

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

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2021
(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	23,561	12,180	57,075	58,133
Cost of sales	(15,028)	(7,432)	(36,143)	(35,143)
Gross profit	8,533	4,748	20,932	22,990
Other income	4,995	3,958	7,138	5,274
Administrative expenses	(2,858)	(4,033)	(7,275)	(9,568)
Other expenses	(6,779)	(3,592)	(9,502)	(5,101)
Finance costs	-	(37)	(13)	(113)
Net reversal of impairment on financial assets [Note A4(b)]	-	-	4,424	12
Profit before taxation	3,891	1,044	15,704	13,494
Taxation	(2,830)	158	(4,780)	(3,474)
Profit after taxation	1,061	1,202	10,924	10,020
Profit after taxation attributable to:				
Owners of the Company	(761)	(57)	5,530	3,912
Non-controlling interest	1,822	1,259	5,394	6,108
	1,061	1,202	10,924	10,020
Earnings per share attributable to owners of the Company:	Sen	Sen	Sen	Sen
Basic/Diluted	(0.10)	(0.01)	0.75	0.53

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 2020 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 MARCH 2021**

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit after taxation	1,061	1,202	10,924	10,020
Other comprehensive income, net of tax:				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	2,729	503	3,367	1,106
<i>Item that will be reclassified subsequently to profit or loss</i>				
Fair value changes of available-for-sale financial assets	(37)	(280)	1	(321)
Other comprehensive income	2,692	223	3,368	785
Total comprehensive income for the financial period	3,753	1,425	14,292	10,805
Total comprehensive income attributable to:				
Owners of the Company	1,931	166	8,898	4,697
Non-controlling interest	1,822	1,259	5,394	6,108
	3,753	1,425	14,292	10,805

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	31.03.2021 RM'000	30.06.2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	8,280	8,212
Investment properties	30,383	30,361
Inventories	35,263	35,263
Other investments	81,923	81,928
Deferred tax assets	1,862	1,533
	157,711	157,297
Current Assets		
Inventories	100,800	108,785
Contract costs	1,859	275
Trade and other receivables	35,856	22,150
Contract assets	22,833	3,622
Other investments	10,075	54
Current tax assets	148	132
Deposits, bank balances and cash	81,442	99,729
	253,013	234,747
TOTAL ASSETS	410,724	392,044
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	162,468	162,468
Treasury shares	(6,301)	(6,301)
Reserves	(3,295)	(6,660)
Retained profits	138,804	133,271
	291,676	282,778
Non-Controlling Interests	89,574	88,284
Total Equity	381,250	371,062
Non-Current Liabilities		
Employee benefits	40	40
Current Liabilities		
Trade and other payables	29,292	20,477
Contract liabilities	4	27
Current tax liabilities	138	438
	29,434	20,942
Total Liabilities	29,474	20,982
TOTAL EQUITY AND LIABILITIES	410,724	392,044
	RM	RM
Net assets per share attributable to owners of the Company	0.39	0.38

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2020 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 MARCH 2021**

	Attributable to Owners of the Company				Total RM'000	Non- Controlling Interest	Total Equity
	Share Capital RM'000	Treasury Shares RM'000	Non- Distributable	Distributable		RM'000	RM'000
			Reserves RM'000	Retained Profits RM'000			
At 1 July 2020	162,468	(6,301)	(6,660)	133,271	282,778	88,284	371,062
Profit for the financial period	-	-	-	5,530	5,530	5,394	10,924
Foreign currency translation differences for foreign operations	-	-	3,367	-	3,367	-	3,367
Fair value changes of available- for-sale financial assets	-	-	(2)	3	1	-	1
Total comprehensive income	-	-	3,365	5,533	8,898	5,394	14,292
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	(4,104)	(4,104)
At 31 March 2021	162,468	(6,301)	(3,295)	138,804	291,676	89,574	381,250
At 1 July 2019	162,468	(6,301)	(5,009)	120,546	271,704	84,239	355,943
Profit for the financial period	-	-	-	3,912	3,912	6,108	10,020
Foreign currency translation differences for foreign operations	-	-	1,106	-	1,106	-	1,106
Fair value changes of available- for-sale financial assets	-	-	(1,668)	1,347	(321)	-	(321)
Total comprehensive income /(expenses)	-	-	(562)	5,259	4,697	6,108	10,805
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	(4,104)	(4,104)
At 31 March 2020	162,468	(6,301)	(5,571)	125,805	276,401	86,243	362,644

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 2020 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 MARCH 2021**

	31.03.2021 RM'000	31.03.2020 RM'000
Operating Activities		
Profit before taxation	15,704	13,494
Net adjustments	(3,500)	(375)
Operating profit before working capital changes	12,204	13,119
Net changes in working capital	(17,803)	23,081
Cash from/(used in) operations	(5,599)	36,200
Interest paid	(13)	(113)
Interest received	1,608	1,357
Net tax paid	(5,481)	(2,979)
Net cash from/(used in) operating activities	(9,485)	34,465
Investing Activities		
Investment properties	(23)	(49)
Proceeds from disposal of property, plant and equipment	41	52
Proceeds from disposal of other investments	4,399	-
Purchase of property, plant and equipment	(40)	(330)
Net cash from/(used in) investing activities	4,377	(327)
Financing Activities		
Dividend paid to non-controlling interests of a subsidiary, representing net cash used for financing activities	(4,104)	(4,104)
Net increase/(decrease) in cash and cash equivalents	(9,212)	30,034
Foreign exchange differences	1,000	707
Cash and Cash Equivalents At Beginning Of Financial Period	99,729	68,997
Cash and Cash Equivalents At End Of Financial Period	91,517	99,738

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2020 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 ("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 2020. 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 2020.

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 MFRS, 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 2020, except for the following:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective date
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

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's financial statements.

The Group has not applied in advance the following accounting standards and/or interpretations (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:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective date
MFRS 17 Insurance Contracts	1 January 2023*
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2021 to 1 January 2023 pursuant to the amendments to MFRS 17 issued by the MASB, namely 'Amendments to MFRS 17 Insurance Contracts'.

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The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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 March 2021.

(a) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporary closure of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in a reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess the extent in which these series of events provide additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities at 31 March 2021.

(b) Net reversal of impairment losses on financial assets

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Reversal of impairment on:				
- other receivable	-	-	4	12
- overseas investment	-	-	4,420	-
	-	-	4,424	12
	-	-	4,424	12

A5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial period, which may have a material effect during the financial period ended 31 March 2021.

A6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

As at 31 March 2021, 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, shares held as treasury shares and resale of treasury shares during the financial period ended 31 March 2021.

A7 Dividend Paid

No dividend was paid during the financial period ended 31 March 2021 (31 March 2020: Nil).

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A8 Operating Segments

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

For the 9 months ended 31 March 2021

	Properties RM'000	Investment holding RM'000	Total RM'000
External revenue	57,075	-	57,075
Segment results	17,902	(2,185)	15,717
Finance costs	-	(13)	(13)
Profit/(loss) before taxation	17,902	(2,198)	15,704
Taxation	(4,859)	79	(4,780)
Profit/(loss) for the financial period	13,043	(2,119)	10,924
Segment assets	295,688	113,026	408,714
Unallocated assets			2,010
			410,724

A9 Events Subsequent to the End of the Financial Period

There are no material events subsequent to the financial period ended 31 March 2021 that have not been reflected in the financial statements for the said period as at the date of this report.

A10 Changes in the Composition of the Group

On 22 March 2021, Dirnavy Pty Limited and MUI Australia Pty Ltd, both companies incorporated in Australia and dormant indirect wholly-owned subsidiaries of MUI Properties Berhad, have been deregistered from the Australian Securities and Investments Commission pursuant to Section 601AA(4) of the Corporations Act 2001. A loss on deregistration for both Australian companies amounting to RM6.9 million has been taken up in the financial statements of the Group for the financial period ended 31 March 2021.

On 9 April 2021, the Company announced that Superex Sdn Bhd ('SSB'), a wholly-owned subsidiary of the Company, which was placed under members' voluntarily winding-up on 21 June 2019, has been dissolved on 7 January 2021 pursuant to Section 459(5) of the Companies Act, 2016. The dissolution of SSB did not have any material effect on the earnings and net assets of the Group for the financial period ended 31 March 2021.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 March 2021.

A11 Contingent Liabilities and Capital Commitments

There are no material contingent liabilities or 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 9 MONTHS		Changes %
	31.03.2021 RM'000	31.03.2020 RM'000		31.03.2021 RM'000	31.03.2020 RM'000	
Revenue						
Properties	23,561	12,140	94.1	57,075	58,093	(1.8)
Investment holding	-	40	(100.0)	-	40	(100.0)
	<u>23,561</u>	<u>12,180</u>	<u>93.4</u>	<u>57,075</u>	<u>58,133</u>	<u>(1.8)</u>
Profit before taxation ("PBT")						
Properties	7,180	2,693	166.6	17,902	18,007	(0.6)
Investment holding	(3,289)	(1,649)	(99.5)	(2,198)	(4,513)	51.3
	<u>3,891</u>	<u>1,044</u>	<u>272.7</u>	<u>15,704</u>	<u>13,494</u>	<u>16.4</u>

Current Quarter Ended 31 March 2021

The improved revenue in the current quarter compared to the corresponding quarter in 2020 was mainly due to the on-going Phase E6 whereas revenue last year was mainly from Phase E7-2 which was at completion stage. Accordingly, a higher PBT of RM3.9 million was reported by the Group compared to RM1.0 million in the previous corresponding quarter.

Cumulative 9 Months Ended 31 March 2021

PBT for properties division was maintained at RM18.0 million, same as the previous year as Phase E6 commenced during the year following completion of Phase E7-2. Despite this, a Group PBT of RM15.7 million was reported compared to RM13.5 million in the same period last year. This was due to higher net non-operating income.

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

	QUARTER ENDED		Changes %
	31.03.2021 RM'000	31.12.2020 RM'000	
Revenue			
Properties	23,561	17,819	32.2
Profit before taxation ("PBT")			
Properties	7,180	5,457	31.6
Investment holding	(3,289)	(816)	(303.1)
	<u>3,891</u>	<u>4,641</u>	<u>(16.2)</u>

For the current quarter, revenue was higher by 32.2% compared to the previous quarter as the development of Phase E6 progressed. The lower PBT was mainly due to a RM6.9 million loss on the derecognition of the dormant foreign subsidiaries as mentioned in Note A10.

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B3 Prospects for the Financial Year Ending 30 June 2021

The year 2020 has been a challenging one for the property market given the impact of the Covid-19 pandemic. Nevertheless, the Group is optimistic that market sentiments will improve and foresee that the recovery momentum will continue with the ongoing national Covid-19 immunisation programme. The Group will continue to build quality and affordable properties, in line with market demands, in its Bandar Springhill township in Negeri Sembilan.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Profit Before Taxation

Included in the profit before taxation were the followings items:

	QUARTER ENDED		Changes %	CUMULATIVE 9 MONTHS		Changes %
	31.03.2021 RM'000	31.03.2020 RM'000		31.03.2021 RM'000	31.03.2020 RM'000	
Capital distribution received from other investment	-	4	(100.0)	-	137	(100.0)
Depreciation	(96)	(91)	(5.5)	(285)	(261)	(9.2)
Dividend income	-	40	(100.0)	-	40	(100.0)
Gain on disposal of:						
- other investment	3	-	100.0	3	-	100.0
- property, plant & equipment	37	-	100.0	40	-	100.0
Interest expense	-	(37)	100.0	(13)	(113)	88.5
Interest income	463	513	(9.7)	1,608	1,357	18.5
Loss on derecognition of de-registered subsidiaries	(6,863)	-	(100.0)	(6,863)	-	(100.0)
Net gain/(loss) on foreign exchange	4,819	144	3,246.5	3,353	(669)	601.2
Rental income	102	86	18.6	376	270	39.3

B6 Trade Receivables

(a) Trade receivables are generally on 30 to 90 days terms.

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

	QUARTER ENDED		Changes %
	31.03.2021 RM'000	30.06.2020 RM'000	
(b) Not past due	10,223	15,076	(32.2)
Past due			
1 to 30 days	3,128	1,850	69.1
31 to 60 days	1,738	83	1,994.0
61 to 90 days	932	960	(2.9)
91 to 120 days	1,725	1,433	20.4
More than 120 days	967	593	63.1
	18,713	19,995	(6.4)

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B7 Taxation

Taxation comprises:

	QUARTER ENDED		Changes %	CUMULATIVE 9 MONTHS		Changes %
	31.03.2021 RM'000	31.03.2020 RM'000		31.03.2021 RM'000	31.03.2020 RM'000	
Current taxation	(1,779)	(919)	(93.6)	(4,100)	(4,612)	11.1
(Under)/over provision for prior year	(1,058)	612	(272.9)	(978)	612	(259.8)
Deferred taxation	7	465	(98.5)	298	526	(43.3)
	(2,830)	158	(1,891.1)	(4,780)	(3,474)	(37.6)

The current tax charge for the financial period ended 31 March 2021 is higher than the statutory rate of tax applicable mainly due to losses incurred by certain subsidiaries where no group relief are 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 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		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Profit for the financial period attributable to owners of the Company (RM'000)	(761)	(57)	5,530	3,912
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings per share (sen)	(0.10)	(0.01)	0.75	0.53

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

B10 Group Borrowings

As at 31 March 2021, 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 March 2021, the Group did not have any financial liabilities measured at fair value through profit or loss.

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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 period ended 31 March 2021 (31 March 2020: Nil).

B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2020 was unmodified.

BY ORDER OF THE BOARD
MUI PROPERTIES BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 27 May 2021