

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013 (The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS For The Financial Year Ended 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Revenue	8,960	11,194	48,400	38,229
Cost of sales	(6,233)	(6,544)	(29,088)	(22,626)
Gross profit	2,727	4,650	19,312	15,603
Other income	265	466	381	1,370
Administrative expenses	(2,017)	(2,182)	(8,935)	(8,762)
Other expenses	(725)	(214)	(1,313)	(904)
Finance costs	(51)	(98)	(254)	(697)
Profit before taxation	199	2,622	9,191	6,610
Income tax expense	369	(957)	(1,351)	(2,840)
Profit for the financial period	568	1,665	7,840	3,770
(Loss) / Profit for the financial period attributable to:				
Equity holders of the Company	(437)	529	4,759	502
Non-controlling interest	1,005	1,136	3,081	3,268
	568	1,665	7,840	3,770
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earning / (Loss) per share attributable to equity holders of the Company:				
- Basic	(0.06)	0.07	0.64	0.07
- 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

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For The Financial Year Ended 31 DECEMBER 2013**

	INDIVIDUAL QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period/year	568	1,665	7,840	3,770
Foreign currency translation differences for overseas subsidiaries	(5,630)	(1,160)	(4,340)	(1,995)
Fair value for available-for-sale investments	5,974	326	363	1,522
Gain on disposal of fair value investments	927	-	7,337	
Total comprehensive income for the financial period/year	<u>1,839</u>	<u>831</u>	<u>11,200</u>	<u>3,297</u>
Total comprehensive income attributable to:				
Equity holders of the Company	834	(305)	8,119	29
Non-controlling interest	1,005	1,136	3,081	3,268
	<u>1,839</u>	<u>831</u>	<u>11,200</u>	<u>3,297</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)



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**At 31 DECEMBER 2013**

	31/12/2013	31/12/2012
	RM'000	Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,715	7,438
Investment properties	30,126	29,905
Land held for property development	35,263	35,263
Investments	86,442	97,035
Deferred tax assets	1,242	869
Goodwill on consolidation	5,000	5,000
	<u>164,788</u>	<u>175,510</u>
<b>Current assets</b>		
Property development costs	81,313	84,762
Inventories	26,092	30,169
Trade and other receivables	14,053	10,579
Tax recoverable	-	18
Deposits, bank balances and cash	43,666	22,874
	<u>165,124</u>	<u>148,402</u>
<b>TOTAL ASSETS</b>	<u>329,912</u>	<u>323,912</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	152,812	152,812
Treasury shares, at cost	(6,301)	(6,301)
Reserves	105,466	97,347
	<u>251,977</u>	<u>243,858</u>
<b>Non-controlling interest</b>	69,110	66,029
<b>Total equity</b>	<u>321,087</u>	<u>309,887</u>
<b>Non-current liabilities</b>		
Trade and other payables	2,169	1,698
Employee benefits	142	241
	<u>2,311</u>	<u>1,939</u>
<b>Current liabilities</b>		
Borrowings	-	2,690
Trade and other payables	6,192	8,311
Provision for taxation	305	1,067
Dividend payable	17	18
	<u>6,514</u>	<u>12,086</u>
<b>Total liabilities</b>	<u>8,825</u>	<u>14,025</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>329,912</u>	<u>323,912</u>
	<b>RM</b>	<b>RM</b>
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)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For The Financial Year Ended 31 DECEMBER 2013**

	Attributable to Equity Holders of the Company					Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Retained Profits RM'000			
			Other Reserves RM'000	General Reserves RM'000				
<b>12 months ended 31 December 2013</b>								
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 year	-	-	(3,977)	0	12,096	8,119	3,081	11,200
<b>At 31 December 2013</b>	<b>152,812</b>	<b>(6,301)</b>	<b>22,567</b>	<b>10,649</b>	<b>72,250</b>	<b>251,977</b>	<b>69,110</b>	<b>321,087</b>
<b>12 months ended 31 December 2012</b>								
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 year	-	-	(1,995)	-	3,770	1,775	3,268	5,043
Disposal of equity instruments			7,242		(8,988)	(1,746)		(1,746)
Dividend for the financial year ended 31 December 2011					(5,557)	(5,557)	-	(5,557)
Dividend paid to non-controlling interest							(3,600)	(3,600)
<b>At 31 December 2012</b>	<b>152,812</b>	<b>(6,301)</b>	<b>26,544</b>	<b>10,649</b>	<b>60,154</b>	<b>243,858</b>	<b>66,029</b>	<b>309,887</b>

(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)



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For The Financial Year Ended 31 DECEMBER 2013**

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31/12/2013</b>	<b>31/12/2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	9,191	6,610
Net adjustments		
Others	6,218	(1,083)
Operating profit before working capital changes	15,409	5,527
Net changes in working capital	(2,884)	(3,202)
Cash generated from/(used in) operations	12,525	2,325
Interest paid	(254)	(697)
Interest received	982	645
Dividend received	-	801
Income tax paid	(2,877)	(2,598)
Net cash used in operating activities	10,376	476
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(250)	(127)
Purchase of investments	-	(6,219)
Proceeds from sale of property development	-	62
Proceeds from sale of investments	13,949	6,505
Net cash generated from investing activities	13,699	221
<b>Cash Flows From Financing Activities</b>		
Dividend paid	-	(5,557)
Dividend paid to non - controlling interest of a subsidiary	-	(3,600)
Repayment of bank borrowings	-	(8,000)
Net cash used in financing activities	-	(17,157)
Effect of exchange rate changes	(1,684)	212
Net increase/(decrease) in cash and cash equivalents	22,391	(16,248)
Cash and cash equivalents at 1 January		
As previously reported	20,184	36,920
Effects of exchange rate changes on cash and cash equivalents	1,091	(488)
As restated	21,275	36,432
<b>Cash and cash equivalents at 31 December</b>	<b>43,666</b>	<b>20,184</b>

(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)



## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### 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.



## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### 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 sale of a development land which resulted in a one off gross profit 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 year ended 31 December 2013.

### A6. Issuances or Repayments of Debts and Equity Securities

As at 31 December 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 year ended 31 December 2013.

### A7. Dividend Paid

There was no dividend paid by the Company during the financial year ended 31 December 2013 (31 December 2012: RM5,556,859).

### A8. Operating Segments

#### For the 12 months ended 31 December 2013

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

	<b>Properties</b>	<b>Investment</b>	
	<b>RM'000</b>	<b>Holding</b>	<b>Total</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>External revenue</b>	48,023	377	48,400
<b>Segment results</b>	13,992	(4,546)	9,446
Interest expense	(124)	(130)	(254)
Profit before tax	13,868	(4,676)	9,191
Income tax expense	(1,778)	427	(1,351)
Profit for the year	12,090	(4,249)	7,840
<b>Segment assets</b>	214,540	114,130	328,670
Unallocated assets			1,242
			329,912



## **INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013**

### **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 year ended 31 December 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 year ended 31 December 2013.

### **A13. Capital Commitments**

There are no material capital commitments as at the date of this report.



## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### B. NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

#### B1. Review of Performance of the Company and its Principal Subsidiaries

For the financial year ended 31 December 2013, the Group recorded revenue of RM48.4 million and pre-tax profit of RM9.2 million compared with the previous year corresponding period revenue of RM38.2 million and pre-tax profit of RM6.6 million. The improved revenue was mainly due to the disposal of the development land in Port Dickson which contributed to RM11.5million in revenue.

The gross profit margin declined marginally to 40.0% for the current year as compared with 40.8% in the previous year. Although the gross profit margin of property development in Springhill improved from 30% to 32%, gross profit margin from the sale of oil palm fruits declined from 70.5% to 63.8%. This resulted in the overall marginal decline in the gross profit margin for the current financial year.

The profit before taxation increased mainly due to 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 RM9.0 million and pre-tax profit of RM0.2 million, compared with the revenue of RM11.1 million and pre-tax profit of RM2.6 million in the preceding quarter. The decrease in revenue in current quarter was mainly due to pending revenues recognition from the Group's property development projects in Bandar Springhill and lower income from the sales of oil palm fruits.

#### B3. Prospects for Year 2014

According to Malaysia Institute of Economic Research, the Malaysian economy is expected to grow between 5.0% and 5.5% in 2014 in terms of real GDP.

Bandar Springhill has been attracting more purchasers interest since the opening of the UCSI International School in September 2012. The completion of the overhead bridge over the Seremban-Port Dickson highway in March 2013, connecting both the eastern and western sectors of the township, will complement our projects in the western sector for 2014.

We are stepping up the pace of our development in Bandar Springhill and will further intensify our marketing efforts.

#### B4. Variance of Actual Profit from Forecast Profit

Not applicable.

#### B5. Profit before Tax

Included in the profit before tax are the following:-

	Fourth Quarter		Cumulative 12 months	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Interest income	349	481	982	645
Gain/(Loss) on foreign exchange - unrealised	(100)	(125)	(1,148)	180
Depreciation	(80)	(87)	(321)	(173)

#### B6. Income Tax Expense

Taxation comprises :-

	Fourth Quarter		Cumulative 12 months	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	RM'000	RM'000	RM'000	RM'000
Current taxation	8	(957)	(1,713)	(2,850)
Deferred taxation	361	0	362	10
	369	(957)	(1,351)	(2,840)

The current tax charge for the financial year ended 31 December 2013 is lower than the statutory rate of tax applicable mainly due to the gains by certain subsidiaries which are not taxable.

#### 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.

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

### B8. Realised and Unrealised Profits

Retained profits of the Group comprise of the following:-

	31/12/2013	31/12/2012
	RM'000	Audited RM'000
- Realised	60,561	54,778
- Unrealised	11,689	5,376
	<u>72,250</u>	<u>60,154</u>

### B9. Borrowings

There was no borrowing as at 31 December 2013.

### 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 31 Dec 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 States of America, arising from alleged deficiencies and deferred maintenance issues at the Kensington Place condominium complex ("Condominium"). The plaintiffs who comprise of 22 individuals' owners of the Condominium are suing the subsidiary to recover maintenance and repair costs. The subsidiary is currently defending the case. Due to the uncertainties in the litigation, the management and its counsel are unable to quantify the outcome of this matter at this juncture.

### B13. Dividend

No dividend has been declared by the Board for the financial year ended 31 December 2013 (31 December 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:-

	Fourth Quarter		Cumulative 12 months	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Loss for the financial period/year attributable to equity holders of the Company (RM'000)	(437)	529	4,759	502
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
(Loss)/Gain per share (sen)	<u>(0.06)</u>	<u>0.07</u>	<u>0.64</u>	<u>0.07</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  
Lee Chik Siong  
Joint Company Secretaries  
Date: 25th Feb 2014