

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 31 March 2010

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	RM'000	RM'000	RM'000	RM'000
Revenue	6,824	7,659	6,824	7,659
Cost of sales	(3,488)	(5,004)	(3,488)	(5,004)
Gross profit	3,336	2,655	3,336	2,655
Gain on disposal of a subsidiary company	-	7,555	-	7,555
Other income	74	377	74	377
Administrative expenses	(1,649)	(1,797)	(1,649)	(1,797)
Other expenses	(482)	(463)	(482)	(463)
Finance costs	(332)	(328)	(332)	(328)
Profit before taxation	947	7,999	947	7,999
Income tax expense	(400)	67	(400)	67
Profit for the financial period	547	8,066	547	8,066
Profit for the financial period attributable to:				
Equity holders of the Company	7	7,545	7	7,545
Minority interests	540	521	540	521
	547	8,066	547	8,066
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share attributable to equity holders of the Company:				
- Basic	0.001	1.02	0.001	1.02
- 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 2009 and the accompanying explanatory notes attached to the interim financial statements)



MUI Properties Berhad  
6113-W  
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Financial Period Ended 31 March 2010**

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	547	8,066	547	8,066
Foreign currency translation differences for overseas subsidiaries	(2,608)	2,389	(2,608)	2,389
Fair value of available-for-sale investments	3,641	-	3,641	-
Total comprehensive income for the financial period	<u>1,580</u>	<u>10,455</u>	<u>1,580</u>	<u>10,455</u>
Total comprehensive income attributable to:				
Equity holders of the Company	1,040	9,934	1,040	9,934
Minority interests	540	521	540	521
	<u>1,580</u>	<u>10,455</u>	<u>1,580</u>	<u>10,455</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 March 2010**

	31/03/2010	31/12/2009
	RM'000	Restated RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,779	8,947
Investment properties	28,884	28,887
Development properties	35,263	35,263
Investments	145,028	136,529
Deferred tax assets	600	587
Goodwill on consolidation	5,000	5,000
	<u>223,554</u>	<u>215,213</u>
<b>Current assets</b>		
Development properties and expenditure	77,199	76,554
Inventories	26,076	26,886
Trade and other receivables	9,703	9,741
Tax recoverable	-	12
Deposits, bank balances and cash	51,942	54,818
	<u>164,920</u>	<u>168,011</u>
<b>TOTAL ASSETS</b>	<u>388,474</u>	<u>383,224</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	152,347	150,257
	<u>298,858</u>	<u>296,768</u>
<b>Minority interests</b>	61,467	60,927
<b>Total equity</b>	<u>360,325</u>	<u>357,695</u>
<b>Non-current liabilities</b>		
Employee benefits	548	548
<b>Current liabilities</b>		
Borrowings	18,152	20,873
Trade and other payables	3,689	4,013
Dividend payable	5,557	-
Provision for taxation	203	95
	<u>27,601</u>	<u>24,981</u>
<b>Total liabilities</b>	<u>28,149</u>	<u>25,529</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>388,474</u>	<u>383,224</u>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.40 *	0.40 *

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

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For The Financial Period Ended 31 March 2010**

	Attributable to Equity Holders of the Company						Minority	Total
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Retained Profits RM'000	Total RM'000	Interests RM'000	Equity RM'000
			Other Reserves RM'000	General Reserves RM'000				
<b>3 months ended 31 March 2010</b>								
At 1 January 2010, as previously stated	152,812	(6,301)	29,672	10,649	109,936	296,768	60,927	357,695
Effects arising from adoption of FRS 139 (Note A2(c))	-	-	6,607	-	-	6,607	-	6,607
At 1 January 2010, as restated	152,812	(6,301)	36,279	10,649	109,936	303,375	60,927	364,302
Total comprehensive income for the financial period	-	-	1,033	-	7	1,040	540	1,580
<b>Transactions with owners in their capacity as owners:</b>								
Dividends for the financial year ended 31 December 2009	-	-	-	-	(5,557)	(5,557)	-	(5,557)
<b>At 31 March 2010</b>	<b>152,812</b>	<b>(6,301)</b>	<b>37,312</b>	<b>10,649</b>	<b>104,386</b>	<b>298,858</b>	<b>61,467</b>	<b>360,325</b>
<b>3 months ended 31 March 2009</b>								
At 1 January 2009	152,812	(6,301)	15,343	10,649	103,153	275,656	59,547	335,203
Total comprehensive income for the financial period	-	-	2,389	-	7,545	9,934	521	10,455
<b>At 31 March 2009</b>	<b>152,812</b>	<b>(6,301)</b>	<b>17,732</b>	<b>10,649</b>	<b>110,698</b>	<b>285,590</b>	<b>60,068</b>	<b>345,658</b>

(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 2009 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Financial Period Ended 31 March 2010**

	<b>CUMULATIVE 3 MONTHS</b>	
	<b>31/03/2010</b>	<b>31/03/2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	947	7,999
Net adjustments		
Gain on disposal of a subsidiary company	-	(7,555)
Gain on distribution arising from investments	-	(244)
Others	411	415
	<hr/>	<hr/>
Operating profit before working capital changes	1,358	615
Net changes in working capital	(120)	(2,339)
	<hr/>	<hr/>
Cash generated from/(used in) operating activities	1,238	(1,724)
Interest paid	(332)	(328)
Income tax paid	(303)	(490)
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	603	(2,542)
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of a subsidiary company	-	9,300
Proceeds from distribution arising from investments	-	244
Purchase of property, plant and equipment	(22)	(1)
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(22)	9,543
	<hr/>	<hr/>
Effect of exchange rate changes	1,184	(1,311)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,765	5,690
Cash and cash equivalents at 1 January		
As previously reported	51,945	48,140
Effects of exchange rate changes on cash and cash equivalents	(1,921)	1,747
	<hr/>	<hr/>
As restated	50,024	49,887
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March</b>	<b>51,789</b>	<b>55,577</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009 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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

### A2. Significant 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 2009, except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and Interpretations with effect from 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded derivatives
Improvements to FRSs issued in 2009 in respect of various FRSs including Amendments to FRS 117: Leases	

Other than for the application of FRS 8, FRS 101, FRS 139 and Amendments to FRS 117, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

#### (a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting had been presented based on the internal reporting to the management, who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial positions or results of the Group.



## A2. Significant Accounting Policies (Cont'd)

### (b) FRS 101: Presentation of Financial Statements

The adoption of revised FRS 101 will have the following impact on the consolidation financial statements.

- i) This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.
- ii) This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.
- iii) Additionally, FRS 101 require the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.
- iv) This Standard introduces a new requirement to disclose information on the objective, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also require for puttable financial instruments classified as equity instruments.

### (c) FRS 139: Financial Instruments - Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and commercial contracts to buy and sell non-financial items. The Group adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

#### Available-for-sale investments

Prior to 1 January 2010, the Group classified its investments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon adoption of FRS 139, these investments are designated at 1 January 2010 as available-for-sale financial assets and accordingly are stated at fair value.

For those investments that do not have quoted market price in an active market and of which fair value cannot be reliably measured at 1 January 2010 shall continued to be carried at cost less impairment loss.

#### Impact on opening balance

In accordance with the transitional provision of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following balances in the statement of financial position as at 1 January 2010.

	← At 1 January 2010	→	
	Previously stated	Effects of FRS 139	As restated
	RM'000	RM'000	RM'000
<b>Assets</b>			
Investments	136,529	6,607	143,136
<b>Equity</b>			
Other reserves	29,672	6,607	36,279



## A2. Significant Accounting Policies (Cont'd)

### (d) Amendments to FRS 117: Leases

The Group has adopted the Amendments to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the Amendments to FRS 117:

	At 31 December 2009	
	As previously stated	As restated
Cost	RM'000	RM'000
Property, plant and equipment	7,968	8,947
Prepaid land lease payments	979	-

## 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 31 March 2010.

## 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 31 March 2010.

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

As at 31 March 2010, 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 2010.

## A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 31 March 2010 (31 March 2009: Nil).

The Board of Directors had on 24 February 2010 declared an interim dividend of 1 sen per 20 sen share (5.0%) less tax at 25% amounting to RM5,556,859 in respect of the financial year ended 31 December 2009 (31 December 2008: Nil), which was paid on 15 April 2010.





## A8. Operating Segments

Segment information is presented in respect of the Group's business segments.

For the 3 months ended 31 March 2010

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	6,722	102	6,824
<b>Segment results</b>	<b>2,238</b>	<b>(959)</b>	<b>1,279</b>
Interest expense			(332)
Profit before tax			947
Income tax expense			(400)
Profit for the period			547
<b>Segment assets</b>	<b>197,341</b>	<b>190,533</b>	<b>387,874</b>
Unallocated assets			600
			<b>388,474</b>

## 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 31 March 2010 that have not been reflected in the financial statements for the said period as at the date of this report.

## A11. Contingent Liabilities

There are no material contingent liabilities 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 2010.

## 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 3 months ended 31 March 2010, the Group recorded revenue of RM6.8 million and pre-tax profit of RM0.9 million compared with the previous year corresponding period's revenue of RM7.7 million and pre-tax profit of RM8.0 million. Sales performance for the Bandar Springhill development project was encouraging during the period under review. However, the lower revenue recorded by the Group during the period was mainly due to units sold but pending recognition of revenue. Higher earnings from the sale of oil palm fruits enabled the Group to record a higher operating profit for the period under review. The gain on disposal of a subsidiary company completed last year of RM7.6 million contributed to the higher pre-tax profit for the previous year corresponding period.

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

For the current quarter, the Group recorded revenue of RM6.8 million and pre-tax profit of RM0.9 million, higher than the revenue of RM0.6 million and pre-tax profit of RM0.4 million in the preceding quarter. The better results in the current quarter was mainly due to the higher recognition of revenue from the units sold in respect of the Bandar Springhill development project compared to the revenue recognised in the preceding quarter.

### B3. Prospects for Year 2010

With the stronger domestic demand and an improving global business environment, business and consumer sentiments are expected to improve and to support the growth in the property market in Malaysia. The development to establish the education township in Bandar Springhill with UCSI is expected to commence soon with the approval by the State Government for the development of the university and private hospital.

In light of the above, the Group expects its operations to perform better for the remaining periods in the financial year ending 31 December 2010. However the Group remain cautious amidst the current financial crisis in Europe.

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

Not applicable.

### B5. Income Tax Expense

Taxation comprises :-

	First Quarter		Cumulative 3 months	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	RM'000	RM'000	RM'000	RM'000
Current taxation	470	445	470	445
Deferred taxation	(22)	(467)	(22)	(467)
Over provision in respect of prior years	(48)	(45)	(48)	(45)
	<u>400</u>	<u>(67)</u>	<u>400</u>	<u>(67)</u>

The current tax charge for the financial period ended 31 March 2010 is higher than the statutory rate of tax applicable mainly due to the losses suffered by certain subsidiaries for which no group relief is available.

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

There were no disposal of investments and/or properties during the financial period ended 31 March 2010.

### B7. Quoted Securities

a) There were no purchases and disposal of quoted securities for the financial period ended 31 March 2010.

b) Total investments in quoted securities as at 31 March 2010 are as follows:-

	<b>RM'000</b>
At cost	<u>14,945</u>
At carrying value/market value	<u>23,958</u>



#### B8. Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

#### B9. Borrowings

Total Group borrowings as at 31 March 2010 are as follows:-

	<b>RM'000</b>
Borrowings	
- Current, unsecured	<u>18,152</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 2010 ( 31 March 2009: Nil).

#### B13. Earnings Per Share

##### (a) Basic earnings per share

The basic earnings per ordinary share is calculated by dividing the 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>First Quarter</u>		<u>Cumulative 3 months</u>	
	<u>31/03/2010</u>	<u>31/03/2009</u>	<u>31/03/2010</u>	<u>31/03/2009</u>
Profit for the financial period attributable to equity holders of the Company (RM'000)	7	7,545	7	7,545
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings per share (sen)	<u>0.001</u>	<u>1.02</u>	<u>0.001</u>	<u>1.02</u>

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

#### B14. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified.

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

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

**Date: 26 May 2010**