

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 30 September 2011

	INDIVIDUAL QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	7,750	5,976	26,453	19,528
Cost of sales	(4,397)	(3,408)	(14,771)	(10,676)
Gross profit	3,353	2,568	11,682	8,852
Other income	193	300	749	444
Administrative expenses	(2,201)	(2,220)	(5,439)	(5,607)
Other expenses	(196)	(387)	(733)	(1,397)
Finance costs	(370)	(423)	(996)	(1,139)
Profit before taxation	779	(162)	5,263	1,153
Income tax expense	(721)	(480)	(2,407)	(1,428)
Profit/(Loss) for the financial period	58	(642)	2,856	(275)
Profit/(Loss) for the financial period attributable to:				
Equity holders of the Company	(327)	(1,189)	659	(1,999)
Minority interests	385	547	2,197	1,724
	58	(642)	2,856	(275)
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings/(Loss) per share attributable to equity holders of the Company:				
- Basic	(0.04)	(0.16)	0.09	(0.27)
- 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 2010 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Financial Period Ended 30 September 2011**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE 9 MONTHS</b>	
	<b>30/09/2011</b>	<b>30/09/2010</b>	<b>30/09/2011</b>	<b>30/09/2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit/(Loss) for the financial period	58	(642)	2,856	(275)
Foreign currency translation differences for overseas subsidiaries	(619)	(3,280)	(155)	(11,062)
Fair value for available-for-sale investments	(2,537)	(1,315)	(3,287)	5,557
<b>Total comprehensive income/(loss) for the financial period</b>	<b>(3,098)</b>	<b>(5,237)</b>	<b>(586)</b>	<b>(5,780)</b>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(3,483)	(5,784)	(2,783)	(7,504)
Minority interests	385	547	2,197	1,724
	<b>(3,098)</b>	<b>(5,237)</b>	<b>(586)</b>	<b>(5,780)</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 30 September 2011**

	30/09/2011	31/12/2010 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,653	7,861
Investment properties	29,820	29,840
Development properties	35,263	35,263
Investments	96,516	100,154
Deferred tax assets	554	734
Goodwill on consolidation	5,000	5,000
	<u>174,806</u>	<u>178,852</u>
<b>Current assets</b>		
Development properties and expenditure	79,915	75,264
Inventories	28,540	30,345
Trade and other receivables	14,840	9,179
Tax recoverable	-	115
Deposits, bank balances and cash	36,265	45,424
	<u>159,560</u>	<u>160,327</u>
<b>TOTAL ASSETS</b>	<u>334,366</u>	<u>339,179</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	102,288	105,071
	<u>248,799</u>	<u>251,582</u>
<b>Minority interests</b>	65,547	63,350
<b>Total equity</b>	<u>314,346</u>	<u>314,932</u>
<b>Non-current liabilities</b>		
Employee benefits	546	546
<b>Current liabilities</b>		
Borrowings	11,137	15,578
Trade and other payables	7,541	7,578
Provision for taxation	796	545
	<u>19,474</u>	<u>23,701</u>
<b>Total liabilities</b>	<u>20,020</u>	<u>24,247</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>334,366</u>	<u>339,179</u>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.34 *	0.34 *

\* 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 2010 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For The Financial Period Ended 30 September 2011**

	Attributable to Equity Holders of the Company					Total	Minority Interests	Total Equity
	Share Capital	Treasury Shares	Non-Distributable		Retained Profits			
			Other Reserves	General Reserves				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>9 months ended 30 September 2011</b>								
At 1 January 2011	152,812	(6,301)	32,237	10,649	62,185	251,582	63,350	314,932
Total comprehensive (loss)/income for the financial period	-	-	(3,442)	-	659	(2,783)	2,197	(586)
<b>At 30 September 2011</b>	<b>152,812</b>	<b>(6,301)</b>	<b>28,795</b>	<b>10,649</b>	<b>62,844</b>	<b>248,799</b>	<b>65,547</b>	<b>314,346</b>
<b>9 months ended 30 September 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	-	-	6,607	-	(42,387)	(35,780)	-	(35,780)
At 1 January 2010, as restated	152,812	(6,301)	36,279	10,649	67,549	260,988	60,927	321,915
Dividends for the financial year ended 31 December 2009	-	-	-	-	(5,557)	(5,557)	-	(5,557)
Total comprehensive income/(loss) for the financial period	-	-	(5,505)	-	(1,999)	(7,504)	1,724	(5,780)
<b>At 30 September 2010</b>	<b>152,812</b>	<b>(6,301)</b>	<b>30,774</b>	<b>10,649</b>	<b>59,993</b>	<b>247,927</b>	<b>62,651</b>	<b>310,578</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 2010 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Financial Period Ended 30 September 2011**

	<b>CUMULATIVE 9 MONTHS</b>	
	<b>30/09/2011</b>	<b>30/09/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	5,263	1,153
Net adjustments		
Non-cash items	253	240
Non-operating items	983	1,139
Operating profit before working capital changes	6,499	2,532
Net changes in working capital	(8,543)	1,912
Cash (used in)/generated from operating activities	(2,044)	4,444
Interest paid	(996)	(1,139)
Net tax paid	(1,865)	(877)
Net cash (used in)/generated from operating activities	(4,905)	2,428
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	20	10
Purchase of property, plant and equipment	(88)	(43)
Net cash used in investing activities	(68)	(33)
<b>Cash Flows From Financing Activities</b>		
Dividend paid	-	(5,557)
Repayment of bank borrowings	(5,000)	(5,000)
Net cash used in financing activities	(5,000)	(10,557)
Effect of exchange rate changes	(528)	2,832
Net decrease in cash and cash equivalents	(10,501)	(5,330)
Cash and cash equivalents at 1 January		
As previously reported	42,846	51,945
Effects of exchange rate changes on cash and cash equivalents	783	(4,086)
As restated	43,629	47,859
<b>Cash and cash equivalents at 30 September</b>	<b>33,128</b>	<b>42,529</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 2010 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 2010. 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 2010.

### 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 2010, except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations with effect from 1 January 2011.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded derivatives
Improvements to FRSs issued in 2010 in respect of various FRSs	

IC Interpretation 12 Service Concession Arrangements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation is, however, not applicable to the Group.

Other than the disclosures under the Amendments to FRS 7, the adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

### 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 September 2011.



#### 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 September 2011.

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

As at 30 September 2011, 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 2011.

#### A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 30 September 2011 (30 September 2010: Nil).

#### A8. Operating Segments

For the 9 months ended 30 September 2011

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	25,783	670	26,453
Segment results	7,790	(1,531)	6,259
Interest expense			(996)
Profit before tax			5,263
Income tax expense			(2,407)
Profit for the period			2,856
Segment assets	207,588	126,224	333,812
Unallocated assets			554
			334,366

#### 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 September 2011 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 September 2011.

#### 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 9 months ended 30 September 2011, the Group recorded revenue of RM26.5 million and pre-tax profit of RM5.3 million compared with the previous year corresponding period's revenue of RM19.5 million and pre-tax profit of RM1.2 million. The better results was mainly due to higher contributions from the Group's property development projects.

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

For the current quarter, the Group recorded revenue of RM7.7 million and pre-tax profit of RM0.8 million, compared with the revenue of RM9.6 million and pre-tax profit of RM2.2 million in the preceding quarter. The decrease in revenue and pre-tax profit was mainly due to the lower contributions from the Group's property development projects during the current quarter.

### B3. Prospects for Year 2011

The Malaysian economy is forecast to grow by 5% this year, underpinned by strong domestic demand. In the light of the positive economic forecast, the sentiments of the property market in Malaysia are expected to remain stable for the remaining period in the financial year ending 31 December 2011. In Bandar Springhill, the ongoing construction of the International School, the UCSI teaching hospital and the hotel & convention centre is expected to increase demand for its commercial and residential properties.

However, the unfolding economic events in the US and Eurozone may have dampening effects on the economic growth in the fourth quarter of 2011.

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

Not applicable.

### B5. Income Tax Expense

Taxation comprises :-

	Third Quarter		Cumulative 9 months	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Current taxation	576	473	2,098	1,480
Deferred taxation	4	-	176	(11)
Under/(over) provision in respect of prior years	141	7	133	(41)
	<u>721</u>	<u>480</u>	<u>2,407</u>	<u>1,428</u>

The current tax charge for the financial period ended 30 September 2011 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 September 2011.

### B7. Quoted Securities

a) There were no purchases and disposal of quoted securities for the financial period ended 30 September 2011.

b) Total investments in quoted securities as at 30 September 2011 are as follows:-

	RM'000
At cost	<u>14,695</u>
At carrying value/market value	<u>22,025</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. Realised and Unrealised Profits

Retained profits of the Group comprise of the following:-

	30/09/2011 RM'000	31/12/2010 RM'000
Realised	189,420	214,582
Unrealised	19,275	18,681
	<u>208,695</u>	<u>233,263</u>
Less: Consolidation adjustments	(145,851)	(171,078)
	<u>62,844</u>	<u>62,185</u>

#### B10. Borrowings

Total Group borrowings as at 30 September 2011 are as follows:-

	RM'000
Borrowings	
- Current, unsecured	<u>11,137</u>

#### B11. Derivative Financial Instruments

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

#### B12. Fair Value Changes of Financial Liabilities

As at 30 September 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

#### B13. Material Litigation

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

#### B14. Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2011 (30 September 2010: Nil).

#### B15. 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>Third Quarter</u>		<u>Cumulative 9 months</u>	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	(327)	(1,189)	659	(1,999)
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>(0.16)</u>	<u>0.09</u>	<u>(0.27)</u>

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

#### B16. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

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

**Leong Park Yip**  
**Company Secretary**  
**Date: 21 November 2011**