

MUI PROPERTIES BERHAD

Company No : 6113-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019
(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	14,103	14,446	57,474	40,318
Cost of sales	(9,549)	(8,623)	(34,973)	(22,463)
Gross profit	4,554	5,823	22,501	17,855
Other income	990	516	2,708	2,527
Administrative expenses	(1,499)	(2,625)	(9,246)	(9,559)
Other expenses	(214)	(219)	(924)	(1,016)
Exceptional items (refer Note A4)	9,116	(234)	12,442	514
Finance costs	(38)	(44)	(150)	(256)
Profit before taxation	12,909	3,217	27,331	10,065
Income tax expense	(1,241)	(1,386)	(4,643)	(3,642)
Profit for the financial period/year	11,668	1,831	22,688	6,423
Profit attributable to:-				
Equity holders of the Company	10,404	618	17,085	2,712
Non-controlling interests	1,264	1,213	5,603	3,711
Profit for the financial period/year	11,668	1,831	22,688	6,423
Profit per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic/Diluted	1.40	0.08	2.31	0.37

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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Company No : 6113-W
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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period/year	11,668	1,831	22,688	6,423
Foreign currency translation differences for foreign operations	2,784	3,827	2,861	(9,298)
Fair value changes of available- for-sale financial assets	(3)	(79)	(83)	(323)
Total comprehensive income/(expenses) for the financial period/year	<u>14,449</u>	<u>5,579</u>	<u>25,466</u>	<u>(3,198)</u>
Total comprehensive income/(expenses) attributable to:				
Equity holders of the Company	13,185	4,366	19,863	(6,909)
Non-controlling interests	1,264	1,213	5,603	3,711
	<u>14,449</u>	<u>5,579</u>	<u>25,466</u>	<u>(3,198)</u>

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

MUI PROPERTIES BERHAD

Company No : 6113-W
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	30.06.2019 RM'000	30.6.2018 RM'000 (Restated)	01.07.2017 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	8,175	8,556	9,054
Investment properties	30,312	31,163	31,190
Inventories/Land held for property development	35,263	35,263	35,263
Investments	78,883	67,303	74,485
Deferred tax assets	1,127	776	961
	153,760	143,061	150,953
Current Assets			
Property development costs	116,076	106,315	94,698
Contract costs	541	-	-
Inventories	14,877	11,031	11,585
Investments	54	45	50
Trade and other receivables	23,189	18,940	15,531
Tax recoverable	143	534	1,600
Deposits, bank balances and cash	68,997	75,383	81,855
	223,877	212,248	205,319
TOTAL ASSETS	377,637	355,309	356,272
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share capital	162,468	162,468	162,468
Treasury shares, at cost	(6,301)	(6,301)	(6,301)
Reserves	115,537	95,674	102,583
	271,704	251,841	258,750
Non-Controlling Interests	84,239	78,636	74,925
Total Equity	355,943	330,477	333,675
Non-Current Liabilities			
Employee benefits	65	60	14
Current Liabilities			
Borrowings	-	-	701
Trade and other payables	21,610	24,753	21,859
Provision for taxation	19	19	23
	21,629	24,772	22,583
Total Liabilities	21,694	24,832	22,597
TOTAL EQUITY AND LIABILITIES	377,637	355,309	356,272
	RM	RM	RM
Net assets per share attributable to equity holders of the Company	0.37	0.34	0.35

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Attributable to Equity Holders of the Company					Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable		Distributable			
			Other Reserves RM'000	General Reserves RM'000	Retained Profits RM'000			
CUMULATIVE 12 MONTHS								
At 1 July 2018	162,468	(6,301)	13,785	10,649	71,240	251,841	78,636	330,477
Effect of :								
- MFRS 1 adoption (Note 1)	-	-	(21,572)	(10,649)	32,221	-	-	-
At 1 July 2018 (Restated)	162,468	(6,301)	(7,787)	-	103,461	251,841	78,636	330,477
Profit for the financial year	-	-	-	-	17,085	17,085	5,603	22,688
Foreign currency translation differences for foreign operation	-	-	2,861	-	-	2,861	-	2,861
Fair value changes of available- for-sale financial assets	-	-	(83)	-	-	(83)	-	(83)
Total comprehensive income for the financial year	-	-	2,778	-	17,085	19,863	5,603	25,466
At 30 June 2019	162,468	(6,301)	(5,009)	-	120,546	271,704	84,239	355,943
CUMULATIVE 12 MONTHS								
At 1 July 2017	162,468	(6,301)	23,406	10,649	68,528	258,750	74,925	333,675
Effect of :								
- MFRS 1 adoption (Note 1)	-	-	(21,572)	(10,649)	32,221	-	-	-
	162,468	(6,301)	1,834	-	100,749	258,750	74,925	333,675
Profit for the financial year	-	-	-	-	2,712	2,712	3,711	6,423
Foreign currency translation differences for foreign operation	-	-	(9,298)	-	-	(9,298)	-	(9,298)
Fair value changes of available- for-sale financial assets	-	-	(323)	-	-	(323)	-	(323)
Total comprehensive (expenses) /income for the financial year	-	-	(9,621)	-	2,712	(6,909)	3,711	(3,198)
At 30 June 2018	162,468	(6,301)	(7,787)	-	103,461	251,841	78,636	330,477

Note 1 :-

For the current financial year ending 30 June 2019, the Group is adopting the Malaysian Financial Reporting Standard ('MFRS') for the first time. For MFRS 1, the Group has opt to transfer the Exchange Translation Reserve and General Reserves to Retained Profits.

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 2018 and the accompanying explanatory notes attached to the interim financial statements

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	CUMULATIVE 12 MONTHS	
	30.06.2019	30.06.2018
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	27,331	10,065
Net adjustments	(14,472)	(2,126)
Operating profit before working capital changes	12,859	7,939
Net changes in working capital	(21,486)	(11,723)
Cash for operations	(8,627)	(3,784)
Interest paid	(150)	(338)
Interest received	2,544	2,232
Net tax paid	(4,618)	(2,359)
Net cash used for operating activities	(10,851)	(4,249)
Cash Flows From Investing Activities		
Additional cost for investment properties	(271)	-
Proceeds from disposal of investment properties	4,414	-
Proceeds from disposal of property, plant and equipment	5	-
Purchase of property, plant and equipment	(113)	(341)
Net cash generated from/ (used for) investing activities	4,035	(341)
Net decrease in cash and cash equivalents	(6,816)	(4,590)
Foreign exchange differences	430	(1,181)
Cash and cash equivalents at 1 July	75,383	81,154
Cash and cash equivalents at 30 June	68,997	75,383

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 MFRS 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 2018. 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 2018.

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 Malaysian Financial Reporting Standards ("MFRSs") and the requirements of the Companies Act 2016 in Malaysia.

In the current financial year ending 30 June 2019, the Group will be adopting the MFRS Framework for the first time. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial statements for the financial year ended 30 June 2018, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRS") and Amendments to MFRSs which are applicable for the Group's financial period beginning 1 July 2018, as disclosed below:

Adoption of MFRSs and Amendments to MFRSs	Effective for annual periods beginning on or after
MFRS 2 :	
- Classification and Measurement of Share-based Payment Transactions	1 January 2018
MFRS 9 :	
- Financial Instruments	1 January 2018
MFRS 15 :	
- Revenue from Contracts with Customers	1 January 2018
MFRS 140 :	
- Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014 - 2017 Cycle :	
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
- Amendments to MFRS 128 Measuring an Associate or Joint Venture at Fair Value	1 January 2018
IC Interpretation 22 :	
- Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4 :	
- Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018

Adoption of the above standard does not has any significant effect on the financial performance and position of the Group.

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A2. Significant Accounting Policies (Cont'd)

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:

Adoption of MFRSs and Amendments to MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128 :	
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
IC Interpretation 23 :	
- Uncertainty Over Income Tax Treatments	1 January 2019

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 year ended 30 June 2019 other than the exceptional items as follows:-

Exceptional item	QUARTER ENDED		Changes	CUMULATIVE 12 MONTHS		Changes
	30.06.2019	30.06.2018	%	30.06.2019	30.06.2018	%
	RM'000	RM'000		RM'000	RM'000	
Net (loss)/gain on foreign exchange	(105)	(234)	55.1	(136)	514	(126.5)
Effect of adoption of MFRS 9						
- Financial Instruments	9,216	-	100.0	9,275	-	100.0
Gain on disposal of investment properties	-	-	-	3,298	-	100.0
Gain on disposal of property, plant and equipments	5	-	100.0	5	-	100.0
	9,116	(234)	3,995.7	12,442	514	2,320.6

A5. Changes in Estimates of Amounts Reported Previously

There were no significant changes in estimates of amounts reported in prior financial year which have a material effect in the financial year ended 30 June 2019.

A6. Issuances or Repayments of Debts and Equity Securities

As at 30 June 2019, 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 year ended 30 June 2019.

A7. Dividend Paid

No dividend was paid by the Company during the financial year ended 30 June 2019 (30 June 2018: Nil).

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A8. Operating Segments

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

For the 12 Months Ended 30 June 2019

	Properties RM'000	Investment holding RM'000	Total RM'000
External revenue	57,473	1	57,474
Segment results	21,175	6,306	27,481
Finance costs	(100)	(50)	(150)
Profit before tax	21,075	6,256	27,331
Income tax expense	(4,600)	(43)	(4,643)
Profit for the financial year	16,475	6,213	22,688
Segment assets	271,274	105,093	376,367
Unallocated assets			1,270
			377,637

A9. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. The valuations of land and buildings have been brought forward without amendment from the previous annual report.

A10. Events Subsequent to the End of the Financial Year

There are no material events subsequent to the financial year ended 30 June 2019 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.

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A12. Changes in the Composition of the Group

- (a) On 10 August 2018, the Company announced that Intercontinental Properties Sdn Bhd ('ICPSB'), a wholly-owned subsidiary of the Company, was placed under members' voluntary winding-up pursuant to Section 439 (1) (b) of Companies Act 2016. The winding-up of ICPSB did not have any material financial or operational effect on the earnings and net assets of the Group for the financial year ended 30 June 2019.
- (b) On 15 November 2018, the Company announced that C.S. Investments Private Limited ('C.S. Investments'), incorporated in Singapore and a wholly owned subsidiary of the Company, has been struck off from the register on 5 November 2018 following an earlier application by C.S. Investments to the Companies Registry in Singapore for striking the name off the Register. The dissolution of C.S. Investments did not have any material financial or operational effect on the earnings and net assets of the Group for the financial year ended 30 June 2019.
- (c) On 21 June 2019, the Company announced that Superex Sdn Bhd ('SSB'), a wholly-owned subsidiary of the Company, was placed under members' voluntary winding-up pursuant to Section 439 (1) (b) of Companies Act 2016. The winding-up of SSB did not have any material financial or operational effect on the earnings and net assets of the Group for the financial year ended 30 June 2019.

Other than the above, there were no changes in the composition of the Group during the financial year ended 30 June 2019.

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 12 MONTHS		Changes
	30.06.2019	30.06.2018	%	30.06.2019	30.06.2018	%
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Properties	14,103	14,446	(2.4)	57,473	40,318	42.5
Investment holding	-	-	-	1	-	100.0
	14,103	14,446	(2.4)	57,474	40,318	42.6
Profit/(Loss) before tax ("PBT/LBT")						
Properties	4,170	4,197	(0.6)	21,075	11,919	76.8
Investment holding	8,739	(980)	991.7	6,256	(1,854)	437.4
	12,909	3,217	301.3	27,331	10,065	171.5

Quarter Ended 30 June 2019 vs Quarter Ended 30 June 2018

For the current quarter under review, the Group recorded revenue of RM14.1 million and PBT of RM12.9 million compared with revenue of RM14.4 million and PBT of RM3.2 million in the previous year corresponding quarter. Lower revenue for the current quarter ended 30 June 2019 was mainly due to adoption of MFRS 15 whereby legal fees for sales of properties are to be deducted from the revenue. Higher PBT recorded for the quarter ended 30 June 2019 was mainly due to the recognition of fair value gain of RM9.3 million on investments.

Financial Year Ended 30 June 2019 vs Financial Year Ended 30 June 2018

For the financial year ended 30 June 2019, the Group recorded revenue of RM57.5 million compared with revenue of RM40.3 million in the previous financial year. Higher revenue for the financial year ended 30 June 2019 was mainly attributed to higher percentage of completion of works from Phase E7-2 as compared to Phase E7-1 and E8 in Bandar Springhill in the previous financial year. Higher PBT of RM27.3 million recorded for the financial year ended 30 June 2019 was mainly due to the said higher revenue recognition, gain on disposal of investment properties of RM3.3 million and the recognition of fair value gain of RM9.3 million on investments.

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

	QUARTER ENDED		Changes
	30.06.2019	31.03.2019	%
	RM'000	RM'000	
Revenue			
Properties	14,103	15,657	(9.9)
Investment holding	-	1	(100.0)
	14,103	15,658	(9.9)
Profit/(Loss) before tax ("PBT/LBT")			
Properties	4,170	3,969	5.1
Investment holding	8,739	(644)	1,457.0
	12,909	3,325	288.2

Quarter Ended 30 June 2019 vs Quarter Ended 31 March 2019

For the current quarter under review, the Group recorded revenue of RM14.1 million and PBT of RM12.9 million compared with revenue of RM15.7 million and PBT of RM3.3 million in the preceding quarter. Lower revenue for the current quarter was mainly due to adoption of MFRS 15 whereby legal fees for sales of properties are to be deducted from the revenue. Higher PBT mainly due to the recognition of fair value gain of RM9.3 million on investments in the current quarter.

B3. Prospects for the Financial Year Ending 30 June 2020

In response to the increasing demand for affordable housing in the country, the Group targets to launch new phases of double-storey terrace houses in the fourth quarter of 2019 and second quarter of 2020.

The Group has also initiated plans to optimise demand for its affordable landed residential properties. They include building a clubhouse and upgrading existing streetscape and lake park. These initiatives will enhance the lifestyle components of Bandar Springhill, making the development more attractive to home buyers. Owing to this, the Group expects to show positive performance in the next financial year.

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 12 MONTHS		Changes
	30.06.2019	30.06.2018	%	30.06.2019	30.06.2018	%
	RM'000	RM'000		RM'000	RM'000	
Depreciation	(92)	(139)	33.8	(356)	(367)	3.0
Interest income	959	504	90.3	2,544	2,232	14.0

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B6. Trade Receivables

Trade receivables are generally on 30 to 90 days terms.

Ageing analysis of trade receivables

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

	QUARTER ENDED		Changes
	30.06.2019	30.06.2018	%
	RM'000	RM'000	
Neither past due nor impaired	1,356	1,905	(28.8)
Past due, not impaired			
1 to 30 days	2,352	3,317	(29.1)
31 to 60 days	2,791	721	287.1
61 to 90 days	860	465	84.9
91 to 120 days	2,222	23	9,560.9
More than 120 days	1,027	3,671	(72.0)
	10,608	10,102	5.0

B7. Income Tax Expense

Taxation comprises :-

	QUARTER ENDED		Changes	CUMULATIVE 12 MONTHS		Changes
	30.06.2019	30.06.2018	%	30.06.2019	30.06.2018	%
	RM'000	RM'000		RM'000	RM'000	
Current taxation	1,149	1,381	(16.8)	4,945	3,218	53.7
Under provision for prior year	63	36	75.0	63	285	(77.9)
Deferred taxation	29	(31)	193.5	(365)	139	(362.6)
	1,241	1,386	(10.5)	4,643	3,642	27.5

The current tax charge for the financial year ended 30 June 2019 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.

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B9. Earnings Per Share

(a) Basic earnings per share

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

	QUARTER ENDED		Changes	CUMULATIVE 12 MONTHS		Changes
	30.06.2019	30.06.2018	%	30.06.2019	30.06.2018	%
Profit for the financial period/year attributable to equity holders of the Company (RM'000)	10,404	618	1,583.5	17,085	2,712	530.0
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	-	740,915	740,915	-
Earnings per share (sen)	1.40	0.08	1,583.5	2.31	0.37	530.0

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

B10. Group Borrowings

As at 30 June 2019, there were no group borrowings.

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 June 2019, 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 year ended 30 June 2019 (30 June 2018: Nil).

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B15. Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2018 was unmodified.

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

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

Date: 29 August 2019