

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 September 2013

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Period Ended 30 September 2013

	INDIVIDUAL QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	7,985	10,107	27,880	27,035
Cost of sales	(4,558)	(6,023)	(17,265)	(16,082)
Gross profit	3,427	4,084	10,615	10,953
Other income	416	249	6,086	902
Administrative expenses	(3,134)	(2,418)	(6,918)	(6,580)
Other expenses	(115)	(208)	(588)	(690)
Finance costs	(46)	(238)	(203)	(599)
Profit before taxation	548	1,469	8,992	3,986
Income tax expense	(410)	(738)	(1,720)	(1,883)
Profit for the financial period	138	731	7,272	2,103
(Loss) / Profit for the financial period attributable to:				
Equity holders of the Company	(408)	24	5,196	(29)
Non-controlling interest	546	707	2,076	2,132
	138	731	7,272	2,103
	Sen	Sen	Sen	Sen
Earning / (Loss) per share attributable to equity holders of the Company:				
- Basic	(0.06)	0.00	0.70	(0.00)
- 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)



MUI Properties Berhad
6113-W
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Financial Period Ended 30 September 2013

	INDIVIDUAL QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	138	731	7,272	2,103
Foreign currency translation differences for overseas subsidiaries	6,000	(1,142)	1,290	(835)
Fair value for available-for-sale investments	1,047	42	(5,611)	1,196
Gain on disposal of fair value investments	109	-	6,410	936
Total comprehensive income for the financial period	<u>7,294</u>	<u>(369)</u>	<u>9,361</u>	<u>3,400</u>
Total comprehensive income attributable to:				
Equity holders of the Company	6,748	(1,076)	7,285	1,268
Non-controlling interest	546	707	2,076	2,132
	<u>7,294</u>	<u>(369)</u>	<u>9,361</u>	<u>3,400</u>

(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 30 September 2013

	30/09/2013	31/12/2012
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,923	7,438
Investment properties	29,954	29,905
Land held for property development	35,263	35,263
Investments	84,762	97,035
Deferred tax assets	850	869
Goodwill on consolidation	5,000	5,000
	<u>162,752</u>	<u>175,510</u>
Current assets		
Property development costs	80,780	84,762
Inventories	27,263	30,169
Trade and other receivables	12,931	10,579
Tax recoverable	-	18
Deposits, bank balances and cash	46,439	22,874
	<u>167,413</u>	<u>148,402</u>
TOTAL ASSETS	<u>330,165</u>	<u>323,912</u>
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	104,632	97,347
	<u>251,143</u>	<u>243,858</u>
Non-controlling interest	68,105	66,029
Total equity	<u>319,248</u>	<u>309,887</u>
Non-current liabilities		
Trade and other payables	1,465	1,698
Employee benefits	194	241
	<u>1,659</u>	<u>1,939</u>
Current liabilities		
Borrowings	1,708	2,690
Trade and other payables	7,113	8,311
Provision for taxation	420	1,067
Dividend payable	17	18
	<u>9,258</u>	<u>12,086</u>
Total liabilities	<u>10,917</u>	<u>14,025</u>
TOTAL EQUITY AND LIABILITIES	<u>330,165</u>	<u>323,912</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.34 *	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)



MUI Properties Berhad
6113-W
Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Financial Period Ended 30 September 2013

	Attributable to Equity Holders of the Company						Non-Controlling Interest	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Retained Profits RM'000	Total RM'000	RM'000	RM'000
			Other Reserves RM'000	General Reserves RM'000				
9 months ended 30 September 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	-	-	(4,321)	-	11,606	7,285	2,076	9,361
At 30 September 2013	152,812	(6,301)	22,223	10,649	71,760	251,143	68,105	319,248
9 months ended 30 September 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 for the financial period	-	-	(835)	-	2,103	1,268	2,132	3,400
Dividend for the financial year ended 31 December 2011					(5,557)	(5,557)	-	(5,557)
At 30 September 2012	152,812	(6,301)	20,462	10,649	67,475	245,097	68,493	313,590

(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 30 September 2013

	CUMULATIVE 6 MONTHS	
	30/09/2013	30/09/2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	8,992	3,986
Net adjustments		
Others	(5,534)	827
Operating profit before working capital changes	3,458	4,813
Net changes in working capital	(1,195)	(11,667)
Cash generated from/(used in) operations	2,263	(6,854)
Interest paid	(203)	(599)
Income tax paid	(2,351)	(2,129)
Net cash used in operating activities	(291)	(9,582)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(47)	(114)
Purchase of investments	-	(4,897)
Proceeds from sale of property development	11,560	62
Proceeds from sale of investments	13,949	6,505
Net cash generated from investing activities	25,462	1,556
Cash Flows From Financing Activities		
Dividend paid	-	(5,529)
Net cash used in financing activities	-	(5,529)
Effect of exchange rate changes	(1,556)	(43)
Net increase/(decrease) in cash and cash equivalents	23,615	(13,598)
Cash and cash equivalents at 1 January		
As previously reported	20,184	36,920
Effects of exchange rate changes on cash and cash equivalents	932	(520)
As restated	21,116	36,400
Cash and cash equivalents at 30 September	44,731	22,802

(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 7 August 2013 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 2015.

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 2015. 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 2015.

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

During Quarter 2 result, there was a disposal of a development land which resulted in a one off gain of RM5.92 million.

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 30 September 2013.

A6. Issuances or Repayments of Debts and Equity Securities

As at 30 September 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 30 September 2013.

A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 30 September 2013 (30 September 2012: RM5,556,859 in respect of financial year ended 31 December 2011).

A8. Operating Segments

For the 9 months ended 30 September 2013

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

	Properties	Investment	
	RM'000	Holding	Total
		RM'000	RM'000
External revenue	27,677	203	27,880
Segment results	12,234	(3,039)	9,195
Interest expense	(95)	(108)	(203)
Profit before tax	12,139	(3,147)	8,992
Income tax expense	(1,717)	(3)	(1,720)
Profit for the year	10,422	(3,150)	7,272
Segment assets	214,734	114,581	329,315
Unallocated assets			850
			330,165

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

There are no material events subsequent to the financial period ended 30 September 2013 that have not been reflected in the financial statements for the said period as at the date of this report.

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 30 September 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 9-months ended 30 September 2013, the Group recorded revenue of RM27.9 million and pre-tax profit of RM9.0 million compared with the previous year corresponding period's revenue of RM27.0 million and pre-tax profit of RM4.0 million. The increased revenue was mainly contributed by the Group's property development project in Bandar Springhill, which recorded revenue of RM23.7 million for the current quarter against RM20.7 million in the previous year corresponding quarter.

The gross profit margin declined to 38.1% for the current period as compared with 40.5% previously. The lower gross profit margin in the current quarter was mainly due to the lower average CPO price resulting in lower gross profit margin from the sale of oil palm fruits, which declined from 73.8% to 62.7%.

The profit before taxation increased due to higher contribution from the property development as well as the gain on disposal of a development land in Port Dickson.

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

For the current quarter, the Group recorded revenue of RM8.0 million and pre-tax profit of RM0.5 million, compared with the revenue of RM10.9 million and pre-tax profit of RM7.2 million in the preceding quarter. The decrease in revenue in current quarter was mainly due to lower revenue recognition from the Group's property development project in Bandar Springhill and lower income from the sales of oil palm fruits.

B3. Prospects for Year 2013

According to BNM, the Malaysian economy is expected to grow between 4.5% and 5.0% in 2013 in terms of real GDP.

The completion of the International School in September 2012 and the overhead bridge over the Seremban-Port Dickson highway in March 2013, connecting both the eastern and western sectors of the township, will facilitate our future launches in the western sector.

We plan to step up the pace of our development in Bandar Springhill and we will 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:-

	Third Quarter		Cumulative 9 months	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	428	185	633	358
Gain/(Loss) on foreign exchange - unrealised	(2,570)	(125)	(1,048)	180
Depreciation	(194)	(87)	(241)	(173)

B6. Income Tax Expense

Taxation comprises :-

	Third Quarter		Cumulative 9 months	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Current taxation	(410)	(719)	(1,721)	(1,155)
Deferred taxation	-	8	1	10
	(410)	(711)	(1,720)	(1,145)

The current tax charge for the financial period ended 30 September 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:-

	30/09/2013	31/12/2012
	RM'000	Audited RM'000
- Realised	60,579	55,142
- Unrealised	11,181	12,333
	<u>71,760</u>	<u>67,475</u>

B9. Borrowings

As at 30 Sept 2013, the Group has borrowings amounted to RM 1.708million, which is unsecured.

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

B12. Material Litigation

A subsidiary has been named as defendant in a lawsuit in United State of America, arising from alleged deficiencies and deferred maintenance issues at the Kensington Place condominium complex ("condominium"). The plaintiffs comprises 22 individuals' owners of the condominium are suing the subsidiary to recover maintenance and repair costs, which are disputed. The subsidiary is currently defending the case. 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 30 September 2013 (30 September 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:-

	<u>Third Quarter</u>		<u>Cumulative 9 months</u>	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
Loss for the financial period/year attributable to equity holders of the Company (RM'000)	(408)	24	5,196	(29)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Gain/(Loss) per share (sen)	<u>(0.06)</u>	<u>0.00</u>	<u>0.70</u>	<u>(0.00)</u>

(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: 25 Nov 2013