MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2017

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	QUARTER ENDED		CUMULATIVE 12 MONTHS
	30.06.2017	**30.06.2016**	**30.06.2017**
	RM'000	**RM'000**	**RM'000**
Revenue	106,145	98,456	415,104
Cost of sales	(60,969)	(66,877)	(252,667)
Gross profit	45,176	31,579	162,437
Other income	2,900	7,069	11,568
Distribution costs	(3,152)	(3,698)	(12,583)
Administrative expenses	(20,080)	(40,395)	(83,383)
Other operating expenses	(17,652)	(12,539)	(69,848)
Profit/(Loss) from operations	7,192	(17,984)	8,191
Exceptional items (refer Note A4)	(69,682)	(66,955)	(91,445)
Finance cost	(11,292)	(13,459)	(44,871)
Share of results of associates	(6,977)	(1,315)	11,533
Loss before taxation	(80,759)	(99,713)	(116,592)
Tax (expense)/income	(3,137)	1,669	(10,347)
Loss for the financial period/year	(83,896)	(98,044)	(126,939)
Loss attributable to:-			
Equity holders of the Company	(84,803)	(104,756)	(131,696)
Non-controlling interests	907	6,712	4,757
Loss for the financial period/year	(83,896)	(98,044)	(126,939)
Loss per share attributable to equity holders of the Company:-	**Sen**	**Sen**	**Sen**
Basic / Diluted	(2.89)	(3.57)	(4.49)

Note :

There are no comparative figures for the financial year ended 30 June 2017 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	QUARTER ENDED		CUMULATIVE 12 MONTHS
	30.06.2017	30.06.2016	30.06.2017
	RM'000	RM'000	RM'000
Loss for the financial period/year	(83,896)	(98,044)	(126,939)
Other comprehensive income/(loss), net of tax:-			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign subsidiaries	(15,602)	12,082	46,685
Fair value of available-for-sale investments - (Loss)/Gain on fair value changes	(452)	868	(497)
Capital reserves of winding up a subsidiary derecognised	-	300	-
Share of other comprehensive loss of associates	-	1,042	-
Other comprehensive (loss)/income for the financial period/year	(16,054)	14,292	46,188
Total comprehensive loss for the financial period/year	(99,950)	(83,752)	(80,751)
Total comprehensive (loss)/income attributable to:-			
Equity holders of the Company	(101,669)	(88,941)	(83,744)
Non-controlling interests	1,719	5,189	2,993
Total comprehensive loss for the financial period/year	(99,950)	(83,752)	(80,751)

Note :

There are no comparative figures for the financial year ended 30 June 2017 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	30.06.2017 RM'000	30.06.2016 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	675,080	635,612
Investment properties	99,079	97,507
Investment in associates	448,980	436,781
Other investments	9,728	9,376
Land held for property development	35,263	35,263
Goodwill on consolidation	29,935	102,772
Deferred tax assets	1,052	2,235
	1,299,117	1,319,546
Current Assets		
Property development costs	94,698	86,453
Inventories	46,823	62,022
Trade and other receivables	187,341	160,949
Other investments	49	45
Current tax assets	15,731	16,206
Deposits, bank balances and cash	274,550	311,281
	619,192	636,956
Assets classified as disposal group held for sale	-	85,846
	619,192	722,802
TOTAL ASSETS	1,918,309	2,042,348
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	3,152,866	2,932,561
Reserves	(2,525,633)	(2,221,584)
	627,233	710,977
Non-Controlling Interests	222,358	224,360
Total Equity	849,591	935,337
Non-Current Liabilities	768,715	738,370
Current Liabilities		
Trade and other payables	138,428	141,751
Borrowings	158,366	201,876
Current tax liabilities	3,209	910
	300,003	344,537
Liabilities classified as disposal group held for sale	-	24,104
Total Liabilities	1,068,718	1,107,011
TOTAL EQUITY AND LIABILITIES	1,918,309	2,042,348
	RM	**RM**
Net assets per share attributable to equity holders of the Company	0.21	0.24

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD
Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
CUMULATIVE 12 MONTHS	**Share Capital RM'000**	**Non-Distributable Reserves RM'000**	**Distributable Reserves RM'000**	**Accumulated Losses RM'000**	**Total RM'000**	**RM'000**	**RM'000**
At 1 July 2016	2,932,561	402,526	25,257	(2,649,367)	710,977	224,360	935,337
Loss for the financial period	-	-	-	(131,696)	(131,696)	4,757	(126,939)
Fair value loss on available-for-sale financial assets, net of tax	-	(405)	-	-	(405)	(92)	(497)
Foreign currency translations, net of tax	-	48,357	-	-	48,357	(1,672)	46,685
Total comprehensive income/(loss)	-	47,952	-	(131,696)	(83,744)	2,993	(80,751)
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(4,995)	(4,995)
	-	-	-	-	-	(4,995)	(4,995)
Adjustment for effects of Companies Act 2016 (Note 1)	220,305	(220,305)	-	-	-		
At 30 June 2017	3,152,866	230,173	25,257	(2,781,063)	627,233	222,358	849,591
CUMULATIVE 18 MONTHS							
At 1 January 2015	2,932,561	343,397	25,257	(2,517,114)	784,101	235,139	1,019,240
Loss for the financial year	-	-	-	(136,537)	(136,537)	13,457	(123,080)
Fair value loss on available-for-sale financial assets, net of tax	-	(1,667)	-	-	(1,667)	(348)	(2,015)
Foreign currency translations, net of tax	-	63,738	-	-	63,738	340	64,078
Capital reserves of winding up a subsidiary derecognised	-	300	-	-	300	-	300
Realisation of reserves on dissolution of an associate	-	(4,284)	-	4,284	-	-	-
Share of other comprehensive loss of associates, net of tax	-	1,042	-	-	1,042	-	1,042
Total comprehensive income/(loss)	-	59,129	-	(132,253)	(73,124)	13,449	(59,675)
Transaction with owners:-							
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(19,614)	(19,614)
Dividend paid to non-controlling shareholders	-	-	-	-	-	(4,614)	(4,614)
	-	-	-	-	-	(24,228)	(24,228)
At 30 June 2016	2,932,561	402,526	25,257	(2,649,367)	710,977	224,360	935,337

Note 1 :-

With the new Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM220,305,000, which is classified under non-distributable reserves in this report, has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Company may exercise its right to use the credit amount being transferred from share premium account within 24 months after commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	CUMULATIVE 12 MONTHS 30.06.2017 RM'000
Cash Flows From Operating Activities	
Loss before taxation	(116,592)
Net adjustments	141,817
Operating profit before working capital changes	25,225
Net change in working capital	15,463
Cash generated from operations	40,688
Employee benefits paid	(106)
Interest paid	(1,147)
Interest received	2,595
Net tax paid	(6,267)
Net cash generated from operating activities	35,763
Cash Flows From Investing Activities	
Dividend received	27,634
Interest received	4,590
Proceeds from disposal of property, plant and equipment	20
Proceeds from disposal of other investments	224
Purchase of property, plant and equipment	(11,629)
Withdrawal of fixed deposits pledged with licensed financial institutions	250
Net cash generated from investing activities	21,089
Cash Flows From Financing Activities	
Dividend paid to non-controlling interests of a subsidiary	(4,995)
Interest paid	(43,724)
Net repayments of bank borrowings	(48,991)
Net cash used in financing activities	(97,710)
Effects of exchange rate changes	(3,069)
Net decrease in cash and cash equivalents	(43,927)
Cash and cash equivalents at 30 June 2016	
As previously reported	247,916
Effects of exchange rate changes on cash and cash equivalents	4,902
As restated	252,818
Cash and cash equivalents at 30 June 2017	208,891

There are no comparative figures for the financial year ended 30 June 2017 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to FRS 139 Financial Instrument : Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 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 for the period ended 30 June 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the period ended 30 June 2016.

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 30 June 2016 except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Annual improvements to Financial Reporting Standards which are applicable for the Group's financial year beginning on or after 1 January 2016:-

FRS 14	*Regulatory Deferral Accounts*
Amendments to FRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
Amendments to FRS 10, FRS 12 and FRS 128	*Investment Entities - Applying the Consolidation Exception*
Amendments to FRS 101	*Disclosure Initiative*
Amendments to FRS 116 and FRS 138	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to FRS 127	*Equity Method in Separate Financial Statements*
Annual Improvements to FRSs 2012 - 2014 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

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:-

FRSs and/or IC Interpretations (including The Consequential Amendments)		Effective Date
FRS 16	*Leases*	1 January 2019
Amendments to FRS 2	*Classification and Measurement of Share Based Payment Transactions*	1 January 2018
Amendments to FRS 10 and FRS 128	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred until further notice
Amendments to FRS 107	*Disclosure Initiative*	1 January 2017
Amendments to FRS 112	*Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. However, the MASB further deferred the effective date of the adoption of the following MFRSs Framework by Transitioning Entities to the following dates :

MFRS	Annual periods beginning on or after:
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 15 *Effective Date of MFRS 15*	1 January 2018
Amendments to MFRS 15 *Clarifications to MFRS 15 'Revenue with Customers'*	1 January 2018
Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)	1 January 2018

MUI Properties Berhad, a subsidiary of the Company falls within the scope of definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. As a result, the Group also temporarily deferred the adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the period ended 30 June 2017 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirement of the MFRS Framework for the financial year ending 30 June 2019.

A2 Seasonal or Cyclical Factors

The Group's businesses where seasonal or cyclical factors, other than economic factors, would have some effects on operations are as follows:-

(a) The retailing operations in United Kingdom normally record better sales in the second quarter of the financial year due to the Christmas season. Similarly, the retailing operations in Malaysia have seasonal peaks in tandem with the various festive seasons and during sales promotions;

(b) The hotel operations in United Kingdom normally will experience low trading after Christmas, New Year and Easter due to the after effects of the holiday seasons. Additionally, winter periods will also experience a decline in trading; and

(c) The food operations in Malaysia, Singapore and Hong Kong normally record better sales during the various festive seasons.

A3 Changes in estimates

There were no significant changes in estimates of the amounts reported in prior financial years which have a material effect in the financial year ended 30 June 2017.

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 in the financial year ended 30 June 2017 other than the exceptional items as follows:-

Exceptional items	**QUARTER ENDED**		**CUMULATIVE 12 MONTHS**
	30.06.2017	**30.06.2016**	**30.06.2017**
	RM'000	**RM'000**	**RM'000**
Bad debts recovered	-	71	-
Fair value gain on investment properties	1,597	1,927	1,597
Gain on redemption of preferences shares of an associate		7,002	-
Gain on disposal of other investments (non-current)	-	-	202
Impairment of goodwill on consolidation	(72,327)	(78,568)	(72,837)
Impairment on other investments (current)	-	(1,346)	-
(Loss)/Gain on derecognition of winding up subsidiaries	-	(322)	45
Reversal of Impairment/(impairment) on receivables	(1,100)	271	(4,712)
Reversal of impairment on investment in an associate	-	4,787	-
Reversal of impairment/(Impairment) on property, plant & equipment	-	651	(166)
Net gain/(loss) on foreign exchange	2,148	(1,428)	(15,574)
	(69,682)	(66,955)	(91,445)

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

Ordinary shares issued and fully paid:-

	No. Of Shares In '000	**RM'000**
At 1 July 2016	2,932,561	2,932,561
Adjustment for effects of Companies Act 2016 (refer Note 1 in page 4)	-	220,305
At 30 June 2017	2,932,561	3,152,866

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial year ended 30 June 2017.

A6 Dividends Paid

No dividend was paid by the Company during the financial year ended 30 June 2017 (30 June 2016 : Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial year ended 30 June 2017 is as follows:-

(a) Revenue

	External Customers RM'000	Inter-segment RM'000	Total Revenue RM'000	Share of Associates' Revenue RM'000	Net Revenue RM'000
Retailing	648,347	-	648,347	(531,217)	117,130
Hotel	189,172	-	189,172	-	189,172
Food	71,415	-	71,415	-	71,415
Property	37,459	(72)	37,387	-	37,387
Others	89,819	(73,582)	16,237	(16,237)	-
Total	1,036,212	(73,654)	962,558	(547,454)	415,104

(b) Results

	(Loss)/ Profit from Operations RM'000	Exceptional Items RM'000	Finance Costs RM'000	Share of Associates' Results RM'000	(Loss)/Profit Before Taxation RM'000
Retailing	(18,381)	(3,059)	-	7,671	(13,769)
Hotel	25,597	-	(1,182)	-	24,415
Food	(853)	748	(18)	-	(123)
Property	6,990	-	(50)	-	6,940
Others	(5,162)	(89,134)	(43,621)	3,862	(134,055)
Total	8,191	(91,445)	(44,871)	11,533	(116,592)

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	292,858	219,974	512,832
Hotel	664,107	-	664,107
Food	164,381	-	164,381
Property	289,331	-	289,331
Others	41,869	229,006	270,875
	1,452,546	448,980	1,901,526
Unallocated Corporate Assets			16,783
Total Assets			1,918,309

A8 Events Subsequent to the End of the Financial Year

There are no material events subsequent to the end of the financial year ended 30 June 2017 that have not been reflected in the financial statements for the said period as at the date of this report.

A9 Changes in the Composition of the Group

(a) On 15 September 2016, Acmes Investment Limited ("Acmes"), a wholly-owned subsidiary of Jaguh Padu Sdn Bhd incorporated in Hong Kong, which is in turn a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC"), which in turn a partly-owned subsidiary of Malayan United Industries Berhad ("the Company"), was deregistered and dissolved on 9 September 2016 following an earlier application by Acmes to the Companies Registry in Hong Kong for its deregistration in accordance with the Companies Ordinance.

(b) On 25 April 2017, PMCW Enterprises Sdn Bhd, a wholly-owned subsidiary of PMC, which in turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(c) On 25 April 2017, MUI dotcom Sdn Bhd, a wholly-owned subsidiary of the Company was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(d) On 26 April 2017, United Continental Properties Sdn. Berhad, a wholly-owned subsidiary of MUI Continental Berhad, which in turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(e) On 16 May 2017, Tudor Gold Limited, incorporated in United Kingdom ("UK") and a wholly-owned subsidiary of PMRI Investments (Singapore) Pte Ltd, which in turn a wholly-owned subsidiary of PMC, which in turn a partly-owned subsidiary of the Company, was dissolved by way of striking-off under Section 1000(3) of the UK Companies Act 2006.

(f) On 15 June 2017, the following subsidiaries, which are wholly-owned subsidiaries of PMC, which in turn a partly-owned subsidiaries of the Company, were dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016):-

(i) Bidou Holdings Sdn Bhd
(ii) Clacton Holdings Sdn Bhd
(iii) Delight Consolidated Sdn Bhd
(iv) Lembaran Megah Sdn Bhd
(v) Mikonwadi Sdn Bhd
(vi) PMCW Holdings Sdn Bhd

(g) On 15 June 2017, Resort & Leisure Homes Sdn Bhd, a wholly-owned subsidiary of MUI Properties Berhad ("MUIP"), which is turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(h) On 16 June 2017, Jerico Sdn Bhd, a wholly-owned subsidiary of PMC, which in turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(i) On 16 June 2017, Delray Sdn Bhd, a wholly-owned subsidiary of MUI Properties Berhad ("MUIP"), which is turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(j) On 16 June 2017, Sergap Makmur Sdn Bhd, a wholly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

(k) On 3 July 2017, MUI Continental Berhad, a 52.21% owned subsidiary of Novimax (M) Sdn Bhd, which is in turn a wholly-owned subsidiary of the Company, has at its Extraordinary General Meeting held on 3 July 2017, obtained approval from the shareholders to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

The dissolution and members' voluntary winding-up of the above subsidiaries did not have any material impact on the earnings and net assets of the Group for the financial year ended 30 June 2017.

Other than the above, there were no changes in the composition of the Group during the financial year ended 30 June 2017.

A10 Contingent Liabilities

There are no material contingent liabilities as at the date of this report.

A11 Capital Commitments

As at 30 June 2017, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Authorised but not contracted for	681
Contracted but not provided for	414

A12 Assets and Liabilities Classified As Disposal Group Held For Sale

Pan Malaysia Holdings Berhad ("PMH") was informed by RHB Investment Bank Berhad on behalf of Dato' Dr Yu Kuan Chon that Dato' Dr Yu Kuan Chon had on 12 December 2014 entered into a Share Sale Agreement to acquire 642,700,783 PMH Shares from the Group for a total cash consideration of RM77,124,094 ("Proposed Disposal").

On 13 September 2016, Dato' Dr Yu Kuan Chon and the Group had mutually agreed to terminate the Share Sale Agreement due to the Condition Precedent not being fulfilled by the last extended Cut-Off Date of 12 September 2016 ("Termination"). Upon Termination, the Share Sale Agreement shall be of no further effect and the parties shall be released from all further obligation to each other. The Termination is not expected to have any material effect on the earnings, net assets and gearing of the Group for the financial year ended 30 June 2017.

Upon Termination, the assets and liabilities of PMH ceased to be classified as disposal group held for sale.

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			CUMULATIVE 12 MONTHS
	30.06.2017 RM'000	30.06.2016 RM'000	Changes %	30.06.2017 RM'000
Revenue				
Retailing	28,554	25,626	11.4	117,130
Hotel	49,468	47,954	3.2	189,172
Food	16,867	14,814	13.9	71,415
Property	11,256	10,062	11.9	37,387
Others	-	-	-	-
	106,145	98,456	7.8	415,104
(Loss)/Profit before tax ("(LBT) / PBT")				
Retailing	(10,489)	(8,868)	(18.3)	(13,769)
Hotel	7,260	83	8,647.0	24,415
Food	(1,449)	1,219	(218.9)	(123)
Property	1,437	(31)	4,735.5	6,940
Financial Services	-	-	-	-
Others	(77,518)	(92,116)	15.8	(134,055)
	(80,759)	(99,713)	19.0	(116,592)

Quarter ended 30 June 2017 vs Quarter ended 30 June 2016

The Group recorded higher revenue of RM106.1 million and lower LBT of RM80.8 million in the current quarter compared with revenue of RM98.5 million and LBT of RM99.7 million for the quarter ended 30 June 2016. The higher revenue in the current quarter was attributed to increase in revenue from all divisions. The lower LBT in the current quarter was mainly attributed to higher PBT from hotel division, lower impairment of goodwill and lower interest expense. The fair value gain on interest rate swap also contributed to the lower LBT in the current quarter as compared to a fair value loss on interest rate swap for the quarter ended 30 June 2016.

The Group's retailing operations in Malaysia recorded higher revenue of RM28.6 million and lower LBT of RM2.1 million for the current quarter compared with revenue of RM25.6 million and LBT of RM7.6 million for the quarter ended 30 June 2016. The higher revenue in the current quarter was mainly attributed to the higher sale achieved by the department stores in Malaysia.

The Group’s hotel operations in Malaysia recorded higher revenue of RM8.6 million and PBT of RM1.3 million in the current quarter compared with revenue of RM7.0 million and LBT of RM0.8 million for the quarter ended 30 June 2016. The higher revenue and PBT in the current quarter were mainly attributed to increase in occupancy. In the UK, the Group's hotel operations recorded the same level of revenue as in the quarter ended 30 June 2016. However, its PBT had improved from RM0.9 million for the quarter ended 30 June 2016 to RM6.1 million in the current quarter mainly due to increase in occupancy and average room rate as well as decrease in operating expenses.

The Group's food division recorded higher revenue of RM16.9 million and LBT of RM1.4 million in the current quarter compared with revenue of RM14.8 million and PBT of RM1.2 million for the quarter ended 30 June 2016. The higher revenue in the current quarter was mainly due to increase in export sales. However, the LBT in the current quarter was mainly due to increase in labour costs and impairment on receivables.

The Group's property division recorded higher revenue of RM11.3 million and PBT of RM1.4 million in the current quarter compared with revenue of RM10.1 million and LBT of RM31,000 in the quarter ended 30 June 2016. The higher revenue and PBT in the current quarter were mainly due to higher billings based on progress of current projects in Bandar Springhill, Negeri Sembilan.

The Group has discontinued recognising share of further results from an associate in the financial services division as the total share of the associate's losses exceeds the Group's interest in the associate.

The Group’s “others” segment mainly comprises normal corporate items such as interest income, expenses and finance cost of investment holding and dormant subsidiaries as well as exceptional items such as impairment on assets and foreign exchange gain or loss. For the current quarter, the lower LBT was mainly attributed to lower impairment of goodwill, fair value gain on interest rate swap and lower interest expense.

Cumulative 12 months for financial year ended 30 June 2017

For the financial year ended 30 June 2017, the Group recorded revenue of RM415.1 million and LBT of RM116.6 million. The LBT in the financial year ended 30 June 2017 was mainly attributed to impairment of goodwill amounting to RM72.3 million in relation to the Group's investment in retailing operations in Malaysia. LBT of RM21.4 million from retailing operations in Malaysia, unrealised foreign exchange translation loss of intragroup balances amounting to RM15.6 million arising from the depreciation of Ringgit Malaysia against major foreign currencies and lower share of profit of an associate also contributed to the LBT of RM116.6 million.

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

	Quarter Ended		
	30.06.2017	**31.03.2017**	**Changes**
	RM'000	**RM'000**	**%**
Revenue			
Retailing	28,554	29,614	(3.6)
Hotel	49,468	38,979	26.9
Food	16,867	16,340	3.2
Property	11,256	10,226	10.1
Others	-	-	-
	106,145	95,159	11.5
(Loss)/Profit before tax ("(LBT) / PBT")			
Retailing	(10,489)	(7,079)	(48.2)
Hotel	7,260	(496)	1,563.7
Food	(1,449)	1,134	(227.8)
Property	1,437	3,561	(59.6)
Others	(77,518)	(9,443)	(720.9)
	(80,759)	(12,323)	(555.4)

The Group recorded higher revenue of RM106.1 million and higher LBT of RM80.8 million compared with revenue of RM95.2 million and LBT of RM12.3 million in the preceding quarter. The higher revenue in the current quarter was contributed by hotel division due to increase in occupancy. The higher LBT in the current quarter was mainly attributed to impairment of goodwill of RM72.3 million in relation to the Group's investment in retailing operations in Malaysia and lower share of profit of an associate.

B3 Prospects for year 2017

The consumers sentiments are expected to remain cautious. The domestic retailing and shopping landscape is increasingly competitive and consumers preferences are evolving.

In view of the above, the Group is cautious on the performance of its retailing and property business in the foreseeable future.

The Group, nevertheless, is fairly optimistic of the performance of its hotel business as tourist arrivals from China and the neighbouring countries are seen sustainable.

The Group’s property division will be launching more affordable houses in the coming months to cater for the middle income group. Consolidations of operations and productivity improvements for the food and retailing operations will continue in order to achieve better operating results.

The Group will continue to reduce its gearing by rationalising its portfolio of assets and businesses.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Loss before tax

Included in the (loss)/profit before tax were the followings items:-

	QUARTER ENDED			**CUMULATIVE 12 MONTHS**
	30.06.2017	**30.06.2016**	**Changes**	**30.06.2017**
	RM'000	**RM'000**	**%**	**RM'000**
Depreciation	(5,203)	(5,646)	7.8	(20,688)
Fair value gain/(loss) on interest rate swap	3,975	(9,480)	141.9	3,975
Gain on disposal of property, plant and equipment	-	(2)	100.0	20
Interest income	1,942	4,476	(56.6)	7,184
Impairment loss on convertible bond	-	7	(100.0)	-
Inventories written down	1,707	(6,113)	127.9	(7,084)
Property, plant and equipment written off	(35)	(1,683)	97.9	(71)

B6 Trade Receivables

(a) The credit term of trade receivables range from 7 to 120 days.

(b) The ageing of trade receivables of the Group are as follows:-

	CUMULATIVE 12 MONTHS		
	30.06.2017 RM'000	30.06.2016 RM'000	Changes %
Neither past due	24,327	13,703	77.5
Past due			
1 to 30 days	4,813	785	513.1
31 to 60 days	2,812	5,142	(45.3)
61 to 90 days	2,404	3,904	(38.4)
91 to 120 days	559	1,198	(53.3)
More than 121 days	222	3,596	(93.8)
	35,137	28,328	24.0

B7 Tax Expense / (Income)

Tax expense / (income) comprises of:-

		QUARTER ENDED			CUMULATIVE 12 MONTHS
		30.06.2017 RM'000	30.06.2016 RM'000	Changes %	30.06.2017 RM'000
Current tax expense / (income)	- Malaysia	1,356	1,685	(19.5)	6,124
	- Foreign	1,891	(1,778)	206.4	3,100
Deferred tax		59	(472)	112.5	1,377
		3,306	(565)	685.1	10,601
Over provision in respect of prior years		(169)	(1,104)	84.7	(254)
		3,137	(1,669)	288.0	10,347

The tax provision of the Group for the financial year ended 30 June 2017 was higher than the statutory rate of tax applicable mainly due to losses by certain subsidiaries where no group relief on losses were available.

B8 Status of Corporate Proposals

Pan Malaysia Holdings Berhad ("PMH") was informed by RHB Investment Bank Berhad on behalf of Dato' Dr Yu Kuan Chon that Dato' Dr Yu Kuan Chon had on 12 December 2014 entered into a Share Sale Agreement to acquire 642,700,783 PMH Shares from the Group for a total cash consideration of RM77,124,094 ("Proposed Disposal").

On 13 September 2016, Dato' Dr Yu Kuan Chon and the Group had mutually agreed to terminate the Share Sale Agreement due to the Condition Precedent not being fulfilled by the last extended Cut-Off Date of 12 September 2016 ("Termination"). Upon Termination, the Share Sale Agreement shall be of no further effect and the parties shall be released from all further obligation to each other. The Termination is not expected to have any material effect on the earnings, net assets and gearing of the Group for the financial year ended 30 June 2017.

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

B9 Group Borrowings

Total Group borrowings as at 30 June 2017 were as follows:-

	30.06.2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Term loan	671,160	14,658	685,818
- Revolving credit	-	51,000	51,000
- Bank overdraft	-	27,838	27,838
- Hire purchase	1,039	831	1,870
	672,199	94,327	766,526
Unsecured			
- Revolving credit	75,456	63,338	138,794
- Bank overdraft	-	701	701
	75,456	64,039	139,495
Total borrowings	747,655	158,366	906,021

	30.06.2016		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- Term loan	657,035	19,454	676,489
- Revolving credit	-	79,000	79,000
- Bank overdraft	-	26,846	26,846
- Hire purchase	2,319	710	3,029
	659,354	126,010	785,364
Unsecured			
- Revolving credit	75,456	75,538	150,994
- Bank overdraft	-	1,303	1,303
	75,456	76,841	152,297
Total borrowings	734,810	202,851	937,661
Less : Classified as held for sale	(17,375)	(975)	(18,350)
	717,435	201,876	919,311

Foreign borrowing in Ringgit Malaysia equivalent as at 30 June 2017 included in the above was as follows:-

	30.06.2017		30.06.2016	
	£'000	**RM'000**	**£'000**	**RM'000**
Total foreign borrowings	89,718	501,531	89,944	484,890

The foreign borrowing above was taken by a foreign subsidiary of the Group.

B10 Derivative Financial Instruments

Interest rate swap contract

The Group has entered into interest rate swap contract to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuation in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amount was exchanged at periodic intervals. All changes in fair value during the financial period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

The outstanding interest rate swap contract as at 30 June 2017 is as follows:-

Effective Period	**Notional Amount**
	£'000
28 July 2015 to 19 May 2020	26,276

The changes in fair value of the above interest rate swap were recognised in profit or loss.

As at 30 June 2017, the notional amount, fair value and maturity tenor of the interest rate swap contract are as follows:-

	Notional Amount	**Fair Value Liabilities**
	RM'000	**RM'000**
Non-current liabilities		
More than 3 years	146,885	4,869

B11 Fair Value Changes of Financial Liabilities

As at 30 June 2017, the Group did not have any financial liabilities measured at fair value through profit or loss except for derivative financial instrument mentioned in B9.

B12 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 30.06.2017 RM'000	**At 30.06.2016 RM'000**	**Changes %**
Total accumulated losses of the Group:-			
- Realised losses	(4,404,614)	(4,685,606)	6.0
- Unrealised losses	(1,027,772)	(1,083,566)	5.1
	(5,432,386)	(5,769,172)	5.8
Total share of accumulated losses from associates:-			
- Realised losses	(54,854)	(54,584)	(0.5)
- Unrealised gains	786	786	-
	(5,486,454)	(5,822,970)	5.8
Consolidation adjustments	2,705,391	3,173,603	(14.8)
Total accumulated losses	(2,781,063)	(2,649,367)	(5.0)

B13 Material Litigation

There was no material litigation involving the Group as at the date of this report.

B14 Dividend

No dividend has been declared by the Board for the financial year ended 30 June 2017 (30 June 2016: Nil).

B15 Basic Loss Per Share

	QUARTER ENDED			CUMULATIVE 12 MONTHS
	30.06.2017	30.06.2016	Changes %	30.06.2017
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	-	2,932,561
Loss for the financial period attributable to equity holders of the Company (RM'000)	(84,803)	(104,756)	19.0	(131,696)
Basic loss per share (sen)	(2.89)	(3.57)	19.0	(4.49)
Diluted loss per share (sen)	(2.89)	(3.57)	19.0	(4.49)

Diluted loss per ordinary share is the same as basic loss per ordinary share as there were no dilutive potential ordinary shares.

B16 Comparative Figures

There are no comparative figures for the financial year ended 30 June 2017 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

B17 Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2016 was not qualified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 29 August 2017