

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS For the Financial Period Ended 31 March 2017

	QUARTER ENDED		CUMULATIVE
	31/03/2017	31/03/2016	9 MONTHS
	RM'000	RM'000	31/03/2017
			RM'000
Revenue	10,574	19,490	26,670
Cost of sales	(5,421)	(14,074)	(16,483)
Gross profit	5,153	5,416	10,187
Other income	357	313	894
Administrative expenses	(2,122)	(2,139)	(6,073)
Other expenses	(91)	(566)	(594)
Exceptional item (refer note A4)	170	750	(489)
Finance costs	(33)	(47)	(86)
Profit before taxation	3,434	3,727	3,839
Income tax expense	(1,390)	(1,039)	(2,390)
Profit for the financial period	2,044	2,688	1,449
Profit/(Loss) for the financial period attributable to:			
Equity holders of the Company	978	1,510	(349)
Non-controlling interest	1,066	1,178	1,798
	2,044	2,688	1,449
	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:			
- Basic / Diluted	0.13	0.20	(0.05)

Note: There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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)



CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Financial Period Ended 31 March 2017

	QUARTER ENDED		CUMULATIVE
	31/03/2017	31/03/2016	9 MONTHS
	RM'000	RM'000	31/03/2017
			RM'000
Profit for the financial period	2,044	2,688	1,449
Foreign currency translation differences for foreign operations	(997)	(3,186)	9,608
Net gain on fair value changes of equity investments	239	156	122
	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the financial period	1,286	(342)	11,179
	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	220	(1,520)	9,381
Non-controlling interest	1,066	1,178	1,798
	<hr/>	<hr/>	<hr/>
	1,286	(342)	11,179
	<hr/>	<hr/>	<hr/>

Note: There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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 31 March 2017

	31/03/2017	30/06/2016
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,208	8,740
Investment properties	31,196	31,126
Land held for property development	35,263	35,263
Investments	74,749	68,325
Deferred tax assets	883	1,175
	<u>151,299</u>	<u>144,629</u>
Current assets		
Property development costs	89,079	86,453
Inventories	11,827	14,356
Investments	51	45
Trade and other receivables	13,433	22,938
Tax recoverable	1,642	1,681
Deposits, bank balances and cash	80,508	69,842
	<u>196,540</u>	<u>195,315</u>
TOTAL ASSETS	<u>347,839</u>	<u>339,944</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	162,468	152,812
Treasury shares, at cost	(6,301)	(6,301)
Reserves	102,969	103,244
	<u>259,136</u>	<u>249,755</u>
Non-controlling interest	74,248	72,450
Total equity	<u>333,384</u>	<u>322,205</u>
Non-current liabilities		
Employee benefits	14	13
	<u>14</u>	<u>13</u>
Current liabilities		
Borrowings	278	1,303
Trade and other payables	14,163	16,370
Provision for taxation	-	53
	<u>14,441</u>	<u>17,726</u>
Total liabilities	<u>14,455</u>	<u>17,739</u>
TOTAL EQUITY AND LIABILITIES	<u>347,839</u>	<u>339,944</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.45 *	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 31 March 2017

	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	
9 months ended 31 March 2017								
At 1 July 2016	152,812	(6,301)	24,784	10,649	67,811	249,755	72,450	322,205
Other comprehensive income:								
(Loss)/Profit for the financial period	-	-	-	-	(349)	(349)	1,798	1,449
Foreign currency translation differences for foreign operation	-	-	9,608	-	-	9,608	-	9,608
Fair value changes of available-for-sale financial assets	-	-	122	-	-	122	-	122
Total comprehensive income/(expense) for the financial period	-	-	9,730	-	(349)	9,381	1,798	11,179
	152,812	(6,301)	34,514	10,649	67,462	259,136	74,248	333,384
Adjustments for effects of Companies Act 2016 ⁽¹⁾	9,656	-	(9,656)	-	-	-	-	-
At 31 March 2017	162,468	(6,301)	24,858	10,649	67,462	259,136	74,248	333,384
18 months ended 30 June 2016								
At 1 January 2015	152,812	(6,301)	19,528	10,649	56,874	233,562	71,424	304,986
Other comprehensive income:								
Profit for the financial period	-	-	-	-	10,937	10,937	4,626	15,563
Foreign currency translation differences for foreign operation	-	-	5,257	-	-	5,257	-	5,257
Fair value changes of available-for-sale financial assets	-	-	(1)	-	-	(1)	-	(1)
Total comprehensive income/(expense) for the financial period	-	-	5,256	-	10,937	16,193	4,626	20,819
Dividend paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	-	(3,600)	(3,600)
At 30 June 2016	152,812	(6,301)	24,784	10,649	67,811	249,755	72,450	322,205

Note

⁽¹⁾ With the new Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM9,656,000 has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Company may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

(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 31 March 2017**

	CUMULATIVE 9 MONTHS 31/03/2017
	RM'000
Cash Flows From Operating Activities	
Profit before taxation	3,839
Adjustments for:	
Non-cash items	721
Non-operating items	(1,026)
Operating profit before working capital changes	3,534
Net changes in working capital	7,471
Cash generated from operations	11,005
Interest paid	(86)
Interest received	1,120
Net tax paid	(2,053)
Net cash generated from operating activities	9,986
Cash Flows From Investing Activities	
Additional cost for investment property	(90)
Purchase of property, plant and equipment	(61)
Net cash generated from investing activities	(151)
Cash Flows From Financing Activities	
Net cash used in investing activities	-
Net increase in cash and cash equivalents	9,835
Foreign exchange differences	1,856
Cash and cash equivalents at 1 July 2016	68,539
Cash and cash equivalents at 31 March 2017	80,230

Note : There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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 2016 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 31 December 2016 other than the exceptional items as follows:-

Exceptional item	QUARTER ENDED		CUMULATIVE
	31/03/2017	31/03/2016	9 MONTHS
	RM'000	RM'000	31/03/2017
			RM'000
Net gain/(loss) on foreign exchange	170	750	(489)

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 2017.

A6. Issuances or Repayments of Debts and Equity Securities

As at 31 March 2017, the number of treasury shares held is 23,145,300 ordinary shares.

Ordinary shares issued and fully paid:	No Of Shares In '000	RM'000
At 1 July 2016 (net of 23,145,300 treasury shares)	740,915	146,511
Adjustments for effects of Companies Act 2016 (refer Note ⁽¹⁾ in page 4)	-	9,656
At 31 March 2017 (net of 23,145,300 treasury shares)	740,915	156,167

A7. Dividend Paid

There was no dividend paid by the Company during the financial period ended 31 March 2017 (31 March 2016: Nil).

A8. Operating Segments

For the 9 months ended 31 March 2017

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

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	26,362	308	26,670
Segment results	6,125	(2,200)	3,925
Interest expense	(37)	(49)	(86)
Profit/(Loss) before tax	6,088	(2,249)	3,839
Income tax expense	(2,390)	-	(2,390)
Profit/(Loss) for the period	3,698	(2,249)	1,449
Segment assets	238,130	107,184	345,314
Unallocated assets			2,525
			347,839

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 31 March 2017.

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 RM10.6 million and profit before tax of RM3.4 million compared with revenue of RM19.5 million and profit before tax of RM3.7 million in the previous year corresponding quarter. The decrease in revenue was mainly due to cautious launch of new units of properties and lower revenue recognition based on lower percentage of completion of certain projects in Bandar Springhill. The increase in market selling price of one of the phases in Bandar Springhill resulted in higher gross profit percentage for the current quarter.

For the cumulative 9 months ended 31 March 2017, profit before tax of RM3.8 million was mainly derived from property sales 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 RM10.6 million and profit before tax of RM3.4 million, compared with revenue of RM8.9 million and loss before tax of RM0.6 million in the preceding quarter. The increase in revenue was mainly attributed to higher revenue recognition of current projects in Bandar Springhill. The increase in market selling price of one of the phases in Bandar Springhill resulted in the higher gross profit percentage for the current quarter.

B3. Prospects for Year 2017

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 with reasonable prices in Bandar Springhill remains sustainable. A new phase of double storey terrace houses was launched in the first quarter of 2017 and the response was encouraging. More new units in Bandar Springhill will be launched in the second half of 2017. Infrastructure developments such as the West Coast Expressway and the Paroi-Senawang-KLIA Expressway which are under construction will further add value to the developments in Negeri Sembilan.

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
	31/03/2017	31/03/2016	9 Months
	RM'000	RM'000	31/03/2017
			RM'000
Depreciation/amortisation	(76)	(78)	(232)
Interest income	459	69	1,120
Impairment loss on financial assets through profit or loss	-	(316)	-
Write back of provision for employee benefits	-	3	-
Property, plant & equipment written off	-	-	(8)

B6. Income Tax Expense

Taxation comprises :-

	Quarter Ended		Cumulative
	31/03/2017	31/03/2016	9 Months
	RM'000	RM'000	31/03/2017
			RM'000
Current taxation	1,002	1,039	1,692
Under/(over) provision for prior years	348	-	348
Deferred taxation	40	-	350
	1,390	1,039	2,390

The current tax charge for the financial period ended 31 March 2017 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:-

	31/03/2017	30/06/2016
	RM'000	Audited RM'000
Realised	149,942	147,152
Unrealised	18,401	10,662
	<u>168,343</u>	<u>157,814</u>
Less: Consolidation adjustments	<u>(100,881)</u>	<u>(90,003)</u>
	<u>67,462</u>	<u>67,811</u>

B9. Borrowings

Total group borrowings as at 31 March 2017 are as follows:

- Borrowings (Unsecured)	<u>278</u>
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B10. Derivative Financial Instruments

There are no derivative financial instruments as at 31 March 2017.

B11. Fair Value Changes of Financial Liabilities

As at 31 March 2017, 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 2017 (31 March 2016: 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 9 Months</u>
	<u>31/03/2017</u>	<u>31/03/2016</u>	<u>31/03/2017</u>
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	978	1,510	(349)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	<u>0.13</u>	<u>0.20</u>	<u>(0.05)</u>

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



MUI Properties Berhad
6113-W
Incorporated in Malaysia

B15. Comparative Figures

There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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
Norlyn Binti Kamal Basha
Joint Company Secretaries**

Date: 30 May 2017