MUI PROPERTIES BERHAD

Company No : 6113-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2010

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS
For The Financial Period Ended 30 June 2010

	INDIVIDUAL QUARTER		CUMULATIVE 6 MONTHS	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	RM'000	RM'000	RM'000	RM'000
Revenue	6,728	5,556	13,552	13,215
Cost of sales	(3,780)	(2,950)	(7,268)	(7,954)
Gross profit	2,948	2,606	6,284	5,261
Gain on disposal of a subsidiary company	-	-	-	7,555
Gain on disposal of an investment property	-	805	-	805
Other income	70	240	144	617
Administrative expenses	(1,738)	(1,666)	(3,387)	(3,463)
Other expenses	(528)	(426)	(1,010)	(889)
Finance costs	(384)	(277)	(716)	(605)
Profit before taxation	368	1,282	1,315	9,281
Income tax expense	(548)	(425)	(948)	(358)
Profit/(Loss) for the financial period	(180)	857	367	8,923
Profit/(Loss) for the financial period attributable to:				
Equity holders of the Company	(817)	283	(810)	7,828
Minority interests	637	574	1,177	1,095
	(180)	857	367	8,923
	Sen	**Sen**	**Sen**	**Sen**
Earnings/(Loss) per share attributable to equity holders of the Company:				
- Basic	(0.11)	0.04	(0.11)	1.06
- 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)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period Ended 30 June 2010

	INDIVIDUAL QUARTER		CUMULATIVE 6 MONTHS	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period	(180)	857	367	8,923
Foreign currency translation differences for overseas subsidiaries	(5,174)	5,928	(7,782)	8,317
Fair value of available-for-sale investments	3,231	-	6,872	-
Total comprehensive (loss)/income for the financial period	(2,123)	6,785	(543)	17,240
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(2,760)	6,211	(1,720)	16,145
Minority interests	637	574	1,177	1,095
	(2,123)	6,785	(543)	17,240

(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)

MUI Properties Berhad
6113-W
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2010

	30/06/2010	31/12/2009
		Restated
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,235	8,947
Investment properties	28,882	28,887
Development properties	35,263	35,263
Investments	143,807	136,529
Deferred tax assets	551	587
Goodwill on consolidation	5,000	5,000
	221,738	215,213
Current assets		
Development properties and expenditure	77,113	76,554
Inventories	25,639	26,886
Trade and other receivables	11,590	9,741
Tax recoverable	-	12
Deposits, bank balances and cash	50,489	54,818
	164,831	168,011
TOTAL ASSETS	386,569	383,224
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	149,587	150,257
	296,098	296,768
Minority interests	62,104	60,927
Total equity	358,202	357,695
Non-current liabilities		
Employee benefits	548	548
Current liabilities		
Borrowings	22,802	20,873
Trade and other payables	4,560	4,013
Provision for taxation	457	95
	27,819	24,981
Total liabilities	28,367	25,529
TOTAL EQUITY AND LIABILITIES	386,569	383,224
	RM	**RM**
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 30 June 2010

	Attributable to Equity Holders of the Company						Minority Interests	Total Equity
			Non-Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	General Reserves RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000
6 months ended 30 June 2010								
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 loss for the financial period	-	-	(910)	-	(810)	(1,720)	1,177	(543)
Transactions with owners in their capacity as owners:								
Dividends for the financial year ended 31 December 2009	-	-	-	-	(5,557)	(5,557)	-	(5,557)
At 30 June 2010	152,812	(6,301)	35,369	10,649	103,569	296,098	62,104	358,202
6 months ended 30 June 2009								
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	-	-	8,317	-	7,828	16,145	1,095	17,240
At 30 June 2009	152,812	(6,301)	23,660	10,649	110,981	291,801	60,642	352,443

(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 30 June 2010

	CUMULATIVE 6 MONTHS	
	30/06/2010	30/06/2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,315	9,281
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	875	753
Operating profit before working capital changes	2,190	1,430
Net changes in working capital	(613)	(5,369)
Cash generated from/(used in) operating activities	1,577	(3,939)
Interest paid	(716)	(605)
Income tax paid	(586)	(819)
Tax refund	-	17
Net cash generated from/(used in) operating activities	275	(5,346)
Cash Flows From Investing Activities		
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	10	-
Purchase of property, plant and equipment	(36)	(26)
Net cash (used in)/generated from investing activities	(26)	12,418
Cash Flows From Financing Activities		
Dividend paid	(5,557)	-
Net cash used in financing activities	(5,557)	-
Effect of exchange rate changes	1,356	(330)
Net (decrease)/increase in cash and cash equivalents	(3,952)	6,742
Cash and cash equivalents at 1 January		
As previously reported	51,945	48,140
Effects of exchange rate changes on cash and cash equivalents	(2,306)	617
As restated	49,639	48,757
Cash and cash equivalents at 30 June	45,687	55,499

(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 an 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 position 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 consolidated 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 requires 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 required 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.

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 continue to be carried at cost less impairment loss.

Impact on opening balance

In accordance with the transitional provisions 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
Assets			
Investments	136,529	6,607	143,136
Equity			
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 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 30 June 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 30 June 2010.

A6. Issuances or Repayments of Debts and Equity Securities

As at 30 June 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 30 June 2010.

A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 30 June 2010 (30 June 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 6 months ended 30 June 2010

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	13,364	188	13,552
Segment results	3,934	(1,903)	2,031
Interest expense			(716)
Profit before tax			1,315
Income tax expense			(948)
Profit for the period			367
Segment assets	198,850	187,168	386,018
Unallocated assets			551
			386,569

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 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 30 June 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 6 months ended 30 June 2010, the Group recorded a revenue of RM13.6 million and a pre-tax profit of RM1.3 million compared with the previous year corresponding period's revenue of RM13.2 million and pre-tax profit of RM9.3 million. Sales performance for the Bandar Springhill development project was encouraging during the period under review. Higher earnings from the sale of oil palm fruits contributed to the higher operating profit for the period under review. The higher pre-tax profit for the previous year corresponding period was mainly due to the gain on disposal of a subsidiary company and an investment property completed last year of RM7.6 million and RM0.8 million respectively.

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

For the current quarter, the Group recorded a revenue of RM6.7 million which was about the same level as in the preceding quarter. The pre-tax profit of RM0.4 million for the current quarter is lower than the pre-tax profit of RM0.9 million in the preceding quarter due mainly to the sale of properties in the first quarter by an overseas subsidiary.

B3. Prospects for Year 2010

With the stronger domestic demand, business and consumer sentiments are expected to improve, supporting the growth in the property market in Malaysia. The development of a university campus as well as an international school in Bandar Springhill will help accelerate the township development. Works on the international school have already started.

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 continues to remain cautious of the general business environment.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Income Tax Expense

Taxation comprises :-

	Second Quarter		Cumulative 6 months	
	30/06/2010 RM'000	**30/06/2009 RM'000**	**30/06/2010 RM'000**	**30/06/2009 RM'000**
Current taxation	537	490	1,007	935
Deferred taxation	11	(64)	(11)	(531)
Over provision in respect of prior years	-	(1)	(48)	(46)
	548	425	948	358

The current tax charge for the financial period ended 30 June 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 30 June 2010.

B7. Quoted Securities

a) There were no purchases and disposal of quoted securities for the financial period ended 30 June 2010.

b) Total investments in quoted securities as at 30 June 2010 are as follows:-

	RM'000
At cost	14,862
At carrying value/market value	27,188

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 30 June 2010 are as follows:-

	RM'000
Borrowings	
- Current, unsecured	22,802

B10. Derivative Financial Instruments

There were no derivative financial instruments as at the date of this report.

B11. Fair Value Changes of Financial Liabilities

As at 30 June 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

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

B13. Dividend

No dividend has been declared by the Board for the financial period ended 30 June 2010 (30 June 2009: Nil).

B14. 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:-

	Second Quarter		Cumulative 6 months	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	(817)	283	(810)	7,828
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	(0.11)	0.04	(0.11)	1.06

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

B15. 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: 17 August 2010