

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 30 September 2012

	INDIVIDUAL QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	10,107	7,750	27,035	26,453
Cost of sales	(6,023)	(4,397)	(16,082)	(14,771)
Gross profit	4,084	3,353	10,953	11,682
Other income	249	193	902	749
Administrative expenses	(2,418)	(2,201)	(6,580)	(5,439)
Other expenses	(208)	(196)	(690)	(733)
Finance costs	(238)	(370)	(599)	(996)
Profit before taxation	1,469	779	3,986	5,263
Income tax expense	(738)	(721)	(1,883)	(2,407)
Profit for the financial period	731	58	2,103	2,856
Profit/(Loss) for the financial period attributable to:				
Equity holders of the Company	24	(327)	(29)	659
Non-controlling interest	707	385	2,132	2,197
	731	58	2,103	2,856
	<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)	- *	0.09
- Fully diluted	N/A	N/A	N/A	N/A

Note:-

N/A - Not applicable

\* - Negligible

(The Condensed Consolidated Income Statements 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 STATEMENTS OF COMPREHENSIVE INCOME**  
**For The Financial Period Ended 30 September 2012**

	INDIVIDUAL QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	731	58	2,103	2,856
Foreign currency translation differences for overseas subsidiaries	(1,142)	(619)	(835)	(155)
Fair value for available-for-sale investments	42	(2,537)	1,196	(3,287)
Gain on disposal of available-for-sale investments	-	-	936	-
Total comprehensive (loss)/income for the financial period	<u>(369)</u>	<u>(3,098)</u>	<u>3,400</u>	<u>(586)</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(1,076)	(3,483)	1,268	(2,783)
Non-controlling interest	707	385	2,132	2,197
	<u>(369)</u>	<u>(3,098)</u>	<u>3,400</u>	<u>(586)</u>

(The Condensed Consolidated Statements 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 STATEMENTS OF FINANCIAL POSITION**  
**At 30 September 2012**

	30/09/2012	31/12/2011
	RM'000	Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,499	7,883
Investment properties	29,902	29,814
Land held for property development	35,263	35,263
Investments	97,794	97,133
Deferred tax assets	683	686
Goodwill on consolidation	5,000	5,000
	<u>176,141</u>	<u>175,779</u>
<b>Current assets</b>		
Property development costs	84,484	81,631
Inventories	30,458	27,398
Trade and other receivables	16,399	12,097
Tax recoverable	18	1
Deposits, bank balances and cash	26,398	37,305
	<u>157,757</u>	<u>158,432</u>
<b>TOTAL ASSETS</b>	<u>333,898</u>	<u>334,211</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	98,586	102,875
	<u>245,097</u>	<u>249,386</u>
<b>Non-controlling interest</b>	68,493	66,361
<b>Total equity</b>	<u>313,590</u>	<u>315,747</u>
<b>Non-current liabilities</b>		
Employee benefits	234	234
<b>Current liabilities</b>		
Borrowings	11,596	8,385
Trade and other payables	7,840	9,010
Provision for taxation	611	835
Dividend payable	27	-
	<u>20,074</u>	<u>18,230</u>
<b>Total liabilities</b>	<u>20,308</u>	<u>18,464</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>333,898</u>	<u>334,211</u>
	<b>RM</b>	<b>RM</b>
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 Statements 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 STATEMENTS OF CHANGES IN EQUITY**  
**For The Financial Period Ended 30 September 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				
<b>9 months ended 30 September 2012</b>								
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	-	-	(835)	-	2,103	1,268	2,132	3,400
Dividends for the financial year ended 31 December 2011	-	-	-	-	(5,557)	(5,557)	-	(5,557)
<b>At 30 September 2012</b>	<b>152,812</b>	<b>(6,301)</b>	<b>20,462</b>	<b>10,649</b>	<b>67,475</b>	<b>245,097</b>	<b>68,493</b>	<b>313,590</b>
<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 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>

(The Condensed Consolidated Statements 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 STATEMENTS OF CASH FLOWS For The Financial Period Ended 30 September 2012

	CUMULATIVE 9 MONTHS	
	30/09/2012	30/09/2011
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	3,986	5,263
Net adjustments		
Others	827	1,236
	<hr/>	<hr/>
Operating profit before working capital changes	4,813	6,499
Net changes in working capital	(11,667)	(8,543)
	<hr/>	<hr/>
Cash used in operations	(6,854)	(2,044)
Interest paid	(599)	(996)
Income tax paid	(2,129)	(1,865)
	<hr/>	<hr/>
Net cash used in operating activities	(9,582)	(4,905)
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(114)	(88)
Purchase of investments	(4,897)	-
Proceeds from disposal of property, plant and equipment	62	20
Proceeds from sale of investments	6,505	-
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	1,556	(68)
	<hr/>	<hr/>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(5,529)	-
Repayment of bank borrowings	-	(5,000)
	<hr/>	<hr/>
Net cash generated used in financing activities	(5,529)	(5,000)
	<hr/>	<hr/>
Effect of exchange rate changes	(43)	(528)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(13,598)	(10,501)
Cash and cash equivalents at 1 January		
As previously reported	36,920	42,846
Effects of exchange rate changes on cash and cash equivalents	(520)	783
	<hr/>	<hr/>
As restated	36,400	43,629
	<hr/>	<hr/>
<b>Cash and cash equivalents at 30 September</b>	<b>22,802</b>	<b>33,128</b>

(The Condensed Consolidated Statements 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 Board ("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 to be mandatory for annual periods beginning on or after 1 January 2013. The MASB has on 30 June 2012 decided that Transitioning Entities will be given an option of another one year to continue with the existing FRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of definition of Transitioning Entities and has opted to defer the 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 2014. 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 period ended 30 September 2012 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 2014.



### 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
<b>Group</b>		
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:-

	30/9/2012 Before adoption of FRS 9 RM'000	FRS 9 adjustments RM'000	30/9/2012 After adoption of FRS 9 RM'000
<b>Group</b>			
Profit for the financial period	6,839	(4,736)	2,103
Other comprehensive income	361	936	1,297
Total comprehensive income/(loss) for the financial period	7,200	(3,800)	3,400

#### 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 30 September 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 30 September 2012.

#### A7. Issuances or Repayments of Debts and Equity Securities

As at 30 September 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 30 September 2012.

#### A8. Dividend Paid

There was no dividend paid by the Company during the financial period ended 30 September 2012 (30 September 2011: Nil).

The final dividend in respect of the financial year ended 31 December 2011, of 5.0% less 25% taxation amounting to RM5,556,859 was paid on 27 July 2012.



## A9. Operating Segments

### For the 9 months ended 30 September 2012

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

	<b>Properties RM'000</b>	<b>Investment Holding RM'000</b>	<b>Total RM'000</b>
<b>External revenue</b>	26,432	603	27,035
<b>Segment results</b>	6,578	(1,993)	4,585
Interest expense	(82)	(517)	(599)
Profit before tax	6,496	(2,510)	3,986
Income tax expense	(1,748)	(135)	(1,883)
Profit for the period	4,748	(2,645)	2,103
<b>Segment assets</b>	213,937	119,260	333,197
Unallocated assets			701
			333,898

## 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 30 September 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 30 September 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

For the 9-month period ended 30 September 2012, the Group recorded revenue of RM27.0 million and pre-tax profit of RM4.0 million compared with the previous year corresponding period's revenue of RM26.5 million and pre-tax profit of RM5.3 million. The better revenue in the current period was mainly contributed by the Group's property development projects in Bandar Springhill.

The gross profit margin declined to 40.5% for the current period as compared with 44.2% previously. The higher gross profit margin during the previous year corresponding period was mainly due to the higher contribution from the 2-storey shop offices which were sold and completed last year and the higher average CPO price resulting in higher income from the sale of oil palm fruits.

The lower pre-tax profit for the current period was mainly due to higher administrative expenses, which include sales and marketing expenses, incurred for the current 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 RM10.1 million and pre-tax profit of RM1.5 million, compared with the revenue of RM9.8 million and pre-tax profit of RM1.7 million in the preceding quarter. The higher revenue for the current quarter was mainly contributed by the Group's property development projects in Bandar Springhill while the lower pre-tax profit was mainly due to lower contribution from sale of oil palm fruits caused by lower average CPO prices.

### 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.

Sales of properties in Bandar Springhill have been encouraging in the first 9 months of 2012 and this trend is set to continue towards the remaining period of 2012.

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

Not applicable.

### B5. Profit before Tax

Included in the profit before tax are the following:-

	Third Quarter		Cumulative 9 months	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Interest income	154	189	512	563
Gain/(Loss) on foreign exchange - unrealised	111	(68)	291	219
Depreciation	(85)	(83)	(258)	(243)

### B6. Income Tax Expense

Taxation comprises :-

	Third Quarter		Cumulative 9 months	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	(614)	(576)	(1,769)	(2,098)
Deferred taxation	(4)	(4)	6	(176)
(Under)/Over provision in respect of prior years	(120)	(141)	(120)	(133)
	(738)	(721)	(1,883)	(2,407)

The current tax charge for the financial period ended 30 September 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:-

	<b>30/9/2012</b>	<b>31/12/2011</b>
	<b>RM'000</b>	<b>Audited RM'000</b>
- Realised	55,142	60,090
- Unrealised	12,333	2,536
	<u>67,475</u>	<u>62,626</u>

#### B9. Borrowings

Total Group borrowings as at 30 September 2012 are as follows:-

	<b>RM'000</b>
Borrowings	
- Current, unsecured	<u>11,596</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 30 September 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 30 September 2012 (30 September 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>Third Quarter</u>		<u>Cumulative 9 months</u>	
	<u>30/09/2012</u>	<u>30/09/2011</u>	<u>30/09/2012</u>	<u>30/09/2011</u>
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	24	(327)	(29)	659
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	- *	(0.04)	- *	0.09

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

\* Negligible

#### 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: 28 November 2012**