

NADAYU PROPERTIES BERHAD (40282-V)
(formerly known as Mutiara Goodyear Development Berhad)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD CURRENT YEAR QUARTER 31-Dec-11 RM'000	CUMULATIVE PERIOD CURRENT YEAR TO DATE 31-Dec-11 RM'000
Revenue	48,254	175,767
Results from operating activities	(2,203)	33,641
Finance costs	(1,671)	(6,623)
Finance income	215	1,125
Share of profit / (loss) of equity accounted investee, net of tax	(786)	(1,491)
Profit / (loss) before tax	<u>(4,445)</u>	<u>26,652</u>
Tax expense	<u>(788)</u>	<u>(11,005)</u>
Profit and total comprehensive income / (loss) for the period	<u><u>(5,233)</u></u>	<u><u>15,647</u></u>
Profit and total comprehensive income/(loss) for the period attributable to:		
Owners of the company	(5,169)	15,807
Non-controlling interests	<u>(64)</u>	<u>(160)</u>
Profit and total comprehensive income for the period	<u><u>(5,233)</u></u>	<u><u>15,647</u></u>
Basic earnings per ordinary share (sen)	(2.24)	6.86
<small>(based on weighted average of 230,335,341 (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 31-Dec-11 RM'000	AS AT FINANCIAL PERIOD END 31-Dec-10 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	3,277	1,876
Goodwill	16,219	16,219
Investment properties	28,636	27,056
Investment in associate	13,556	7,457
Investments (unquoted)	14,626	5,500
Land held for property development	85,381	186,004
Deferred tax asset	5,706	11,669
	<u>167,401</u>	<u>255,781</u>
Current Assets		
Inventories	337,664	336,185
Trade receivables	11,507	8,349
Other receivables, deposits and prepayment	13,760	12,526
Current tax assets	1,079	727
Assets classified as held for sale	149,530	32,629
Cash and cash equivalents	46,895	82,362
	<u>560,435</u>	<u>472,778</u>
TOTAL ASSETS	727,836	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	(3,705)	-
Retained earnings	62,421	54,681
	<u>308,971</u>	<u>304,936</u>
Non-controlling interests	4,289	4,449
Total Equity	<u>313,260</u>	<u>309,385</u>
Non-Current Liabilities		
Loan and borrowings	190,689	126,879
Deferred tax liabilities	18,597	25,762
	<u>209,286</u>	<u>152,641</u>
Current Liabilities		
Trade payables	21,923	17,745
Other payables and accrued expenses	56,298	36,886
Loans and borrowings	39,877	74,179
Current tax liabilities	8,408	7,075
Deferred revenue	78,784	130,648
	<u>205,290</u>	<u>266,533</u>
Total Liabilities	<u>414,576</u>	<u>419,174</u>
TOTAL EQUITY AND LIABILITIES	727,836	728,559
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.34	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	-	-	-	15,807	15,807	(160)	15,647
Dividends to the owners of the Company	-	-	-	(8,067)	(8,067)	-	(8,067)
Own shares acquired	-	-	(3,705)	-	(3,705)	-	(3,705)
At 31 December 2011	<u>230,914</u>	<u>19,341</u>	<u>(3,705)</u>	<u>62,421</u>	<u>308,971</u>	<u>4,289</u>	<u>313,260</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 CONSOLIDATED STATEMENT OF CASH FLOWS

	31-Dec-11 RM'000	31-Dec-10 RM'000
Cash flows from operating activities		
Profit before tax	26,652	5,765
<i>Adjustments for:</i>		
Change in fair value of investment properties	1,270	-
Depreciation of property, plant & equipment (PPE)	585	389
Finance costs	6,623	3,779
Finance income	(1,125)	(619)
Loss / (Gain) on disposal of PPE	(38)	(86)
Loss on disposal of assets classified as held for sale	-	340
PPE written off	302	391
Share of loss of equity accounted investee, net of tax	1,491	63
Operating profit before changes in working capital	35,760	10,022
Change in land held for property development	100,623	44,528
Change in inventories	(1,480)	(98,551)
Change in trade and other receivables, prepayment and other assets	(4,393)	(6,614)
Change in assets classified as held for sale	(116,900)	34,490
Change in trade and other payables	23,590	9,356
Change in deferred revenue	(51,865)	41,856
Cash generated from/(used in) operations	(14,665)	35,087
Interest received	1,125	619
Interest paid	(6,599)	(3,769)
Net tax (paid)/ refund	(11,225)	(6,080)
Net cash (used in) / generated from operating activities	(31,364)	25,857
Cash flows from investing activities		
Acquisition of PPE	(2,592)	(130)
Acquisition of other investment	(9,126)	-
Internally developed investment properties	(2,850)	-
Proceeds from disposal of PPE	600	91
Subscription of shares in an associate	(7,590)	-
Withdrawal / (Placement) of pledged deposits & bank balances	224	(4,204)
Net cash used in investing activities	(21,334)	(4,243)
Cash flows from financing activities		
Interest paid	(4)	-
Dividend paid to owners of the Company	(8,067)	-
Payment of finance lease liabilities	(135)	(64)
Payment of finance lease interest	(19)	(10)
Repayment of loans and borrowings	(104,730)	(16,450)
Repurchase of treasury shares	(3,705)	-
Proceeds of loans and borrowings	131,698	17,925
Net cash generated from financing activities	15,038	1,401
Net (decrease) / increase in cash and cash equivalents	(37,660)	23,015
Cash and cash equivalents at beginning of period	76,910	53,895
Cash and cash equivalents at end of period	39,250	76,910

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

	31-Dec-11 RM'000	31-Dec-10 RM'000
<i>Cash and bank balances (excluding cash and bank balances pledged)</i>	29,405	41,280
<i>Liquid investment</i>	12,261	31,807
<i>Deposits (excluding pledged deposits)</i>	-	3,823
<i>Bank overdrafts</i>	(2,416)	-
	39,250	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 FOURTH QUARTER ENDED 31 DECEMBER 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	48,254	57,741	175,767	123,493
Results from operating activities	(2,203)	(909)	33,641	9,423
Finance costs	(1,671)	(1,671)	(6,623)	(6,623)
Finance income	215	215	1,125	1,125
Share of profit / (loss) of equity accounted investee, net of tax	(786)	2,157	(1,491)	6,747
Profit / (loss) before tax	(4,445)	(208)	26,652	10,672
Tax expense	(788)	(2,036)	(11,005)	(4,860)
Profit and total comprehensive income / (loss) for the period	(5,233)	(2,244)	15,647	5,812
Profit / (loss) for the period attributable to:				
Owners of the company	(5,169)	(2,180)	15,807	5,972
Non-controlling interest	(64)	(64)	(160)	(160)
	(5,233)	(2,244)	15,647	5,812

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 2,159,500 of its ordinary shares from the open market at an average price of RM1.18 per share. The total consideration paid for the repurchase including transaction costs was RM2,567,909 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 31 December 2011, a total of 3,030,300 Nadayu Shares bought back were held as treasury shares.

7 Dividends paid

No dividends were paid for the current financial 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	
	year ended 31 December	
	2011	2011
	RM'000	RM'000
Property development	172,607	32,519
Property investment	3,160	2,333
	<hr/>	<hr/>
	175,767	34,852
Unallocated income/(expenses)		(1,211)
	<hr/>	<hr/>
	175,767	33,641
Finance costs		(6,623)
Finance income		1,125
Share of profit / (loss) of equity accounted investee, net of tax		(1,491)
	<hr/>	<hr/>
	175,767	26,652
	<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

- On 26 July 2011, the Group's wholly-owned subsidiary Puncak Kencana Sdn. Bhd. (PK) entered into the SPAs with Park Access Sdn. Bhd. for the proposed disposal of the following properties for a total cash consideration of RM42,642,000 :
 - i) a unit of office lot bearing the postal address of No. H-21B-03, Block H, Dataran Prima, Jalan PJU 1/37, 47301 Petaling Jaya, Selangor and 60 car park bays situated on the ground level adjacent to Block G, Block H and Block I of Dataran Prima Phase 1.
 - ii) a unit of office lot bearing the postal address of No. F1-5B-05, Block F1, Dataran Prima, Jalan PJU 1/42, 47301 Petaling Jaya, Selangor and 777 car park bays situated on the ground level adjacent to Block E and Block F of Dataran Prima Phase 2 and Basement 1 and Basement 2 levels of Block E and F and all fixtures and fittings, plant machineries and equipments and movable chattels (if any), attached or erected on Block F Office Lot and Block E and F Car Park Bays.
 - iii) a unit of office lot bearing the postal address of No. C2-25B-02, Block C2, Dataran Prima, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor and 939 car park bays situated on the ground level adjacent to Block C and Block D of Dataran Prima Phase 3 and Basement 1 and Basement 2 levels of Block C and D and all fixtures attached or erected on Block C Office Lot and Block C and D Car Park Bays.
 - iv) a unit of office lot bearing the postal address of B-3A-05, Tower B, Menara Prima, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor and 1,311 car park bays located on the ground level adjacent to Tower A and Tower B of Menara Prima and Basement, Level 2, Level 3 and Level 3A of Prima Avenue and all fixtures attached or erected on Menara Prima Office Lot and Prima Avenue Car Park Bays.
- There were no material events subsequent to the current financial quarter except for the completion of the above proposed disposal on 31 January 2012 upon PK receiving the full amount of the total consideration on even date.

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 Statement of Financial Position date.

13 Capital commitments

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
Capital expenditure commitments		
Land held for property development		
Contracted but not provided for	15,000	20,000

14 Related party transactions

There were no material related party transactions for the financial quarter ended 31 December 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. The Group recorded revenue of RM48 million for the current quarter mainly from sale of land held for development and completed properties.

Total deferred revenue from progress billings issued from property development activities stood at RM78.8 million as at 31 December 2011.

2 Variation of results against preceding quarter

The Group posted a loss after tax of RM5.2 million for the current quarter as compared to a loss after tax of RM7.5 million for the preceding quarter. The loss after tax of RM5.2 million arise mainly from the impairment losses of assets classified as held for sale.

3 Prospects for the financial year

In view of the prevailing operating and economic environment, the Board of Directors are of the view that the Group will be able to sustain the satisfactory performance for the next financial year.

4 Tax expense

Taxation comprises :

	INDIVIDUAL PERIOD CURRENT YEAR PERIOD 31-Dec-11 RM'000	CUMULATIVE PERIOD CURRENT YEAR TO DATE 31-Dec-11 RM'000
Income tax - current period	7,920	12,206
- prior period	0	0
Deferred tax expense	<u>(7,132)</u>	<u>(1,201)</u>
	<u>788</u>	<u>11,005</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 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.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES

6 Group borrowings and debt securities

		AS AT END OF CURRENT PERIOD 31-Dec-11 RM'000
	RM'000	
<u>Borrowings</u>		
<u>Current</u>		
Bank Overdrafts - secured	2,416	
Term loan - secured	36,123	
Bridging loan - secured	1,210	
Hire Purchase - secured	128	
		39,877
<u>Non-current</u>		
Term loan - secured	170,150	
Bridging loan - secured	20,286	
Hire Purchase - secured	253	
		190,689
		230,566

The above borrowings are denominated in Ringgit Malaysia.

7 Changes in material litigation

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

8 Dividends

The Directors have recommended a final single-tier tax exempt dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2011. The dividend, if approved by the shareholders at the forthcoming Annual General Meeting shall be paid at a date to be announced later.

9 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 31-Dec-11	CURRENT YEAR TO DATE 31-Dec-11
Net profit/(loss) attributable to ordinary shareholders (RM'000)	(5,169)	15,807
Weighted average number of ordinary shares ('000)	230,335	230,335
Basic earnings per share (sen)	(2.24)	6.86

b) *Diluted earnings per share*

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

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES

10 Realised and Unrealised Profits/Losses

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	187,090	146,943
- Unrealised	8,808	14,174
Total share of retained profits from associated company:		
- Realised	(4,885)	(890)
- Unrealised	3,175	590
Less: Consolidation adjustments	(131,767)	(106,136)
Total group retained profits as per consolidated accounts	62,421	54,681

11 Notes to the Condensed Consolidated Income Statement

Profit before tax is arrived at after charging/(crediting) the following items:

	CURRENT QUARTER PERIOD 31-Dec-11 RM'000	CURRENT YEAR TO DATE 31-Dec-11 RM'000
(a) Other income	-	-
(b) Depreciation and amortisation	171	585
(c) Provision for and write off of receivables	7	7
(d) Provision for and write off of inventories	-	-
(e) Gain or loss on disposal of quoted or unquoted investments or properties	-	-
(f) Impairment of assets	7,060	8,330
(g) Foreign exchange gain or loss	-	-
(h) Gain or loss on derivatives	-	-
(i) Exceptional items	-	-