



**MUTIARA GOODYEAR DEVELOPMENT BERHAD (40282-V)**  
**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Oct-10 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-09 RM'000	CURRENT YEAR TO DATE 31-Oct-10 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Oct-09 RM'000
Revenue	1,705	30,455	2,947	37,308
Profit / (loss) from operations	(2,012)	5,262	(4,776)	8,102
Interest expense	(1,291)	(935)	(2,615)	(1,918)
Interest income	202	127	504	265
Share of loss of associate company	(39)	(43)	(88)	(128)
Profit / (loss) before taxation	(3,140)	4,411	(6,975)	6,321
Tax expense	379	(1,081)	957	(1,569)
Profit / (loss) for the period	(2,761)	3,330	(6,018)	4,752
Other comprehensive income	0	0	0	0
Total comprehensive income/(expense) for the period	(2,761)	3,330	(6,018)	4,752
Profit / (loss) for the period attributable to:				
Owners of the company	(2,755)	3,331	(6,012)	4,753
Non-controlling interests	(6)	(1)	(6)	(1)
	(2,761)	3,330	(6,018)	4,752
Total comprehensive income/(expense) for the period attributable to:				
Owners of the company	(2,755)	3,331	(6,012)	4,753
Non-controlling interests	(6)	(1)	(6)	(1)
	(2,761)	3,330	(6,018)	4,752
Basic earnings per ordinary share (sen)	(1.19)	1.44	(2.60)	2.06
(based on weighted average of 230,913,200 (2009: 230,913,200) ordinary shares for the quarter and cumulative year to date)				
Diluted earnings per ordinary share (sen)	N/A	N/A	N/A	N/A

*The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements. Attention is drawn to Note 1 on Basis of Preparation showing the comparative results if the Group has not early adopted IC Interpretation 15 "Agreements for the Construction of Real Estate".*



MUTIARA GOODYEAR DEVELOPMENT BERHAD (40282-V)  
INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31-Oct-10 RM'000	AS AT FINANCIAL YEAR END 30-Apr-10 RM'000
<b>ASSETS</b>		
Non-Current Assets		
Property, plant and equipment	2,344	2,531
Goodwill	16,219	16,219
Investment properties	27,056	27,056
Investment in associate	7,432	7,520
Investments (unquoted)	5,500	5,500
Land held for property development	248,629	230,532
Deferred tax asset	12,866	8,905
	<u>320,046</u>	<u>298,263</u>
Current Assets		
Inventories	283,355	237,634
Trade receivables	4,224	10,282
Other receivables, deposits and prepayment	11,667	3,979
Current tax assets	741	737
Assets classified as held for sale	67,459	67,459
Cash and cash equivalents	27,856	56,306
	<u>395,302</u>	<u>376,397</u>
<b>TOTAL ASSETS</b>	<u>715,348</u>	<u>674,660</u>
<b>EQUITY AND LIABILITIES</b>		
Equity Attributable to Owners of the Company		
Share capital	230,914	230,914
Share premium	19,341	19,341
Retained earnings	47,495	61,589
	<u>297,750</u>	<u>311,844</u>
Non-controlling interests	4,488	4,494
Total Equity	<u>302,238</u>	<u>316,338</u>
Non-Current Liabilities		
Loan and borrowings	170,110	160,343
Deferred tax liabilities	27,051	27,126
	<u>197,161</u>	<u>187,469</u>
Current Liabilities		
Trade payables	11,341	15,695
Other payables and accrued expenses	35,041	21,498
Loans and borrowings	38,684	40,467
Current tax liabilities	5,447	4,401
Deferred revenue	125,436	88,792
	<u>215,949</u>	<u>170,853</u>
Total Liabilities	<u>413,110</u>	<u>358,322</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>715,348</u>	<u>674,660</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.29	1.35

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements. Attention is drawn to Note 1 on Basis of Preparation showing the comparative results if the Group has not early adopted IC Interpretation 15 "Agreements for the Construction of Real Estate".



**MUTIARA GOODYEAR DEVELOPMENT BERHAD (40282-V)**  
**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Owners of the Company			Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Retained profits RM'000			
At 1 May 2009 (restated)	230,914	19,341	63,544	313,799	4,498	318,297
Total comprehensive income / (expense) for the period	-	-	4,753	4,753	(1)	4,752
Dividends payable	-	-	(5,196)	(5,196)	-	(5,196)
At 31 October 2009	<u>230,914</u>	<u>19,341</u>	<u>63,101</u>	<u>313,356</u>	<u>4,497</u>	<u>317,853</u>
At 1 May 2010	230,914	19,341	61,589	311,844	4,494	316,338
Total comprehensive income / (expense) for the period	-	-	(6,012)	(6,012)	(6)	(6,018)
Dividends payable	-	-	(8,082)	(8,082)	-	(8,082)
At 31 October 2010	<u>230,914</u>	<u>19,341</u>	<u>47,495</u>	<u>297,750</u>	<u>4,488</u>	<u>302,238</u>

*The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements. Attention is drawn to Note 1 on Basis of Preparation showing the comparative results if the Group has not early adopted IC Interpretation 15 "Agreements for the Construction of Real Estate".*



**MUTIARA GOODYEAR DEVELOPMENT BERHAD (40282-V)**  
**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 OCTOBER 2010**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Oct-10 RM'000	31-Oct-09 RM'000
Net cash used in operating activities	(36,368)	(32,923)
Net cash (used in)/generated from investing activities	(217)	4
Net cash generated from financing activities	8,530	18,493
Net decrease in cash and cash equivalents	<u>(28,055)</u>	<u>(14,426)</u>
Cash and cash equivalents at beginning of period	53,895	30,096
Cash and cash equivalents at end of period	<u><u>25,840</u></u>	<u><u>15,670</u></u>

*Cash and cash equivalents in the cash flow statement comprise the following balance sheet amounts:*

	31-Oct-10 RM'000	31-Oct-09 RM'000
<i>Cash and bank balances (excluding cash and bank balances pledged)</i>	9,447	11,708
<i>Liquid investment</i>	2,452	3,287
<i>Deposits (excluding pledged deposits)</i>	14,520	2,686
<i>Bank overdrafts</i>	(579)	(2,011)
	<u><u>25,840</u></u>	<u><u>15,670</u></u>

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 April 2010 and the accompanying explanatory notes attached to the interim financial statements. Attention is drawn to Note 1 on Basis of Preparation showing the comparative results if the Group has not early adopted IC Interpretation 15 "Agreements for the Construction of Real Estate".*



NOTES TO THE INTERIM FINANCIAL REPORT

1 Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 April 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 April 2010 except for the adoption of the following new and revised Financial Reporting Standards ('FRSs'), Issues Committee ('IC') Interpretations and amendments to FRSs and IC Interpretations:-

FRSs, Amendments to FRSs and IC Interpretations	
FRS 7	Financial Instruments : Disclosures
FRS 101	Presentation of Financial Statements
FRS 123	Borrowing Costs
FRS 139	Financial Instruments : Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 7	Financial Instruments : Disclosures
Amendments to FRS 101	Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in Subsidiary, Joint Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments : Presentation
Amendments to FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
Improvements to FRSs (2009)	

The new FRSs, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application except for the changes in disclosures.

The Group had early adopted IC Interpretation 15 ("IC 15"), Agreements for the Construction of Real Estate from financial year ended 30 April 2010. As a result of the adoption of IC 15, the development revenue and development cost recognised based on the percentage of completion method has now been reclassified to deferred revenue and inventories. As such, the comparative results if the Group has not early adopted IC 15 are as follows:

Income statement	Individual Period Current Year Quarter		Cumulative Period Current Year To date	
	Before the adoption of IC 15 RM'000	After the adoption of IC 15 RM'000	Before the adoption of IC 15 RM'000	After the adoption of IC 15 RM'000
Revenue	15,272	1,705	40,314	2,947
Profit / (loss) from operations	2,589	(2,012)	6,501	(4,776)
Interest expense	(1,291)	(1,291)	(2,615)	(2,615)
Interest income	202	202	504	504
Share of profit / (loss) of associate company	579	(39)	1,083	(88)
Profit / (loss) before taxation	2,079	(3,140)	5,473	(6,975)
Tax expense	(447)	379	(1,460)	957
Profit / (loss) for the period	1,632	(2,761)	4,013	(6,018)
Profit / (loss) for the period attributable to:				
Owners of the company	1,638	(2,755)	4,019	(6,012)
Non-controlling interest	(6)	(6)	(6)	(6)
	1,632	(2,761)	4,013	(6,018)



NOTES TO THE INTERIM FINANCIAL REPORT

**2 Auditor's report on preceding annual financial statements**

The auditor's report on the financial statements for the year ended 30 April 2010 was not qualified.

**3 Seasonal or cyclical factors**

The business of the Group was not affected by any significant seasonal or cyclical factors during the current financial quarter.

**4 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

**5 Changes in estimates**

There were no changes in estimates that have had material effect in the current financial quarter.

**6 Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current financial quarter.

**7 Dividends paid**

No dividends were paid for the current quarter.

**8 Segment information**

Segmental information is presented in respect of the Group's main business segment, that are, property development and property investment. Segmental information by geographical segments are not provided as the activities of the Group are located principally in Malaysia. Inter-segment pricing is determined based on negotiated basis.

	Revenue		Profit before tax	
	For the financial period ended 31 October			
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Property development	584	34,785	(7,248)	9,733
Property investment	2,363	2,523	579	1,650
	<u>2,947</u>	<u>37,308</u>	<u>(6,669)</u>	<u>11,383</u>
Unallocated income/(expenses)			1,893	(3,281)
	<u>2,947</u>	<u>37,308</u>	<u>(4,776)</u>	<u>8,102</u>
Interest income			504	265
Interest expense			(2,615)	(1,918)
Share of profit/(loss) of associated company			(88)	(128)
	<u>2,947</u>	<u>37,308</u>	<u>(6,975)</u>	<u>6,321</u>

**9 Valuations of property, plant and equipment**

There are no valuation of property, plant and equipment which have been brought forward from the previous annual report.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**10 Events subsequent to the balance sheet date**

There were no material events subsequent to the current financial quarter.

**11 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter.

**12 Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

**13 Capital commitments**

There were no material capital commitments for the financial quarter ended 31 October 2010.

**14 Related party transactions**

There were no material related party transactions for the financial quarter ended 31 October 2010.



**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD**

### 1 Performance of the Group

The Group adopted IC Interpretation 15 ("IC 15") in April 2010. As a result of the early adoption, the Group recorded revenue of RM1.7 million as compared to RM15.2 million if the Group had not adopted IC 15. The revenue for current quarter are mainly derived from the Group's property investment activities.

Accordingly, total deferred revenue from progress billings issued from property development activities stood at RM125.4 million as at 31 October 2010.

### 2 Variation of results against preceding quarter

As a result of the adoption of IC 15, the Group posted a loss after tax of RM2.7 million for the current quarter as compared to a profit after taxation of RM1.6 million if the Group had not adopted IC 15.

Note 1 to the Interim Financial Report shows the comparison of the Group's financial results for the current quarter and the current financial period end had the Group not early adopted IC 15.

### 3 Prospects for the financial year

In the view of the expectation of improved operating and economic environment, the Board of Directors are optimistic that the Group's performance for this financial year will be satisfactory.

### 4 Tax expense

Taxation comprises :

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31-Oct-10 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-09 RM'000	CURRENT YEAR TO DATE 31-Oct-10 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Oct-09 RM'000
Income tax - current period	1,095	3,480	3,032	4,437
- prior period	47	0	46	1
Deferred tax expense	(1,521)	(2,399)	(4,035)	(2,869)
	<u>(379)</u>	<u>1,081</u>	<u>(957)</u>	<u>1,569</u>

The Group's effective tax rate for the current quarter and financial year-to-date is higher than the statutory tax rate due to expenses which are not deductible for tax purposes.

Deferred tax expense reflects the reversal of deferred tax for the financial year, being tax attributable to proportion of Group Cost arising from the property development cost charged out during the year and additional deferred tax recognised arising from deferred revenue recorded as a result of early adoption of IC 15.

### 5 Unquoted investment and/or properties

There were no sale of unquoted investment and/or properties, other than those carried out in the ordinary course of business as a property developer.

### 6 Quoted securities

There were no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

### 7 Status of corporate proposals

There are no corporate proposals announced but not completed at the latest practicable date which shall not be earlier than 7 days from the issuance of this report.





ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA  
 SECURITIES BERHAD

8 Group borrowings and debt securities

	RM'000	AS AT END OF CURRENT QUARTER 31-Oct-10 RM'000
<b><u>Borrowings</u></b>		
<b><u>Current</u></b>		
Bank Overdrafts - secured	579	
Term loan - secured	10,886	
Revolving Credit - secured	27,121	
Hire Purchase - secured	98	
		38,684
<b><u>Non-current</u></b>		
Term loan - secured	137,935	
Term loan - unsecured	32,000	
Hire Purchase - secured	175	
		170,110
		<u>208,794</u>

The above borrowings are denominated in Ringgit Malaysia.

9 Off balance sheet financial instruments

There are no financial instruments with off-balance sheet risk.

10 Changes in material litigation

There are no material litigation for the current quarter and financial year-to-date.

11 Dividends

The Directors have not declared any dividends for the current quarter ended 31 October 2010.

12 Earnings per share

a) *Basic earnings per share*

The calculations of the basic earnings per share of the Group is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the quarter.

	CURRENT YEAR QUARTER 31-Oct-10	CURRENT YEAR TO DATE 31-Oct-10
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(2,755)	(6,012)
Weighted average number of ordinary shares ('000)	230,914	230,914
Basic earnings per share (sen)	(1.19)	(2.60)

b) *Diluted earnings per share*

Not applicable as there was no dilutive potential ordinary shares for the current quarter and financial year-to-date.