

NADAYU PROPERTIES BERHAD (40282-V)
(formerly known as Mutiara Goodyear Development Berhad)
INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD CURRENT YEAR QUARTER 30-Sep-11 RM'000	CUMULATIVE PERIOD CURRENT YEAR TO DATE 30-Sep-11 RM'000
Revenue	1,305	127,513
Results from operating activities	(5,508)	35,846
Finance costs	(2,106)	(4,952)
Finance income	174	910
Share of profit / (loss) of equity accounted investee, net of tax	(459)	(705)
Profit / (loss) before tax	<u>(7,899)</u>	<u>31,099</u>
Tax expense	<u>419</u>	<u>(10,218)</u>
Profit and total comprehensive income / (loss) for the period	<u><u>(7,480)</u></u>	<u><u>20,881</u></u>
Profit and total comprehensive income/(loss) for the period attributable to:		
Owners of the company	(7,456)	20,976
Non-controlling interests	<u>(24)</u>	<u>(95)</u>
Profit and total comprehensive income for the period	<u><u>(7,480)</u></u>	<u><u>20,881</u></u>
Basic earnings per ordinary share (sen)	(3.23)	9.09
<small>(based on weighted average of 230,742,814 (2010: 230,913,200) ordinary shares for the quarter and cumulative year to date)</small>		
Diluted earnings per ordinary share (sen)	N/A	N/A

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the period ended 31 December 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 of adopting IC Interpretation 15 "Agreements for the Construction of Real Estate" based on percentage of completion method and completion method.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30-Sep-11 RM'000	AS AT FINANCIAL PERIOD END 31-Dec-10 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	2,813	1,876
Goodwill	16,219	16,219
Investment properties	28,164	27,056
Investment in associate	14,342	7,457
Investments (unquoted)	14,626	5,500
Land held for property development	111,458	186,004
Deferred tax asset	4,279	11,669
	191,901	255,781
Current Assets		
Inventories	276,063	336,185
Trade receivables	8,557	8,349
Other receivables, deposits and prepayment	17,867	12,526
Current tax assets	845	727
Assets classified as held for sale	203,292	32,629
Cash and cash equivalents	32,015	82,362
	538,639	472,778
TOTAL ASSETS	730,540	728,559
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Company		
Share capital	230,914	230,914
Share premium	19,341	19,341
Treasury shares	(1,149)	-
Retained earnings	67,590	54,681
	316,696	304,936
Non-controlling interests	4,354	4,449
Total Equity	321,050	309,385
Non-Current Liabilities		
Loan and borrowings	161,324	126,879
Deferred tax liabilities	24,303	25,762
	185,627	152,641
Current Liabilities		
Trade payables	11,934	17,745
Other payables and accrued expenses	47,233	36,886
Loans and borrowings	94,105	74,179
Current tax liabilities	4,199	7,075
Deferred revenue	66,392	130,648
	223,863	266,533
Total Liabilities	409,490	419,174
TOTAL EQUITY AND LIABILITIES	730,540	728,559
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.37	1.32

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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	Treasury shares RM'000	Retained profits RM'000			
At 1 May 2010	230,914	19,341	-	61,589	311,844	4,494	316,338
Total comprehensive income / (loss) for the period	-	-	-	1,174	1,174	(45)	1,129
Dividends to the owners of the Company	-	-	-	(8,082)	(8,082)	-	(8,082)
At 31 December 2010	<u>230,914</u>	<u>19,341</u>	<u>-</u>	<u>54,681</u>	<u>304,936</u>	<u>4,449</u>	<u>309,385</u>
At 1 Jan 2011	230,914	19,341	-	54,681	304,936	4,449	309,385
Total comprehensive income / (loss) for the period	-	-	-	20,976	20,976	(95)	20,881
Dividends to the owners of the Company	-	-	-	(8,067)	(8,067)	-	(8,067)
Own shares acquired	-	-	(1,149)	-	(1,149)	-	(1,149)
At 30 September 2011	<u>230,914</u>	<u>19,341</u>	<u>(1,149)</u>	<u>67,590</u>	<u>316,696</u>	<u>4,354</u>	<u>321,050</u>

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the period ended 31 December 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 of adopting IC Interpretation 15 "Agreements for the Construction of Real Estate" based on percentage of completion method and completion method.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Sep-11 RM'000	31-Dec-10 RM'000
Net cash (used in) / generated from operating activities	(74,436)	25,857
Net cash used in investing activities	(21,213)	(4,243)
Net cash generated from financing activities	42,701	1,401
Net (decrease) / increase in cash and cash equivalents	(52,948)	23,015
Cash and cash equivalents at beginning of period	76,910	53,895
Cash and cash equivalents at end of period	23,962	76,910

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

	30-Sep-11 RM'000	31-Dec-10 RM'000
Cash and bank balances (excluding cash and bank balances pledged)	24,309	41,280
Liquid investment	1,184	31,807
Deposits (excluding pledged deposits)	649	3,823
Bank overdrafts	(2,180)	-
	23,962	76,910

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the period ended 31 December 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 of adopting IC Interpretation 15 "Agreements for the Construction of Real Estate" based on percentage of completion method and completion method.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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 period ended 31 December 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 period ended 31 December 2010 except for those standards, amendments or interpretations which are effective from the annual period beginning 1 July 2010 and 1 January 2011.

The adoption of these standards, amendments or interpretations have no significant impact on the financial statements of the Group upon their initial application.

The Group had early adopted IC Interpretation 15 ("IC 15"), Agreements for the Construction of Real Estate since financial year ended 30 April 2010. Pursuant to the adoption of IC 15, revenue recognition for property development activities should be recognised in accordance with the conditions for the sale of goods of para 14 of *FRS 118, Revenue* and the Group has recognised revenue from property development activities based on completion method. The Group has also prepared the comparative results if the Group have recognised revenue from property development based on percentage of completion method as shown below:

Income statement	Individual Period Current Year Quarter		Cumulative Period Current Year To date	
	Completion Method RM'000	Percentage Completion Method RM'000	Completion Method RM'000	Percentage Completion Method RM'000
Revenue	1,305	21,011	127,513	65,752
Results from operating activities	(5,508)	(1,117)	35,846	10,331
Finance costs	(2,106)	(2,106)	(4,952)	(4,952)
Finance income	174	174	910	910
Share of profit / (loss) of equity accounted investee, net of tax	(459)	368	(705)	4,591
Profit / (loss) before tax	(7,899)	(2,681)	31,099	10,880
Tax expense	419	155	(10,218)	(2,824)
Profit and total comprehensive income / (loss) for the period	(7,480)	(2,526)	20,881	8,056
Profit / (loss) for the period attributable to:				
Owners of the company	(7,456)	(2,502)	20,976	8,151
Non-controlling interest	(24)	(24)	(95)	(95)
	(7,480)	(2,526)	20,881	8,056

2 Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the period ended 31 December 2010 was not qualified

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NOTES TO THE INTERIM FINANCIAL REPORT

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 except for the following:

- Share buybacks

During current quarter, the Company repurchased 870,800 of its ordinary shares from the open market at an average price of RM1.28 per share. The total consideration paid for the repurchase including transaction costs was RM1,155,343 and this was financed by internally generated funds. The shares bought back are held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965. As at 30 September 2011, a total of 870,800 Nadayu Shares bought back were held as treasury shares.

7 Dividends paid

A first and final single-tier tax exempt dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2010 amounting to RM8,067,017 was paid on 8 September 2011.

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 30 September	
	2011	2011
	RM'000	RM'000
Property development	125,294	35,018
Property investment	2,219	1,632
	<hr/>	<hr/>
	127,513	36,650
Unallocated income/(expenses)		(804)
	<hr/>	<hr/>
	127,513	35,846
Finance costs		(4,952)
Finance income		910
Share of profit / (loss) of equity accounted investee, net of tax		(705)
	<hr/>	<hr/>
	127,513	31,099
	<hr/>	<hr/>

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NOTES TO THE INTERIM FINANCIAL REPORT

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.

10 Events subsequent to the balance sheet date

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

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 30 September 2011.

14 Related party transactions

There were no material related party transactions for the financial quarter ended 30 September 2011

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES

1 Performance of the Group

The Group adopted IC Interpretation 15 ("IC 15") in April 2010, where the revenue recognition for property development activities are based on completion method. Based on the completion method, the Group recorded revenue only upon the completion of the Group's projects and thus recorded a revenue of RM1.3 million for the current quarter mainly from rental income from the Group's investment properties and completed properties. If the Group had recognised the revenue from property development activities based on percentage of completion method the revenue for this reporting quarter would be RM21 million.

In addition to the above, total deferred revenue from progress billings issued from property development activities stood at RM66.4 million as at 30 September 2011.

2 Variation of results against preceding quarter

The Group posted a loss after tax of RM7.5 million for the current quarter as compared to a loss after tax of RM2 million in the preceding quarter. The variation in results is mainly due to:

- (i) change of fair value of RM1.7 million arising from the sale of investment properties known as the Dataran Prima Car Parks owned by the group in the current quarter and
- (ii) the recognition of cost savings of RM3 million in the preceding quarter subsequent to the completion of the Prima Avenue development in the first financial quarter.

However, had the Group recognised property development activities based on percentage of completion method, the Group would record a loss after tax of RM2.5 million in the current quarter and a profit of RM5.3 million for the preceding quarter.

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 based on percentage of completion method and completion method.

3 Prospects for the financial year

The Board of Directors remain optimistic that the Group 's performance for this financial year will be satisfactory.

4 Tax expense

Taxation comprises :

	INDIVIDUAL PERIOD CURRENT YEAR PERIOD 30-Sep-11 RM'000	CUMULATIVE PERIOD CURRENT YEAR TO DATE 30-Sep-11 RM'000
Income tax - current period	665	4,287
- prior period	0	0
Deferred tax expense	(1,084)	5,931
	(419)	10,218

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.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES

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.

8 Group borrowings and debt securities

	RM'000	AS AT END OF CURRENT PERIOD 30-Sep-11 RM'000
<u>Borrowings</u>		
<u>Current</u>		
Bank Overdrafts - secured	2,180	
Term loan - secured	32,178	
Term loan - unsecured	32,000	
Bridging loan - secured	484	
Revolving Credit - secured	27,127	
Hire Purchase - secured	136	
	94,105	
<u>Non-current</u>		
Term loan - secured	145,417	
Bridging loan - secured	15,624	
Hire Purchase - secured	283	
	161,324	
		255,429

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 30 September 2011.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES

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 period.

	CURRENT YEAR PERIOD 30-Sep-11	CURRENT YEAR TO DATE 30-Sep-11
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(7,456)	20,976
Weighted average number of ordinary shares ('000)	230,743	230,743
Basic earnings per share (sen)	(3.23)	9.09

b) Diluted earnings per share

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

13 Realised and Unrealised Profits/Losses

	As at 30-Sep-11 RM'000	As at 31-Dec-10 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	175,592	146,943
- Unrealised	6,625	14,174
Total share of retained profits from associated company:		
- Realised	(3,173)	(890)
- Unrealised	2,249	590
Less: Consolidation adjustments	(113,703)	(106,136)
Total group retained profits as per consolidated accounts	<u>67,590</u>	<u>54,681</u>