

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT For The Financial Period Ended 31 March 2012

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	7,171	9,138	7,171	9,138
Cost of sales	(4,166)	(5,020)	(4,166)	(5,020)
Gross profit	3,005	4,118	3,005	4,118
Other income	381	391	381	391
Administrative expenses	(2,079)	(1,567)	(2,079)	(1,567)
Other expenses	(261)	(361)	(261)	(361)
Finance costs	(187)	(317)	(187)	(317)
Profit before taxation	859	2,264	859	2,264
Income tax expense	(434)	(824)	(434)	(824)
Profit for the financial period	425	1,440	425	1,440
Profit/(Loss) for the financial period attributable to:				
Equity holders of the Company	(75)	524	(75)	524
Non-controlling interest	500	916	500	916
	425	1,440	425	1,440
	Sen	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:				
- Basic	(0.01)	0.07	(0.01)	0.07
- Fully diluted	N/A	N/A	N/A	N/A

Note:-

N/A - Not applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Financial Period Ended 31 March 2012

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	425	1,440	425	1,440
Foreign currency translation differences for overseas subsidiaries	(2,387)	46	(2,387)	46
Fair value for available-for-sale investments	(528)	782	(528)	782
Gain on disposal of available-for-sale investments	936	-	936	-
Total comprehensive (loss)/income for the financial period	<u>(1,554)</u>	<u>2,268</u>	<u>(1,554)</u>	<u>2,268</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(2,054)	1,352	(2,054)	1,352
Non-controlling interest	500	916	500	916
	<u>(1,554)</u>	<u>2,268</u>	<u>(1,554)</u>	<u>2,268</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 2011 and the accompanying explanatory notes attached to the interim financial statements)



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2012

	31/03/2012	31/12/2011
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,673	7,883
Investment properties	29,915	29,814
Development properties	35,263	35,263
Investments	94,261	97,133
Deferred tax assets	678	686
Goodwill on consolidation	5,000	5,000
	<u>172,790</u>	<u>175,779</u>
Current assets		
Development properties and expenditure	82,107	81,631
Inventories	31,056	27,398
Trade and other receivables	11,794	12,097
Tax recoverable	18	1
Deposits, bank balances and cash	34,674	37,305
	<u>159,649</u>	<u>158,432</u>
TOTAL ASSETS	<u>332,439</u>	<u>334,211</u>
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	100,821	102,875
	<u>247,332</u>	<u>249,386</u>
Non-controlling interest	66,861	66,361
Total equity	<u>314,193</u>	<u>315,747</u>
Non-current liabilities		
Employee benefits	234	234
Current liabilities		
Borrowings	8,338	8,385
Trade and other payables	8,915	9,010
Provision for taxation	759	835
	<u>18,012</u>	<u>18,230</u>
Total liabilities	<u>18,246</u>	<u>18,464</u>
TOTAL EQUITY AND LIABILITIES	<u>332,439</u>	<u>334,211</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.33 *	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 2011 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 2012

	Attributable to Equity Holders of the Company						Non-Controlling Interest	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Retained Profits RM'000	Total RM'000	RM'000	RM'000
			Other Reserves RM'000	General Reserves RM'000				
3 months ended 31 March 2012								
At 1 January 2012	152,812	(6,301)	29,600	10,649	62,626	249,386	66,361	315,747
Effect of adopting FRS 9	-	-	(8,303)	-	8,303	-	-	-
At 1 January 2012, restated	152,812	(6,301)	21,297	10,649	70,929	249,386	66,361	315,747
Total comprehensive income for the financial period	-	-	(2,387)	-	333	(2,054)	500	(1,554)
At 31 March 2012	152,812	(6,301)	18,910	10,649	71,262	247,332	66,861	314,193
3 months ended 31 March 2011								
At 1 January 2011	152,812	(6,301)	32,237	10,649	62,185	251,582	63,350	314,932
Total comprehensive income for the financial period	-	-	828	-	524	1,352	916	2,268
At 31 March 2011	152,812	(6,301)	33,065	10,649	62,709	252,934	64,266	317,200

(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 2011 and the accompanying explanatory notes attached to the interim financial statements)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Financial Period Ended 31 March 2012

	CUMULATIVE 3 MONTHS	
	31/03/2012	31/03/2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	859	2,264
Net adjustments		
Others	276	407
	<hr/>	<hr/>
Operating profit before working capital changes	1,135	2,671
Net changes in working capital	(3,926)	(2,132)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(2,791)	539
Interest paid	(187)	(317)
Income tax paid	(528)	(578)
	<hr/>	<hr/>
Net cash used in operating activities	(3,506)	(356)
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(108)	(4)
Purchase of investments	(4,897)	-
Proceeds from sale of investments	6,505	-
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	1,500	(4)
	<hr/>	<hr/>
Effect of exchange rate changes	(61)	(19)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(2,067)	(379)
Cash and cash equivalents at 1 January		
As previously reported	36,920	42,846
Effects of exchange rate changes on cash and cash equivalents	(517)	(578)
	<hr/>	<hr/>
As restated	36,403	42,268
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	34,336	41,889
	<hr/>	<hr/>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011 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 2011. 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 2011.

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

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The Directors expect that the standards and interpretations above will have no material impact on the financial statements of the Group.

The Group early adopted FRS 9, Financial Instrument (2009) for the financial year ending 31 December 2012. The effects of the early adoption is reflected in Note A3 below.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards ("MASB") issues a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope of definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.



A3. Significant Changes in Accounting Policies

FRS 9, Financial Instruments

The adoption of FRS 9 has resulted in several changes to accounting policies relating to recognition and measurement of financial assets.

The following table summarises the transitional adjustments made to the statement of changes in equity and statement of financial position upon implementation of the new accounting policy:-

	Fair value reserves RM'000	Retained earnings RM'000
Group		
Balance as reported at 31 December 2011	8,303	62,626
Effect of adoption of FRS 9	(8,303)	8,303
Restated balance at 1 January 2012	-	70,929

The impact of the adoption of FRS 9 to the current quarter's results is as follows:-

	31/03/2012 Before adoption of FRS 9 RM'000	FRS 9 adjustments RM'000	31/3/2012 After adoption of FRS 9 RM'000
Group			
Profit for the financial period	5,161	(4,736)	425
Other comprehensive expense	(2,915)	936	(1,979)
Total comprehensive income/(loss) for the financial period	2,246	(3,800)	(1,554)

A4. 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.

A5. Exceptional Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2012.

A6. 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 2012.

A7. Issuances or Repayments of Debts and Equity Securities

As at 31 March 2012, 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 2012.

A8. Dividend Paid

There was no dividend paid by the Company during the financial period ended 31 March 2012 (31 March 2011: Nil).



A9. Operating Segments

For the 3 months ended 31 March 2012

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

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	7,114	57	7,171
Segment results	1,386	(340)	1,046
Interest expense	(27)	(160)	(187)
Profit before tax	1,359	(500)	859
Income tax expense	(434)	-	(434)
Profit for the period			425
Segment assets	211,424	120,319	331,743
Unallocated assets			696
			332,439

A10. Property, Plant and Equipment

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

A11. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 March 2012 that have not been reflected in the financial statements for the said period as at the date of this report.

A12. Contingent Liabilities

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

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2012.

A14. 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 2012, the Group recorded revenue of RM7.2 million and pre-tax profit of RM0.9 million compared with the previous year corresponding quarter's revenue of RM9.1 million and pre-tax profit of RM2.3 million. The lower revenue for the current quarter was mainly due to the completion of the Vila Sri Ukay project last year which recorded revenue of RM1.3 million in the previous year corresponding quarter. While revenue from property development in Bandar Springhill reported a drop of 2.5%, revenue from the sale of oil palm fruits reported a drop of 23.5% mainly due to the lower average CPO price in the current quarter.

The decline in gross profit margin to 42% for the current quarter as compared with 45% previously was mainly due to the higher contribution from the 2-storey shop offices which were completed last year and the higher average CPO price during the previous year corresponding quarter.

The lower pre-tax profit for the current quarter was mainly due to the lower revenue as mentioned above and also higher sales and marketing expenses incurred.

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

For the current quarter, the Group recorded revenue of RM7.2 million and pre-tax profit of RM0.9 million, compared with the revenue of RM11.0 million and pre-tax profit of RM1.3 million in the preceding quarter. The decrease in revenue and pre-tax profit was mainly due to the lower contributions from Bandar Springhill property development project during the current quarter as compared with the preceding quarter.

B3. Prospects for Year 2012

The Malaysian economy is expected to remain resilient despite global uncertainties and is forecast to grow between 4% and 5% in 2012. Domestic demand, supported by on-going initiatives of the Economic Transformation Programme, will continue to drive the country's economic growth.

Barring unforeseen circumstances, the Group expects satisfactory performance for 2012.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit before Tax

Included in the profit before tax are the following:-

	First Quarter		Cumulative 3 months	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Interest income	173	188	173	188
Gain on foreign exchange - unrealised	305	243	305	243
Depreciation	(86)	(79)	(86)	(79)

B6. Income Tax Expense

Taxation comprises :-

	First Quarter		Cumulative 3 months	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	(436)	(775)	(436)	(775)
Deferred taxation	2	(57)	2	(57)
Over provision in respect of prior years	-	8	-	8
	(434)	(824)	(434)	(824)

The current tax charge for the financial period ended 31 March 2012 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.

B7. Status of Corporate Proposals

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



B8. Realised and Unrealised Profits

Retained profits of the Group comprise of the following:-

	31/03/2012	31/12/2011
	RM'000	Audited RM'000
- Realised	64,443	60,090
- Unrealised	6,819	2,536
	<u>71,262</u>	<u>62,626</u>

B9. Borrowings

Total Group borrowings as at 31 March 2012 are as follows:-

	RM'000
Borrowings	
- Current, unsecured	<u>8,338</u>

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 31 March 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

There was 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 31 March 2012 (31 March 2011: 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:-

	<u>First Quarter</u>		<u>Cumulative 3 months</u>	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
(Loss)/Profit for the financial period attributable to equity holders of the Company (RM'000)	(75)	524	(75)	524
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
(Loss)/Earnings per share (sen)	<u>(0.01)</u>	<u>0.07</u>	<u>(0.01)</u>	<u>0.07</u>

(b) Diluted earnings per share is not disclosed as there is no dilutive potential ordinary shares.

B15. Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

By Order of the Board
MUI PROPERTIES BERHAD

Soo-Hoo Siew Hoon
Ho Chun Fuat
Joint Company Secretaries
Date: 29 May 2012