

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016 (The figures are unaudited)

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS For the Financial Period Ended 30 September 2016

	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
			RM'000
Revenue	7,189	11,018	7,189
Cost of sales	(4,596)	(7,369)	(4,596)
Gross profit	2,593	3,649	2,593
Other income	271	285	271
Administrative expenses	(1,316)	(2,186)	(1,316)
Other expenses	(244)	(173)	(244)
Exceptional items (refer note A4)	(226)	(1,438)	(226)
Finance costs	(26)	(48)	(26)
Profit before taxation	1,052	89	1,052
Income tax expense	(758)	(1,226)	(758)
Profit/(loss) for the financial period	294	(1,137)	294
(Loss)/Profit for the financial period attributable to:			
Equity holders of the Company	(125)	(1,665)	(125)
Non-controlling interest	419	528	419
	294	(1,137)	294
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
(Loss) per share attributable to equity holders of the Company:			
- Basic / Diluted	(0.02)	(0.22)	(0.02)

Note: There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2016 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 2016**

	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
			RM'000
Profit/(loss) for the financial period	294	(1,137)	294
Foreign currency translation differences for foreign operations	1,963	11,715	1,963
Net gain on fair value changes of equity investments	2	81	2
Total comprehensive income for the financial period	<u>2,259</u>	<u>10,659</u>	<u>2,259</u>
Total comprehensive income attributable to:			
Equity holders of the Company	1,840	10,131	1,840
Non-controlling interest	419	528	419
	<u>2,259</u>	<u>10,659</u>	<u>2,259</u>

Note: There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 30 September 2016**

	30/09/2016	30/06/2016
	RM'000	Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,927	8,740
Investment properties	31,120	31,126
Land held for property development	35,263	35,263
Investments	69,438	68,325
Deferred tax assets	888	1,175
	<u>145,636</u>	<u>144,629</u>
<b>Current assets</b>		
Property development costs	86,078	86,453
Inventories	13,386	14,356
Investments	47	45
Trade and other receivables	18,768	22,938
Tax recoverable	1,927	1,681
Deposits, bank balances and cash	71,366	69,842
	<u>191,572</u>	<u>195,315</u>
<b>TOTAL ASSETS</b>	<u>337,208</u>	<u>339,944</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	105,084	103,244
	<u>251,595</u>	<u>249,755</u>
<b>Non-controlling interest</b>	72,869	72,450
<b>Total equity</b>	<u>324,464</u>	<u>322,205</u>
<b>Non-current liabilities</b>		
Employee benefits	14	13
	<u>14</u>	<u>13</u>
<b>Current liabilities</b>		
Borrowings	242	1,303
Trade and other payables	12,437	16,370
Provision for taxation	51	53
	<u>12,730</u>	<u>17,726</u>
<b>Total liabilities</b>	<u>12,744</u>	<u>17,739</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>337,208</u>	<u>339,944</u>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.44 *	0.43 *

\* 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 30 June 2016 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 2016**

	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	
<b>3 months ended 30 September 2016</b>								
At 1 July 2016	152,812	(6,301)	24,784	10,649	67,811	249,755	72,450	322,205
Total comprehensive income/(loss) for the financial period	-	-	1,965	-	(125)	1,840	419	2,259
<b>At 30 September 2016</b>	<b>152,812</b>	<b>(6,301)</b>	<b>26,749</b>	<b>10,649</b>	<b>67,686</b>	<b>251,595</b>	<b>72,869</b>	<b>324,464</b>
<b>18 months ended 30 June 2016</b>								
At 1 January 2015	152,812	(6,301)	19,528	10,649	56,874	233,562	71,424	304,986
Total comprehensive (loss) / income for the financial year	-	-	5,256	-	10,937	16,193	4,626	20,819
Dividend paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	(3,600)	(3,600)
<b>At 30 June 2016</b>	<b>152,812</b>	<b>(6,301)</b>	<b>24,784</b>	<b>10,649</b>	<b>67,811</b>	<b>249,755</b>	<b>72,450</b>	<b>322,205</b>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Financial Period Ended 30 September 2016**

	<b>CUMULATIVE</b>
	<b>3 MONTHS</b>
	<b>30/09/2016</b>
	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>	
Profit before taxation	1,052
Adjustments for:	
Non-cash items	(224)
Non-operating items	270
	<hr/>
Operating profit before working capital changes	1,098
Net changes in working capital	1,656
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Cash generated from operations	2,754
Interest paid	(26)
Interest received	337
Net tax paid	(694)
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Net cash generated from operating activities	2,371
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<b>Cash Flows From Investing Activities</b>	
Purchase of property, plant and equipment	(13)
	<hr/>
Net cash generated from investing activities	(13)
	<hr/>
<b>Cash Flows From Investing Activities</b>	
Net cash used in investing activities	-
	<hr/>
Net increase in cash and cash equivalents	2,358
Foreign exchange differences	227
Cash and cash equivalents at 1 July 2016	68,539
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<b>Cash and cash equivalents at 30 September 2016</b>	<b>71,124</b>
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Note : There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2016 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 30 June 2016. 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 30 June 2016.

### 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 period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

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

FRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101: 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 127: Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2012 – 2014 Cycle	1 January 2016

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

The Group has not applied in advance the following accounting standards and/or interpretation(s) (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 period:

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 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

## A2. 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:-

### 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.

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 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2018.

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 30 June 2019. 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. 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 30 September 2016 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
Net gain/(loss) on foreign exchange	(226)	(1,438)	(226)

## 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 2016.

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

As at 30 September 2016, 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 2016.

## A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 30 September 2016 (30 September 2015: Nil).



## A8. Operating Segments

For the 3 months ended 30 September 2016

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

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	7,099	90	7,189
<b>Segment results</b>	1,596	(518)	1,078
Interest expense	(12)	(14)	(26)
Profit/(Loss) before tax	1,584	(532)	1,052
Income tax expense	(758)	-	(758)
Profit/(Loss) for the period	826	(532)	294
<b>Segment assets</b>	231,551	102,843	334,394
Unallocated assets			2,814
			337,208

## 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 June 2016 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 2016.

## A13. 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 RM7.2 million and profit before tax of RM1.1 million compared with revenue of RM11.0 million and profit before tax of RM0.09 million in the quarter ended 30 September 2015. The decrease in revenue was mainly due to lower revenue recognition based on lower percentage of completion of current projects in Bandar Springhill. Higher profit before tax in the current quarter was mainly due to lower foreign exchange translation loss arising from the depreciation of Ringgit Malaysia against Hong Kong Dollar on translation of financial asset of a foreign subsidiary.

For the cumulative 3 months ended 30 September 2016, the profit before tax of RM 1.1 million was mainly derived from property development projects in Bandar Springhill.

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

For the current quarter, the Group recorded revenue of RM7.2 million and profit before tax of RM1.1 million, compared with revenue of RM10.6 million and profit before tax of RM10.2 million in the preceding quarter. The decrease in revenue was mainly attributed to lower revenue recognition of a project in Bandar Springhill that was nearing completion. The higher profit before tax in the preceding quarter was mainly attributed to gain on redemption of preferred stocks of an investment.

### B3. Prospects for Year 2016/2017

Bank Negara Malaysia projected the Malaysian economy to grow between 4.0% to 4.5% in terms of real gross domestic product in 2016.

The cautious business sentiments and consumer spending are expected to continue into the first half of 2017. Hence, the performance of the Malaysian property market in the foreseeable future remains challenging. The demand for quality landed residential properties at reasonable prices is sustainable. The proposed infrastructure developments such as the West Coast Expressway and the Paroi-Senawang-KLIA Expressway will further add value to the developments in Negeri Sembilan.

The Group's proposed integrated development project in the heart of Seremban town, which comprises a high-rise apartment tower, a retail complex, shop lots and multi-storey office buildings, is in the planning stage.

### 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
	30/09/2016	30/09/2015	3 Months
	RM'000	RM'000	RM'000
Depreciation/amortisation	(79)	(70)	(79)
Interest income	337	87	337
Property, plant & equipment written off	(8)	-	(8)

### B6. Income Tax Expense

Taxation comprises :-

	Quarter Ended		Cumulative
	30/09/2016	30/09/2015	3 Months
	RM'000	RM'000	RM'000
Current taxation	447	1,226	447
Deferred taxation	311	-	311
	758	1,226	758

The current tax charge for the financial period ended 30 September 2016 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:-

	<b>30/09/2016</b>	<b>30/06/2016</b>
	<b>RM'000</b>	<b>Audited RM'000</b>
Realised	147,446	147,152
Unrealised	11,840	10,662
	<u>159,286</u>	<u>157,814</u>
Less: Consolidation adjustments	<u>(91,600)</u>	<u>(90,003)</u>
	<u>67,686</u>	<u>67,811</u>

#### B9. Borrowings

Total group borrowings as at 30 September 2016 are as follows:

- Borrowings (Unsecured)	<u>242</u>
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#### B10. Derivative Financial Instruments

There are no derivative financial instruments as at 30 September 2016.

#### B11. Fair Value Changes of Financial Liabilities

As at 30 September 2016, 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 2016 (30 September 2015: 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 period attributable to equity holders of the Company with the weighted average number of shares in issue during the year as follows:-

	<u>Quarter Ended</u>		<u>Cumulative 3 Months</u>
	<u>30/09/2016</u>	<u>30/09/2015</u>	<u>30/09/2016</u>
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	(125)	(1,665)	(125)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	<u>(0.02)</u>	<u>(0.22)</u>	<u>(0.02)</u>

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



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6113-W  
Incorporated in Malaysia

#### **B15. Comparative Figures**

There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period to be coterminous with its ultimate holding company, Malayan United Industries Berhad.

#### **B16. Auditors' Report**

The auditors' report on the financial statements for the financial year ended 30 June 2016 was not qualified.

**BY ORDER OF THE BOARD  
MUI PROPERTIES BERHAD**

**Lee Chik Siong  
Chin Suan Yong  
Joint Company Secretaries**

**Date: 29 November 2016**