

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

(The figures are unaudited)

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS For the Financial Period Ended 30 September 2015

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
Revenue	11,018	6,333	29,172	26,981
Cost of sales	(7,369)	(3,107)	(17,941)	(13,761)
Gross profit	3,649	3,226	11,231	13,220
Other income	285	(155)	861	166
Administrative expenses	(2,186)	(2,386)	(6,846)	(6,402)
Other expenses	(1,611)	(3,559)	(2,755)	(4,451)
Finance costs	(48)	(5)	(144)	(58)
Profit before taxation	89	(2,879)	2,347	2,475
Income tax expense	(1,226)	(564)	(2,531)	(2,392)
Profit for the financial period	(1,137)	(3,443)	(184)	83
(Loss)/Profit for the financial period attributable to:				
Equity holders of the Company	(1,665)	(4,105)	(2,211)	(2,641)
Non-controlling interest	528	662	2,027	2,724
	(1,137)	(3,443)	(184)	83
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
(Loss)/Earnings per share attributable to equity holders of the Company:				
- Basic	(0.22)	(0.55)	(0.30)	(0.36)
- Fully diluted	N/A	N/A	N/A	N/A

Note:-

N/A - Not applicable

(The Condensed Consolidated Statements of Profit or Loss 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 30 SEPTEMBER 2015**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(1,137)	(3,443)	(184)	83
Foreign currency translation differences for overseas subsidiaries	11,715	(364)	13,650	(5,520)
Fair value for available-for-sale investments	81	673	(1,107)	433
Total comprehensive income/(loss) for the financial period	<u>10,659</u>	<u>(3,134)</u>	<u>12,359</u>	<u>(5,004)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	10,131	(3,796)	10,332	(7,728)
Non-controlling interest	528	662	2,027	2,724
	<u>10,659</u>	<u>(3,134)</u>	<u>12,359</u>	<u>(5,004)</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 30 September 2015**

	<b>30/09/2015</b>	<b>31/12/2014</b>
	<b>RM'000</b>	<b>Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,941	6,687
Investment properties	31,060	30,780
Land held for property development	35,263	35,263
Investments	84,371	75,142
Deferred tax assets	1,193	1,204
	<u>159,828</u>	<u>149,076</u>
<b>Current assets</b>		
Property development costs	84,737	82,071
Inventories	16,949	22,537
Investments	377	343
Trade and other receivables	14,510	7,278
Tax recoverable	540	1,102
Deposits, bank balances and cash	52,776	53,197
	<u>169,889</u>	<u>166,528</u>
<b>TOTAL ASSETS</b>	<u>329,717</u>	<u>315,604</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	97,382	87,051
	<u>243,893</u>	<u>233,562</u>
<b>Non-controlling interest</b>	73,452	71,424
<b>Total equity</b>	<u>317,345</u>	<u>304,986</u>
<b>Non-current liabilities</b>		
Trade and other payables	1,473	1,473
Employee benefits	39	144
	<u>1,512</u>	<u>1,617</u>
<b>Current liabilities</b>		
Borrowings	337	811
Trade and other payables	10,463	8,186
Provision for taxation	60	4
	<u>10,860</u>	<u>9,001</u>
<b>Total liabilities</b>	<u>12,372</u>	<u>10,618</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>329,717</u>	<u>315,604</u>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.43 *	0.41 *

\* 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)



**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For The Financial Period Ended 30 September 2015**

	CUMULATIVE 9 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			
<b>9 months ended 30 September 2015</b>								
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	-	-	12,543	-	(2,211)	10,332	2,027	12,359
<b>At 30 September 2015</b>	<b>152,812</b>	<b>(6,301)</b>	<b>32,071</b>	<b>10,649</b>	<b>54,663</b>	<b>243,894</b>	<b>73,451</b>	<b>317,345</b>
<b>9 months ended 30 September 2014</b>								
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	-	-	(5,087)	-	(2,641)	(7,728)	2,724	(5,004)
<b>At 30 September 2014</b>	<b>152,812</b>	<b>(6,301)</b>	<b>15,701</b>	<b>10,649</b>	<b>68,644</b>	<b>241,505</b>	<b>71,774</b>	<b>313,279</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 2014 and the accompanying explanatory notes attached to the interim financial statements)



## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS For The Financial Period Ended 30 September 2015

	CUMULATIVE 9 MONTHS	
	30/09/2015	30/09/2014
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	2,347	2,475
Net adjustments		
Others	(73)	2,677
Operating profit before working capital changes	2,274	5,152
Net changes in working capital	(1,492)	9,341
Cash generated from operations	782	14,493
Interest paid	(144)	(58)
Interest received	419	1,751
Income tax paid	(2,291)	(2,183)
Tax refunded	427	-
Net cash (used in) / generated from operating activities	(807)	14,003
<b>Cash Flows From Investing Activities</b>		
Additional cost for investment properties	(300)	(827)
Purchase of property, plant and equipment	(1,007)	(131)
Proceeds from disposal of property, plant and equipment	5	-
Net cash used in investing activities	(1,302)	(958)
Net (decrease)/ increase in cash and cash equivalents	(2,109)	13,045
Foreign exchange differences	2162	(69)
Cash and cash equivalents at 1 January	52,386	43,665
<b>Cash and cash equivalents at 30 September</b>	<b>52,439</b>	<b>56,641</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 2014 and the accompanying explanatory notes attached to the interim financial statements)



## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Change In Financial Year End

The Company has changed its financial year end from 31 December to 30 June. As a result of this change, the next audited financial statements of the Company shall be for a period of 18 months from 1 January 2015 to 30 June 2016 and thereafter 30 June for each subsequent year.

### A2. 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 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.

### A3. 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

### **A3. Significant Accounting Policies (cont'd)**

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.

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.

### **A4. 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.

### **A5. Exceptional Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period ended 30 September 2015.

### **A6. 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 2015.

### **A7. Issuances or Repayments of Debts and Equity Securities**

As at 30 September 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 30 September 2015.

### **A8. Dividend Paid**

There was no dividend paid by the Company during the financial period ended 30 September 2015 (30 September 2014: Nil).



## A9. Operating Segments

For the 9 months ended 30 September 2015

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

	<b>Properties RM'000</b>	<b>Investment Holding RM'000</b>	<b>Total RM'000</b>
<b>External revenue</b>	28,753	419	29,172
<b>Segment results</b>	6,962	(4,471)	2,491
Interest expense	(62)	(82)	(144)
Profit/(Loss) before tax	6,900	(4,553)	2,347
Income tax expense	(2,531)	-	(2,531)
Profit/(Loss) for the period	4,369	(4,553)	(184)
<b>Segment assets</b>	229,878	98,106	327,984
Unallocated assets			1,733
			<b>329,717</b>

## A10. Property, Plant and Equipment

The valuation of freehold land has been brought forward without amendment from the previous annual report.

## A11. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 30 September 2015 that have not been reflected in the financial statements for the said period as at the date of this report.

## A12. Contingent Liabilities

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

## A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2015.

## A14. 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 current quarter under review, the Group recorded revenue of RM11.0 million and profit before tax of RM0.09 million compared with revenue of RM6.3 million and loss before tax of RM2.9 million in the previous year corresponding quarter. The increase in revenue was mainly due to higher revenue recognition based on higher construction progress of current project in Bandar Springhill. The higher gross profit in the previous year corresponding quarter was due to lower property development costs recognized. The loss before tax in the previous year corresponding quarter was due to provision for legal suit settlement.

For the nine months under review, the Group recorded revenue of RM29.0 million and profit before tax of RM2.3 million compared with revenue of RM27.0 million and profit before tax of RM2.5 million in the previous year corresponding period. The increase in revenue was mainly due to higher sales of completed projects.

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

For the current quarter, the Group recorded revenue of RM11.0 million and profit before tax of RM0.09 million, compared with the revenue of RM9.9 million and profit before tax of RM1.1 million in the preceding quarter. The higher revenue for the current quarter was mainly attributed to higher revenue recognition based on higher construction progress of current project in Bandar Springhill. The lower profit before tax was due to foreign exchange translation loss arising from the depreciation of Ringgit Malaysia against Hong Kong Dollar on translation of financial assets of a foreign subsidiary.

### 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.

In response to the continuing demand for quality terrace houses, Bandar Springhill is planning to launch new phases in December 2015. However, the property market in Malaysia remains challenging, with concerns on the bank credit tightening measures. In view of the uncertainties of the local and global economies, the Group is cautious on the outlook of its property development business.

### 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	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
Depreciation	(70)	(86)	(207)	(219)
Gain/(Loss) on foreign exchange (net)	(1,438)	(249)	(2,100)	73
Gain on disposal of property, plant and equipment	-	-	5	-
Interest income	87	306	419	1,751
Legal suit settlement	-	(3,245)	-	(3,245)
Unrealised gain/(loss) on financial assets at fair value through profit or loss	-	(250)	-	(981)

### B6. Income Tax Expense

Taxation comprises :-

	Third Quarter		Cumulative 9 months	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
	RM'000	RM'000	RM'000	RM'000
Current taxation	(1,226)	(564)	(2,531)	(2,392)
	(1,226)	(564)	(2,531)	(2,392)

The current tax charge for the financial period ended 30 September 2015 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:-

	30/09/2015	31/12/2014
	RM'000	Audited RM'000
Realised	148,520	148,702
Unrealised	18,253	6,664
	<u>166,773</u>	<u>155,366</u>
Less: Consolidation adjustments	<u>(112,110)</u>	<u>(98,492)</u>
	<u>54,663</u>	<u>56,874</u>

## B9. Borrowings

Total group borrowings as at 30 September 2015 are as follows:

	RM'000	RM'000
- Borrowings (Unsecured)	<u>337</u>	<u>811</u>

## B10. Derivative Financial Instruments

There are no derivative financial instruments as at 30 September 2015.

## B11. Fair Value Changes of Financial Liabilities

As at 30 September 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 30 September 2015 (30 September 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>Third Quarter</u>		<u>Cumulative 9 months</u>	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
(Loss)/Profit for the financial year attributable to equity holders of the Company (RM'000)	(1,665)	(4,105)	(2,211)	(2,641)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
(Loss)/Earnings per share (sen)	<u>(0.22)</u>	<u>(0.55)</u>	<u>(0.30)</u>	<u>(0.36)</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**

Lee Chik Siong  
Chin Suan Yong  
Joint Company Secretaries  
Date: 24 November 2015