

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

INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2020
(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000 (Audited)
Revenue	18,552	14,103	76,685	57,474
Cost of sales	(11,014)	(9,549)	(46,157)	(34,973)
Gross profit	7,538	4,554	30,528	22,501
Other income	875	990	2,394	2,708
Administrative expenses	(2,190)	(1,519)	(11,758)	(9,266)
Other expenses	(90)	(215)	(904)	(925)
Exceptional items (refer Note A4)	6,224	9,274	5,704	12,600
Finance costs	(30)	(38)	(143)	(150)
Profit before taxation	12,327	13,046	25,821	27,468
Income tax expense	(1,473)	(1,378)	(4,947)	(4,780)
Profit for the financial year	10,854	11,668	20,874	22,688
Profit attributable to:-				
Equity holders of the Company	8,813	10,404	12,725	17,085
Non-controlling interests	2,041	1,264	8,149	5,603
Profit for the financial year	10,854	11,668	20,874	22,688
Profit per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic/Diluted	1.19	1.40	1.72	2.31

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 YEAR ENDED 30 JUNE 2020**

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
				(Audited)
Profit for the financial year	10,854	11,668	20,874	22,688
Foreign currency translation differences for foreign operations	(1,292)	2,784	(186)	77
Fair value changes of available-for-sale financial assets	(1,144)	(3)	(1,465)	(80)
Total comprehensive income for the financial year	8,418	14,449	19,223	22,685
Total comprehensive income attributable to:				
Equity holders of the Company	6,377	13,185	11,074	17,082
Non-controlling interests	2,041	1,264	8,149	5,603
	8,418	14,449	19,223	22,685

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.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	30.06.2020	30.06.2019
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,212	8,175
Investment properties	30,361	30,312
Inventories	35,263	35,263
Other investments	81,928	78,883
Deferred tax assets	1,533	1,127
	157,297	153,760
Current Assets		
Inventories	108,785	130,953
Contract costs	275	541
Trade and other receivables	22,150	12,137
Contract assets	3,622	11,076
Other investments	54	54
Current tax assets	132	143
Fixed deposits with licensed banks	69,370	43,814
Cash and bank balances	30,359	25,183
	234,747	223,901
	392,044	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	(6,660)	(5,009)
Retained profits	133,271	120,546
	282,778	271,704
Non-Controlling Interests	88,284	84,239
Total Equity	371,062	355,943
Non-Current Liabilities		
Employee benefits	40	65
Current Liabilities		
Trade and other payables	20,477	15,648
Contract liabilities	27	5,986
Current tax liabilities	438	19
	20,942	21,653
Total Liabilities	20,982	21,718
TOTAL EQUITY AND LIABILITIES	392,044	377,661
	RM	RM
Net assets per share attributable to equity holders of the Company	0.38	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 YEAR ENDED 30 JUNE 2020**

	Attributable to Equity Holders of the Company				Total RM'000	Non- Controlling Interests	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Non- Distributable Other Reserves RM'000	Distributable Retained Profits RM'000		RM'000	RM'000
			Total				
At 1 July 2019	162,468	(6,301)	(5,009)	120,546	271,704	84,239	355,943
Profit for the financial year	-	-	-	12,725	12,725	8,149	20,874
Foreign currency translation differences for foreign operations	-	-	(186)	-	(186)	-	(186)
Fair value changes of available-for-sale financial assets	-	-	(1,465)	-	(1,465)	-	(1,465)
Total comprehensive income for the financial year	-	-	(1,651)	12,725	11,074	8,149	19,223
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	(4,104)	(4,104)
At 30 June 2020	162,468	(6,301)	(6,660)	133,271	282,778	88,284	371,062
At 1 July 2018	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 operations	-	-	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

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 YEAR ENDED 30 JUNE 2020

	30.06.2020	30.06.2019
	RM'000	RM'000
		(Audited)
Cash Flows From Operating Activities		
Profit before taxation	25,821	27,468
Net adjustments	(6,405)	(14,636)
	19,416	12,832
Operating profit before working capital changes	19,416	12,832
Net changes in working capital	18,818	(21,456)
	38,234	(8,624)
Cash generated from/(used for) operations	38,234	(8,624)
Interest paid	(143)	(150)
Interest received	2,242	2,544
Net tax paid	(4,916)	(4,754)
	35,417	(10,984)
Net cash generated from/(used for) operating activities	35,417	(10,984)
Cash Flows From Investing Activities		
Additional cost for investment properties	(49)	-
Dividend received	-	1
Placement of fixed deposits with tenure more than 3 months	-	(268)
Proceeds from disposal of investment properties	-	4,551
Proceeds from disposal of property, plant and equipment	52	5
Purchase of investment property	-	(271)
Purchase of property, plant and equipment	(336)	(113)
	(333)	3,905
Net cash (used for)/generated from investing activities	(333)	3,905
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	(4,104)	-
	(4,104)	-
Net cash used for financing activities	(4,104)	-
Net increase/(decrease) in cash and cash equivalents	30,980	(7,079)
Foreign exchange differences	(248)	425
Cash and cash equivalents at 1 July	68,997	75,383
Cash and cash equivalents at 30 June	99,729	68,729

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.

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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 year ended 30 June 2020 other than the exceptional items as follows:-

Exceptional item	QUARTER ENDED		Changes %	CUMULATIVE 12 MONTHS		Changes %
	30.06.2020 RM'000	30.06.2019 RM'000		30.06.2020 RM'000	30.06.2019 RM'000	
Net gain/(loss) on foreign exchange	738	(104)	809.6	69	(135)	151.1
Fair value gain on unquoted investment	3,164	9,216	(65.7)	3,164	9,275	(65.9)
Capital distribution on other investment	-	-	-	137	-	100.0
Reversal of impairment losses	1,347	20	6,635.0	1,359	20	6,695.0
Gain on disposal of investment properties	47	142	(66.9)	47	3,440	(98.6)
Gain on deregistration of a foreign subsidiary	928	-	100.0	928	-	100.0
	6,224	9,274	(32.9)	5,704	12,600	(54.7)

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 2020.

A6. Issuances or Repayments of Debts and Equity Securities

As at 30 June 2020, 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 2020.

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A7. Dividend Paid

No dividend was paid by the Company during the financial year ended 30 June 2020 (30 June 2019: Nil).

A8. Operating Segments

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

For the Financial Year Ended 30 June 2020

	Properties RM'000	Investment holding RM'000	Total RM'000
External revenue	76,645	40	76,685
Segment results	24,455	1,509	25,964
Finance costs	(93)	(50)	(143)
Profit before taxation	24,362	1,459	25,821
Income tax expense	(4,889)	(58)	(4,947)
Profit for the financial year	19,473	1,401	20,874
Segment assets	308,389	81,990	390,379
Unallocated assets			1,665
			392,044

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 2020 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

On 1 June 2020, the Company announced that Lembaran Makmur Sdn Bhd ('LMSB') and Intercontinental Properties Sdn Bhd ('ICPSB'), both inactive wholly-owned subsidiaries of the Company, which were placed under members' voluntary winding up on 23 March 2018 and 10 August 2018 respectively, have been dissolved on 8 February 2020 and 13 February 2020 respectively pursuant to Section 459 (5) of the Companies Act 2016. The dissolution of LMSB and ICPSB did not have any material effect on the earnings and net assets of the Group for the financial year ended 30 June 2020.

On 18 April 2020, Mecomas Pty Limited, a company incorporated in Australia and a dormant indirect wholly-owned subsidiary of MUI Properties Berhad, has been deregistered from the Australian Securities and Investments Commission pursuant to Section 601AA(4) of the Corporations Act 2001.

Other than the above, there were no changes in the composition of the Group during the financial year ended 30 June 2020.

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	
	30.06.2020	30.06.2019		%	30.06.2020	30.06.2019		%
	RM'000	RM'000			RM'000	RM'000		
Revenue								
Properties	18,552	14,103		31.5	76,645	57,473		33.4
Investment holding	-	-		-	40	1		3,900.0
	18,552	14,103		31.5	76,685	57,474		33.4
Profit before taxation ("PBT")								
Properties	6,355	4,307		47.6	24,362	21,212		14.9
Investment holding	5,972	8,739		(31.7)	1,459	6,256		(76.7)
	12,327	13,046		(5.5)	25,821	27,468		(6.0)

Current Quarter Ended 30 June 2020

The Group reported a revenue increase of 31.5% compared to the same quarter last year, largely due to higher revenue recognition from Phases E7-1 and E7221 in its Bandar Springhill project. The properties segment recorded a 47.6% surge in PBT in tandem with the higher revenue. Overall PBT was lower compared to the same quarter last year due to a higher fair value gain on unquoted investment in the previous year corresponding quarter.

Financial Year Ended 30 June 2020

For the cumulative twelve-month results, the Group recorded a growth of 33.4% in revenue, contributed mainly by a higher percentage of completion of Phases E7-1 and E7221 in its Bandar Springhill project. Despite this, a lower PBT was recorded for the financial year ended 30 June 2020, primarily brought on by an increase in administrative expenses and a lower fair value gain on unquoted investment recorded in the investment holding segment.

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

	QUARTER ENDED		Changes
	30.06.2020 RM'000	31.03.2020 RM'000	%
Revenue			
Properties	18,552	12,140	52.8
Investment holding	-	40	(100.0)
	18,552	12,180	52.3
Profit before taxation ("PBT")			
Properties	6,355	2,693	136.0
Investment holding	5,972	(1,649)	462.2
	12,327	1,044	1,080.7

Compared to the preceding quarter, the properties segment reported a 52.8% increase in revenue due to higher revenue recognition of Phases E4, E7-1 and E7-2 in its Bandar Springhill project. The higher PBT recorded is in tandem with the higher revenue and fair value gain on unquoted investment.

B3. Prospects for the Financial Year Ending 30 June 2021

Against the backdrop of a coronavirus-hit economy, the outlook remains challenging for all industries, including the property sector. Despite the poor market sentiment, the management expects that the Group will remain resilient given that its Bandar Springhill project in Lukut, Negeri Sembilan focuses on providing product offerings in line with market demand.

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 12 MONTHS		Changes
	30.06.2020 RM'000	30.06.2019 RM'000	%	30.06.2020 RM'000	30.06.2019 RM'000	%
Depreciation	(96)	(92)	(4.3)	(357)	(356)	(0.3)
Interest income	885	959	(7.7)	2,242	2,544	(11.9)

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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
	30.06.2020	30.06.2019	%
	RM'000	RM'000	
Neither past due nor impaired	15,076	4,277	252.5
Past due, not impaired			
1 to 30 days	1,850	2,245	(17.6)
31 to 60 days	83	2,791	(97.0)
61 to 90 days	960	860	11.6
91 to 120 days	1,433	292	390.8
More than 120 days	593	143	314.7
	19,995	10,608	88.5

B7. Income Tax Expense

Taxation comprises :-

	QUARTER ENDED		Changes	CUMULATIVE 12 MONTHS		Changes
	30.06.2020	30.06.2019	%	30.06.2020	30.06.2019	%
	RM'000	RM'000		RM'000	RM'000	
Current taxation	(1,347)	(1,286)	(4.7)	(5,959)	(5,082)	(17.3)
(Under)/Over provision for prior year	-	(63)	100.0	612	(63)	1,071.4
Deferred taxation	(126)	(29)	(334.5)	400	365	9.6
	(1,473)	(1,378)	(6.9)	(4,947)	(4,780)	(3.5)

The current tax charge for the financial year ended 30 June 2020 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.

Subject to any adjustments from remeasurement to fair value, 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 for the financial year ending 30 June 2021.

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 year as follows:-

	QUARTER ENDED		Changes	CUMULATIVE 12 MONTHS		Changes
	30.06.2020	30.06.2019	%	30.06.2020	30.06.2019	%
Profit for the financial year attributable to equity holders of the Company (RM'000)	8,813	10,404	(15.3)	12,725	17,085	(25.5)
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	-	740,915	740,915	-
Earnings per share (sen)	1.19	1.40	(15.3)	1.72	2.31	(25.5)

(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 30 June 2020, 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 2020, the Group did not have any financial liabilities measured at fair value through profit or loss.

B13. Material Litigation

There is 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 2020 (30 June 2019: 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
Alicia Tan Leng
Joint Company Secretaries

Date: 26 August 2020