MUI PROPERTIES BERHAD

Company No : 6113-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS
For The Financial Period Ended 31 March 2013

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	8,986	7,171	8,986	7,171
Cost of sales	(5,692)	(4,166)	(5,692)	(4,166)
Gross profit	3,294	3,005	3,294	3,005
Other income	94	381	94	381
Administrative expenses	(1,621)	(2,079)	(1,621)	(2,079)
Other expenses	(468)	(261)	(468)	(261)
Finance costs	(89)	(187)	(89)	(187)
Profit before taxation	1,210	859	1,210	859
Income tax expense	(591)	(434)	(591)	(434)
Profit for the financial period/year	619	425	619	425
Profit/(Loss) for the financial period/year attributable to:				
Equity holders of the Company	(73)	(75)	(73)	(75)
Non-controlling interest	692	500	692	500
	619	425	619	425
	Sen	Sen	Sen	Sen
Loss per share attributable to equity holders of the Company:				
- Basic	(0.01)	(0.01)	(0.01)	(0.01)
- 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 2012 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Financial Period Ended 31 March 2013

	INDIVIDUAL QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	619	425	619	425
Foreign currency translation differences for overseas subsidiaries	(986)	(2,387)	(986)	(2,387)
Fair value for available-for-sale investments	(1,939)	(528)	(1,939)	(528)
Gain on disposal of available-for-sale investments	-	936	-	936
Total comprehensive income for the financial period/year	(2,306)	(1,554)	(2,306)	(1,554)
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(2,998)	(2,054)	(2,998)	(2,054)
Non-controlling interest	692	500	692	500
	(2,306)	(1,554)	(2,306)	(1,554)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At 31 March 2013

	31/03/2013	31/12/2012 Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,455	7,438
Investment properties	29,712	29,905
Land held for property development	35,263	35,263
Investments	93,957	97,035
Deferred tax assets	878	869
Goodwill on consolidation	5,000	5,000
	172,265	175,510
Current assets		
Property development costs	83,561	84,762
Inventories	29,439	30,169
Trade and other receivables	11,903	10,579
Tax recoverable	16	18
Deposits, bank balances and cash	23,139	22,874
	148,058	148,402
TOTAL ASSETS	320,323	323,912
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	94,349	97,347
	240,860	243,858
Non-controlling interest	66,721	66,029
Total equity	307,581	309,887
Non-current liabilities		
Trade and other payables	-	1,698
Employee benefits	241	241
	241	1,939
Current liabilities		
Borrowings	2,334	2,690
Trade and other payables	8,999	8,311
Provision for taxation	1,151	1,067
Dividend payable	17	18
	12,501	12,086
Total liabilities	12,742	14,025
TOTAL EQUITY AND LIABILITIES	320,323	323,912
	RM	**RM**
Net assets per share attributable to equity holders of the Company	0.33 *	0.33 *

** 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 2012 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Financial Period Ended 31 March 2013

	Attributable to Equity Holders of the Company						Non-Controlling Interest	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
3 months ended 31 March 2013								
At 1 January 2013	152,812	(6,301)	26,544	10,649	60,154	243,858	66,029	309,887
Total comprehensive income/(loss) for the financial period	-	-	(2,925)	-	(73)	(2,998)	692	(2,306)
At 31 March 2013	152,812	(6,301)	23,619	10,649	60,081	240,860	66,721	307,581
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/(loss) 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

(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 2012 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Financial Period Ended 31 March 2013

	CUMULATIVE 12 MONTHS	
	31/03/2013	31/03/2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,210	859
Net adjustments		
Others	171	276
Operating profit before working capital changes	1,381	1,135
Net changes in working capital	(401)	(3,926)
Cash generated from/(used in) operations	980	(2,791)
Interest paid	(89)	(187)
Income tax paid	(505)	(528)
Net cash generated from/(used in) operating activities	386	(3,506)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	-	(108)
Purchase of investments	-	(4,897)
Proceeds from sale of investments	-	6,505
Net cash generated from investing activities	-	1,500
Cash Flows From Financing Activities		
Net cash used in financing activities	-	-
Effect of exchange rate changes	103	(61)
Net increase/(decrease) in cash and cash equivalents	489	(2,067)
Cash and cash equivalents at 1 January		
As previously reported	20,184	36,920
Effects of exchange rate changes on cash and cash equivalents	132	(517)
As restated	20,316	36,403
Cash and cash equivalents at 31 March	20,805	34,336

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 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 2012. 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 2012.

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 2012, except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations with effect from 1 January 2013.

FRS 3	Business Combinations
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to FRS 1	First-time Adoption of FRS - Government Loans
Amendments to FRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and FRSs 2009 - 2011 Cycle	

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

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued 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.

A2. Significant Accounting Policies (cont'd)

Malaysian Financial Reporting Standards (cont'd)

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 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. 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 31 March 2013.

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 31 March 2013.

A6. Issuances or Repayments of Debts and Equity Securities

As at 31 March 2013, 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 2013.

A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 31 March 2013 (31 March 2012: Nil).

A8. Operating Segments

For the 3 months ended 31 March 2013

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

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	8,977	9	8,986
Segment results	1,949	(650)	1,299
Interest expense	(25)	(64)	(89)
Profit before tax	1,924	(714)	1,210
Income tax expense	(591)	-	(591)
Profit for the year	1,333	(714)	619
Segment assets	214,864	104,565	319,429
Unallocated assets			894
			320,323

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

On 17 April 2013, the Group disposed of a total of 16,058,400 shares of RM0.50 each in George Kent (Malaysia) Bhd for a cash consideration of RM14.0 million.

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 31 March 2013.

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

For the 3-months ended 31 March 2013, the Group recorded revenue of RM9.0 million and pre-tax profit of RM1.2 million compared with the previous year corresponding quarter's revenue of RM7.2 million and pre-tax profit of RM0.9 million. The better revenue was mainly contributed by the Group's property development projects in Bandar Springhill, which recorded revenue of RM7.6 million for the current quarter against RM5.3 million in the previous year corresponding quarter.

The gross profit margin declined to 36.7% for the current quarter as compared with 41.9% previously. The lower gross profit margin in the current quarter was mainly due to the lower average CPO price resulting in lower income from the sale of oil palm fruits. Gross profit margin from the sale of oil palm fruits declined from 73.0% to 61.1%.

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

For the current quarter, the Group recorded revenue of RM9.0 million and pre-tax profit of RM1.2 million, compared with the revenue of RM11.2 million and pre-tax profit of RM2.4 million in the preceding quarter. The decrease in revenue and pre-tax profit for the current quarter was mainly due to lower contributions by the Group's property development projects in Bandar Springhill.

B3. Prospects for Year 2013

According to BNM, the Malaysian economy is expected to grow between 5.0% and 6.0% in 2013 in terms of real GDP. BNM expects the economy to be driven by strong growth in domestic demand, supported by a gradual improvement in the external sector.

Bandar Springhill has been garnering heightened investor interest since the opening of the UCSI International School in September 2012. The completion of the overhead bridge over the Seremban-Port Dickson highway in March 2013,connecting both the eastern and western sectors of the township,will also facilitate the launch of our projects in the western sector in 2013.

We plan to step up the pace of our development in Bandar Springhill to enable us to launch our projects at the most opportune times and we will also intensify our marketing efforts in Bandar Springhill.

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	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Interest income	120	173	120	173
(Loss)/Gain on foreign exchange - unrealised	(37)	305	(37)	305
Depreciation	(82)	(86)	(82)	(86)

B6. Income Tax Expense

Taxation comprises :-

	First Quarter		Cumulative 3 months	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Current taxation	(592)	(436)	(592)	(436)
Deferred taxation	1	2	1	2
	(591)	(434)	(591)	(434)

The current tax charge for the financial period ended 31 March 2013 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:-

	31/03/2013	31/12/2012 Audited
	RM'000	RM'000
- Realised	54,780	54,777
- Unrealised	5,301	5,377
	60,081	60,154

B9. Borrowings

Total Group borrowings as at 31 March 2013 are as follows:-

Borrowings	RM'000
- Current, unsecured	2,334

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 2013, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

A subsidiary and Kensington Place Owners Association, Inc. ("KPOA") have been named as defendants in a lawsuit in United State of America,arising from alleged deficiencies and deferred maintenance issues at the Kensington Place condominium complex. The plaintiffs are suing the subsidiary and KPOA to recover maintenance and repair costs, which are disputed. A corresponding claim has been asserted against the subsidiary by KPOA. The subsidiary has denied the alleged damages and is pursuing numerous defenses. On April 1, 2011, the cross-claim asserted against the subsidiary by KPOA was dismissed by the Court and is currently on appeal. Due to the uncertainties in the litigation process it is not possible for management and its counsel to calculate a reliable estimate of the outcome of this matter.

B13. Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2013 (31 March 2012: 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:-

	First Quarter		Cumulative 3 months	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Loss for the financial period/year attributable to equity holders of the Company (RM'000)	(73)	(75)	(73)	(75)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Loss per share (sen)	(0.01)	(0.01)	(0.01)	(0.01)

(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 2012 was not qualified.

By Order of the Board
MUI PROPERTIES BERHAD

Soo-Hoo Siew Hoon
Ho Chun Fuat
Joint Company Secretaries
Date: 31 May 2013