

**MUI PROPERTIES BERHAD**

Company No : 6113-W  
(Incorporated in Malaysia)



MUI Properties Berhad  
6113-W  
Incorporated in Malaysia

**INTERIM FINANCIAL REPORT**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**  
(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	Quarter Ended		Cumulative 3 Months	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	6,645	7,189	6,645	7,189
Cost of sales	(3,960)	(4,596)	(3,960)	(4,596)
Gross profit	2,685	2,593	2,685	2,593
Other income	313	271	313	271
Administrative expenses	(1,816)	(1,316)	(1,816)	(1,316)
Other expenses	(444)	(244)	(444)	(244)
Exceptional items (refer Note A4)	170	(226)	170	(226)
Finance costs	(73)	(26)	(73)	(26)
Profit before taxation	835	1,052	835	1,052
Income tax expense	(354)	(758)	(354)	(758)
Profit for the financial period	481	294	481	294
Profit/ (Loss) for the financial period attributable to:-				
Equity holders of the Company	40	(125)	40	(125)
Non-controlling interests	441	419	441	419
Profit for the financial period	481	294	481	294
Earnings/ (Loss) per share attributable to equity holders of the Company:-	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic/ Diluted	0.01	(0.02)	0.01	(0.02)

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	Quarter Ended		Cumulative 3 Months	
	30/09/2017 RM'000	30/09/2016 RM'000	30/09/2017 RM'000	30/09/2016 RM'000
Profit for the financial period	481	294	481	294
Foreign currency translation differences for foreign operations	1,852	1,963	1,852	1,963
Net (loss)/ gain on fair value changes of equity investments	(119)	2	(119)	2
Total comprehensive income for the financial period	2,214	2,259	2,214	2,259
Total comprehensive income attributable to:				
Equity holders of the Company	1,773	1,840	1,773	1,840
Non-controlling interests	441	419	441	419
	2,214	2,259	2,214	2,259

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017**

	<b>30/09/2017</b>	<b>30/06/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,020	9,054
Investment properties	31,183	31,190
Land held for property development	35,263	35,263
Investments	76,728	74,485
Deferred tax assets	987	961
	<u>153,181</u>	<u>150,953</u>
<b>Current assets</b>		
Property development costs	93,110	94,698
Inventories	11,209	11,585
Investments	50	50
Trade and other receivables	12,863	15,531
Tax recoverable	1,092	1,600
Deposits, bank balances and cash	83,300	81,855
	<u>201,624</u>	<u>205,319</u>
<b>TOTAL ASSETS</b>	<u><b>354,805</b></u>	<u><b>356,272</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	162,468	162,468
Treasury shares, at cost	(6,301)	(6,301)
Reserves	104,356	102,583
	<u>260,523</u>	<u>258,750</u>
<b>Non-controlling interests</b>	75,366	74,925
<b>Total equity</b>	<u><b>335,889</b></u>	<u><b>333,675</b></u>
<b>Non-current liabilities</b>		
Employee benefits	14	14
<b>Current liabilities</b>		
Borrowings	5,899	701
Trade and other payables	12,980	21,859
Provision for taxation	23	23
	<u>18,902</u>	<u>22,583</u>
<b>Total liabilities</b>	<u><b>18,916</b></u>	<u><b>22,597</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>354,805</b></u>	<u><b>356,272</b></u>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.35 *	0.35 *

\* 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 2017 and the accompanying explanatory notes attached to the interim financial statements)

# MUI PROPERTIES BERHAD

Company No : 6113-W  
(Incorporated in Malaysia)



MUI Properties Berhad  
6113-W  
Incorporated in Malaysia

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Attributable to Equity Holders of the Company					Total	Non-Controlling Interest	Total Equity		
	Share Capital	Treasury Shares	Non-Distributable		Distributable				RM'000	RM'000
			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 2017</b>										
At 1 July 2017	162,468	(6,301)	23,406 <sup>*</sup>	10,649	68,528	258,750	74,925	333,675		
Other comprehensive income:										
Profit for the financial period	-	-	-	-	40	40	441	481		
Foreign currency translation differences for foreign operation	-	-	1,852	-	-	1,852	-	1,852		
Fair value changes of available-for-sale financial assets	-	-	(119)	-	-	(119)	-	(119)		
Total comprehensive income for the financial period	-	-	1,733	-	40	1,773	441	2,214		
<b>At 30 September 2017</b>	<b>162,468</b>	<b>(6,301)</b>	<b>25,139</b>	<b>10,649</b>	<b>68,568</b>	<b>260,523</b>	<b>75,366</b>	<b>335,889</b>		
<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		
Other comprehensive income:										
Profit/ (Loss) for the financial period	-	-	1,965	-	(125)	1,840	419	2,259		
Foreign currency translation differences for foreign operation	-	-	-	-	-	-	-	-		
Fair value changes of available-for-sale financial assets	-	-	-	-	-	-	-	-		
Total comprehensive income/ (expense) 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>		

Note:

\* On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium account became part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Companies Act 2016. There is no impact on the numbers of ordinary shares.

(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 2017 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<b>Cumulative 3 Months</b>	
	<b>30/09/2017</b>	<b>30/09/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	835	1,052
Adjustments for:		
Non-cash items	(90)	(224)
Non-operating items	(211)	270
Operating profit before working capital changes	534	1,098
Net changes in working capital	(4,302)	1,656
Cash (used in)/ generated from operations	(3,768)	2,754
Interest paid	(73)	(26)
Interest received	284	337
Net tax paid	129	(694)
Net cash (used in)/ generated from operating activities	(3,428)	2,371
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(26)	(13)
Net cash used from investing activities	(26)	(13)
<b>Cash Flows From Investing Activities</b>		
Net cash used in investing activities	-	-
Net (decrease)/ increase in cash and cash equivalents	(3,454)	2,358
Foreign exchange differences	(299)	227
Cash and cash equivalents at 1 July	81,154	68,539
<b>Cash and cash equivalents at 30 September</b>	<b>77,401</b>	<b>71,124</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 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 2017. 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 2017.

### **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)**

Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to FRS Standards 2014 - 2016 Cycles: - Amendments to FRS 12: Clarification of the Scope of Standard	1 January 2017

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 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 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
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
Amendments to FRS 140 - Transfers of Investment Property	1 January 2018
Annual Improvements to FRS Standards 2014 - 2016 Cycles: - Amendments to FRS 1: Deletion of Short-term Exemptions for First-time Adopters - Amendments to FRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019

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 business operations of the Group were not affected by any seasonal factors.

### 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 2017 other than the exceptional items as follows:-

Exceptional item	Quarter Ended		Changes %	Cumulative 3 Months		Changes %
	30/09/2017 RM'000	30/09/2016 RM'000		30/09/2017 RM'000	30/09/2016 RM'000	
Net gain/ (loss) on foreign exchange	170	(226)	175.2	170	(226)	175.2

### A5. Changes in Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior financial period which have a material effect in the financial period ended 30 September 2017.

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

As at 30 September 2017, 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 2017.

### A7. Dividend Paid

No dividend was paid by the Company during the financial period ended 30 September 2017 (30 September 2016: Nil).

### A8. Operating Segments

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

#### For the 3 Months Ended 30 September 2017

	Properties RM'000	Investment Holding RM'000	Total RM'000
<b>External revenue</b>	6,514	131	6,645
<b>Segment results</b>	1,228	(320)	908
Interest expense	-	(73)	(73)
Profit / (Loss) before tax	1,228	(393)	835
Income tax expense	(354)	-	(354)
Profit / (Loss) for the period	874	(393)	481
<b>Segment assets</b>	244,761	107,965	352,726
Unallocated assets			2,079
			354,805

**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 Financial Period**

There are no material events subsequent to the financial period ended 30 September 2017 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**

On 21 July 2017, the Company announced that AIGM Sdn Bhd ('AIGM'), a wholly-owned subsidiary of the Company, has been struck-off from the register of the Companies Commission of Malaysia pursuant to the final notice issued under Section 308(4) of the Companies Act, 1965 (now superseded by the Companies Act 2016) which was published in the Gazette dated 13 July 2017. As such, AIGM has ceased to be the subsidiary of the Company. The struck-off of AIGM did not have any material effect on the earnings and net assets of the Group for the financial period ended 30 September 2017.

On 18 September 2017, the Company announced that Polacre Sdn Bhd ('PSB'), a wholly-owned subsidiary of Malayan United Realty Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, which was placed under members' voluntary winding-up on 11 March 2016, has been dissolved on 18 September 2017 pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016). The dissolution of PSB did not have any material effect on the earnings and net assets of the Group for the financial period ended 30 September 2017.

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 September 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**

	Quarter Ended		Changes %	Cumulative 3 Months		Changes %
	30/09/2017 RM'000	30/09/2016 RM'000		30/09/2017 RM'000	30/09/2016 RM'000	
<b>Revenue</b>						
Property	6,514	7,099	(8)	6,514	7,099	(8)
Investment	131	90	46	131	90	46
	<u>6,645</u>	<u>7,189</u>	<u>(8)</u>	<u>6,645</u>	<u>7,189</u>	<u>(8)</u>
<b>Profit/ (Loss) before tax ("PBT/ LBT")</b>						
Property	1,228	1,584	(23)	1,228	1,584	(23)
Investment	(393)	(532)	26	(393)	(532)	26
	<u>835</u>	<u>1,052</u>	<u>(21)</u>	<u>835</u>	<u>1,052</u>	<u>(21)</u>

**Quarter Ended 30 September 2017 vs Quarter Ended 30 September 2016**

For the current quarter under review, the Group recorded revenue of RM6.6 million and PBT of RM0.8 million compared with revenue of RM7.1 million and PBT of RM1.1 million in the previous year corresponding quarter. The lower revenue for the current quarter was mainly attributed to the lower level of works progress in Bandar Springhill. Lower PBT recorded for quarter ended 30 September 2017 was mainly due to lower revenue and higher operating expenses.

**Cumulative 3 Months Financial Period Ended 30 September 2017**

For the cumulative 3 months ended 30 September 2017, PBT of RM0.8 million was mainly derived from property development in Bandar Springhill.

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

	Quarter Ended		Changes %
	30/09/2017 RM'000	30/06/2017 RM'000	
<b>Revenue</b>			
Property	6,514	11,333	(43)
Investment	131	607	(78)
	<u>6,645</u>	<u>11,940</u>	<u>(44)</u>
<b>Profit/ (Loss) before tax ("PBT/ LBT")</b>			
Property	1,228	1,934	(37)
Investment	(393)	443	(189)
	<u>835</u>	<u>2,377</u>	<u>(65)</u>

**Quarter Ended 30 September 2017 vs Quarter Ended 30 June 2017**

For the current quarter, the Group recorded revenue of RM6.6 million and PBT of RM0.8 million, compared with revenue of RM11.9 million and PBT of RM2.4 million in the preceding quarter. The lower revenue and lower PBT were due to lower contribution from the Group's property development in Bandar Springhill. Additionally, there was an interest income received from investments in the preceding quarter whereas there was no such interest income received in the current quarter.

**B3. Prospects for Year 2017/ 2018**

The prospects for the property market remain challenging for the remaining quarters. Nevertheless, the Group is cautiously optimistic on the demand for its affordable landed residential properties in Bandar Springhill.

**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		Changes %	Cumulative 3 Months		Changes %
	30/09/2017 RM'000	30/09/2016 RM'000		30/09/2017 RM'000	30/09/2016 RM'000	
Depreciation/amortisation	(81)	(79)	(2.5)	(81)	(79)	(2.5)
Interest income	284	337	(15.7)	284	337	(15.7)
Property, plant & equipment written off	-	(8)	100.0	-	(8)	100.0

#### B6. Trade Receivables

Trade receivables are generally range from 30 to 90 days terms.

##### Ageing analysis of trade receivables

The ageing analysis of trade receivables of the Group are as follows:-

	Quarter Ended	
	30/09/2017 RM'000	30/09/2016 RM'000
Neither past due nor impaired	2,481	2,383
Past due, not impaired		
1 to 30 days	1,457	2,096
31 to 60 days	1,255	1,495
61 to 90 days	359	794
91 to 120 days	226	328
More than 120 days	1,928	1,967
	<u>7,706</u>	<u>9,063</u>

#### B7. Income Tax Expense

Taxation comprises :-

	Quarter Ended		Changes %	Cumulative 3 Months		Changes %
	30/09/2017 RM'000	30/09/2016 RM'000		30/09/2017 RM'000	30/09/2016 RM'000	
Current taxation	379	447	(15.2)	379	447	(15.2)
Deferred taxation	(25)	311	(108.0)	(25)	311	(108.0)
	<u>354</u>	<u>758</u>	<u>(53.3)</u>	<u>354</u>	<u>758</u>	<u>(53.3)</u>

The current tax charge for the financial period ended 30 September 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.

#### B8. Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

#### B9. Realised and Unrealised Profits

Retained profits of the Group comprise the following:-

	30/09/2017 RM'000	30/06/2017 RM'000 (Audited)	Changes %
Realised	151,628	151,686	0.0 *
Unrealised	20,573	17,425	18.1
	<u>172,201</u>	<u>169,111</u>	<u>1.8</u>
Less: Consolidation adjustments	(103,633)	(100,583)	(3.0)
	<u>68,568</u>	<u>68,528</u>	<u>0.1</u>

\* The change is insignificant

**B10. Group Borrowings**

Total Group borrowings as at 30 September 2017 were as follows:-

	<b>30/09/2017</b>	<b>30/09/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Unsecured - Short Term	5,899	242

There were no bank borrowing denominated in foreign currencies at the end of the financial period.

**B11. Derivative Financial Instruments**

There are no derivative financial instruments as at the date of this report.

**B12. Fair Value Changes of Financial Liabilities**

As at 30 September 2017, the Group did not have any financial liabilities measured at fair value through profit or loss.

**B13. Material Litigation**

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

**B14. Dividend**

No dividend has been declared by the Board for the financial period ended 30 September 2017 (30 September 2016: Nil).

**B15. Earnings/ (Loss) Per Share**

Basic earnings/ (loss) per share

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

	<b>Quarter Ended</b>		<b>Changes</b>	<b>Cumulative 3 Months</b>		<b>Changes</b>
	<b>30/09/2017</b>	<b>30/09/2016</b>	<b>%</b>	<b>30/09/2017</b>	<b>30/09/2016</b>	<b>%</b>
Profit/ (Loss) for the financial period attributable to equity holders of the Company (RM'000)	40	(125)	132.0	40	(125)	132.0
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	-	740,915	740,915	-
Earnings/ (Loss) per share (sen)	0.01	(0.02)	132.0	0.01	(0.02)	132.0

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

**B16. Auditors' Report**

The auditors' report on the audited financial statements for the financial year ended 30 June 2017 was unmodified.

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

**Lee Chik Siong**  
**Norlyn Binti Kamal Basha**  
**Joint Company Secretaries**

**Date: 29 November 2017**