

MUI PROPERTIES BERHAD
Registration No. 196501000314 (6113-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019
(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Revenue	25,644	15,434	45,953	27,713
Cost of sales	(15,841)	(8,681)	(27,711)	(15,385)
Gross profit	9,803	6,753	18,242	12,328
Other income	482	740	927	1,192
Administrative expenses	(3,064)	(2,694)	(5,535)	(5,143)
Other expenses	(181)	(261)	(440)	(525)
Exceptional items (refer Note A4)	(1,758)	1,280	(668)	3,320
Finance costs	(38)	(37)	(76)	(75)
Profit before taxation	5,244	5,781	12,450	11,097
Income tax expense	(2,132)	(2,178)	(3,632)	(2,428)
Profit for the financial period	3,112	3,603	8,818	8,669
Profit attributable to:-				
Equity holders of the Company	608	1,698	3,969	5,613
Non-controlling interests	2,504	1,905	4,849	3,056
Profit for the financial period	3,112	3,603	8,818	8,669
Profit per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic/Diluted	0.08	0.23	0.54	0.76

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	3,112	3,603	8,818	8,669
Foreign currency translation differences for foreign operations	1,580	1,863	603	557
Fair value changes of available-for-sale financial assets	39	(78)	(41)	(80)
Total comprehensive income for the financial period	4,731	5,388	9,380	9,146
Total comprehensive income attributable to:				
Equity holders of the Company	2,227	3,483	4,531	6,090
Non-controlling interests	2,504	1,905	4,849	3,056
	4,731	5,388	9,380	9,146

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

MUI PROPERTIES BERHAD
Registration No. 196501000314 (6113-W)
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	31.12.2019	30.06.2019
	RM'000	RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,002	8,175
Investment properties	30,361	30,312
Inventories	35,263	35,263
Other investments	78,841	78,883
Deferred tax assets	1,184	1,127
	153,651	153,760
Current Assets		
Inventories	115,208	130,953
Contract costs	373	541
Trade and other receivables	35,360	12,137
Contract assets	48	11,076
Other investments	54	54
Current tax assets	129	143
Fixed deposits with licensed banks	40,833	43,814
Cash and bank balances	41,927	25,183
	233,932	223,901
	387,583	377,661
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	(5,794)	(5,009)
Retained profits	125,862	120,546
	276,235	271,704
Non-Controlling Interests	84,984	84,239
Total Equity	361,219	355,943
Non-Current Liabilities		
Employee benefits	65	65
Current Liabilities		
Trade and other payables	13,369	15,648
Contract liabilities	11,264	5,986
Current tax liabilities	1,666	19
	26,299	21,653
Total Liabilities	26,364	21,718
TOTAL EQUITY AND LIABILITIES	387,583	377,661
	RM	RM
Net assets per share attributable to equity holders of the Company	0.37	0.37

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2019 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 PERIOD ENDED 31 DECEMBER 2019**

	Attributable to Equity Holders of the Company				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable				
			Other Reserves RM'000	Distributable Retained Profits RM'000			
CUMULATIVE 6 MONTHS							
At 1 July 2019	162,468	(6,301)	(5,009)	120,546	271,704	84,239	355,943
Profit for the financial period	-	-	-	3,969	3,969	4,849	8,818
Foreign currency translation differences for foreign operations	-	-	603	-	603	-	603
Fair value changes of available-for-sale financial assets	-	-	(1,388)	1,347	(41)	-	(41)
Total comprehensive income for the financial period	-	-	(785)	5,316	4,531	4,849	9,380
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	(4,104)	(4,104)
At 31 December 2019	162,468	(6,301)	(5,794)	125,862	276,235	84,984	361,219
CUMULATIVE 6 MONTHS							
At 1 July 2018	162,468	(6,301)	(7,787)	106,253	254,633	78,577	333,210
Profit for the financial period	-	-	-	5,613	5,613	3,056	8,669
Foreign currency translation differences for foreign operations	-	-	557	-	557	-	557
Fair value changes of available-for-sale financial assets	-	-	(80)	-	(80)	-	(80)
Total comprehensive income for the financial period	-	-	477	5,613	6,090	3,056	9,146
At 31 December 2018	162,468	(6,301)	(7,310)	111,866	260,723	81,633	342,356

Note 1 :-

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	CUMULATIVE 6 MONTHS	
	31.12.2019	31.12.2018
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	12,450	11,097
Net adjustments	203	(3,396)
	12,653	7,701
Operating profit before working capital changes	12,653	7,701
Net changes in working capital	6,722	(16,352)
	19,375	(8,651)
Cash generated from / (used for) operations	19,375	(8,651)
Interest paid	(76)	(75)
Interest received	844	1,111
Net tax paid	(2,032)	(1,565)
	18,111	(9,180)
Net cash generated from/(used for) operating activities	18,111	(9,180)
Cash Flows From Investing Activities		
Additional cost for investment properties	(49)	-
Proceeds from disposal of investment properties	-	4,650
Purchase of property, plant and equipment	(45)	(38)
	(94)	4,612
Net cash (used for) / generated from investing activities	(94)	4,612
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	(4,104)	-
	(4,104)	-
Net cash used in financing activities	(4,104)	-
Net increase/(decrease) in cash and cash equivalents	13,913	(4,568)
Foreign exchange differences	(150)	(328)
Cash and cash equivalents at 1 July	68,997	75,278
	82,760	70,382
Cash and cash equivalents at 31 December	82,760	70,382

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2019 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 Malaysian Financial Reporting Standards ("MFRSs") 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 2019. 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 2019.

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 MFRSs, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 year ended 30 June 2019. As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board but are not yet effective. These pronouncements are either not relevant or do not have any material impact on the financial statements of the Group, and have not been adopted by the Group.

Standards issued but not yet effective

	Effective for annual periods beginning on or after
Amendments to MFRS 3 Business Combinations - Definition of a Business	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements - Definition of Material	1 January 2020
	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2021

Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

A3. Seasonal or Cyclical Factors

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

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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 2019 other than the exceptional items as follows:-

Exceptional item	QUARTER ENDED		Changes	CUMULATIVE 6 MONTHS		Changes
	31.12.2019	31.12.2018	%	31.12.2019	31.12.2018	%
	RM'000	RM'000		RM'000	RM'000	
Net loss on foreign exchange	(1,895)	(2)	(94,650.0)	(813)	(95)	(755.8)
Effect of adoption of MFRS 9						
- Other investments	-	(2,103)	100.0	-	-	-
- Others	-	87	(100.0)	-	117	(100.0)
Capital distribution on other investments	133	-	100.0	133	-	100.0
Reversal of impairment losses	4	-	100.0	12	-	100.0
Gain on disposal of investment properties	-	3,298	(100.0)	-	3,298	(100.0)
	(1,758)	1,280	(237.3)	(668)	3,320	(120.1)

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 period ended 31 December 2019.

A6. Issuances or Repayments of Debts and Equity Securities

As at 31 December 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 period ended 31 December 2019.

A7. Dividend Paid

No dividend was paid by the Company during the financial period ended 31 December 2019 (31 December 2018: Nil).

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A8. Operating Segments

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

For the 6 Months Ended 31 December 2019

	Properties	Investment	Total
	RM'000	holding	RM'000
	RM'000	RM'000	RM'000
External revenue	45,953	-	45,953
Segment results	15,365	(2,839)	12,526
Finance costs	(51)	(25)	(76)
Profit/(Loss) before taxation	15,314	(2,864)	12,450
Income tax expense	(3,632)	-	(3,632)
Profit/(Loss) for the financial period	11,682	(2,864)	8,818
Segment assets	278,755	107,515	386,270
Unallocated assets			1,313
			387,583

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 Period

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

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 December 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 6 MONTHS		Changes	
	31.12.2019	31.12.2018		%	31.12.2019	31.12.2018		%
	RM'000	RM'000			RM'000	RM'000		
Revenue								
Properties	25,644	15,434	66.2		45,953	27,713	65.8	
Investment holding	-	-	-		-	-	-	
	25,644	15,434	66.2		45,953	27,713	65.8	
Profit before taxation ("PBT")								
Properties	8,225	8,918	(7.8)		15,314	12,936	18.4	
Investment holding	(2,981)	(3,137)	5.0		(2,864)	(1,839)	(55.7)	
	5,244	5,781	(9.3)		12,450	11,097	12.2	

Current Quarter Ended 31 December 2019

The Group shows strong growth of 66.2% in turnover due to more revenue recognition from higher percentage of completion of the Freesia, Peony, Irises and Cosmos houses in Bandar Springhill as well as from additional home sales this quarter. Despite higher revenue, PBT is lower compared to the same quarter last year. This is due to unrealised foreign exchange losses on inter-company balances which have been recorded this quarter versus a RM3.3 million disposal gain and a reversal of RM2.1 million fair value gain last year.

Financial Period Ended 31 December 2019

For the cumulative six-month results, the Group has recorded similar level of revenue growth of 66%. PBT also shows an improvement of 12.2% compared to the PBT of RM11.1 million which has been recorded in the previous corresponding period.

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

	QUARTER ENDED		Changes
	31.12.2019 RM'000	30.09.2019 RM'000	%
Revenue			
Properties	25,644	20,309	26.3
Investment holding	-	-	-
	25,644	20,309	26.3
Profit before taxation ("PBT")			
Properties	8,225	7,089	16.0
Investment holding	(2,981)	117	(2,647.9)
	5,244	7,206	(27.2)

Compared to the preceding quarter, the properties segment has reported a 26.3% growth in revenue and a 16.0% improvement in PBT. However, at Group level, the PBT is lower due to the unrealised foreign exchange loss of RM1.9 million which has been recorded this quarter.

B3. Prospects for the Financial Year Ending 30 June 2020

A new phase for Bandar Springhill will be launched in the third quarter, consisting of 272 units of double-storey terrace houses. Combined with the sales from the earlier launches, the management is confident of maintaining a satisfactory performance for the balance of the financial year.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit Before Taxation

Included in the profit before taxation are the following:-

	QUARTER ENDED		Changes	CUMULATIVE 6 MONTHS		Changes
	31.12.2019 RM'000	31.12.2018 RM'000	%	31.12.2019 RM'000	31.12.2018 RM'000	%
Depreciation	(85)	(115)	26.1	(170)	(180)	5.6
Interest income	435	690	(37.0)	844	1,111	(24.0)

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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
	31.12.2019	31.12.2018	%
	RM'000	RM'000	
Neither past due nor impaired	26,736	4,619	478.8
Past due, not impaired			
1 to 30 days	2,691	1,642	63.9
31 to 60 days	3,130	1,518	106.2
61 to 90 days	59	241	(75.5)
91 to 120 days	128	-	100.0
More than 120 days	277	9	2,977.8
	33,021	8,029	311.3

B7. Income Tax Expense

Taxation comprises :-

	QUARTER ENDED		Changes	CUMULATIVE 6 MONTHS		Changes
	31.12.2019	31.12.2018	%	31.12.2019	31.12.2018	%
	RM'000	RM'000		RM'000	RM'000	
Current taxation	2,008	1,545	30.0	3,693	2,814	31.2
Deferred taxation	124	633	(80.4)	(61)	(386)	84.2
	2,132	2,178	(2.1)	3,632	2,428	49.6

The current tax charge for the financial period ended 31 December 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.

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B8. Status of Corporate Proposals

On 12 November 2019, the Group announced that Cesuco Trading Limited, a wholly-owned subsidiary of the Company decided to convert the AUD\$1.5 million Secured Convertible Note of Nex Metals Explorations Ltd ("Nex Metals") together with the outstanding sum of AUD\$272,506.85 being accrued interest thereon as at 1 November 2019, into 132,474,353 ordinary shares. This represents 40.73% of the enlarged share capital of Nex Metals at an issue price of AUD\$0.01338 per ordinary share ("Proposed Conversion").

Nex Metals is a public limited liabilities company incorporated in Australia on 4 February 2007 with a registered office address at 45 Guthrie St, Osborne Park, WA, Australia, 6017, and listed on the Australian Securities Exchange. The principal activity of Nex Metals is primarily in gold exploration.

The Proposed Conversion is subject to the approval of Nex Metals' shareholders. Upon the completion of the Proposed Conversion, Nex Metals will become an associate company of the Group.

The Proposed Conversion is not expected to have any material effect on the net assets per share, gearing, share capital and substantial shareholders' direct and/or indirect shareholding of MUI Properties Berhad ("MUIP") for the financial year ending 30 June 2020; however, it is expected to have a positive effect on the earnings per share of MUIP for the financial year ending 30 June 2020 due to a gain from remeasurement to fair value arising from the Proposed Conversion.

None of the Directors and/or major shareholders and/or persons connected with them have any interest, either direct or indirect in the Proposed Conversion.

Other than the above, the Group has not announced any corporate proposals as at the date of this report.

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 period as follows:-

	QUARTER ENDED		Changes	CUMULATIVE 6 MONTHS		Changes
	31.12.2019	31.12.2018	%	31.12.2019	31.12.2018	%
Profit for the financial period attributable to equity holders of the Company (RM'000)	608	1,698	(64.2)	3,969	5,613	(29.3)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	-	740,915	740,915	-
Earnings per share (sen)	0.08	0.23	(64.2)	0.54	0.76	(29.3)

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

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B10. Group Borrowings

As at 31 December 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 31 December 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 period ended 31 December 2019 (31 December 2018: Nil).

B15. Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2019 was unmodified.

BY ORDER OF THE BOARD
MUI PROPERTIES BERHAD

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 26 February 2020