MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2018

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2018 RM'000	**31.03.2017 RM'000**	**31.03.2018 RM'000**	**31.03.2017 RM'000**
Revenue	92,951	95,159	307,359	308,959
Cost of sales	(54,467)	(65,553)	(186,280)	(191,698)
Gross profit	38,484	29,606	121,079	117,261
Other income	3,054	2,336	7,612	8,159
Distribution costs	(3,909)	(3,308)	(11,115)	(9,431)
Administrative expenses	(22,922)	(20,754)	(65,805)	(63,303)
Other operating expenses	(15,314)	(17,925)	(48,763)	(52,196)
(Loss)/Profit from operations	(607)	(10,045)	3,008	490
Exceptional items (refer Note A4)	8,793	4,035	3,501	(21,254)
Finance cost	(10,641)	(11,185)	(32,613)	(33,579)
Share of results of associates	(498)	4,872	8,404	18,510
Loss before taxation	(2,953)	(12,323)	(17,700)	(35,833)
Tax expense	(1,424)	(1,760)	(5,287)	(7,210)
Loss for the financial period	(4,377)	(14,083)	(22,987)	(43,043)
Loss attributable to:-				
Equity holders of the Company	(5,448)	(16,235)	(25,489)	(46,893)
Non-controlling interests	1,071	2,152	2,502	3,850
Loss for the financial period	(4,377)	(14,083)	(22,987)	(43,043)
Loss per share attributable to equity holders of the Company:-	**Sen**	**Sen**	**Sen**	**Sen**
Basic / Diluted	(0.19)	(0.55)	(0.87)	(1.60)

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

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Loss for the financial period	(4,377)	(14,083)	(22,987)	(43,043)
Other comprehensive income/(expense), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	(33,350)	(10,331)	(72,048)	62,290
Fair value of available-for-sale investments - (Loss)/Gain on fair value changes	(799)	1,165	(1,305)	(45)
Derecognition of subsidiaries placed under winding up / dissolved	-	-	17,692	-
Other comprehensive (expenses)/income for the financial period	(34,149)	(9,166)	(55,661)	62,245
Total comprehensive (expense)/income for the financial period	(38,526)	(23,249)	(78,648)	19,202
Total comprehensive (expense)/income attributable to:-				
Equity holders of the Company	(36,795)	(22,535)	(75,677)	17,929
Non-controlling interests	(1,731)	(714)	(2,971)	1,273
Total comprehensive (expense)/income for the financial period	(38,526)	(23,249)	(78,648)	19,202

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
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

	31.03.2018 RM'000	30.06.2017 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	640,439	674,511
Investment properties	97,516	99,079
Investment in associates	400,682	441,372
Other investments	9,341	10,647
Land held for property development	35,263	35,263
Goodwill on consolidation	29,935	29,935
Deferred tax assets	831	1,052
	1,214,007	1,291,859
Current Assets		
Property development costs	99,516	94,698
Inventories	46,392	48,206
Trade and other receivables	171,091	187,149
Other investments	44	49
Current tax assets	12,739	17,039
Deposits, bank balances and cash	238,328	276,662
	568,110	623,803
TOTAL ASSETS	1,782,117	1,915,662
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	3,152,866	3,152,866
Reserves	(2,610,319)	(2,534,642)
	542,547	618,224
Non-Controlling Interests	225,137	228,108
Total Equity	767,684	846,332
Non-Current Liabilities	778,623	794,072
Current Liabilities		
Trade and other payables	128,726	141,642
Borrowings	105,840	130,392
Current tax liabilities	1,244	3,224
	235,810	275,258
Total Liabilities	1,014,433	1,069,330
TOTAL EQUITY AND LIABILITIES	1,782,117	1,915,662
	RM	**RM**
Net assets per share attributable to equity holders of the Company	0.19	0.21

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.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
CUMULATIVE 9 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 2017	3,152,866	229,200	25,257	(2,789,099)	618,224	228,108	846,332
(Loss)/Profit for the financial period	-	-	-	(25,489)	(25,489)	2,502	(22,987)
Fair value loss on available-for-sale financial assets, net of tax	-	(1,052)	-	-	(1,052)	(253)	(1,305)
Foreign currency translations, net of tax	-	(66,780)	-	-	(66,780)	(5,268)	(72,048)
Derecognition of subsidiaries placed under winding up / dissolved	-	17,238	(910)	1,316	17,644	48	17,692
Total comprehensive (expense)/income	-	(50,594)	(910)	(24,173)	(75,677)	(2,971)	(78,648)
At 31 March 2018	3,152,866	178,606	24,347	(2,813,272)	542,547	225,137	767,684
CUMULATIVE 9 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	-	-	-	(46,893)	(46,893)	3,850	(43,043)
Fair value loss on available-for-sale financial assets, net of tax	-	(22)	-	-	(22)	(23)	(45)
Foreign currency translations, net of tax	-	64,844	-	-	64,844	(2,554)	62,290
Total comprehensive income/(expense)	-	64,822	-	(46,893)	17,929	1,273	19,202
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(2,867)	(2,867)
	-	-	-	-	-	(2,867)	(2,867)
Adjustment for effects of Companies Act 2016 (Note 1)	220,305	(220,305)	-	-	-	-	-
At 31 March 2017	3,152,866	247,043	25,257	(2,696,260)	728,906	222,766	951,672

Note 1 :-

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.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

	CUMULATIVE 9 MONTHS 31.03.2018 RM'000	31.03.2017 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(17,700)	(35,833)
Net adjustments	29,443	57,229
Operating profit before working capital changes	11,743	21,396
Net change in working capital	884	6,820
Cash generated from operations	12,627	28,216
Employee benefits paid	(26)	(63)
Interest paid	(1,017)	(1,136)
Interest received	1,391	2,622
Net tax paid	(3,836)	(4,696)
Net cash generated from operating activities	9,139	24,943
Cash Flows From Investing Activities		
Dividend received	-	27,562
Interest received	3,115	2,621
Proceeds from disposal of property, plant and equipment	15,328	20
Proceeds from disposal of other investments	-	224
Purchase of property, plant and equipment	(9,760)	(7,666)
Purchase of property, plant and equipment from restricted fund	1,684	-
Withdrawal of fixed deposits pledged with licensed financial institutions	607	377
Net cash generated from investing activities	10,974	23,138
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	-	(2,867)
Interest paid	(31,595)	(32,443)
Net repayments of bank borrowings	(17,031)	(44,629)
Net cash used in financing activities	(48,626)	(79,939)
Effects of exchange rate changes	4,865	(4,802)
Net decrease in cash and cash equivalents	(23,648)	(36,660)
Cash and cash equivalents at 1 July		
As previously reported	199,413	247,916
Effects of exchange rate changes on cash and cash equivalents	(4,403)	4,869
As restated	195,010	252,785
Cash and cash equivalents at 31 March	171,362	216,125

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.

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	*Disclosure Initiative*
Amendments to FRS 112	*Recognition of Deferred Tax Assets for*

Annual Improvements to FRS Standard 2014 - 2016 Cycles:
- *Amendments to FRS 12: Clarification of the Scope of Standard*

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 9	*Financial Instruments (IFRS 9 issued by IASB in July 2014)*	1 January 2018
IC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	1 January 2018
IC Interpretation 23	*Uncertainty Over Income Tax Treatments*	1 January 2019
Amendments to FRS 2	*Classification and Measurement of Share Based Payment Transactions*	1 January 2018
Amendments to FRS 4	*Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts*	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 140	*Transfer of Investment Property*	1 January 2018
Annual Improvements to FRS Standard 2014 - 2016 Cycles:		
* *Amendments to FRS 1 : Deletion of Short-term Exemptions for First-time Adopters*		1 January 2018
* *Amendments to FRS 128 : Measuring an Associate or Joint Venture at Fair Value*		1 January 2018

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 31 March 2018.

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 31 March 2018 other than the exceptional items as follows:-

Exceptional items	**QUARTER ENDED**		**CUMULATIVE 9 MONTHS**	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gain on disposal of other investments (non-current)		202	-	202
Gain on disposal of properties	586	-	586	-
Impairment of goodwill on consolidation	-	-	-	(510)
Impairment on property, plant & equipment	-	-	-	(166)
Reversal of impairment/(Impairment) on receivables	-	576	-	(3,103)
Loss/(Surplus) arising from derecognition of subsidiaries placed under winding up / dissolved	-	45	(18,098)	45
Net gain/(loss) on foreign exchange	8,207	3,212	21,013	(17,722)
	8,793	4,035	3,501	(21,254)

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 31 March 2018.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2018 (31 March 2017: Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2018 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	468,493 *	-	468,493*	(389,623)	78,870
Hotel	146,932	-	146,932	-	146,932
Food	55,685	-	55,685	-	55,685
Property	25,926	(54)	25,872	-	25,872
Others	13,843	(4,574)	9,269	(9,269)	-
Total	710,879	(4,628)	706,251	(398,892)	307,359

* *Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2018 was not publicly available.*

(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	(11,658)	-	-	7,001 *	(4,657)
Hotel	15,382	586	(2,056)	-	13,912
Food	552	(556)	-	-	(4)
Property	7,348	-	(139)	-	7,209
Others	(8,616)	3,471	(30,418)	1,403	(34,160)
Total	3,008	3,501	(32,613)	8,404	(17,700)

* *Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2018 was not publicly available.*

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	216,147	188,158	404,305
Hotel	607,171	-	607,171
Food	150,864	-	150,864
Property	292,783	-	292,783
Others	100,900	212,524	313,424
	1,367,865	400,682	1,768,547
Unallocated Corporate Assets			13,570
Total Assets			1,782,117

A8 Events Subsequent to the End of the Interim Period

There are no material events subsequent to the end of the financial period ended 31 March 2018 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 of the Company, 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 subsidairy 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 form 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

(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.

(k) On 7 December 2017, Ming Court Inn (Penang) Sdn Bhd, a wholly-owned subsidairy of the Company, which was placed under members' voluntary winding-up on 11 March 2016, has been dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Company Act 2016).

(l) On 22 December 2017, MUI Resources Limited ("MRL"), a dormant wholly-owned subsidiary of MUI Asia Limited incorporated in Hong Kong, which in turn a wholly-owned subsidiary of the Company, has been deregistered and dissolved following an earlier application by MRL to the Companies Registry in Hong Kong for its deregistration in accordance with the Companies Ordinance.

(m) On 23 March 2018, Lembaran Makmur Sdn Bhd, a wholly-owned subsidiary of MUIP, which is in turn a partly-owned subsidiary of the Company, has at their Extraordinary General Meeting held on 23 March 2018, obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

(n) On 23 March 2018, the following wholly-owned subsidiaries of Pan Malaysia Corporation Berhad ("PMC"), which is in turn a partly-owned subsidiaries of the Company, has at their Extraordinary General Meeting held on 23 March 2018, obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016:-

(i) Jaguh Padu Sdn Bhd
(ii) Panorama Scope Sdn Bhd
(iii) United Pace Sdn Bhd

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 31 March 2018 except for item (l).

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 March 2018.

A10 Contingent Liabilities

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

A11 Capital Commitments

As at 31 March 2018, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Authorised but not contracted for	332
Contracted but not provided for	470

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 9 MONTHS		
	31.03.2018 RM'000	31.03.2017 RM'000	Changes %	31.03.2018 RM'000	31.03.2017 RM'000	Changes %
Revenue						
Retailing	25,169	29,614	(15.0)	78,870	88,576	(11.0)
Hotel	38,347	38,979	(1.6)	146,932	139,705	5.2
Food	15,824	16,340	(3.2)	55,685	54,547	2.1
Property	13,611	10,226	33.1	25,872	26,131	(1.0)
Others	-	-	-	-	-	-
	92,951	95,159	(2.3)	307,359	308,959	(0.5)
(Loss)/Profit before tax ("(LBT) / PBT")						
Retailing	200 *	(7,079) *	102.8	(4,657) *	(3,280) *	(42.0)
Hotel	(2,165)	(496)	(336.5)	13,912	17,155	(18.9)
Food	(1,663)	1,134	(246.6)	(4)	1,326	(100.3)
Property	4,890	3,561	37.3	7,209	5,503	31.0
Financial Services	-	-	-	-	-	-
Others	(4,215)	(9,443)	55.4	(34,160)	(56,537)	39.6
	(2,953)	(12,323)	76.0	(17,700)	(35,833)	50.6

* *Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2018 and 31 March 2017 were not publicly available.*

<u>Quarter ended 31 March 2018 vs Quarter ended 31 March 2017</u>

The Group recorded lower revenue of RM93.0 million and lower LBT of RM3.0 million in the current quarter compared with revenue of RM95.2 million and LBT of RM12.3 million for the quarter ended 31 March 2017. The lower revenue in the current quarter was mainly attributed to decrease in revenue from the retailing division. The lower LBT in the current quarter was mainly attributed to PBT recorded by the retailing division.

The Group's retailing division in Malaysia recorded lower revenue of RM25.2 million and lower LBT of RM0.1 million in the current quarter compared with revenue of RM29.6 million and LBT of RM11.4 million for the quarter ended 31 March 2017. The lower revenue in the current quarter was mainly due to impact from closure of specialty stores, lower sales from Men & Ladies, and lower concessionaire fee income. The lower LBT in the current quarter was mainly attributed to reversal of stock provision.

The Group’s hotel division in Malaysia recorded around the same level of revenue and lower PBT of RM0.8 million in the current quarter compared with PBT of RM1.9 million for the quarter ended 31 March 2017. The lower PBT in the current quarter was mainly attributed to increase in finance cost and operating expenses. Included in the PBT for the quarter ended 31 March 2017 is an exceptional gain derived from one-off adjustment on receivable. In the UK, the Group's hotel division recorded lower revenue of RM29.5 million and higher LBT of RM2.8 million in the current quarter compared with revenue of RM30.3 million and LBT of RM2.2 million for the quarter ended 31 March 2017. The lower revenue was mainly attributed to the impact from stronger Ringgit Malaysia against Pound Sterling. The lower PBT was mainly due to increase in operating costs.

The Group's food division recorded slightly lower revenue of RM15.8 million and LBT of RM1.7 million in the current quarter compared with revenue of RM16.3 million and PBT of RM1.1 million for the quarter ended 31 March 2017. The LBT in the current quarter was mainly attributed to higher selling and distribution expenses. There was an adjustment on reversal of cost of sales about RM1.3 million for the quarter ended 31 March 2017.

The Group's property division recorded higher revenue of RM13.6 million and higher PBT of RM4.9 million in the current quarter compared with revenue of RM10.2 million and PBT of RM3.6 million in the quarter ended 31 March 2017. The higher revenue in the current quarter was mainly attributed to higher percentage of completion of the current project in Bandar Springhill, Negeri Sembilan. The higher PBT in the current quarter was mainly due to higher revenue and higher gross profit margin of current project 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 subsidiaries as well as exceptional items such as foreign exchange gain or loss. The lower LBT in the current quarter was mainly attributed to unrealised foreign exchange translation gain of intragroup balances arising from the appreciation of Ringgit Malaysia against major foreign currencies.

9 months financial period ended 31 March 2018 vs 9 months financial period ended 31 March 2017

For the 9 months financial period ended 31 March 2018, the Group recorded lower revenue of RM307.4 million and lower LBT of RM17.7 million compared with revenue of RM309.0 million and LBT of RM35.8 million for the 9 months financial period ended 31 March 2017. The lower revenue was mainly attributed to lower revenue from retailing division. The lower LBT was mainly attributed to lower LBT from "others" segment.

The Group's retailing division in Malaysia recorded lower revenue of RM78.9 million and lower LBT of RM11.7 million for 9 months financial period ended 31 March 2018 compared with revenue of RM88.6 million and LBT of RM19.3 million for the 9 months financial period ended 31 March 2017. The lower revenue was mainly attributed to impact from closure of specialty stores, lower sales from Men & Ladies, and lower concessionaire fee income. The lower LBT was mainly attributed to reversal of stock provision.

The Group’s hotel division in Malaysia recorded higher revenue of RM30.5 million and lower PBT of RM5.8 million for the 9 months financial period ended 31 March 2018 compared with revenue of RM29.7 million and PBT of RM8.1 million for the 9 months financial period ended 31 March 2017. The higher revenue was mainly attributed to higher room occupancy. The lower PBT was mainly attributed to increase in finance cost and operating expenses. Included in the PBT for the 9 months financial period ended 31 March 2017 is an exceptional gain derived from one-off adjustments on receivables. In the UK, the Group's hotel division recorded higher revenue of RM116.4 million and lower PBT of RM8.4 million in the current quarter compared with RM110.0 million and PBT of RM9.5 million for the 9 months financial period ended 31 March 2017. The increase in revenue was mainly attributed to increase in average room rate. Despite higher revenue, the Group's hotel division in the UK recorded lower PBT due to increase in operating costs.

The Group's food division recorded higher revenue of RM55.7 million and LBT of RM4,000 for the 9 months financial period ended 31 March 2018 compared with revenue of RM54.5 million and PBT of RM1.3 million for the 9 months financial period ended 31 March 2017. The higher revenue was mainly derived from export sales to Korea, Vietnam and Japan. The LBT was mainly due to higher selling and distribution expenses. There was an adjustment on reversal of cost of sales about RM1.3 million for the 9 months financial period ended 31 March 2017.

The Group's property division recorded slightly lower revenue of RM25.9 million and higher PBT of RM7.2 million for the 9 months financial period ended 31 March 2018 compared with revenue of RM26.1 million and PBT of RM5.5 million for the 9 months financial period ended 31 March 2017. The higher PBT was mainly attributed to higher gross profit margin of the current project 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 lower LBT of the Group's "others" segment for the 9 months financial period ended 31 March 2018 was mainly attributed to unrealised foreign exchange translation gain of intragroup balances arising from the appreciation of Ringgit Malaysia against major foreign currencies and exceptional losses arising from derecognition of dissolved subsidiaries.

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

	Quarter Ended		
	31.03.2018	**31.12.2017**	**Changes**
	RM'000	**RM'000**	**%**
Revenue			
Retailing	25,169	29,777	(15.5)
Hotel	38,347	51,238	(25.2)
Food	15,824	22,016	(28.1)
Property	13,611	5,805	134.5
Others	-	-	-
	92,951	108,836	(14.6)
(Loss)/Profit before tax ("(LBT) / PBT")			
Retailing	200 *	1,170	(82.9)
Hotel	(2,165)	5,505	(139.3)
Food	(1,663)	1,519	(209.5)
Property	4,890	1,274	283.8
Financial Services	-	-	-
Others	(4,215)	(16,110)	73.8
	(2,953)	(6,642)	55.5

* *Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2018 was not publicly available.*

The Group recorded lower revenue of RM93.0 million and lower LBT of RM3.0 million in the current quarter compared with revenue of RM108.8 million and LBT of RM6.6 million in the preceding quarter. The lower revenue in the current quarter was mainly from the hotel, food and retailing divisions. The lower LBT in the current quarter was mainly attributed to lower LBT recorded by "others" segment.

The Group's retailing division in Malaysia recorded lower revenue of RM25.2 million and lower LBT of RM0.1 million in the current quarter compared with revenue of RM29.8 million and LBT of RM2.4 million in the preceding quarter. The lower revenue was mainly due to lower Chinese New Year festive sales. The lower LBT in the current quarter was mainly due to reversal of stock provision.

The Group’s hotel division in Malaysia recorded lower revenue of RM8.8 million and lower PBT of RM0.8 million in the current quarter compared with revenue of RM10.8 million and PBT of RM2.1 million in the preceding quarter. The lower revenue in the current quarter was mainly attributed to the lower room occupancy. The lower PBT in the current quarter was mainly attributed to lower revenue. In the UK, the Group's hotel division recorded lower revenue of RM29.5 million and LBT of RM2.8 million in the current quarter compared with revenue of RM40.4 million and PBT of RM3.5 million in the preceding quarter. The lower revenue and LBT in the current quarter were mainly attributed to decrease in room occupancy and average room rate.

The Group's food division recorded lower revenue of RM15.8 million and LBT of RM1.7 million in the current quarter compared with revenue of RM22.0 million and PBT of RM1.5 million in the preceding quarter. The lower revenue was mainly due to the seasonal lower sales in local and export markets, after festive peak season in the preceding quarter. The LBT was mainly attributed to lower revenue.

The Group's property division recorded higher revenue of RM13.6 million and higher PBT of RM4.9 million in the current quarter compared with revenue of RM5.8 million and PBT of RM1.3 million in the preceding quarter. The higher revenue in the current quarter was mainly attributed to higher percentage of completion of the current project in Bandar Springhill, Negeri Sembilan. The higher PBT was in tandem with the increase in revenue.

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 recorded lower LBT of RM4.2 million in the current quarter compared with LBT of RM16.1 million in the preceding quarter. The lower LBT was mainly attributed to exceptional gain recorded in the current quarter compared to the exceptional loss recorded in the preceding quarter. Included in the LBT of preceding quarter was mainly exceptional losses arising from derecognition of dissolved subsidiaries.

B3 Prospects for Year 2018

The business climate for the Group's retailing division remains challenging, impacted by cautious consumer sentiments, and also from growing competition of online shopping. To counter these challenges, the division has begun consolidation measures that include the closing down of non-performing stores, refurbishment of department stores, introducing new fashion designs as well as incorporating other retailing concepts. These ongoing initiatives are expected to improve the division's performance in the near future.

The performance of the Group's hotel division in Malaysia and the United Kingdom has held steady despite rising costs and competition from newer hotels. The ongoing upgrading of hotel rooms and other facilities should result in improvement of performance.

As for the food division, several potential opportunities are being explored to increase its domestic as well as overseas market shares. Apart from its marketing plans to penetrate into new overseas markets, it is also developing and testing a new range of products to be launched in the near future.

The housing and commercial property market will continue to show lacklustre activity for the remaining months of 2018. However, the Group's township development in Bandar Springhill in Negeri Sembilan has continued to perform profitably. To enhance its attractiveness, Bandar Springhill plans to build a club house, and also to upgrade its lake area. Its focus is to develop affordable, quality homes with modern designs.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Loss before tax

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

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2018 RM'000	31.03.2017 RM'000	Changes %	31.03.2018 RM'000	31.03.2017 RM'000	Changes %
Depreciation	(4,415)	(4,831)	8.6	(14,621)	(15,485)	5.6
Gain on disposal of property, plant and equipment	-	-	-	-	20	(100.0)
Interest income	1,701	1,289	32.0	4,506	5,242	(14.0)
Inventories written back / (written down)	3,771	(8,680)	143.4	1,020	(8,791)	111.6
Property, plant and equipment written off	(35)	(35)	-	(105)	(36)	(191.7)

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 was as follows:-

	31.03.2018 RM'000	30.06.2017 RM'000	Changes %
Neither past due	14,479	18,741	(22.7)
Past due			
1 to 30 days	6,588	4,122	59.8
31 to 60 days	1,549	1,791	(13.5)
61 to 90 days	1,498	2,923	(48.8)
91 to 120 days	2,707	312	767.6
More than 121 days	868	3,765	(76.9)
	27,689	31,654	(12.5)

B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2018 RM'000	31.03.2017 RM'000	Changes %	31.03.2018 RM'000	31.03.2017 RM'000	Changes %
Current tax expense						
- Malaysia	1,372	1,849	(25.8)	3,846	4,768	(19.3)
- Foreign	(280)	(390)	28.2	987	1,209	(18.4)
Deferred tax	190	39	387.2	170	1,318	(87.1)
	1,282	1,498	(14.4)	5,003	7,295	(31.4)
Over/(Under) provision in respect of prior years	142	262	(45.8)	284	(85)	434.1
	1,424	1,760	(19.1)	5,287	7,210	(26.7)

The tax provision of the Group for the financial period ended 31 March 2018 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.

B9 Group Borrowings

Total Group borrowings as at 31 March 2018 were as follows:-

	31.03.2018		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- Term loan	650,341	15,126	665,467
- Revolving credit	26,000	25,000	51,000
- Bank overdraft	-	19,587	19,587
- Hire purchase	1,449	402	1,851
	677,790	60,115	737,905
Unsecured			
- Revolving credit	82,764	44,765	127,529
- Bank overdraft	-	960	960
	82,764	45,725	128,489
Total borrowings	760,554	105,840	866,394

	30.06.2017		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- 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
Unsecured			
- 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 31 March 2018 included in the above was as follows:-

	31.03.2018		**30.06.2017**	
	£'000	**RM'000**	**£'000**	**RM'000**
Total foreign borrowing	88,163	477,683	89,718	501,531

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 31 March 2018 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 31 March 2018, the notional amount, fair value and maturity tenor of the interest rate swap contract were as follows:-

Non-current liabilities	**Notional Amount**	**Fair Value Liabilities**
	RM'000	**RM'000**
More than 3 years	142,369	4,719

B11 Fair Value Changes of Financial Liabilities

As at 31 March 2018, 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:-

	31.03.2018 RM'000	**30.06.2017 RM'000 (Audited)**	**Changes %**
Total accumulated losses of the Group:-			
- Realised losses	(5,339,198)	(5,808,129)	8.1
- Unrealised profits	93,192	38,867	139.8
	(5,246,006)	(5,769,262)	9.1
Total share of accumulated losses from associates:-			
- Realised losses	(54,854)	(54,854)	-
- Unrealised profits	786	786	-
	(5,300,074)	(5,823,330)	9.0
Consolidation adjustments	2,486,802	3,034,231	(18.0)
Total accumulated losses	(2,813,272)	(2,789,099)	(0.9)

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 31 March 2018 (31 March 2017: Nil).

B15 Basic Loss Per Share

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2018	31.03.2017	Changes %	31.03.2018	31.03.2017	Changes %
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)	(5,448)	(16,235)	66.4	(25,489)	(46,893)	45.6
Basic loss per share (sen)	(0.19)	(0.55)	66.4	(0.87)	(1.60)	45.6
Diluted loss per share (sen)	(0.19)	(0.55)	66.4	(0.87)	(1.60)	45.6

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: 24 May 2018