,639	49,657
	<u>171,593</u>	<u>162,232</u>
<b>Assets of disposal group classified as held for sale</b>	-	2,425
	<u>171,593</u>	<u>164,657</u>
<b>TOTAL ASSETS</b>	<u>378,366</u>	<u>365,523</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	145,290	129,145
	<u>291,801</u>	<u>275,656</u>
<b>Minority interests</b>	60,642	59,547
<b>Total equity</b>	<u>352,443</u>	<u>335,203</u>
<b>Non-current liabilities</b>		
Employee benefits	549	451
Deferred taxation	-	518
	<u>549</u>	<u>969</u>
<b>Current liabilities</b>		
Borrowings	20,140	21,517
Trade and other payables	4,556	7,243
Provision for taxation	678	591
	<u>25,374</u>	<u>29,351</u>
<b>Total liabilities</b>	<u>25,923</u>	<u>30,320</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>378,366</u>	<u>365,523</u>
	<b>RM</b>	<b>RM</b>
Net assets per 20 sen share attributable to equity holders of the Company	0.39 *	0.37 *

\* 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 2008 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For The Financial Period Ended 30 June 2009**

	Attributable to Equity Holders of the Company						Minority	Total
	Non-Distributable						Interests	Equity
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	General Reserve RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000
<b>Cumulative 6 months 30 June 2009</b>								
At 1 January 2009	152,812	(6,301)	15,343	10,649	103,153	275,656	59,547	335,203
Net income recognised directly in equity	-	-	8,317	-	-	8,317	-	8,317
Profit for the financial period	-	-	-	-	7,828	7,828	1,095	8,923
At 30 June 2009	152,812	(6,301)	23,660	10,649	110,981	291,801	60,642	352,443
<b>30 June 2008</b>								
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	-	-	(5,113)	-	-	(5,113)	-	(5,113)
Loss for the financial period	-	-	-	-	(1,613)	(1,613)	1,151	(462)
Dividend in respect of the financial year ended 31 December 2007	-	-	-	-	(3,290)	(3,290)	-	(3,290)
At 30 June 2008	152,812	(6,301)	28,125	10,649	106,822	292,107	58,886	350,993

(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 2008 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For The Financial Period Ended 30 June 2009**

	<b>CUMULATIVE 6 MONTHS</b>	
	<b>30/06/2009</b>	<b>30/06/2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	9,281	759
Net adjustments		
Gain on disposal of a subsidiary company	(7,555)	-
Gain on disposal of an investment property	(805)	-
Gain on distribution arising from investments	(244)	-
Others	753	748
	<hr/>	<hr/>
Operating profit before working capital changes	1,430	1,507
Net changes in working capital	(5,369)	4,644
	<hr/>	<hr/>
Cash (used in)/generated from operating activities	(3,939)	6,151
Interest paid	(605)	(684)
Tax refund	17	37
Income tax paid	(819)	(464)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(5,346)	5,040
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of a subsidiary company	9,300	-
Proceeds from disposal of an investment property	2,900	-
Proceeds from distribution arising from investments	244	-
Proceeds from disposal of property, plant and equipment	-	97
Purchase of property, plant and equipment	(26)	(149)
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	12,418	(52)
	<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	-	(3,290)
	<hr/>	<hr/>
Net cash used in financing activities	-	(3,290)
	<hr/>	<hr/>
Effect of exchange rate changes	(330)	(99)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	6,742	1,599
Cash and cash equivalents at 1 January		
As previously reported	48,140	39,073
Effects of exchange rate changes on cash and cash equivalents	617	(511)
	<hr/>	<hr/>
As restated	48,757	38,562
	<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June</b>	<b>55,499</b>	<b>40,161</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 2008 and the accompanying explanatory notes attached to the interim financial statements)



## **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 and Chapter 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The significant accounting policies and methods of computation applied in this unaudited interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2008.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

### **A2. Auditors' Report**

The auditors' report on the financial statements for the financial year ended 31 December 2008 was not qualified.

### **A3. 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.

### **A4. Exceptional Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 30 June 2009 other than the gain on disposal of a subsidiary company and an investment property as disclosed in the Income Statements.

### **A5. 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 June 2009.

### **A6. Issuances or Repayments of Debts and Equity Securities**

As at 30 June 2009, 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 June 2009.

### **A7. Dividend Paid**

There was no dividend paid by the Company during the financial period ended 30 June 2009 (30 June 2008: The interim dividend of 0.6 sen per 20 sen share (3.0%) less tax at 26% in respect of financial year ended 31 December 2007 amounting to RM3,289,661 was paid on 26 May 2008)



#### A8. Segment Information

The analysis of the Group's operations for the financial period ended 30 June 2009 is as follows:-

	<b>Properties</b> RM'000	<b>Investment</b> <b>Holding</b> RM'000	<b>Total</b> RM'000
<b>Revenue</b>			
- External	12,943	272	13,215
- Inter-segment	-	-	-
Total	<u>12,943</u>	<u>272</u>	<u>13,215</u>
<b>Results</b>			
Segment results	<u>3,854</u>	<u>6,032</u>	9,886
Finance costs			(605)
Profit before taxation			<u>9,281</u>

#### A9. Property, Plant and Equipment

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

#### A10. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 30 June 2009 that have not been reflected in the financial statements for the said period as at the date of this report.

#### A11. Changes in the Composition of the Group

- a) On 30 January 2009, the Group completed the disposal of the entire equity interest in Two Holdings Sdn Bhd, a wholly-owned subsidiary. The details of the disposal are mentioned in Note B8.
- b) Resona Resources Berhad, a wholly-owned subsidiary of the Group, which was placed under members' voluntary winding-up on 31 January 2005 was dissolved on 1 March 2009 pursuant to Section 272(5) of the Companies Act, 1965.

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 June 2009.

Subsequent to the financial period, Bashan Sdn Bhd and Dondang Sayang Holdings Sdn Bhd, both wholly-owned subsidiaries of the Group, which were placed under members' voluntary winding-up and creditors' voluntary winding-up respectively on 2 February 2007 were dissolved on 27 July 2009 pursuant to Section 272(5) of the Companies Act, 1965.

#### A12. Contingent Liabilities

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

#### A13. 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 6 months ended 30 June 2009, the Group recorded revenue of RM13.2 million and pre-tax profit of RM9.3 million compared with the previous year corresponding period's revenue of RM17.1 million and pre-tax profit of RM0.8 million. The lower revenue was mainly due to a reduction in units sold in the Group's property development project in Vila Sri Ukay. The Group completed the disposal of a subsidiary company as detailed in Note B8 during the period under review with a gain of RM7.5 million and the disposal of an investment property with a gain of RM0.8 million. These contributed to the higher pre-tax profit for the financial period under review.

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

For the current quarter, the Group recorded revenue of RM5.6 million and pre-tax profit of RM1.3 million compared with the revenue of RM7.7 million and pre-tax profit of RM8.0 million in the preceding quarter. The lower revenue in the current quarter was mainly due to lower contribution from the Group's property development projects. The pre-tax profit in the preceding quarter was mainly due to the gain on disposal of a subsidiary company as mentioned in Note B8.

### B3. Prospects for Current Financial Year

The property market in Malaysia softened for the period under review due to the slowdown in the economy.

The Group will focus on its ongoing development project in Bandar Springhill, Negeri Sembilan, which has seen increased interest following the announcement of plans to establish an education township there with UCSI University.

Barring any unforeseen circumstances, the Directors expect the Group to perform satisfactorily for the remaining periods in the financial year ending 31 December 2009.

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

Not applicable.

### B5. Taxation

Taxation comprises :-

	Second Quarter		Cumulative 6 months	
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	490	506	935	1,106
Deferred taxation	(64)	16	(531)	108
(Over)/Under provision in respect of prior years	(1)	(11)	(46)	7
	<u>425</u>	<u>511</u>	<u>358</u>	<u>1,221</u>

The current tax charge for the financial period ended 30 June 2009 is lower than the statutory rate of tax applicable mainly due to capital gains which are not subject to tax.

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

There were no disposal of investments and/or properties during the financial period ended 30 June 2009 other than the disposal of a subsidiary company as disclosed in Note B8 and the disposal of an investment property for RM2.9 million with a gain of RM0.8 million arising therefrom.

### B7. Quoted Securities

a) There were no purchases and disposal of quoted securities for the financial period ended 30 June 2009.

b) Total investments in quoted securities as at 30 June 2009 are as follows:-

	<b>RM'000</b>
At cost	15,651
Less: Allowance for diminution in value of investments	<u>(2,477)</u>
At book value	<u>13,174</u>
Market value	<u>16,310</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 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 with a gain on disposal of RM7.5 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 30 June 2009 are as follows:-

	RM'000
Short Term Borrowings	
- Unsecured	<u>20,140</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 30 June 2009 (30 June 2008: 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>Second Quarter</u>		<u>Cumulative 6 months</u>	
	<u>30/06/2009</u>	<u>30/06/2008</u>	<u>30/06/2009</u>	<u>30/06/2008</u>
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	283	(1,118)	7,828	(1,613)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	<u>0.04</u>	<u>(0.15)</u>	<u>1.06</u>	<u>(0.22)</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: 21 August 2009**