



MAHAJAYA

MAHAJAYA BERHAD (391035-P)

CONDENSED FINANCIAL REPORTS

For the Quarter Ended

30 September 2011

(Unaudited)

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A. CONDENSED FINANCIAL STATEMENTS

A1. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	UNAUDITED AS AT END OF CURRENT QUARTER 30.9.2011 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 30.06.2011 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	11,316	11,601
Investment properties	3,283	1,687
Land held for property development	225,070	218,874
	<u>239,669</u>	<u>232,162</u>
CURRENT ASSETS		
Property development costs	95,141	88,140
Inventories	43,202	47,608
Amount due from contract customers	6,409	8,295
Trade receivables and other receivables	41,384	150,183
Short term deposits	35,833	24,699
Cash and bank balances	5,600	4,588
	<u>227,569</u>	<u>323,513</u>
TOTAL ASSETS	<u>467,238</u>	<u>555,675</u>
EQUITY AND LIABILITIES		
Attributable to equity holders of the Company		
Share capital	274,014	274,014
Reserves	65,152	63,745
	<u>339,166</u>	<u>337,759</u>
Minority interests	3,549	3,554
TOTAL EQUITY	<u>342,715</u>	<u>341,313</u>
NON-CURRENT LIABILITIES		
Borrowings	2,886	24,780
Deferred taxation	22,591	22,872
	<u>25,477</u>	<u>47,652</u>
CURRENT LIABILITIES		
Trade payables and other payables	60,902	63,365
Borrowings	1,159	59,827
Taxation	36,985	43,518
	<u>99,046</u>	<u>166,710</u>
TOTAL LIABILITIES	<u>124,523</u>	<u>214,362</u>
TOTAL EQUITY AND LIABILITIES	<u>467,238</u>	<u>555,675</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)



**A2. CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Unaudited CURRENT QUARTER 30.9.2011 RM'000	Unaudited PRECEDING YEAR CORRESPONDING QUARTER 30.9.2010 RM'000	Unaudited CURRENT YEAR TODATE 30.9.2011 RM'000	Unaudited PRECEDING YEAR CORRESPONDING PERIOD 30.9.2010 RM'000
Revenue	29,852	34,964	29,852	34,964
Operating expenses	(27,972)	(31,607)	(27,972)	(31,607)
Other operating income	594	856	594	856
Profit from operations	2,474	4,213	2,474	4,213
Finance cost	(336)	(1,810)	(336)	(1,810)
Profit before taxation	2,138	2,403	2,138	2,403
Taxation	(736)	(622)	(736)	(622)
Profit for the financial period	1,402	1,781	1,402	1,781
Profit for the period:				
- Continuing operations	1,415	1,799	1,415	1,799
- Discontinued operation	(13)	(18)	(13)	(18)
	1,402	1,781	1,402	1,781
Attributable to:				
Owners of the Company	1,407	1,789	1,407	1,789
Non-controlling interest	(5)	(8)	(5)	(8)
	1,402	1,781	1,402	1,781
Basic earning per ordinary share (sen)	0.51	0.65	0.51	0.65
Fully diluted earnings per share (sen)	-	-	-	-

(The Condensed Consolidated Comprehensive Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)



**A3. CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Unaudited CURRENT QUARTER 30.9.2011 RM'000	Unaudited PRECEDING YEAR CORRESPONDING QUARTER 30.9.2010 RM'000	Unaudited CURRENT YEAR TODATE 30.9.2011 RM'000	Unaudited PRECEDING YEAR CORRESPONDING PERIOD 30.9.2010 RM'000
Profit for the year	1,402	1,781	1,402	1,781
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,402	1,781	1,402	1,781
Total comprehensive income attributable to:				
Equity holders of the Company	1,407	1,789	1,407	1,789
Minority interests	(5)	(8)	(5)	(8)
	1,402	1,781	1,402	1,781

(The Condensed Consolidated Comprehensive Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)

**A4. CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**

	Share Capital RM'000	Non-Distributable		Distributable Accumulated (losses)/Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
		Share Premium RM'000	Other Reserves RM'000				
<u>1st Quarter Ended 30 September 2011</u> (Unaudited)							
As at 1 July 2011	274,014	-	-	63,745	337,759	3,554	341,313
Total comprehensive income for the period	-	-	-	1,407	1,407	(5)	1,402
Dividend	-	-	-	-	-	-	-
As at 30 September 2011	274,014	-	-	65,152	339,166	3,549	342,715

Preceding Financial Year Ended 30 June 2011
(Audited)

As at 1 July 2010	274,014	-	-	(3,602)	270,412	3,604	274,016
Net profit for the financial year	-	-	-	68,717	68,717	(50)	68,667
Dividend	-	-	-	(1,370)	(1,370)	-	(1,370)
As at 30 June 2011	274,014	-	-	63,745	337,759	3,554	341,313

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)

**A5. CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR 1ST QUARTER ENDED 30 SEPTEMBER 2011**

	Unaudited CUMULATIVE CURRENT PERIOD TODATE ENDED 30.9.2011 RM'000	Audited PRECEDING FINANCIAL YEAR ENDED 30.06.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,138	93,064
Adjustments for :		
Non-cash items	370	17,509
Non-operating items	187	6,054
Operating profit before working capital changes	<u>2,695</u>	<u>116,627</u>
Net changes in current assets	115,094	28,371
Net changes in current liabilities	(9,464)	(7,190)
Cash generated from operations	<u>108,325</u>	<u>137,808</u>
Interest paid	(336)	(6,990)
Interest received	149	346
Taxation paid	(7,552)	(22,355)
Net cash generated from operating activities	<u>100,586</u>	<u>108,809</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Changes in land held for property development	(6,196)	(30,965)
Others	(1,682)	1,952
Net cash used in investing activities	<u>(7,878)</u>	<u>(29,013)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings	(80,561)	(60,446)
Dividend paid	-	(1,370)
Fixed deposits placed as security for bank borrowings	-	6,457
ICULS interest paid	-	(1,729)
Net cash used in financing activities	<u>(80,561)</u>	<u>(57,088)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	12,147	22,708



CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	27,252	4,544
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>39,399</u>	<u>27,252</u>

Note : Cash and cash equivalents at end of financial period comprise :-

Cash and bank balances	5,600	4,588
Fixed deposits	35,834	24,699
	<u>41,434</u>	<u>29,287</u>
Fixed deposits not available for use	(2,035)	(2,035)
	<u>39,399</u>	<u>27,252</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2011)



Notes to the Interim Financial Report (Unaudited)

For the Financial Quarter Ended 30 September 2011

B1. Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for year ended 30 June 2011 save for the adoption of revised / new Financial Reporting Standards and other interpretations that are effective for the financial statement commencing 1 July 2011 .

The Financial Reporting Standards which are effective from 1 July 2011 and applicable to the Group are as follows: -

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards

- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Additional Exemptions for First-time Adopters

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 134: Interim Financial Reporting

Amendments of FRS 139: Financial Instruments: Recognition and Measurement

IC Interpretation 4: Determining whether an Agreement contains a Lease

IC Interpretation 18: Transfer of Assets from Customers

Amendments to IC Interpretation 13: Customer Loyalty Programmes



Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

The revised / new standards have no significant impact on the Group's financial position and results.

B2. Audit Qualification

The audit report on the latest annual financial statement was not subject to any audit qualification.

B3. Seasonal or Cyclical Factors

The operations of the Group during the period under review have not been materially affected by any seasonal or cyclical factors.

B4. Unusual Items

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows during the period under review.

B5. Changes in Estimates

There were no changes in estimates relating to the accounts reported in the previous financial year that have a material effect in the current quarter.

B6. Debt and Equity Securities

There were no significant changes in the debt and equity securities of the Company and the Group during the quarter.

B7. Dividend Paid

The Company did not pay any dividend during the quarter under review.

**B8. Property, Plant and Equipment**

There were no revaluation of land and building since the completion of the proposed restructuring scheme of Hotline Furniture Berhad on 27 April 2004.

B9. Segmental Information

The segmental information of the Group for the year to date is summarized below:-

	Management & Investment	Construction	Property Development	Manufacturing & Trading	Eliminations	Discontinued Operations	Consol
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
REVENUE							
External revenue	-	676	24,261	4,915	-	-	29 852
Inter-segment revenue	1,702	15,304	-	310	(17,316)	-	-
	1,702	15,980	24,261	5,225	(17,316)	-	29,852
RESULTS							
Profit/(Loss) before tax	20	248	1,652	231	-	(13)	2,138
Taxation	(23)	(103)	(555)	(55)	-	-	(736)
Profit/(Loss) after tax	(3)	145	1,097	176	-	(13)	1,402

The activities of the Group during the quarter was carried out in Malaysia, as such there is no segmental reporting by geographical location.

B10. Events Subsequent to the Balance Sheet Date.

There were no material subsequent events arising from the end interim period to the date of this report.



B11. Changes in Composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructuring and discontinued operations for the current period to-date.

B12. Contingent Liabilities and Contingent Assets

The contingent liabilities of the Company as at the date of this report are in the form of Corporate Guarantee issued in favour of the local authorities and suppliers for the purpose of development and for securing banking facilities from financial institution amounting to RM0.951 million. There were no contingent assets as at the date of this report.

B13. Capital Commitments

There is no capital commitment for the quarter under review.



C. Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements (Part A of Appendix 9B)

C1. Review of Performance

The Group recorded revenue of RM29.85 million and profit after tax of RM1.40 million in current quarter. In the previous corresponding period the group recorded revenue of RM34.96 million and profit after tax of RM1.78 million. The revenue has reduced mainly due to completion of certain projects in Bandar Damai Perdana, Cheras and the new projects have yet to contribute significantly. The major on going development projects are D’ Infiniti comprise of 118 units of superlink house, D’ Exotica comprise of 146 units of double storey and Damai Gayana, semi detached and bungalow house project in Bandar Damai Perdana, Cheras.

C2. Comparison with Preceding Quarter’s Results

During the quarter under review, the Group has recorded a revenue and profit after tax of RM29.85 million and RM1.40 million respectively as compared to RM35.99 million and RM2.36 million recorded in the preceding quarter. The revenue has reduced mainly due to completion of certain projects in Bandar Damai Perdana, Cheras. The current quarter results are mainly contributed by the development projects in Bandar Damai Perdana, Cheras namely D’ Infiniti comprise of 118 units of superlink house, D’ Exotica comprise of 146 units of double storey and Damai Gayana, semi detached and bungalow house project and Taman Alam Indah project in Shah Alam.

C3. Prospects

Barring unforeseen circumstances, the Board will strive to improve its performance in the coming financial period.

C4. Profit Forecast and Profit Guarantee



The Company has not issued any profit forecast to the public and has not given any profit guarantee for the year.

C5. Taxation

Taxation comprises of the followings:-

	Current Quarter Ended 30.9.2011 RM'000	Financial Year To-date Ended 30.9.2011 RM'000
Current year taxation	1,016	1,016
Transfer to deferred taxation	(280)	(280)
	736	736
Over provision in prior year	-	-
	736	736

The effective tax rate of the Group for the financial year to-date is higher than the statutory tax rate. This was mainly due to certain expenses being not allowable as tax deductions and that no group relief was available in respect of losses incurred by companies within the Group.

C6. Sales of Unquoted Investment / Properties

There was no sale of any unquoted investment or properties outside the ordinary course of business in the quarter under review.

C7. Quoted Securities

There were no dealings in quoted securities during the quarter under review.



C8. Status of Corporate Proposal

The proposed establishment of an employees' share option scheme ("ESOS") of up to fifteen per centum (15%) of the issued and paid-up share capital of Mahajaya has been approved by the shareholders in the extraordinary general meeting on 20 December 2006 and by Bursa Securities on 8 January 2007. The Company has extended the ESOS which is expired on 8 January 2010 for further period of seven years until 7 January 2017. The Company has yet to grant the options to any eligible directors and employees.

C9. Borrowings and Debt Securities

	Secured RM '000	Unsecured RM '000	Total RM '000
(a) <u>Short Term</u>			
Term Loans	716	-	716
Hire Purchase	443	-	443
	<u>1,159</u>	<u>-</u>	<u>1,159</u>
	Secured RM '000	Unsecured RM '000	Total RM '000
(b) <u>Long Term</u>			
Term Loans	2,309	-	2,309
Hire Purchase	577	-	577
	<u>2,886</u>	<u>-</u>	<u>2,886</u>
Total	<u>4,045</u>	<u>-</u>	<u>4,045</u>



C10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

C11. Material Litigation

- 1) A Writ of Summons and Statement of Claim have been filed by Ahmad Bin Abd. Kadir @ Mohamed Bin Kadir & 21 others (collectively, the "Plaintiffs") in the Malacca High Court vide Civil Suit No. 22-110-1999 against Mahajaya Property Sdn Bhd (the "Defendant") claiming, inter alia, the following:-
 - (a) The Defendant to apply for the subdivision of the land held under Advance Certificate of Title Holding No. 1311 for Lots 4384 and 4385, Mukim Sungei Baru Ilir, Daerah Alor Gajah, Negeri Melaka (the "Land") by the Plaintiffs as the registered proprietors;
 - (b) The Defendant to discharge the charge of the Land (which was charged to Malaysia Building Society Bhd ("MBSB") on 2 October 1996 as security for a loan of RM3,511,000.00 granted by MBSB to the Defendant);
 - (c) The Defendant to transfer the titles to the 56 residential units (collectively, the "56 Units") to be constructed on the Land by the Defendant to the Plaintiffs;
 - (d) The Defendant to pay damages to the Plaintiffs; and
 - (e) The Defendant to pay liquidated ascertained damages to the Plaintiffs for late delivery of the 56 Units to the Plaintiffs from 16 June 1997 until the date of actual delivery of the 56 Units.

By a sale and purchase agreement dated 5 March 1993 (the "SPA") made between the Plaintiffs and the Defendant, the Plaintiffs have agreed to sell the Land to the Defendant for RM1,023,660.00 (the "Purchase Price") for purposes of developing the same into a housing estate.

The Defendant has paid a sum of RM12,660.00 to the Plaintiffs as deposit and part payment towards account of the Purchase Price, leaving a balance of RM1,011,000.00 (the "Balance Purchase Price").

It has been agreed in the SPA that the Balance Purchase Price shall be deemed set-off and paid against the Plaintiffs' election to accept the 56 Units which were to be constructed on the Land by the Defendant.



By a Buy Back Agreement dated 5 March 1993 (the "Buy Back Agreement") made between the Defendant and the Plaintiffs, the Defendant has agreed to sell the 56 Units to the Plaintiffs.

On 8 August 1996, the Plaintiffs transferred the Land to the Defendant.

This matter was brought by the Plaintiffs due to the Defendant's failure to, inter alia, apply for the subdivision of the Land and to deliver the individual titles to the 56 Units to the Plaintiffs free from encumbrances within the time frame stipulated in the Buy Back Agreement.

On 17 December 1999, both the Plaintiffs and the Defendant have recorded a Consent Order that, inter alia, the Defendant shall transfer 45 residential units (the "45 Units") to the Plaintiffs.

The remaining 11 units (the "Trustee Units") are held by the Defendant on trust for the Plaintiffs until the Plaintiffs have fully settled a sum of RM486,750.00 to the Plaintiffs, which sum has yet to be settled by the Plaintiffs.

The Defendant has to-date transferred a total of 35 units to the Plaintiffs out of the 45 Units.

The remaining 10 units have yet to be transferred to the Plaintiffs. This is because they are corner lots whereby there are differential sums to be settled by the Plaintiffs before transfers can be effected in their favour, which sums have yet to be settled by the Plaintiffs.

- 2) Four (4) separate letters of demand dated 19 July 2001 had been served on Jiwa Property Sdn. Bhd. ("JPSB") by Chye Wong Boon and Lee Yek Khim (collectively, the "Claimants") claiming:-
 - (a) damages in relation to the defects in respect of four (4) units of factories known as SD-043-PT37406 ("Unit 1"), unit SD-044-PT37407 ("Unit 2"), unit SD-055-PT37418 ("Unit 3") and unit SD-056-PT37419 ("Unit 4") purchased by the Claimants from JPSB (collectively, the "Units"), economic loss, liquidated ascertained damages for the late delivery of the Units to the Claimants and loss of profits as follows:-
 - (i) a sum of RM810,623.68 in relation to Unit 1;
 - (ii) a sum of RM682,737.05 in relation to Unit 2;
 - (iii) a sum of RM831,614.47 in relation to Unit 3; and
 - (iv) a sum of RM682,737.05 in relation to Unit 4; or



- (b) alternatively, damages for rescinding the sale and purchase agreements made between JPSB and the Claimants for the acquisition of the Units by the Claimants as follows:-
- (i) a sum of RM774,796.40 in relation to Unit 1;
 - (ii) a sum of RM590,042.79 in relation to Unit 2;
 - (iii) a sum of RM805,182.17 in relation to Unit 3; and
 - (iv) a sum of RM590,042.79 in relation to Unit 4.

On 7 February 2002, JPSB counter-offered to settle at RM5,000.00 per Unit and to reinstate the electrical wiring of the Units. The Claimants did not indicate their acceptance or rejection of the settlement and no further action was taken by either party until early December 2007 when JPSB was served with four (4) separate Summonses and Statements of Claim which have all been filed by the Claimants in Johor Bahru Sessions Court on 2 December 2005 vide the following:-

- (i) Summons No. S1-52-8219-2005 for Unit 1.
- (ii) Summons No. S4-52-8217A-2005 for Unit 2;
- (iii) Summons No. S1-52-8218-2005 for Unit 3; and
- (iv) Summons No. S4-52-8217-2005 for Unit 4;

The Claimants, vide the said Summonses and Statements of Claims, are claiming the following as liquidated ascertained damages for alleged late delivery of the said units, damages for alleged defects and costs:-

- (i) With regard to Unit 1, a sum of RM109,618.68;
- (ii) With regard to Unit 2, a sum of RM78,337.05;
- (iii) With regard to Unit 3, a sum of RM114,754.47; and
- (iv) With regard to Unit 4, a sum of RM78,337.05.

JPSB has subsequently filed four (4) separate Defences all dated 5 February 2007 against the aforesaid matters. The solicitors acting for JPSB are of the opinion that JPSB has a good defence against each of the above matters based on the following:-

- (i) There is no late delivery of the Units. JPSB has delivered vacant possession of each of the Units to the Claimants within the time frame stipulated in the sale and purchase agreements.
- (ii) JPSB has rectified all defects within the defect liability period of each of the Units.
- (iii) The lists of the alleged defects were submitted by the Claimants to JPSB after the expiry of the defect liability period of each of the Units.



JPSB has filed its application for consolidating the above matters under Order 8 Rule 18 of the Subordinate Courts Rules, 1980 and was granted an order by the Court in terms of the said application for consolidation on 4 July 2007.

On the mention date on 18 December 2007, the Court has transferred the files for Summonses Nos S1-52-8218-2005 and S1-52-8219-2005 to Johor Bahru Sessions Court 4 and the matter is fixed for mention on 17 March 2008 pending filing of reply by the Claimants to JPSB's Defences all dated 5 February 2007.

The matter was fixed for pre-trial case management on 1 June 2010 and for trial on 7 July 2010 and 8 July 2010.

The Court has fixed for Decision on 1 September 2010 and on even date, the Court has dismissed the Plaintiff's claims. However, Court of Appeal has allowed the plaintiff's appeal and now awaiting for court hearing.

C12. Dividend

The Directors have not recommended any dividend for the quarter under review.

C13. Earnings Per Share

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Unaudited Current Quarter	Unaudited Preceding Year Correspondence Quarter	Unaudited Current Year Todate	Unaudited Preceding Year corresponding period
	30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
(i) Basic earning per share				
Net profit attributable to shareholders	1,407	1,789	1,407	1,789
(ii) Weighted average number of ordinary shares	274,014	274,014	274,014	274,014
(a) Basic earning per share (sen)	0.51	0.65	0.51	0.65
(b) Diluted earning per share (sen)	-	-	-	-



The diluted earning per share was not presented as there were no potential ordinary shares outstanding.

C14. Realised and Unrealised Profits

	CUMULATIVE PERIOD	
	Unaudited	Audited
	Current Financial	Preceding Financial
	Period	Year Ended
	30.9.2011	30.6.2011
	RM'000	RM'000
Retained Profits		
Realised	65,152	63,745
Unrealised	-	-
	<u>65,152</u>	<u>63,745</u>