

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Quarter Ended		Cumulative 6 Months	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	5,985	8,907	12,630	16,096
Cost of sales	(3,086)	(6,466)	(7,046)	(11,062)
Gross profit	2,899	2,441	5,584	5,034
Other income	493	266	806	537
Administrative expenses	(2,347)	(2,635)	(4,163)	(3,951)
Other expenses	(23)	(259)	(467)	(503)
Exceptional items (refer Note A4)	219	(433)	389	(659)
Finance costs	(82)	(27)	(155)	(53)
Profit/ (Loss) before taxation	1,159	(647)	1,994	405
Income tax expense	(352)	(242)	(706)	(1,000)
Profit/ (Loss) for the financial period	807	(889)	1,288	(595)
Profit/ (Loss) for the financial period attributable to:-				
Equity holders of the Company	296	(1,202)	336	(1,327)
Non-controlling interests	511	313	952	732
Profit/ (Loss) for the financial period	807	(889)	1,288	(595)
Profit/ (Loss) per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic/ Diluted	0.04	(0.16)	0.05	(0.18)

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.

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	<u>Quarter Ended</u>		<u>Cumulative 6 Months</u>	
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>31/12/2017</u>	<u>31/12/2016</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit/ (Loss) for the financial period	807	(889)	1,288	(595)
Foreign currency translation differences for foreign operations	(6,247)	8,642	(4,395)	10,605
Fair value changes of available- for-sale financial assets	39	(119)	(80)	(117)
Total comprehensive (expenses)/ income for the financial period	<u>(5,401)</u>	<u>7,634</u>	<u>(3,187)</u>	<u>9,893</u>
Total comprehensive (expenses)/ income attributable to:				
Equity holders of the Company	(5,912)	7,321	(4,139)	9,161
Non-controlling interests	511	313	952	732
	<u>(5,401)</u>	<u>7,634</u>	<u>(3,187)</u>	<u>9,893</u>

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.

MUI PROPERTIES BERHAD
 Company No : 6113-W
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2017**

	31/12/2017	30/06/2017
	RM'000	RM'000
		(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	8,729	9,054
Investment properties	31,176	31,190
Land held for property development	35,263	35,263
Investments	71,944	74,485
Deferred tax assets	798	961
	147,910	150,953
Current assets		
Property development costs	97,555	94,698
Inventories	11,120	11,585
Investments	47	50
Trade and other receivables	12,548	15,531
Tax recoverable	977	1,600
Deposits, bank balances and cash	82,741	81,855
	204,988	205,319
	352,898	356,272
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	162,468	162,468
Treasury shares, at cost	(6,301)	(6,301)
Reserves	98,444	102,583
	254,611	258,750
Non-controlling interests	75,877	74,925
Total equity	330,488	333,675
Non-current liabilities		
Employee benefits	14	14
	14	14
Current liabilities		
Borrowings	372	701
Trade and other payables	22,001	21,859
Provision for taxation	23	23
	22,396	22,583
Total liabilities	22,410	22,597
TOTAL EQUITY AND LIABILITIES	352,898	356,272
	RM	RM
Net assets per share attributable to equity holders of the Company	0.34 *	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)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	Attributable to Equity Holders of the Company						Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Non-Distributable		Distributable		Total	
			Other Reserves	General Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 December 2017								
At 1 July 2017	162,468	(6,301)	23,406 [*]	10,649	68,528	258,750	74,925	333,675
Other comprehensive income:								
Profit for the financial period	-	-	-	-	336	336	952	1,288
Foreign currency translation differences for foreign operation	-	-	(4,395)	-	-	(4,395)	-	(4,395)
Fair value changes of available-for-sale financial assets	-	-	(80)	-	-	(80)	-	(80)
Total comprehensive (expenses)/ income for the financial period	-	-	(4,475)	-	336	(4,139)	952	(3,187)
At 31 December 2017	162,468	(6,301)	18,931	10,649	68,864	254,611	75,877	330,488
6 months ended 31 December 2016								
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	-	-	-	-	(1,327)	(1,327)	732	(595)
Foreign currency translation differences for foreign operation	-	-	10,605	-	-	10,605	-	10,605
Fair value changes of available-for-sale financial assets	-	-	(117)	-	-	(117)	-	(117)
Total comprehensive income/ (expense) for the financial period	-	-	10,488	-	(1,327)	9,161	732	9,893
At 31 December 2016	152,812	(6,301)	35,272	10,649	66,484	258,916	73,182	332,098

* 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

MUI PROPERTIES BERHAD
Company No : 6113-W
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	Cumulative 6 Months	
	31/12/2017	31/12/2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,994	405
Net adjustments	(704)	259
	<hr/>	<hr/>
Operating profit before working capital changes	1,290	664
Net changes in working capital	236	11,448
	<hr/>	<hr/>
Cash generated from operations	1,526	12,112
Interest paid	(155)	(53)
Interest received	849	661
Net tax refunded/ (paid)	59	(1,378)
	<hr/>	<hr/>
Net cash generated from operating activities	2,279	11,342
Cash Flows From Investing Activities		
Additional cost for investment property	-	(90)
Purchase of property, plant and equipment	(44)	(14)
	<hr/>	<hr/>
Net cash used from investing activities	(44)	(104)
Cash Flows From Financing Activities		
	<hr/>	<hr/>
Net cash used in financing activities	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	2,235	11,238
Foreign exchange differences	(1,020)	2,090
Cash and cash equivalents at 1 July	81,154	68,539
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	82,369	81,867
	<hr/>	<hr/>

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

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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 financial 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	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 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	
- Amendments to FRS 128: Measuring an Associate or Joint Venture at Fair	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.

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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 31 December 2017 other than the exceptional items as follows:-

Exceptional item	Quarter Ended		Changes %	Cumulative 6 Months		Changes %
	31/12/2017 RM'000	31/12/2016 RM'000		31/12/2017 RM'000	31/12/2016 RM'000	
Net gain / (loss) on foreign exchange	219	(433)	150.6	389	(659)	159.0

A5. Changes in Estimates of Amounts Reported Previously

There were no significant changes in estimates of amounts reported in prior financial periods which have a material effect in the financial period ended 31 December 2017.

A6. Issuances or Repayments of Debts and Equity Securities

As at 31 December 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 31 December 2017.

A7. Dividend Paid

No dividend was paid by the Company during the financial period ended 31 December 2017 (31 December 2016: Nil).

A8. Operating Segments

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

For the 6 Months Ended 31 December 2017

	Properties RM'000	Investment Holding RM'000	Total RM'000
External revenue	12,374	256	12,630
Segment results	2,766	(617)	2,149
Interest expense	(114)	(41)	(155)
Profit/ (Loss) before tax	2,652	(658)	1,994
Income tax expense	(669)	(37)	(706)
Profit/ (Loss) for the period	1,983	(695)	1,288
Segment assets	249,806	101,317	351,123
Unallocated assets			1,775
			<u>352,898</u>

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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 Period

There are no material events subsequent to the financial period ended 31 December 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 31 December 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 31 December 2017.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 December 2017.

A13. Capital Commitments

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

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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 6 Months		Changes
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Property	5,860	8,807	(34)	12,374	15,906	(22)
Investment	125	100	25	256	190	35
	<u>5,985</u>	<u>8,907</u>	<u>(33)</u>	<u>12,630</u>	<u>16,096</u>	<u>(22)</u>
Profit/ (Loss) before tax ("PBT/ LBT")						
Property	1,423	732	94	2,651	2,316	15
Investment	(264)	(1,379)	81	(657)	(1,911)	66
	<u>1,159</u>	<u>(647)</u>	<u>279</u>	<u>1,994</u>	<u>405</u>	<u>392</u>

Quarter Ended 31 December 2017 vs Quarter Ended 31 December 2016

For the current quarter under review, the Group recorded revenue of RM6.0 million and PBT of RM1.2 million compared with revenue of RM8.9 million and LBT of RM0.6 million in the previous year corresponding quarter. The lower revenue for the current quarter was mainly attributed to lower percentage of completion in the initial stage of current projects in Bandar Springhill. Higher PBT recorded for quarter ended 31 December 2017 was mainly due to reversal of provision for development cost of a previous completed phase and unrealised foreign exchange translation gain arising from the strengthening of Ringgit Malaysia against Hong Kong Dollar on translation of financial assets of a foreign subsidiary.

6 Months Financial Period Ended 31 December 2017 vs 6 Months Financial Period Ended 31 December 2016

For the 6 months financial period ended 31 December 2017, the Group recorded revenue of RM12.6 million and PBT of RM2.0 million compared with revenue of RM16.1 million and PBT of RM0.4 million in the previous year corresponding period. The lower revenue for the current period was mainly attributed to lower percentage of completion in the initial stage of current projects in Bandar Springhill. Higher PBT recorded for the 6 months financial period ended 31 December 2017 was mainly due to reversal of provision for development cost of a previous completed phase and unrealised foreign exchange translation gain arising from the strengthening of Ringgit Malaysia against Hong Kong Dollar on translation of financial assets of a foreign subsidiary.

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

	Quarter Ended		Changes
	31/12/2017	30/09/2017	%
	RM'000	RM'000	
Revenue			
Property	5,860	6,514	(10)
Investment	125	131	(5)
	<u>5,985</u>	<u>6,645</u>	<u>(10)</u>
Profit/ (Loss) before tax ("PBT/ LBT")			
Property	1,423	1,228	16
Investment	(264)	(393)	33
	<u>1,159</u>	<u>835</u>	<u>39</u>

Quarter Ended 31 December 2017 vs Quarter Ended 30 September 2017

For the current quarter, the Group recorded revenue of RM6.0 million and PBT of RM1.2 million, compared with revenue of RM6.6 million and PBT of RM0.8 million in the preceding quarter. The decrease in revenue was mainly attributed to lower percentage of completion in the initial stage of current projects in Bandar Springhill and lower revenue from Fresh Fruit Bunch of the oil palm segment. Higher PBT recorded for quarter ended 31 December 2017 mainly due to reversal of provision for development cost of a previous completed phase.

B3. Prospects for Year 2018

Despite a challenging property market, the Group's property division will be launching further units which meet effective market demand. A new club house has been planned to further enhance the value and appeal of the Bandar Springhill township.

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B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit/ (Loss) before Tax

Included in the profit/ (loss) before tax are the following:-

	Quarter Ended		Changes	Cumulative 6 Months		Changes
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
	RM'000	RM'000		RM'000	RM'000	
Depreciation/ amortisation	(72)	(77)	6.5	(153)	(156)	1.9
Interest income	565	324	74.4	849	661	28.4
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	
	31/12/2017	31/12/2016
	RM'000	RM'000
Neither past due nor impaired	6,600	4,545
Past due, not impaired		
1 to 30 days	2,890	1,189
31 to 60 days	1,180	1,417
61 to 90 days	465	581
91 to 120 days	-	-
More than 120 days	428	731
	11,563	8,463

B7. Income Tax Expense

Taxation comprises :-

	Quarter Ended		Changes	Cumulative 6 Months		Changes
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
	RM'000	RM'000		RM'000	RM'000	
Current taxation	185	243	(23.9)	564	690	(18.3)
Deferred taxation	167	(1)	>100.0	142	310	(54.2)
	352	242	45.5	706	1,000	(29.4)

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

	31/12/2017	30/06/2017	Changes
	RM'000	RM'000	%
		(Audited)	
Realised	152,022	151,686	0.2
Unrealised	14,614	17,425	(16.1)
	166,636	169,111	(1.5)
Less: Consolidation adjustments	(97,772)	(100,583)	2.8
	68,864	68,528	0.5

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B10. Group Borrowings

Total Group borrowings as at 31 December 2017 were as follows:-

	31/12/2017 RM'000	31/12/2016 RM'000
Unsecured - Short Term	372	531

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 31 December 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 31 December 2017 (31 December 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 financial period as follows:-

	Quarter Ended		Changes	Cumulative 6 Months		Changes
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
Profit/ (Loss) for the financial period attributable to equity holders of the Company (RM'000)	296	(1,202)	124.6	336	(1,327)	125.3
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	-	740,915	740,915	-
Earnings/ (Loss) per share (sen)	0.04	(0.16)	124.6	0.05	(0.18)	125.3

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

B16. Auditors' Report

The auditors' report on the 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: 28 February 2018