

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Year Ended 31 December 2011

	INDIVIDUAL QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	10,785	6,431	37,238	25,959
Cost of sales	(6,584)	(2,366)	(21,355)	(13,042)
Gross profit	4,201	4,065	15,883	12,917
Other income	118	2,363	867	2,807
Administrative expenses	(1,876)	(2,185)	(7,315)	(7,792)
Depreciation and amortisation	(88)	(85)	(341)	(329)
Other expenses	(678)	(282)	(1,158)	(1,435)
Finance costs	(249)	(344)	(1,245)	(1,483)
Profit before taxation	1,428	3,532	6,691	4,685
Income tax expense	(783)	(641)	(3,190)	(2,069)
Profit for the financial period/year	645	2,891	3,501	2,616
Profit/(Loss) for the financial period/year attributable to:				
Equity holders of the Company	(184)	2,192	475	193
Minority interests	829	699	3,026	2,423
	645	2,891	3,501	2,616
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings/(Loss) per share attributable to equity holders of the Company:				
- Basic	(0.02)	0.30	0.06	0.03
- 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 Year Ended 31 December 2011**

	INDIVIDUAL QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period/year	645	2,891	3,501	2,616
Foreign currency translation differences for overseas subsidiaries	1,472	1,370	1,317	(9,692)
Fair value for available-for-sale investments	(667)	93	(3,954)	5,650
Total comprehensive income/(loss) for the financial period/year	<u>1,450</u>	<u>4,354</u>	<u>864</u>	<u>(1,426)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	621	3,655	(2,162)	(3,849)
Minority interests	829	699	3,026	2,423
	<u>1,450</u>	<u>4,354</u>	<u>864</u>	<u>(1,426)</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 2010 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 31 December 2011**

	31/12/2011	31/12/2010
	RM'000	(Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,883	7,861
Investment properties	29,814	29,840
Development properties	35,263	35,263
Investments	97,133	100,154
Deferred tax assets	663	734
Goodwill on consolidation	5,000	5,000
	<u>175,756</u>	<u>178,852</u>
<b>Current assets</b>		
Development properties and expenditure	81,320	75,264
Inventories	28,050	30,345
Trade and other receivables	11,571	9,179
Tax recoverable	1	115
Deposits, bank balances and cash	37,305	45,424
	<u>158,247</u>	<u>160,327</u>
<b>TOTAL ASSETS</b>	<u>334,003</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	102,909	105,071
	<u>249,420</u>	<u>251,582</u>
<b>Minority interests</b>	66,376	63,350
<b>Total equity</b>	<u>315,796</u>	<u>314,932</u>
<b>Non-current liabilities</b>		
Employee benefits	234	546
<b>Current liabilities</b>		
Borrowings	8,385	15,578
Trade and other payables	8,660	7,578
Provision for taxation	928	545
	<u>17,973</u>	<u>23,701</u>
<b>Total liabilities</b>	<u>18,207</u>	<u>24,247</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>334,003</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 Year Ended 31 December 2011**

	Attributable to Equity Holders of the Company						Minority Interests	Total Equity
	Share Capital	Treasury Shares	Non-Distributable		Retained Profits	Total		
			Other Reserves	General Reserves				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>12 months ended 31 December 2011</b>								
At 1 January 2011	152,812	(6,301)	32,237	10,649	62,185	251,582	63,350	314,932
Total comprehensive income/(loss) for the financial year	-	-	(2,637)	-	475	(2,162)	3,026	864
<b>At 31 December 2011</b>	<b>152,812</b>	<b>(6,301)</b>	<b>29,600</b>	<b>10,649</b>	<b>62,660</b>	<b>249,420</b>	<b>66,376</b>	<b>315,796</b>
<b>12 months ended 31 December 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 year	-	-	(4,042)	-	193	(3,849)	2,423	(1,426)
<b>At 31 December 2010</b>	<b>152,812</b>	<b>(6,301)</b>	<b>32,237</b>	<b>10,649</b>	<b>62,185</b>	<b>251,582</b>	<b>63,350</b>	<b>314,932</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 Year Ended 31 December 2011**

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	6,691	4,685
Net adjustments		
Non-cash items	34	(1,866)
Non-operating items	(376)	97
	<hr/>	<hr/>
Operating profit before working capital changes	6,349	2,916
Net changes in working capital	(5,091)	1,988
	<hr/>	<hr/>
Cash generated from operating activities	1,258	4,904
Interest paid	(1,245)	(1,483)
Net tax paid	(2,606)	(1,858)
Interest received	817	723
Dividend received	805	663
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(971)	2,949
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	21	10
Purchase of property, plant and equipment	(172)	(56)
	<hr/>	<hr/>
Net cash used in investing activities	(151)	(46)
	<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	-	(5,557)
Repayment of bank borrowings	(5,000)	(5,000)
	<hr/>	<hr/>
Net cash used in financing activities	(5,000)	(10,557)
	<hr/>	<hr/>
Effect of exchange rate changes	(552)	2,706
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(6,674)	(4,948)
Cash and cash equivalents at 1 January		
As previously reported	42,846	51,945
Effects of exchange rate changes on cash and cash equivalents	748	(4,151)
	<hr/>	<hr/>
As restated	43,594	47,794
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>	<b>36,920</b>	<b>42,846</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 year ended 31 December 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 year ended 31 December 2011.

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

As at 31 December 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 year ended 31 December 2011.

#### A7. Dividend Paid

There was no dividend paid by the Company during the financial year ended 31 December 2011 (31 December 2010: Nil).

The Board of Directors has proposed a Final Dividend of 1 sen per 20 sen share ( 5%) less tax at 25% amounting to RM5,556,859 (31 December 2010: Nil ) for the financial year ended 31 December 2011, subject to the approval of the shareholders at the Annual General Meeting to be convened.

#### A8. Operating Segments

For the 12 months ended 31 December 2011

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	36,200	1,038	37,238
Segment results	10,104	(2,168)	7,936
Interest expense			(1,245)
Profit before tax			6,691
Income tax expense			(3,190)
Profit for the period			3,501
Segment assets	210,736	122,603	333,339
Unallocated assets			664
			334,003

#### 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 year ended 31 December 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 year ended 31 December 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 12 months ended 31 December 2011, the Group recorded revenue of RM37.2 million and pre-tax profit of RM6.7 million compared with the previous year corresponding period's revenue of RM26.0 million and pre-tax profit of RM4.7 million. The better results were mainly due to higher contributions from the Group's property development projects.

Gross profit margin for the year has declined to 42.7% from 49.8% in the previous year mainly due to higher proportion of revenue recognised from sale of residential properties with lower gross profit margin as compared with the previous year which had a higher proportion of revenue recognised from sale of commercial shop offices and from sale of properties by an overseas subsidiary, both of which contributed higher gross profit margin. The Group continues to derive income from the harvesting and sale of oil palm fruits from its undeveloped land.

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

For the current quarter, the Group recorded revenue of RM10.8 million and pre-tax profit of RM1.4 million, compared with the revenue of RM7.8 million and pre-tax profit of RM0.8 million in the preceding quarter. The increase in revenue and pre-tax profit was mainly due to the higher contributions from the Group's property development projects during the current quarter.

### B3. Prospects for Year 2012

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 financial year ending 31 December 2012.

The continuing development of UCSI project in Bandar Springhill is expected to boost demand for Bandar Springhill commercial and residential properties. The new launching of commercial shop offices towards the end of 2011 has recorded strong sales to date and these sales will be recognised progressively during the financial year ending 31 December 2012.

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

Not applicable.

### B5. Income Tax Expense

Taxation comprises :-

	Fourth Quarter		Cumulative 12 months	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	RM'000	RM'000	RM'000	RM'000
Current taxation	881	772	2,979	2,252
Deferred taxation	(90)	(124)	86	(135)
Under/(over) provision in respect of prior years	(8)	(7)	125	(48)
	<u>783</u>	<u>641</u>	<u>3,190</u>	<u>2,069</u>

The current tax charge for the financial year ended 31 December 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. Status of Corporate Proposals

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

### B7. Realised and Unrealised Profits

Retained profits of the Group comprise of the following:-

	31/12/2011	31/12/2010
	RM'000	RM'000
Realised	187,445	214,582
Unrealised	17,834	18,681
	<u>205,279</u>	<u>233,263</u>
Less: Consolidation adjustments	(142,619)	(171,078)
	<u>62,660</u>	<u>62,185</u>





#### B8. Borrowings

Total Group borrowings as at 31 December 2011 are as follows:-

	RM'000
Borrowings	
- Current, unsecured	<u>8,385</u>

#### B9. Derivative Financial Instruments

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

#### B10. Fair Value Changes of Financial Liabilities

As at 31 December 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

#### B11. Material Litigation

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

#### B12. 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:-

	Fourth Quarter		Cumulative 12 months	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	(184)	2,192	475	193
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	<u>(0.02)</u>	<u>0.30</u>	<u>0.06</u>	<u>0.03</u>

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

#### B13. 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**

**Soo-Hoo Siew Hoon**  
**Ho Chun Fuat**  
**Joint Company Secretaries**  
**Date: 28 February 2012**