

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

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue	29,836	27,735	53,854	46,029
Cost of sales	(20,487)	(19,535)	(36,766)	(31,325)
Gross profit	9,349	8,200	17,088	14,704
Other income	771	529	1,906	1,190
Administrative expenses	(2,836)	(1,657)	(5,878)	(4,173)
Other expenses	(5,023)	(835)	(6,459)	(2,776)
Profit before taxation	2,261	6,237	6,657	8,945
Taxation	(2,013)	(1,701)	(3,745)	(3,033)
Profit after taxation	248	4,536	2,912	5,912
(Loss)/Profit after taxation attributable to:				
Owners of the Company	(2,263)	1,917	(1,499)	1,460
Non-controlling interest	2,511	2,619	4,411	4,452
	248	4,536	2,912	5,912
Earnings per share attributable to owners of the Company:	Sen	Sen	Sen	Sen
Basic/Diluted	(0.31)	0.26	(0.20)	0.20

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 2022**

	QUARTER ENDED		CUMULATIVE 6	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit after taxation	248	4,536	2,912	5,912
Other comprehensive income net of tax:				
<i>Item that will not be reclassified subsequently to profit or loss</i>				
Fair value changes of equity instruments	237	(38)	475	1
<i>Item that will be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	3,684	678	5,342	2,151
Other comprehensive income	3,921	640	5,817	2,152
Total comprehensive income	4,169	5,176	8,729	8,064
Attributable to:				
Owners of the Company	1,658	2,557	4,318	3,612
Non-controlling interest	2,511	2,619	4,411	4,452
	4,169	5,176	8,729	8,064

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

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Registration No. 196501000314 (6113-W)
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	31.12.2022 RM'000	30.06.2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	7,889	7,768
Investment properties	30,472	30,397
Inventories	33,930	33,930
Other investments	87,359	86,885
Amount owing by ultimate holding company	16,011	15,542
Deferred tax assets	1,020	1,268
	176,681	175,790
Current Assets		
Inventories	99,244	92,313
Contract costs	990	1,490
Trade and other receivables	11,939	16,388
Contract assets	66,979	46,567
Amount owing by ultimate holding company	490	490
Current tax assets	746	433
Deposits, bank balances and cash	80,245	88,898
	260,633	246,579
	437,314	422,369
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	162,468	162,468
Treasury shares	(6,301)	(6,301)
Reserves	(2,032)	(7,849)
Retained profits	149,047	154,251
	303,182	302,569
Non-Controlling Interest	95,840	95,533
Total Equity	399,022	398,102
Non-Current Liabilities		
Employee benefits	46	46
Current Liabilities		
Trade and other payables	38,241	24,216
Current tax liabilities	5	5
	38,246	24,221
Total Liabilities	38,292	24,267
TOTAL EQUITY AND LIABILITIES	437,314	422,369
	RM	RM
Net assets per share attributable to owners of the Company	0.41	0.41

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 2022**

	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		Total RM'000	RM'000	RM'000
			Reserves RM'000	Retained Profits RM'000				
At 1 July 2022	162,468	(6,301)	(7,849)	154,251	302,569	95,533	398,102	
(Loss)/Profit for the financial period	-	-	-	(1,499)	(1,499)	4,411	2,912	
Foreign currency translation differences	-	-	5,342	-	5,342	-	5,342	
Fair value changes of equity instruments	-	-	475	-	475	-	475	
Total comprehensive income/ (expenses)	-	-	5,817	(1,499)	4,318	4,411	8,729	
Dividend paid	-	-	-	(3,705)	(3,705)	(4,104)	(7,809)	
At 31 December 2022	162,468	(6,301)	(2,032)	149,047	303,182	95,840	399,022	
At 1 July 2021	162,468	(6,301)	(6,298)	140,945	290,814	91,157	381,971	
Profit for the financial period	-	-	-	1,460	1,460	4,452	5,912	
Foreign currency translation differences	-	-	2,151	-	2,151	-	2,151	
Fair value changes of equity instruments	-	-	1	-	1	-	1	
Total comprehensive income	-	-	2,152	1,460	3,612	4,452	8,064	
Dividend paid	-	-	-	(3,334)	(3,334)	(4,104)	(7,438)	
At 31 December 2021	162,468	(6,301)	(4,146)	139,071	291,092	91,505	382,597	

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 2022**

	CUMULATIVE 6 MONTHS	
	31.12.2022 RM'000	31.12.2021 RM'000
Operating Activities		
Profit before taxation	6,657	8,945
Net adjustments	4,290	1,488
	<hr/>	<hr/>
Operating profit before working capital changes	10,947	10,433
Net changes in working capital	(8,462)	7,021
	<hr/>	<hr/>
Cash from operations	2,485	17,454
Interest received	951	899
Net tax paid	(3,810)	(3,456)
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(374)	14,897
	<hr/>	<hr/>
Investing Activities		
Investment properties	(75)	-
Proceeds from disposal of property, plant and equipment	-	3
Purchase of property, plant and equipment	(425)	(8)
Withdrawal of term deposit with tenure of more than 3 months	5,800	1,127
	<hr/>	<hr/>
Net cash from investing activities	5,300	1,122
	<hr/>	<hr/>
Financing Activities		
Dividend paid	(3,705)	(3,334)
Dividend paid to non-controlling interest of a subsidiary	(4,104)	(4,104)
	<hr/>	<hr/>
Net cash used in financing activities	(7,809)	(7,438)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(2,883)	8,581
Cash and cash equivalents at beginning of financial period		
As previously reported	83,098	83,996
Effects of exchange rate changes	30	78
As restated	<hr/>	<hr/>
	83,128	84,074
	<hr/>	<hr/>
Cash and cash equivalents at end of financial period	80,245	92,655
	<hr/>	<hr/>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 condensed consolidated financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. The Condensed Report, other than for financial instruments had been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments*.

The Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

A2 Significant Accounting Policies

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 30 June 2022, except for the following:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective date
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	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 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 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 comprising mainly the development of Bandar Springhill in Negeri Sembilan are 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 unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year, which may have a material effect during the financial period ended 31 December 2022.

A6 Debt and Equity Securities

As at 31 December 2022, the number of treasury shares held is 23,145,300 ordinary shares.

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2022.

A7 Dividend Paid

Interim single tier dividend of 0.50 sen per ordinary share in respect of financial year ending 30 June 2023, paid on 21 September 2022

RM'000

3,705

A8 Operating Segments

Six months ended 31 December 2022

	Properties RM'000	Investment holding RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	53,830	24	53,854	-	53,854
Inter-segment revenue	-	67,768	67,768	(67,768)	-
	<u>53,830</u>	<u>67,792</u>	<u>121,622</u>	<u>(67,768)</u>	<u>53,854</u>
Segment Results					
Profit/(loss) before taxation	13,974	(7,317)	6,657	-	6,657
Taxation	(3,745)	-	(3,745)	-	(3,745)
Profit/(loss) after taxation	<u>10,229</u>	<u>(7,317)</u>	<u>2,912</u>	<u>-</u>	<u>2,912</u>
Assets					
Segment assets	319,668	115,880	435,548	-	435,548
Unallocated assets					<u>1,766</u>
Total assets					<u>437,314</u>

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A8 Operating Segments (Cont'd)

Six months ended 31 December 2021

	Properties RM'000	Investment holding RM'000	Total RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	45,989	40	46,029	-	46,029
Inter-segment revenue	-	12,306	12,306	(12,306)	-
	45,989	12,346	58,335	(12,306)	46,029
Segment Results					
Profit/(loss) before taxation	13,471	(4,526)	8,945	-	8,945
Taxation	(2,586)	(447)	(3,033)	-	(3,033)
Profit/(loss) after taxation	10,885	(4,973)	5,912	-	5,912
Assets					
Segment assets	305,376	110,218	415,594	-	415,594
Unallocated assets					1,587
Total assets					417,181

A9 Events Subsequent to the End of the Financial Period

There are no material events subsequent to the financial period ended 30 December 2022 that have not been reflected in the financial statements for the said period as of this report's date.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 December 2022, other than as disclosed below.

On 19 September 2022, the Company announced that MUI Property Services Sdn Bhd ('MPSB'), a wholly-owned dormant 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 MPSB did not have any material financial or operational effect on the earnings and net assets of the Group for the financial year ending 30 June 2023.

A11 Contingent Liabilities

	AS AT	
	31.12.2022 RM'000	30.06.2022 RM'000
Bank guarantees issued by a subsidiary to third parties for utility services	377	267

A12 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 %
	31.12.2022 (Q2FY23) RM'000	31.12.2021 (Q2FY22) RM'000		31.12.2022 (6MFY23) RM'000	31.12.2021 (6MFY22) RM'000	
Revenue						
Properties	29,812	27,735	7.5	53,830	45,989	17.0
Investment holding	24	-	100.0	24	40	(40.0)
	29,836	27,735	7.6	53,854	46,029	17.0
Profit/(loss) before taxation ("PBT/(LBT)")						
Properties	7,671	8,159	(6.0)	13,974	13,471	3.7
Investment holding	(5,410)	(1,922)	(181.5)	(7,317)	(4,526)	(61.7)
	2,261	6,237	(63.7)	6,657	8,945	(25.6)

Q2FY23 vs Q2FY22

The Group recorded revenue of RM29.8 million in Q2FY23, an increase of RM2.1 million as compared to RM27.7 million in Q2FY22. It was mainly contributed by the properties segment's higher progress billings of the ongoing phases in Bandar Springhill, Negeri Sembilan, which are E7-3 (Peony 2), E5-C (Aurora 2) and E5-B (Nebula).

However, the Group's PBT of RM2.3 million in Q2FY23 was lower by RM3.9 million as compared to RM6.2 million in Q2FY22. The decrease was mainly due to higher loss on foreign exchange in the investment holding segment.

6MFY23 vs 6MFY22

The Group's revenue for 6MFY23 was RM53.9 million, an increase of RM7.9 million from RM46.0 million in 6MFY22. The increase was mostly due to higher progress billings of the continuing development of phases in Bandar Springhill, Negeri Sembilan, particularly E7-3 (Peony 2), E5-C (Aurora 2), and E5-B (Nebula).

However, the Group's PBT for 6MFY23 decreased from RM8.9 million in 6MFY22 to RM6.7 million. The investment holding segment's increased loss on foreign exchange was the cause of the decline of RM2.2 million.

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

	QUARTER ENDED		Changes %
	31.12.2022 (Q2FY23) RM'000	30.09.2022 (Q1FY23) RM'000	
	Revenue		
Properties	29,812	24,018	24.1
Investment holding	24	-	100.0
	29,836	24,018	24.2
Profit/(loss) before taxation ("PBT/(LBT)")			
Properties	7,671	6,303	21.7
Investment holding	(5,410)	(1,907)	(183.7)
	2,261	4,396	(48.6)

The properties segment's revenue increased by RM5.8 million from RM24.0 million in Q1FY23 to RM29.8 million in Q2FY23. This was mainly due to higher progress billings for the ongoing Phases of E7-3 (Peony 2), E5-C (Aurora 2), and E5-B (Nebula).

The Group recorded a reduced PBT of RM2.3 million in Q2FY23 as compared to RM4.4 million in Q1FY23, despite the greater PBT in the properties segment. The decrease was brought on by an increase in the investment holding segment's foreign exchange loss.

B3 Prospects for the Financial Year Ending 30 June 2023

Due to the strong demand for its most recent launches of reasonably priced Bandar Springhill properties, the Group is confident about its prospects in the property sector in 2023.

This strong fundamental demand for properties from the younger demographic supports a positive mid to long term outlook.

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 6 MONTHS		Changes %
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
	Depreciation	(117)		(67)	(237)	
Dividend income	24	-	24	40	(40.0)	
Gain on disposal of property, plant & equipment	-	3	-	3	(100.0)	
Property, plant & equipment written off	(25)	-	(27)	-	(100.0)	
Interest income	704	438	1,424	899	58.4	
Loss on foreign exchange	(4,715)	(706)	(5,431)	(2,226)	(144.0)	
Rental income	151	31	325	218	49.1	

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B6 Trade Receivables

- (a) Trade receivables are generally on 30 to 90 days terms.
- (b) The ageing analysis of trade receivables of the Group is as follows:

	31.12.2022 RM'000	AS AT 30.06.2022 RM'000	Changes %
Not past due	4,839	9,055	(46.6)
Past due			
1 to 30 days	840	1,093	(23.1)
31 to 60 days	325	827	(60.7)
61 to 90 days	347	414	(16.2)
91 to 120 days	135	223	(39.5)
More than 120 days	88	1,860	(95.3)
	<u>6,574</u>	<u>13,472</u>	<u>(51.2)</u>

B7 Taxation

Taxation comprises:

	QUARTER ENDED		Changes %	CUMULATIVE 6 MONTHS		Changes %
	31.12.2022 RM'000	31.12.2021 RM'000		31.12.2022 RM'000	31.12.2021 RM'000	
Current taxation	(1,938)	(1,564)	(23.9)	(3,497)	(2,658)	(31.6)
Deferred taxation	(75)	(137)	45.3	(248)	(375)	33.9
	<u>(2,013)</u>	<u>(1,701)</u>	<u>(18.3)</u>	<u>(3,745)</u>	<u>(3,033)</u>	<u>(23.5)</u>

The current tax charge for the financial period ended 31 December 2022 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/(Loss) Per Share

- (a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company with the weighted average number of shares in issue during the financial period as follows:

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
(Loss)/Profit for the financial period attributable to owners of the Company (RM'000)	(2,263)	1,917	(1,499)	1,460
Weighted average number of ordinary shares in issue ('000)	740,915	740,915	740,915	740,915
Earnings/(Loss) per share (sen)	<u>(0.31)</u>	<u>0.26</u>	<u>(0.20)</u>	<u>0.20</u>

- (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 2022, 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 2022, 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

On 25 August 2022, the Company announced an interim single tier dividend of 0.50 sen per ordinary share, amounting to RM3,705,000 in respect of the financial year ending 30 June 2023. The dividend was paid on 21 September 2022 to shareholders whose names appeared in the record of depositors on 12 September 2022.

B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2022 was unmodified.

BY ORDER OF THE BOARD
MUI PROPERTIES BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 23 February 2023