

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2017**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	QUARTER ENDED		CUMULATIVE 3 MONTHS	
	30.09.2017 RM'000	30.09.2016 RM'000	30.09.2017 RM'000	30.09.2016 RM'000
Revenue	105,820	102,033	105,820	102,033
Cost of sales	(65,306)	(59,230)	(65,306)	(59,230)
Gross profit	40,514	42,803	40,514	42,803
Other income	2,140	3,586	2,140	3,586
Distribution costs	(3,322)	(3,133)	(3,322)	(3,133)
Administrative expenses	(21,439)	(20,635)	(21,439)	(20,635)
Other operating expenses	(17,861)	(18,776)	(17,861)	(18,776)
Profit from operations	32	3,845	32	3,845
Exceptional items (refer Note A4)	(764)	(3,911)	(764)	(3,911)
Finance cost	(10,614)	(10,951)	(10,614)	(10,951)
Share of results of associates (*)	3,241	6,606	3,241	6,606
Loss before taxation	(8,105)	(4,411)	(8,105)	(4,411)
Tax expense	(1,924)	(2,457)	(1,924)	(2,457)
Loss for the financial period	(10,029)	(6,868)	(10,029)	(6,868)
Loss attributable to:-				
Equity holders of the Company	(11,334)	(8,637)	(11,334)	(8,637)
Non-controlling interests	1,305	1,769	1,305	1,769
Loss for the financial period	(10,029)	(6,868)	(10,029)	(6,868)
Loss per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic / Diluted	(0.39)	(0.29)	(0.39)	(0.29)

* Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2017 is not publicly available.

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHADCompany No: 3809-W
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017**

	<u>QUARTER ENDED</u>		<u>CUMULATIVE 3 MONTHS</u>	
	<u>30.09.2017</u> <u>RM'000</u>	<u>30.09.2016</u> <u>RM'000</u>	<u>30.09.2017</u> <u>RM'000</u>	<u>30.09.2016</u> <u>RM'000</u>
Loss for the financial period	(10,029)	(6,868)	(10,029)	(6,868)
Other comprehensive income/(expense), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	(3,671)	16,134	(3,671)	16,134
Fair value of available-for-sale investments - Gain/(Loss) on fair value changes	93	(1,478)	93	(1,478)
Other comprehensive (expenses)/income for the financial period	(3,578)	14,656	(3,578)	14,656
Total comprehensive (expense)/income for the financial period	(13,607)	7,788	(13,607)	7,788
Total comprehensive (expense)/income attributable to:-				
Equity holders of the Company	(15,543)	5,613	(15,543)	5,613
Non-controlling interests	1,936	2,175	1,936	2,175
Total comprehensive (expense)/income for the financial period	(13,607)	7,788	(13,607)	7,788

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	30.09.2017 RM'000	30.06.2017 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	679,811	674,511
Investment properties	98,826	99,079
Investment in associates	440,323	441,372
Other investments	10,740	10,647
Land held for property development	35,263	35,263
Goodwill on consolidation	29,935	29,935
Deferred tax assets	1,078	1,052
	<u>1,295,976</u>	<u>1,291,859</u>
Current Assets		
Property development costs	93,110	94,698
Inventories	42,603	48,206
Trade and other receivables	175,813	187,149
Other investments	49	49
Current tax assets	13,841	17,039
Deposits, bank balances and cash	272,409	276,662
	<u>597,825</u>	<u>623,803</u>
TOTAL ASSETS	<u>1,893,801</u>	<u>1,915,662</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	3,152,866	3,152,866
Reserves	(2,550,185)	(2,534,642)
	<u>602,681</u>	<u>618,224</u>
Non-Controlling Interests	<u>230,092</u>	<u>228,108</u>
Total Equity	<u>832,773</u>	<u>846,332</u>
Non-Current Liabilities	<u>799,985</u>	<u>794,072</u>
Current Liabilities		
Trade and other payables	125,907	141,642
Borrowings	130,947	130,392
Current tax liabilities	4,189	3,224
	<u>261,043</u>	<u>275,258</u>
Total Liabilities	<u>1,061,028</u>	<u>1,069,330</u>
TOTAL EQUITY AND LIABILITIES	<u>1,893,801</u>	<u>1,915,662</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.21	0.21

Note :

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 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 30 SEPTEMBER 2017

	Attributable to Equity Holders of the Company				Total	Non-Controlling Interests	Total Equity
	Share Capital	Distributable Reserves	Distributable Reserves	Accumulated Losses			
CUMULATIVE 3 MONTHS	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2017	3,152,866 *	229,200	25,257	(2,789,099)	618,224	228,108	846,332
(Loss)/Profit for the financial period	-	-	-	(11,334)	(11,334)	1,305	(10,029)
Fair value loss on available-for-sale financial assets, net of tax	-	90	-	-	90	3	93
Foreign currency translations, net of tax	-	(4,299)	-	-	(4,299)	628	(3,671)
Total comprehensive (expense)/income	-	(4,209)	-	(11,334)	(15,543)	1,936	(13,607)
Transaction with owners:-							
Realisation of reserves upon winding up of a subsidiary	-	(406)	(910)	1,316	-	-	-
Derecognised upon winding up of a subsidiary	-	-	-	-	-	48	48
	-	(406)	(910)	1,316	-	48	48
At 30 September 2017	3,152,866	224,585	24,347	(2,799,117)	602,681	230,092	832,773
CUMULATIVE 3 MONTHS							
At 1 July 2016	2,932,561	402,526	25,257	(2,649,367)	710,977	224,360	935,337
(Loss)/Profit for the financial period	-	-	-	(8,637)	(8,637)	1,769	(6,868)
Fair value loss on available-for-sale financial assets, net of tax	-	(1,224)	-	-	(1,224)	(254)	(1,478)
Foreign currency translations, net of tax	-	15,474	-	-	15,474	660	16,134
Total comprehensive income/(expense)	-	14,250	-	(8,637)	5,613	2,175	7,788
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(2,867)	(2,867)
	-	-	-	-	-	(2,867)	(2,867)
At 30 September 2016	2,932,561	416,776	25,257	(2,658,004)	716,590	223,668	940,258

Note :

* On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium account of RM220,305,000 became part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Companies Act 2016. There is no impact on the number of ordinary shares in issue on the relative entitlement of any of the members as a result of this transition.

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	CUMULATIVE 3 MONTHS	
	30.09.2017	30.09.2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(8,105)	(4,411)
Net adjustments	9,669	11,793
	<hr/>	<hr/>
Operating profit before working capital changes	1,564	7,382
Net change in working capital	4,957	(5,974)
	<hr/>	<hr/>
Cash generated from operations	6,521	1,408
Employee benefits paid	-	(3)
Interest paid	(339)	(32)
Interest received	409	1,221
Net tax refunded / (paid)	1,061	(792)
	<hr/>	<hr/>
Net cash generated from operating activities	7,652	1,802
Cash Flows From Investing Activities		
Dividend received	-	13,447
Interest received	979	1,495
Purchase of property, plant and equipment	(2,768)	(1,419)
Purchase of property, plant and equipment from restricted fund	574	-
Withdrawal/(Placement) of fixed deposits pledged with licensed financial institutions	27	(15)
	<hr/>	<hr/>
Net cash (used in) / generated from investing activities	(1,188)	13,508
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	-	(2,867)
Interest paid	(10,274)	(10,919)
Net repayments of bank borrowings	(1,106)	(9,589)
	<hr/>	<hr/>
Net cash used in financing activities	(11,380)	(23,375)
	<hr/>	<hr/>
Effects of exchange rate changes	790	(2,308)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(4,126)	(10,373)
Cash and cash equivalents at 1 July		
As previously reported	199,413	247,916
Effects of exchange rate changes on cash and cash equivalents	(129)	848
	<hr/>	<hr/>
As restated	199,284	248,764
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	195,158	238,391

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 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 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 financial year ended 30 June 2017. 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 financial year ended 30 June 2017.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2017 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 2017:-

Amendments to FRS 107	<i>Disclosure Initiative</i>
Amendments to FRS 112	<i>Recognition of Deferred Tax Assets for</i>
Annual Improvements to FRS Standard 2014 - 2016 Cycles:	
* <i>Amendments to FRS 12: Clarification of the Scope of Standard</i>	

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:-

<u>FRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>	
FRS 9	<i>Financial Instruments (IFRS 9 issued by IASB in July 2014)</i>	1 January 2018
IC Interpretation 22	<i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
IC Interpretation 23	<i>Uncertainty Over Income Tax Treatments</i>	1 January 2019
Amendments to FRS 2	<i>Classification and Measurement of Share Based Payment Transactions</i>	1 January 2018
Amendments to FRS 4	<i>Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts</i>	1 January 2018
Amendments to FRS 10 and FRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred until further notice
Amendments to FRS 140	<i>Transfer of Investment Property</i>	1 January 2018
Annual Improvements to FRS Standard 2014 - 2016 Cycles:		
* <i>Amendments to FRS 1 : Deletion of Short-term Exemptions for First-time Adopters</i>		1 January 2018
* <i>Amendments to FRS 128 : Measuring an Associate or Joint Venture at Fair Value</i>		1 January 2018

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Malaysian Financial Reporting Standards

Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; 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").

As further announced by MASB on 28 October 2015, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 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 MFRSs. As a result, the Group also temporarily deferred the adoption of the new MFRSs. Accordingly, the Group will be required to prepare financial statements using the MFRSs 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 MFRSs. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

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 Malaysia have seasonal peaks in tandem with various festive seasons and sales promotions approved by Ministry of Domestic Trade, Co-operatives and Consumerism;
- (b) The hotel operations and hospitality business in the United Kingdom normally experience low seasonality due to after effects of the festivities and holiday seasons of Christmas and New Year. Additionally, winter period will also experience a decline in trading;
- (c) The food operations of the Group is affected by seasonal factors; and
- (d) The property operations of the Group is not affected by seasonal factors.

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 period ended 30 September 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 period ended 30 September 2017 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE 3 MONTHS	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Impairment of goodwill on consolidation	-	(510)	-	(510)
Impairment on receivables	-	(310)	-	(310)
Impairment on property, plant & equipment	-	(166)	-	(166)
Loss on winding up of a subsidiary	(561)	-	(561)	-
Net loss on foreign exchange	(203)	(2,925)	(203)	(2,925)
	(764)	(3,911)	(764)	(3,911)

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A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

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 period ended 30 September 2017.

A6 Dividends Paid

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

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 september 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	95,740 *	-	95,740	(71,816)	23,924
Hotel	57,595	-	57,595	-	57,595
Food	17,845	-	17,845	-	17,845
Property	6,474	(18)	6,456	-	6,456
Others	2,677	(18)	2,659	(2,659)	-
Total	180,331	(36)	180,295	(74,475)	105,820

(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	(9,077)	-	-	3,050 *	(6,027)
Hotel	10,866	-	(294)	-	10,572
Food	162	(22)	-	-	140
Property	1,090	-	(45)	-	1,045
Others	(3,009)	(742)	(10,275)	191	(13,835)
Total	32	(764)	(10,614)	3,241	(8,105)

* Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2017 is not publicly available.

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	211,314	217,185	428,499
Hotel	661,065	-	661,065
Food	102,601	-	102,601
Property	287,382	-	287,382
Others	176,197	223,138	399,335
	1,438,559	440,323	1,878,882
Unallocated Corporate Assets			14,919
Total Assets			1,893,801

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A8 Events Subsequent to the End of the Financial Period

There are no material events subsequent to the end of the financial period ended 30 September 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 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.
- (b) On 21 July 2017, AIGM Sdn Bhd ("AIGM"), a wholly-owned subsidiary of MUI Properties Berhad ("MUIP"), which is in turn a partly-owned subsidiary of the Company, has been struck-off from the register of the Companies Commission of Malaysia pursuant to the final notice issued under Section 308(4) of the Companies Act, 1965 (now superseded by the Companies Act 2016) which was published in the Gazette dated 13 July 2017.
- (c) On 1 August 2017, Kayangan Makmur Sdn Bhd, a wholly-owned subsidiary of Pan Malaysia Holdings Berhad ("PMH"), which is in turn a partly-owned subsidiary of the Company, has at their Extraordinary General Meeting held on 1 August 2017, obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.
- (d) On 14 September 2017, the following wholly-owned subsidiaries, have been dissolved pursuant to Section 308(4) of the Companies Act, 1965 (now superseded by the Companies Act 2016):-
 - (i) Grand Oak Sdn Bhd
 - (ii) Honoraire Sdn Bhd
 - (iii) Malayan United Nominees (Tempatan) Sdn Bhd
 - (iv) Mayang Unggul Sdn Bhd
 - (v) Merchant Network Sdn Bhd
 - (vi) Pure Capital Sdn Bhd
- (e) On 12 September 2017, the following indirect 62.50%-owned subsidiaries incorporated in United Kingdom have been dissolved by way of voluntary striking-off:-
 - (i) Bistro Bistrot Limited
 - (ii) The Early Grey Tea Rooms Limited
 - (iii) Simply Nico Limited
- (f) On 14 September 2017, the following wholly-owned subsidiaries of PMH, which is in turn a partly-owned subsidiary of the Company, has at their Extraordinary General Meeting held on 14 September 2017, obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016:-
 - (i) Destiny Aims Sdn Bhd
 - (ii) Pengkalen Equities Sdn Bhd
 - (iii) Pengkalen Properties Sdn Bhd
 - (iv) Pan Malaysia Travel & Tours Sdn Bhd
- (g) On 18 September 2017, Polacre Sdn Bhd, a wholly-owned subsidiary of MUIP, which is in turn a partly-owned subsidiary of the Company, which was placed under members' voluntary winding-up on 11 March 2016, has been dissolved on 18 September 2017 pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).
- (h) On 18 September 2017, Southern Challenger (M) Sdn Bhd, a dormant wholly-owned subsidiary of the Company, has been struck-off from the register of the Companies Commission of Malaysia and dissolved upon publication of the Notice in the Gazette pursuant to Section 308(4) of the Companies Act, 1965 (now superseded by the Companies Act 2016).
- (i) On 18 September 2017, the following wholly-owned subsidiaries, have been dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016):-
 - (i) MUI Sdn Bhd
 - (ii) Prizewood Sdn Bhd

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- (j) On 13 October 2017, Ming Court Hotels International Limited ("MCHIL"), a wholly-owned subsidiary of Ming Court Hotels International Sdn Bhd incorporated in Hong Kong, which is in turn a wholly-owned subsidiary of the Company, has been deregistered and dissolved on 13 October 2017 following an earlier application by MCHIL to the Companies Registry in Hong Kong for its deregistration in accordance with the Companies Ordinance.

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 period ended 30 September 2017.

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

A10 Contingent Liabilities

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

A11 Capital Commitments

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

	RM'000
Authorised but not contracted for	<u>467</u>
Contracted but not provided for	<u>258</u>

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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 3 MONTHS		Changes %
	30.09.2017 RM'000	30.09.2016 RM'000		30.09.2017 RM'000	30.09.2016 RM'000	
Revenue						
Retailing	23,924	25,256	(5.3)	23,924	25,256	(5.3)
Hotel	57,595	52,345	10.0	57,595	52,345	10.0
Food	17,845	17,333	3.0	17,845	17,333	3.0
Property	6,456	7,099	(9.1)	6,456	7,099	(9.1)
Others	-	-	-	-	-	-
	<u>105,820</u>	<u>102,033</u>	<u>3.7</u>	<u>105,820</u>	<u>102,033</u>	<u>3.7</u>
(Loss)/Profit before tax ("LBT) / PBT")						
Retailing	(6,027) *	(543) *	(1,009.9)	(6,027) *	(543) *	(1,009.9)
Hotel	10,572	10,222	3.4	10,572	10,222	3.4
Food	140	(150)	193.3	140	(150)	193.3
Property	1,045	1,413	(26.0)	1,045	1,413	(26.0)
Financial Services	-	-	-	-	-	-
Others	(13,835)	(15,353)	9.9	(13,835)	(15,353)	9.9
	<u>(8,105)</u>	<u>(4,411)</u>	<u>(83.7)</u>	<u>(8,105)</u>	<u>(4,411)</u>	<u>(83.7)</u>

* Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2017 is not publicly available.

Quarter ended 30 September 2017 vs Quarter ended 30 September 2016

The Group recorded higher revenue of RM105.8 million and higher LBT of RM8.1 million in the current quarter compared with revenue of RM102.0 million and LBT of RM4.4 million for the quarter ended 30 September 2016. The higher revenue in the current quarter was attributed to increase in revenue from hotel division and food division. The higher LBT in the current quarter was mainly attributed to higher LBT from retailing division.

The Group's retailing operations in Malaysia recorded lower revenue of RM23.9 million and higher LBT of RM9.1 million for the current quarter compared with revenue of RM25.3 million and LBT of RM6.9 million for the quarter ended 30 September 2016. The lower revenue in the current quarter was mainly from the specialty stores. The higher LBT in the current quarter was mainly attributed to provision of stock depreciation of RM2.1 million whereas there was no such provision in the quarter ended 30 September 2016.

The Group's hotel operations in Malaysia recorded higher revenue of RM11.1 million and higher PBT of RM3.0 million in the current quarter compared with revenue of RM10.3 million and PBT of RM2.6 million for the quarter ended 30 September 2016. The higher revenue and PBT in the current quarter were mainly attributed to a higher level of room occupancy. In the UK, the Group's hotel operations recorded higher revenue of RM46.5 million in the current quarter compared with RM42.0 million for the quarter ended 30 September 2016. The increase in revenue was mainly attributed to increase in average room rate. Despite higher revenue, the Group's hotel operations in the UK recorded the same level of PBT as the increase in revenue was offset by higher operating expenses.

The Group's food division recorded higher revenue of RM17.8 million and PBT of RM0.1 million in the current quarter compared with revenue of RM17.3 million and LBT of RM0.1 million for the quarter ended 30 September 2016. The higher revenue and PBT were mainly attributed to increase in export sales.

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The Group's property division recorded lower revenue of RM6.5 million and lower PBT of RM1.0 million in the current quarter compared with revenue of RM7.1 million and PBT of RM1.4 million in the quarter ended 30 September 2016. The lower revenue in the current quarter was mainly attributed to the lower level of works progress of the projects in Bandar Springhill, Negeri Sembilan. The lower PBT in the current quarter was mainly due to lower revenue and higher operating expenses.

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 unrealised foreign exchange translation loss of intragroup balances.

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

	Quarter Ended		Changes %
	30.09.2017 RM'000	30.06.2017 RM'000	
Revenue			
Retailing	23,924	27,821	(14.0)
Hotel	57,595	49,469	16.4
Food	17,845	16,560	7.8
Property	6,456	11,254	(42.6)
Others	-	-	-
	105,820	105,104	0.7
(Loss)/Profit before tax ("LBT) / PBT")			
Retailing	(6,027) *	(80,218)	92.5
Hotel	10,572	6,144	72.1
Food	140	(1,858)	107.5
Property	1,045	1,437	(27.3)
Others	(13,835)	(6,330)	(118.6)
	(8,105)	(80,825)	90.0

* Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2017 is not publicly available.

The Group recorded higher revenue of RM105.8 million and lower LBT of RM8.1 million compared with revenue of RM105.1 million and LBT of RM80.8 million in the preceding quarter. The higher revenue in the current quarter was mainly contributed by hotel division and food division. The higher LBT in the preceding quarter was mainly attributed to impairment of goodwill of RM72.8 million in relation to the Group's investment in retailing operations in Malaysia.

The Group's retailing operations in Malaysia recorded lower revenue of RM23.9 million and LBT of RM6.0 million for the current quarter compared with revenue of RM27.8 million and LBT of RM80.2 million in the preceding quarter. The higher revenue in the preceding quarter was mainly due to Hari Raya festive sales. The higher LBT in the preceding quarter was mainly attributed to impairment of goodwill of RM72.8 million in relation to the Group's investment in retailing operations in Malaysia.

The Group's hotel operations in Malaysia recorded higher revenue of RM11.1 million and higher PBT of RM3.0 million in the current quarter compared with revenue of RM8.6 million and PBT of RM0.1 million in the preceding quarter. The higher revenue and PBT in the current quarter were mainly attributed to a higher level of room occupancy. In the UK, the Group's hotel operations recorded the higher revenue of RM46.5 million and higher PBT of RM7.7 million in the current quarter compared with revenue of RM40.9 million and PBT of RM6.1 million in the preceding quarter. The increase in revenue and PBT in the current quarter were mainly attributed to increase in both room occupancy and average room rate.

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The Group's food division recorded higher revenue of RM17.8 million and PBT of RM0.1 million in the current quarter compared with revenue of RM16.6 million and LBT of RM1.9 million in the preceding quarter. The higher revenue in the current quarter was mainly attributed to increase in export sales. The LBT in the preceding quarter was mainly due to increase in labour cost and impairment on receivables.

The Group's property division recorded lower revenue of RM6.5 million and lower PBT of RM1.0 million in the current quarter compared with revenue of RM11.3 million and PBT of RM1.4 million in the preceding quarter. The lower revenue in the current quarter was mainly attributed to the lower level of works progress in the projects in Bandar Springhill, Negeri Sembilan. The lower PBT in the current quarter was mainly due to lower revenue and higher operating expenses.

The Group's "others" segment recorded higher LBT of RM13.8 million in the current quarter compared with LBT of RM6.3 million in the preceding quarter. The lower LBT in the preceding quarter was mainly attributed to fair value gain on interest rate swap whereas no such gain in the current quarter and unrealised foreign exchange translation gain of intragroup balances arising from the appreciation of Ringgit Malaysia against major foreign currencies.

B3 Prospects for year 2017/2018

The Group's retailing division is faced with challenges due to evolving lifestyles, growing online shopping and cautious consumer sentiments. The retailing division will continue with cost rationalization and consolidation to improve its performance.

The Group is fairly optimistic of the performance of its hotels in Malaysia and the UK.

For food division, the Group has undertaken measures to improve operational efficiency, strengthen export development and will launch promotional activities in the upcoming festive seasons.

The prospects for the property market remain challenging for the remaining quarters. Nevertheless, the Group is cautiously optimistic on the demand for its affordable landed residential properties in Bandar Springhill.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 Loss before tax

Included in the loss before tax were the followings items:-

	QUARTER ENDED		Changes %	CUMULATIVE 3 MONTHS		Changes %
	30.09.2017 RM'000	30.09.2016 RM'000		30.09.2017 RM'000	30.09.2016 RM'000	
Depreciation	(5,253)	(5,764)	8.9	(5,253)	(5,764)	8.9
Interest income	1,388	2,716	(48.9)	1,388	2,716	(48.9)
Inventories (written down) / written back	(2,728)	368	(841.3)	(2,728)	368	(841.3)
Property, plant and equipment written off	(35)	(43)	18.6	(35)	(43)	18.6
	(5,253)	(5,764)		(5,253)	(5,764)	

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:-

	30.09.2017 RM'000	30.06.2017 RM'000	Changes %
Neither past due	15,396	18,741	(17.8)
Past due			
1 to 30 days	5,628	4,122	36.5
31 to 60 days	2,345	1,791	30.9
61 to 90 days	1,450	2,923	(50.4)
91 to 120 days	614	312	96.8
More than 121 days	2,942	3,765	(21.9)
	28,375	31,654	(10.4)

B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED		Changes %	CUMULATIVE 3 MONTHS		Changes %
	30.09.2017 RM'000	30.09.2016 RM'000		30.09.2017 RM'000	30.09.2016 RM'000	
Current tax expense						
- Malaysia	934	1,487	(37.2)	934	1,487	(37.2)
- Foreign	1,015	36	2,719.4	1,015	36	2,719.4
Deferred tax	(25)	1,279	(102.0)	(25)	1,279	(102.0)
	1,924	2,802	(31.3)	1,924	2,802	(31.3)
Over provision in respect of prior years	-	(345)	100.0	-	(345)	100.0
	1,924	2,457	(21.7)	1,924	2,457	(21.7)

The tax provision of the Group for the financial period ended 30 September 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

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

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B9 Group Borrowings

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

	30.09.2017		Total Borrowings RM'000
	Long Term RM'000	Short Term RM'000	
<i>Secured</i>			
- Term loan	697,891	18,931	716,822
- Revolving credit	-	25,000	25,000
- Bank overdraft	-	28,243	28,243
- Hire purchase	843	844	1,687
	698,734	73,018	771,752
<i>Unsecured</i>			
- Revolving credit	82,764	57,030	139,794
- Bank overdraft	-	899	899
	82,764	57,929	140,693
Total borrowings	781,498	130,947	912,445

	30.06.2017		Total Borrowings RM'000
	Long Term RM'000	Short Term RM'000	
<i>Secured</i>			
- Term loan	665,826	19,992	685,818
- Revolving credit	26,000	25,000	51,000
- Bank overdraft	-	27,838	27,838
- Hire purchase	1,039	831	1,870
	692,865	73,661	766,526
<i>Unsecured</i>			
- Revolving credit	82,764	56,030	138,794
- Bank overdraft	-	701	701
	82,764	56,731	139,495
	775,629	130,392	906,021

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

	30.09.2017		30.06.2017	
	£'000	RM'000	£'000	RM'000
Total foreign borrowings	89,661	508,521	89,718	501,531

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

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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 September 2017 is as follows:-

<u>Effective Period</u>	<u>Notional Amount</u> £'000
28 July 2015 to 19 May 2020	<u>26,276</u>

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

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

<u>Non-current liabilities</u>	<u>Notional Amount</u> RM'000	<u>Fair Value Liabilities</u> RM'000
More than 3 years	<u>149,027</u>	<u>4,940</u>

B11 Fair Value Changes of Financial Liabilities

As at 30 September 2017, the Group did not have any financial liabilities measured at fair value through profit or loss except for derivative financial instrument mentioned in B10.

B12 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	30.09.2017 RM'000	30.06.2017 RM'000	Changes %
Total accumulated losses of the Group:-			
- Realised losses	(5,332,299)	(5,808,129)	8.2
- Unrealised profits	61,827	38,867	59.1
	<u>(5,270,472)</u>	<u>(5,769,262)</u>	8.6
Total share of accumulated losses from associates:-			
- Realised losses	(54,854)	(54,854)	-
- Unrealised profits	786	786	-
	<u>(5,324,540)</u>	<u>(5,823,330)</u>	8.6
Consolidation adjustments	2,525,423	3,034,231	(16.8)
Total accumulated losses	<u>(2,799,117)</u>	<u>(2,789,099)</u>	(0.4)

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 September 2017 (30 September 2016: Nil).

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B15 Basic Loss Per Share

	QUARTER ENDED		Changes %	CUMULATIVE 3 MONTHS		Changes %
	30.09.2017	30.09.2016		30.09.2017	30.09.2016	
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	-	2,932,561	2,932,561	-
Loss for the financial period attributable to equity holders of the Company (RM'000)	(11,334)	(8,637)	(31.2)	(11,334)	(8,637)	(31.2)
Basic loss per share (sen)	(0.39)	(0.29)	(31.2)	(0.39)	(0.29)	(31.2)
Diluted loss per share (sen)	(0.39)	(0.29)	(31.2)	(0.39)	(0.29)	(31.2)

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

B16 Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2017 was unmodified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 29 November 2017