

Appendix 4E
Preliminary final report

MUI Corporation Limited

ABN 54 072 350 817

30th June 2015

Lodged with the ASX under Listing Rule 4.3A

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MUI Corporation Limited

Year ended 30 June 2015

(Previous corresponding period: Year ended 30 June 2014)

Results for Announcement to the Market

Revenues from continuing ordinary activities	Down	89%	to	\$137
Loss from ordinary activities after tax attributable to members	Up	653%	to	\$3,908,328
Net loss for the period attributable to members	Up	653%	to	\$3,908,328

Dividends / distributions	Amount per security	Franked amount per security
Final dividend	-	-
Interim dividend	-	-

Record date for determining entitlements to the dividend

N/A

Explanation of Revenue

Revenues from continuing ordinary activities comprises interest income of \$137 (2014: \$1,288).

Explanation of Loss from ordinary activities after tax

The financial year reports a loss of \$3,908,328 compared to a loss of \$518,858 in the prior year. The loss is predominantly made up of a \$3,487,171 impairment made to the loan to AusAsia Pty Ltd ("AusAsia"). AusAsia has not made payment of instalments and consequently the Directors believe that it is prudent for the Company to fully provide for the loan in the financial statements. The Directors are working towards an achievable payment plan with AusAsia. MUI is also reviewing its options in respect of the security and guarantee held in respect of the loan. In addition, the Company is reviewing a number of proposals for potential projects that may be undertaken by MUI.

Operating expenses for the year ended 30 June 2015 were lower than the previous year. The lower average cash balance over the 2015 financial year resulted in less interest earned.

Explanation of Net Loss

See above: explanation of loss from ordinary activities after tax.

MUI Corporation Limited
Preliminary statement of comprehensive income
For the year ended 30 June 2015

	2015 \$	2014 \$
Continuing operations		
Revenue	137	1,288
Impairment of financial asset	(3,487,171)	-
Corporate administration expense	(421,294)	(520,146)
Loss before tax	(3,908,328)	(518,858)
Income tax expense	-	-
Loss for the year from continuing operations	(3,908,328)	(518,858)
Loss for the year	(3,908,328)	(518,858)
Other comprehensive income / loss	-	-
Total comprehensive loss for the year attributable to Members of the Company	(3,908,328)	(518,858)
Basic and diluted earnings / (loss) per share (cents)	(0.11)	(0.02)
Weighted average number of shares used to determine both basic and diluted earnings per share (note that the effect of options and convertible notes have been excluded from the calculation of the diluted EPS on the basis that this would indicate a better EPS resulting from dividing the loss by a larger number of securities):	3,693,857,804	3,399,337,256

The above preliminary statement of comprehensive income should be read in conjunction with the accompanying notes.

MUI Corporation Limited
Preliminary statement of financial position
As at 30 June 2015

	2015 \$	2014 \$
Current assets		
Cash and cash equivalents	45,584	242,810
Trade and other receivables	26,833	22,445
Other current assets	20,000	20,000
Financial assets	-	1,040,000
Total current assets	92,417	1,325,255
Non-current assets		
Financial assets	-	2,435,062
Total non-current assets	-	2,435,062
Total assets	92,417	3,760,317
Current liabilities		
Trade and other payables	278,538	83,652
Convertible note	616,384	570,842
Total current liabilities	894,922	654,494
Total liabilities	894,922	654,494
Net assets	(802,505)	3,105,823
Equity		
Contributed equity	35,764,430	35,764,430
Reserves	31,784	52,751
Accumulated losses	(36,598,719)	(32,711,358)
Total equity	(802,505)	3,105,823

The above preliminary statement of financial position should be read in conjunction with the accompanying notes.

MUI Corporation Limited
Preliminary statement of cash flows
For the year ended 30 June 2015

	2015 \$	2014 \$
Cash flows from operating activities		
Interest income	137	1,288
Payments to suppliers and employees	(185,543)	(433,261)
Net cash flows used in operating activities	(185,406)	(431,973)
Cash flows from investing activities		
Loan to AusAsia Energy Pty Ltd	(11,820)	(120,596)
Repayment of loan by AusAsia Energy Pty Ltd	-	160,000
Net cash flows/(used in) investing activities	(11,820)	39,404
Cash flows from financing activities		
Proceeds from issue of shares	-	500,000
Net cash flows from financing activities	-	500,000
Net increase / (decrease) in cash and cash equivalents	(197,226)	107,431
Cash and cash equivalents at beginning of period	242,810	135,379
Cash and cash equivalents at end of period	45,584	242,810

The above preliminary statement of cash flows should be read in conjunction with the accompanying notes.

MUI Corporation Limited
Preliminary statement of changes in equity
For the year ended 30 June 2015

	Issued Capital \$	Options Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2013	35,307,863	39,318	(32,192,500)	3,154,681
Comprehensive loss for the year	-	-	(518,858)	(518,858)
Total comprehensive loss for the year	-	-	(518,858)	(518,858)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of share capital, net of transaction costs	470,000	-	-	470,000
Options granted to Underwriter	(13,433)	13,433	-	-
At 30 June 2014	35,764,430	52,751	(32,711,358)	3,105,823
Balance at 1 July 2014	35,764,430	52,751	(32,711,358)	3,105,823
Comprehensive loss for the year	-	-	(3,908,328)	(3,908,328)
Total comprehensive loss for the year	-	-	(3,908,328)	(3,908,328)
<i>Transactions with owners in their capacity as owners:</i>				
Expiry of options	-	(20,967)	20,967	-
At 30 June 2015	35,764,430	31,784	(36,598,719)	(802,505)

The above preliminary statement of changes in equity should be read in conjunction with the accompanying notes.

MUI Corporation Limited
Other notes to the preliminary financial statements
For the year ended 30 June 2015

Note 1. Future Developments

MUI Corporation Limited ("MUI") currently holds a call option to purchase 100% of the shares of JEMS Exploration Pty Ltd ("JEMS"), a company that owns four Exploration Permits for Coal in Queensland from AusAsia Energy Pty Ltd ("AusAsia"). As announced on ASX in July 2014, MUI has been reviewing options to develop the coal tenements held by JEMS and, given sustained depressed market conditions for coal and their effect particularly on the junior coal sector, MUI has explored a number of alternatives to maximise the value of the call option.

MUI has agreed binding terms with AusAsia for the repayment of MUI's loan to AusAsia, and to relinquish MUI's call option to purchase JEMS, as follows:

1. AusAsia will pay MUI:
 - An initial payment of \$1.2 million; and
 - \$4.8 million in cash by 15 December 2015.
2. MUI will release its security upon the last of the above payments.
3. The Loan Facility Agreement extends to 15 December 2015.
4. Should the transaction not complete by 15 December 2015 with the payment of \$4.8 million (assuming the \$1.2 million has been paid), AusAsia will relinquish 30% of the shares in JEMS to a third party nominated by AusAsia and MUI will retain its option to acquire 70% of the shares in JEMS. In this event the security as mentioned above will continue (except to the extent of the 30% of shares in JEMS transferred to the party nominated by AusAsia).

To date the Company has received \$160,000 of the above consideration as repayment of the AusAsia loan. The Directors are in discussions concerning an achievable payment plan with AusAsia. MUI is also reviewing its options in respect of the security and guarantee held in respect of the loan. In addition, the Company is reviewing a number of proposals for potential projects that may be undertaken by MUI.

The Company continues to explore opportunities for its film library, with discussions taking place with parties who can develop its potential for digital platforms, with a view to generating value from the asset.

Note 2. Material factors affecting the revenues and expenses of the economic entity for the current period

The directors of MUI Corporation Limited have reviewed the carrying value of assets as at 30 June 2015 and have determined that, as nil payment of instalments has taken place in the 2015 financial year (2014: \$160,000), it is prudent to fully provide for the loan to AusAsia Pty Ltd in the financial statements.

MUI Corporation Limited

Other notes to the preliminary financial statements

For the year ended 30 June 2015

Note 3. Financial Assets

	2015 \$	2014 \$
Current		
Related Party Loan – AusAsia Energy Pty Ltd	3,487,171	1,040,000
Impairment of loan	(3,487,171)	-
	<u>-</u>	<u>1,040,000</u>
Non Current		
Related Party Loan – AusAsia Energy Pty Ltd	<u>-</u>	<u>2,435,062</u>

The Company holds a Put and Call Option that entitles MUI to purchase the shares of JEMS for nil cash consideration, but in full satisfaction of the loan outstanding from AusAsia to MUI. The expiry date of the Put and Call Option is 15 December 2015.

The Company has also amended its Loan Facility Agreement providing a secured loan to AusAsia Energy Pty Ltd to fund exploration work. In summary, the Loan Facility Agreement provides the following:

- A loan facility amount of \$4,000,000 of which \$3,487,171 has been loaned as at 30 June 2015;
- Expiry date – 15 December 2015;
- Security – General security over the assets of AusAsia Energy Pty Ltd and Jems Exploration Pty Ltd;
- Guarantee – Corporate guarantee by Jems Exploration Pty Ltd. Personal guarantee from an associate of AusAsia Energy Pty Ltd (Mr Domenic Martino) who unconditionally and irrevocably guarantees the payment of loan amount and any accrued or capitalised interest;
- The loan is interest free provided full repayment of the funds lent is made prior to the expiry date. Default interest accrues at 12% p.a.

Note 4. NTA Backing

	2015	2014
Net tangible asset backing per ordinary share (cents per share)	<u>(0.02)</u>	<u>0.09</u>

MUI Corporation Limited

Other notes to the preliminary financial statements

For the year ended 30 June 2015

Note 5. Other information

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014, half-year report to 31 December 2014 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Audit

This report is based on accounts that are in the process of being audited. For the 2014 financial year the Company received a modified audit opinion containing an emphasis of matter in respect of going concern.