

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015 (The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS For the Financial Period Ended 31 December 2015

	QUARTER ENDED		CUMULATIVE
	31/12/2015	31/12/2014	12 MONTHS
	RM'000	RM'000	31/12/2015 RM'000
Revenue	20,136	4,115	49,308
Cost of sales	(14,668)	(4,948)	(32,609)
Gross profit /(loss)	5,468	(833)	16,699
Other income	348	1,504	1,209
Administrative expenses	(2,708)	(1,208)	(9,554)
Other expenses	(212)	(11,368)	(867)
Exceptional item (refer note A5)	212	(788)	(1,888)
Finance costs	(28)	(107)	(172)
Profit /(Loss) before taxation	3,080	(12,800)	5,427
Income tax expense	(931)	680	(3,462)
Profit/ (Loss) for the financial period	2,149	(12,120)	1,965
Profit/(Loss) for the financial period attributable to:			
Equity holders of the Company	1,045	(11,770)	(1,166)
Non-controlling interest	1,104	(350)	3,131
	2,149	(12,120)	1,965
	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:			
- Basic / Diluted	0.14	(1.59)	(0.16)

Note: There are no comparative figures for the cumulative 12 months period ended 31 December 2015 due to the Company's change of financial year end to 30 June 2016.

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 31 DECEMBER 2015

	QUARTER ENDED		CUMULATIVE
	31/12/2015	31/12/2014	12 MONTHS
	RM'000	RM'000	31/12/2015
			RM'000
Profit/(Loss) for the financial period	2,149	(12,120)	1,965
Foreign currency translation differences for overseas subsidiaries	(7,840)	3,318	5,810
Fair value for available-for-sale investments	515	509	(592)
Total comprehensive (loss)/income for the financial period	(5,176)	(8,293)	7,183
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company	(6,280)	(7,943)	4,052
Non-controlling interest	1,104	(350)	3,131
	(5,176)	(8,293)	7,183

Note: There are no comparative figures for the cumulative 12 months period ended 31 December 2015 due to the Company's change of financial year end to 30 June 2016.

(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
As at 31 December 2015

	31/12/2015	31/12/2014
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	7,837	6,687
Investment properties	31,053	30,780
Land held for property development	35,263	35,263
Investments	77,354	75,142
Deferred tax assets	1,195	1,204
	<u>152,702</u>	<u>149,076</u>
Current assets		
Property development costs	86,199	82,071
Inventories	15,525	22,537
Investments	377	343
Trade and other receivables	16,085	7,278
Tax recoverable	322	1,102
Deposits, bank balances and cash	53,414	53,197
	<u>171,922</u>	<u>166,528</u>
TOTAL ASSETS	<u>324,624</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	91,103	87,051
	<u>237,614</u>	<u>233,562</u>
Non-controlling interest	74,555	71,424
Total equity	<u>312,169</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	1,038	811
Trade and other payables	9,873	8,186
Provision for taxation	32	4
	<u>10,943</u>	<u>9,001</u>
Total liabilities	<u>12,455</u>	<u>10,618</u>
TOTAL EQUITY AND LIABILITIES	<u>324,624</u>	<u>315,604</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.42 *	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 31 December 2015

	Attributable to Equity Holders of the Company					Total	Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Non-Distributable		Distributable			
			Other Reserves	General Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
12 months ended 31 December 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	-	-	5,218	-	(1,166)	4,052	3,131	7,183
At 31 December 2015	152,812	(6,301)	24,746	10,649	55,708	237,614	74,555	312,169
12 months ended 31 December 2014								
At 1 January 2014	152,812	(6,301)	20,788	10,649	71,285	249,233	69,050	318,283
Total comprehensive (loss) / income for the financial period	-	-	(1,260)	-	(14,411)	(15,671)	2,374	(13,297)
At 31 December 2014	152,812	(6,301)	19,528	10,649	56,874	233,562	71,424	304,986

(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 December 2015

	CUMULATIVE 12 MONTHS	
	31/12/2015	31/12/2014
	RM'000	Audited RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	5,427	(10,325)
Adjustments for:		
Non-cash items	(34)	3,571
Non-operating items	-	5,000
Operating profit before working capital changes	5,393	(1,754)
Net changes in working capital	(3,795)	11,934
Cash generated from operations	1,598	10,180
Interest paid	(172)	(165)
Interest received	524	2,466
Net tax paid	(2,604)	(3,189)
Net cash (used in) / generated from operating activities	(654)	9,292
Cash Flows From Investing Activities		
Additional cost for investment properties	(301)	(887)
Purchase of property, plant and equipment	(1,011)	(159)
Proceeds from disposal of property, plant and equipment	17	-
Net cash used in investing activities	(1,295)	(1,046)
Net (decrease)/ increase in cash and cash equivalents	(1,949)	8,246
Foreign exchange differences	1,939	475
Cash and cash equivalents at 1 January	52,386	43,665
Cash and cash equivalents at 31 December	52,376	52,386

(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. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the financial period ended 31 December 2015 other than the exceptional item as follows:-

Exceptional item	CUMULATIVE		
	QUARTER ENDED		12 MONTHS
	31/12/2015	31/12/2014	31/12/2015
	RM'000	RM'000	RM'000
Net gain/(loss) on foreign exchange	212	(788)	(1,888)

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 31 December 2015.

A7. Issuances or Repayments of Debts and Equity Securities

As at 31 December 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 December 2015.

A8. Dividend Paid

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



A9. Operating Segments

For the 12 months ended 31 December 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	48,785	523	49,308
Segment results	10,515	(4,916)	7,487
Interest expense	(75)	(97)	(172)
Profit/(Loss) before tax	10,440	(5,013)	7,315
Income tax expense	(3,462)	-	(3,462)
Profit/(Loss) for the period	6,978	(5,013)	3,853
Segment assets	232,046	91,061	323,107
Unallocated assets			1,517
			324,624

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 31 December 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 31 December 2015.

A14. Capital Commitments

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

B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

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

For the current quarter under review, the Group recorded revenue of RM20.1 million and profit before tax of RM3.1 million compared with revenue of RM4.1 million and loss before tax of RM12.8 million in the previous year corresponding quarter. The higher revenue and profit was mainly attributed to higher revenue recognition based on higher construction progress of projects in Bandar Springhill. The gross loss in the previous year corresponding quarter was due to audit adjustment to recognise additional property development costs. The loss before tax in the previous year corresponding quarter was due to impairment loss on investments and impairment loss on goodwill.

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

For the current quarter, the Group recorded revenue of RM20.1 million and profit before tax of RM3.1 million, compared with revenue of RM11.0 million and profit before tax of RM0.09 million in the preceding quarter. The higher revenue and profit for the current quarter was mainly attributed to higher revenue recognition based on higher construction progress of projects in Bandar Springhill.

B3. Prospects for Year 2016

Bank Negara Malaysia projected the Malaysian economy to record a real Gross Domestic Product growth rate of between 4% and 5% in 2016.

The property market in Malaysia remains challenging, with concerns on the bank credit tightening measures. However, in response to the continuing demand for quality terrace houses, Bandar Springhill is planning to launch new phases in 2016. 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:-

	Quarter Ended		Cumulative
	31/12/2015	31/12/2014	12 Months
	RM'000	RM'000	31/12/2015
			RM'000
Depreciation/amortisation	(84)	(73)	(291)
Interest income	105	715	524
Impairment loss on investments	-	(1,309)	-
Impairment loss on goodwill	-	(5,000)	-
Impairment loss on financial assets through profit or loss	-	(3,963)	-
Legal suit settlement	-	(26)	-
Loss on disposal of property, plant and equipment	(32)	-	(27)
Waiver of debts	-	630	-
Write back of provision for employee benefits	-	43	-

B6. Income Tax Expense

Taxation comprises :-

	Quarter Ended		Cumulative
	31/12/2015	31/12/2014	12 Months
	RM'000	RM'000	31/12/2015
			RM'000
Current taxation	(334)	358	(2,865)
Overprovision for prior years	(548)	423	(548)
Deferred taxation	(49)	(101)	(49)
	(931)	680	(3,462)

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

	31/12/2015	31/12/2014
	RM'000	Audited RM'000
Realised	150,667	148,702
Unrealised	10,427	6,664
	<u>161,094</u>	<u>155,366</u>
Less: Consolidation adjustments	(105,386)	(98,492)
	<u>55,708</u>	<u>56,874</u>

B9. Borrowings

RM'000

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

- Borrowings (Unsecured)	<u>1,038</u>
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B10. Derivative Financial Instruments

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

B11. Fair Value Changes of Financial Liabilities

As at 31 December 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 December 2015 (31 December 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:-

	Quarter Ended		Cumulative 12 Months
	31/12/2015	31/12/2014	31/12/2015
(Loss)/Profit for the financial year attributable to equity holders of the Company (RM'000)	1,045	(11,770)	(1,166)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915
(Loss)/Earnings per share (sen)	<u>0.14</u>	<u>(1.59)</u>	<u>(0.16)</u>

(b) Diluted earnings per share is not disclosed as there is no dilutive potential ordinary shares.

B15. Comparative Figures

There are no comparative figures for the cumulative 12 months period ended 31 December 2015 due to the Company's change of financial year end to 30 June 2016. The Interim Financial Report for the quarter ended 31 December 2014 marked as "Appendix 1" is appended for reference.

B16. 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: 25 February 2016