

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS For the Financial Period Ended 31 March 2015

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Revenue	8,210	12,159	8,210	12,159
Cost of sales	(4,527)	(6,771)	(4,527)	(6,771)
Gross profit	3,683	5,388	3,683	5,388
Other income	309	149	309	149
Administrative expenses	(2,028)	(1,810)	(2,028)	(1,810)
Other expenses	(725)	(364)	(725)	(364)
Finance costs	(48)	(33)	(48)	(33)
Profit before taxation	1,191	3,330	1,191	3,330
Income tax expense	(668)	(920)	(668)	(920)
Profit for the financial period	523	2,410	523	2,410
(Loss)/Profit for the financial period attributable to:				
Equity holders of the Company	(244)	1,448	(244)	1,448
Non-controlling interest	767	962	767	962
	523	2,410	523	2,410
	Sen	Sen	Sen	Sen
(Loss)/Earnings per share attributable to equity holders of the Company:				
- Basic	(0.03)	0.20	(0.03)	0.20
- 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 2014 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 31 March 2015

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	523	2,410	523	2,410
Foreign currency translation differences for overseas subsidiaries	(2,220)	(5,241)	(2,220)	(5,241)
Fair value for available-for-sale investments	(752)	(281)	(752)	(281)
Total comprehensive loss for the financial period	<u>(2,449)</u>	<u>(3,112)</u>	<u>(2,449)</u>	<u>(3,112)</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(3,216)	(4,074)	(3,216)	(4,074)
Non-controlling interest	767	962	767	962
	<u>(2,449)</u>	<u>(3,112)</u>	<u>(2,449)</u>	<u>(3,112)</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 2014 and the accompanying explanatory notes attached to the interim financial statements)



CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At 31 March 2015

	31/03/2015	31/12/2014
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,878	6,687
Investment properties	30,997	30,780
Land held for property development	35,263	35,263
Investments	71,550	75,142
Deferred tax assets	1,201	1,204
	<u>145,889</u>	<u>149,076</u>
Current assets		
Property development costs	83,372	82,071
Inventories	20,557	22,537
Investments	345	343
Trade and other receivables	9,368	7,278
Tax recoverable	610	1,102
Deposits, bank balances and cash	53,794	53,197
	<u>168,046</u>	<u>166,528</u>
TOTAL ASSETS	<u>313,935</u>	<u>315,604</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	83,835	87,051
	<u>230,346</u>	<u>233,562</u>
Non-controlling interest	72,191	71,424
Total equity	<u>302,537</u>	<u>304,986</u>
Non-current liabilities		
Trade and other payables	1,473	1,473
Employee benefits	39	144
	<u>1,512</u>	<u>1,617</u>
Current liabilities		
Borrowings	818	811
Trade and other payables	9,040	8,186
Provision for taxation	28	4
	<u>9,886</u>	<u>9,001</u>
Total liabilities	<u>11,398</u>	<u>10,618</u>
TOTAL EQUITY AND LIABILITIES	<u>313,935</u>	<u>315,604</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.4100 *	0.4100 *

* 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 2014 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 31 March 2015

	CUMULATIVE 3 MONTHS					Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Non-Distributable							
	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	General Reserves RM'000	Retained Profits RM'000			
3 months ended 31 March 2015								
At 1 January 2015	152,812	(6,301)	19,528	10,649	56,874	233,562	71,424	304,986
Total comprehensive income/(loss) for the financial period	-	-	(2,972)	-	(244)	(3,216)	767	(2,449)
At 31 March 2015	152,812	(6,301)	16,556	10,649	56,630	230,346	72,191	302,537
3 months ended 31 March 2014								
At 1 January 2014	152,812	(6,301)	20,788	10,649	71,285	249,233	69,050	318,283
Total comprehensive income/(loss) for the financial period	-	-	(5,522)	-	1,448	(4,074)	962	(3,112)
At 31 March 2014	152,812	(6,301)	15,266	10,649	72,733	245,159	70,012	315,171

(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 2014 and the accompanying explanatory notes attached to the interim financial statements)



CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS For The Financial Period Ended 31 March 2015

	CUMULATIVE 3 MONTHS	
	31/03/2015	31/03/2014
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,191	3,330
Net adjustments		
Others	(192)	(1,043)
Operating profit before working capital changes	999	2,287
Net changes in working capital	(508)	(1,060)
Cash generated from operations	491	1,227
Interest paid	(48)	(91)
Interest received	329	(1,207)
Income tax paid	(579)	(839)
Tax refunded	428	-
Net cash generated from (used in) operating activities	621	(910)
Cash Flows From Investing Activities		
Additional cost for investment properties	(225)	-
Purchase of property, plant and equipment	(278)	(6)
Interest received	-	1,207
Net cash (used in)/ generated from investing activities	(503)	1,201
Cash Flows From Financing Activities		
Effect of exchange rate changes	-	(81)
Net increase in cash and cash equivalents	118	210
Cash and cash equivalents at 1 January		
As previously reported	52,386	43,665
Effects of exchange rate changes on cash and cash equivalents	472	(131)
As restated	52,858	43,534
Cash and cash equivalents at 31 March	52,976	43,744

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. For The Financial Period Ended 31 March 2015

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 2014. 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 2014.

A2. Significant Accounting Policies

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act 1965 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

FRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to FRS 10, FRS 12 and FRS 127 (2011): Investment Entities
 Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
 Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets
 Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

FRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to FRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to FRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(a) FRS 9 (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of FRS 9. The Group is currently assessing the financial impact of adopting FRS 9

(b) Amendments to FRS 119: Employee Contributions

The amendments to FRS 119 simplify the accounting treatment of contributions from employees and third parties to defined benefit plans. Contributions that are independent of the number of years of service shall be recognised as a reduction in the service cost in the period in which the related service is rendered. For contributions that are dependent on the number of years of service, the Group is required to attribute those contributions to periods of service using either based on the plan's contribution formula or on a straight-line basis, as appropriate.

A2. Significant Accounting Policies (cont'd)

MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "transitioning entities").

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2017. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2015.

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 31 March 2015.

A6. Issuances or Repayments of Debts and Equity Securities

As at 31 March 2015, 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 31 March 2015.

A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 31 March 2015 (31 March 2014: Nil).

A8. Operating Segments

For the 3 months ended 31 March 2015

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

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	8,133	77	8,210
Segment results	2,336	(1,097)	1,239
Interest expense	(25)	(23)	(48)
(Loss)/Profit before tax	2,311	(1,120)	1,191
Income tax expense	(668)	-	(668)
(Loss)/Profit for the period	1,643	(1,120)	523
Segment assets	224,013	88,111	312,124
Unallocated assets			1,811
			313,935



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 31 March 2015 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 31 March 2015.

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 financial period ended 31 March 2015, the Group recorded revenue of RM8.2 million and pre-tax profit of RM1.2 million compared with the previous year corresponding period revenue of RM12.1 million and pre-tax profit of RM3.3 million. The lower revenue was attributed to the lower recognition of percentage of completion of projects in Bandar Springhill and the declining of the Fresh Fruit Bunch production from the oil palm segment.

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

For the current quarter, the group recorded revenue of RM8.2 million and pre-tax profit of RM1.2 million, compared with the revenue of RM4.1 million and pre-tax loss of RM12.6 million in the preceding quarter. The higher revenue for the current quarter was mainly attributed to the higher recognition of percentage of completion of projects in Bandar Springhill. The loss before tax for the previous quarter was mainly attributed to the impairment loss on investments and goodwill.

B3. Prospects for Year 2015

Bank Negara Malaysia projected the Malaysian economy to record a real Gross Domestic Product growth rate of between 4.5% and 5.5% in 2015, supported by strong domestic demand and resilient investment activity.

In response to the continuing demand for quality terrace houses, Bandar Springhill is planning to launch new phases in the fourth quarter of 2015. In line with the Group's rebranding strategies, the western sector of Bandar Springhill is being planned for high end developments. With the proposed infrastructure developments by the State government, namely West Coast Highway and KLIA-Seremban Highway, the value of Bandar Springhill township will be further enhanced upon completion of these highways.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit before Tax

Included in the profit before tax are the following:-

	First Quarter		Cumulative 3 months	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Interest income	77	1,207	77	1,207
Unrealised loss on financial assets at fair value through profit or loss	(23)	-	(23)	-
Gain/(Loss) on foreign exchange (net)	(569)	129	(569)	129
Depreciation	(66)	(69)	(66)	(69)

B6. Income Tax Expense

Taxation comprises :-

	First Quarter		Cumulative 3 months	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Current taxation	(668)	(920)	(668)	(920)
	(668)	(920)	(668)	(920)

The current tax charge for the financial year ended 31 December 2014 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:-

	31/03/2015	31/12/2014
	RM'000	Audited RM'000
Realised	144,134	148,702
Unrealised	6,667	6,664
	<u>150,801</u>	<u>155,366</u>
Less: Consolidation adjustments	<u>(94,171)</u>	<u>(98,492)</u>
	<u>56,630</u>	<u>56,874</u>

B9. Borrowings

Total group borrowings as at 31 March 2015 are as follows:

	RM'000	RM'000
- Borrowings (Unsecured)	<u>818</u>	<u>811</u>

B10. Derivative Financial Instruments

There are no derivative financial instruments as at 31 March 2015.

B11. Fair Value Changes of Financial Liabilities

As at 31 March 2015, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

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

B13. Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2015 (31 March 2014: Nil).

B14. (Loss)/Earnings Per Share

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per ordinary share is calculated by dividing the (loss)/profit for the financial year attributable to equity holders of the Company with the weighted average number of shares in issue during the year as follows:-

	<u>First Quarter</u>		<u>Cumulative 3 months</u>	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
(Loss)/Profit for the financial year attributable to equity holders of the Company (RM'000)	(244)	1,448	(244)	1,448
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
(Loss)/Earnings per share (sen)	<u>(0.03)</u>	<u>0.20</u>	<u>(0.03)</u>	<u>0.20</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 2014 was not qualified.

By Order of the Board
MUI PROPERTIES BERHAD

Soo-Hoo Siew Hoon
Lee Chik Siong
Joint Company Secretaries
Date: 27 May 2015