

**MALAYAN UNITED INDUSTRIES BERHAD**Company No: 3809-W  
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2018**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

|  | <b>QUARTER ENDED</b>         |                              | <b>CUMULATIVE 12 MONTHS</b>  |  |
|--|------------------------------|------------------------------|------------------------------|--|
|  | <b>30.06.2018<br/>RM'000</b> | <b>30.06.2017<br/>RM'000</b> | <b>30.06.2018<br/>RM'000</b> | <b>30.06.2017<br/>RM'000<br/>(Audited)</b> |
| Revenue  | 99,013                       | 105,103                      | 406,372                      | 414,062                                    |
| Cost of sales  | (62,927)                     | (59,076)                     | (249,207)                    | (250,774)                                  |
| Gross profit   | 36,086                       | 46,027                       | 157,165                      | 163,288                                    |
| Other income   | 3,647                        | 6,282                        | 11,259                       | 14,441                                     |
| Distribution costs   | (3,825)                      | (3,290)                      | (14,940)                     | (12,721)                                   |
| Administrative expenses  | (20,637)                     | (20,168)                     | (86,442)                     | (83,471)                                   |
| Other operating expenses                                       | (18,349)                     | (20,084)                     | (67,112)                     | (72,280)                                   |
| (Loss)/Profit from operations                                  | (3,078)                      | 8,767                        | (70)                         | 9,257                                      |
| Exceptional items (refer Note A4)                              | 551                          | (69,015)                     | 4,052                        | (90,269)                                   |
| Finance cost   | (11,277)                     | (11,346)                     | (43,890)                     | (44,925)                                   |
| Share of results of associates                                 | (17,932)                     | (9,231)                      | (9,528)                      | 9,279                                      |
| Loss before taxation   | (31,736)                     | (80,825)                     | (49,436)                     | (116,658)                                  |
| Tax expense  | (1,307)                      | (1,734)                      | (6,594)                      | (8,944)                                    |
| Loss for the financial year                                    | (33,043)                     | (82,559)                     | (56,030)                     | (125,602)                                  |
| Loss attributable to:-   |                              |                              |                              |  |
| Equity holders of the Company                                  | (35,059)                     | (83,474)                     | (60,548)                     | (130,367)                                  |
| Non-controlling interests                                      | 2,016                        | 915                          | 4,518                        | 4,765                                      |
| Loss for the financial year                                    | (33,043)                     | (82,559)                     | (56,030)                     | (125,602)                                  |
| Loss per share attributable to equity holders of the Company:- | <b>Sen</b>                   | <b>Sen</b>                   | <b>Sen</b>                   | <b>Sen</b>                                 |
| Basic / Diluted  | (1.20)                       | (2.85)                       | (2.06)                       | (4.45)                                     |

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 YEAR ENDED 30 JUNE 2018**

|   | <b>QUARTER ENDED</b> |                   | <b>CUMULATIVE 12 MONTHS</b> |                   |
|---|----------------------|-------------------|-----------------------------|-------------------|
|   | <b>30.06.2018</b>    | <b>30.06.2017</b> | <b>30.06.2018</b>           | <b>30.06.2017</b> |
|   | <b>RM'000</b>        | <b>RM'000</b>     | <b>RM'000</b>               | <b>RM'000</b>     |
|   |                      |                   |                             | <b>(Audited)</b>  |
| Loss for the financial year                                       | (33,043)             | (82,559)          | (56,030)                    | (125,602)         |
| Other comprehensive income/(expense), net of tax:-                |                      |                   |                             |                   |
| Items that may be reclassified subsequently to profit or loss     |                      |                   |                             |                   |
| Foreign currency translation differences for foreign subsidiaries | 14,661               | (16,356)          | (57,389)                    | 45,934            |
| Fair value of available-for-sale investments                      |                      |                   |                             |                   |
| - Gain/(Loss) on fair value changes                               | 984                  | 466               | (320)                       | 421               |
| Derecognition of subsidiaries placed under winding up / dissolved | -                    | -                 | 17,692                      | -                 |
| Share of other comprehensive income of associates                 | 4,630                | 4,602             | 4,630                       | 4,602             |
| Other comprehensive income/(expense) for the financial year       | 20,275               | (11,288)          | (35,387)                    | 50,957            |
| Total comprehensive expense for the financial year                | (12,768)             | (93,847)          | (91,417)                    | (74,645)          |
| Total comprehensive (expense)/income attributable to:-            |                      |                   |                             |                   |
| Equity holders of the Company                                     | (15,598)             | (101,317)         | (91,275)                    | (83,388)          |
| Non-controlling interests   | 2,830                | 7,470             | (142)                       | 8,743             |
| Total comprehensive expense for the financial year                | (12,768)             | (93,847)          | (91,417)                    | (74,645)          |

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 30 JUNE 2018**

|  | <b>30.06.2018</b>       | <b>30.06.2017</b>       |
|--|-------------------------|-------------------------|
|  | <b>RM'000</b>           | <b>RM'000</b>           |
|  |                         | <b>(Audited)</b>        |
| <b>ASSETS</b>  |                         |                         |
| <b>Non-Current Assets</b>  |                         |                         |
| Property, plant and equipment                                      | 617,857                 | 674,511                 |
| Investment properties  | 99,598                  | 99,079                  |
| Investment in associates   | 402,586                 | 441,372                 |
| Other investments  | 10,325                  | 10,647                  |
| Land held for property development                                 | 35,263                  | 35,263                  |
| Goodwill on consolidation  | 25,179                  | 29,935                  |
| Deferred tax assets  | 867                     | 1,052                   |
|  | <u>1,191,675</u>        | <u>1,291,859</u>        |
| <b>Current Assets</b>  |                         |                         |
| Property development costs   | 106,315                 | 94,698                  |
| Inventories  | 44,017                  | 48,206                  |
| Trade and other receivables  | 171,025                 | 187,149                 |
| Other investments  | 45                      | 49                      |
| Current tax assets   | 12,269                  | 17,039                  |
| Deposits, bank balances and cash                                   | 249,112                 | 276,662                 |
|  | <u>582,783</u>          | <u>623,803</u>          |
| <b>TOTAL ASSETS</b>  | <u><b>1,774,458</b></u> | <u><b>1,915,662</b></u> |
| <b>EQUITY AND LIABILITIES</b>                                      |                         |                         |
| <b>Equity Attributable To Equity Holders Of The Company</b>        |                         |                         |
| Share capital  | 3,152,866               | 3,152,866               |
| Reserves   | (2,625,917)             | (2,534,642)             |
|  | <u>526,949</u>          | <u>618,224</u>          |
| <b>Non-Controlling Interests</b>                                   | <u>227,966</u>          | <u>228,108</u>          |
| <b>Total Equity</b>  | <u><b>754,915</b></u>   | <u><b>846,332</b></u>   |
| <b>Non-Current Liabilities</b>                                     | <u>745,428</u>          | <u>794,072</u>          |
| <b>Current Liabilities</b>   |                         |                         |
| Trade and other payables   | 154,399                 | 141,642                 |
| Borrowings   | 118,337                 | 130,392                 |
| Current tax liabilities  | 1,379                   | 3,224                   |
|  | <u>274,115</u>          | <u>275,258</u>          |
| <b>Total Liabilities</b>   | <u><b>1,019,543</b></u> | <u><b>1,069,330</b></u> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                | <u><b>1,774,458</b></u> | <u><b>1,915,662</b></u> |
|  | <b>RM</b>               | <b>RM</b>               |
| Net assets per share attributable to equity holders of the Company | 0.18                    | 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 YEAR ENDED 30 JUNE 2018

| CUMULATIVE 12 MONTHS   | Attributable to Equity Holders of the Company |                                     |                                     |                                 |                 | Non-<br>Controlling<br>Interests | Total<br>Equity |
|--|---|-------------------------------------|-------------------------------------|---------------------------------|-----------------|----------------------------------|-----------------|
|  | Non-  |                                     |                                     |                                 |                 | RM'000                           | RM'000          |
|  | Share<br>Capital<br>RM'000                    | Distributable<br>Reserves<br>RM'000 | Distributable<br>Reserves<br>RM'000 | Accumulated<br>Losses<br>RM'000 | Total<br>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 year                                   | -   | -                                   | -                                   | (60,548)                        | (60,548)        | 4,518                            | (56,030)        |
| Fair value loss on available-<br>for-sale financial assets, net of tax | -   | (335)                               | -                                   | -                               | (335)           | 15                               | (320)           |
| Foreign currency translations, net of tax                              | -   | (52,666)                            | -                                   | -                               | (52,666)        | (4,723)                          | (57,389)        |
| Derecognition of subsidiaries placed<br>under winding up / dissolved   | -   | 17,238                              | (910)                               | 1,316                           | 17,644          | 48                               | 17,692          |
| Share of other comprehensive income of<br>associates, net of tax       | -   | -                                   | -                                   | -                               | -               | -                                | -               |
|  | -   | 4,630                               | -                                   | -                               | 4,630           | -                                | 4,630           |
| Total comprehensive expense  | -   | (31,133)                            | (910)                               | (59,232)                        | (91,275)        | (142)                            | (91,417)        |
| At 30 June 2018  | 3,152,866                                     | 198,067                             | 24,347                              | (2,848,331)                     | 526,949         | 227,966                          | 754,915         |
| <b>CUMULATIVE 12 MONTHS</b>  |   |                                     |                                     |                                 |                 |                                  |                 |
| <b>(Audited)</b>   |   |                                     |                                     |                                 |                 |                                  |                 |
| At 1 July 2016   | 2,932,561                                     | 402,526                             | 25,257                              | (2,658,732)                     | 701,612         | 224,360                          | 925,972         |
| (Loss)/Profit for the financial year                                   | -   | -                                   | -                                   | (130,367)                       | (130,367)       | 4,765                            | (125,602)       |
| Fair value gain on available-for-sale<br>financial assets, net of tax  | -   | 202                                 | -                                   | -                               | 202             | 219                              | 421             |
| Foreign currency translations, net of tax                              | -   | 42,175                              | -                                   | -                               | 42,175          | 3,759                            | 45,934          |
| Share of other comprehensive income of<br>associates, net of tax       | -   | 4,602                               | -                                   | -                               | 4,602           | -                                | 4,602           |
| Total comprehensive income/(expense)                                   | -   | 46,979                              | -                                   | (130,367)                       | (83,388)        | 8,743                            | (74,645)        |
| Transaction with owners:-  |   |                                     |                                     |                                 |                 |                                  |                 |
| Dividend paid to non-controlling<br>shareholders                       | -   | -                                   | -                                   | -                               | -               | (4,995)                          | (4,995)         |
|  | -   | -                                   | -                                   | -                               | -               | (4,995)                          | (4,995)         |
| Adjustment for effects of<br>Companies Act 2016 (Note 1)               | 220,305                                       | (220,305)                           | -                                   | -                               | -               | -                                | -               |
| At 30 June 2017  | 3,152,866                                     | 229,200                             | 25,257                              | (2,789,099)                     | 618,224         | 228,108                          | 846,332         |

**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  
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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

|   | CUMULATIVE 12 MONTHS |                                   |
|---|----------------------|-----------------------------------|
|   | 30.06.2018<br>RM'000 | 30.06.2017<br>RM'000<br>(Audited) |
| <b>Cash Flows From Operating Activities</b>                               |                      |                                   |
| Loss before taxation  | (49,436)             | (116,658)                         |
| Net adjustments   | 44,058               | 142,228                           |
| Operating (loss)/profit before working capital changes                    | (5,378)              | 25,570                            |
| Net change in working capital   | 35,809               | 18,301                            |
| Cash generated from operations  | 30,431               | 43,871                            |
| Employee benefits paid  | (110)                | (106)                             |
| Interest paid   | (1,226)              | (1,147)                           |
| Interest received   | 1,939                | 2,517                             |
| Restoration costs paid  | -                    | (567)                             |
| Net tax paid  | (5,265)              | (6,276)                           |
| Net cash generated from operating activities                              | 25,769               | 38,292                            |
| <b>Cash Flows From Investing Activities</b>                               |                      |                                   |
| Dividend received   | -                    | 27,636                            |
| Interest received   | 4,352                | 4,525                             |
| Proceeds from disposal of property, plant and equipment                   | 29,733               | 20                                |
| Proceeds from disposal of other investments                               | -                    | 224                               |
| Purchase of property, plant and equipment                                 | (13,200)             | (11,572)                          |
| Utilisation of restricted fund  | 2,248                | 2,059                             |
| Withdrawal of fixed deposits pledged with licensed financial institutions | 546                  | (6)                               |
| Net cash generated from investing activities                              | 23,679               | 22,886                            |
| <b>Cash Flows From Financing Activities</b>                               |                      |                                   |
| Dividend paid to non-controlling interests of a subsidiary                | -                    | (4,995)                           |
| Interest paid   | (42,664)             | (43,778)                          |
| Net repayments of bank borrowings   | (22,784)             | (48,992)                          |
| Net cash used in financing activities                                     | (65,448)             | (97,765)                          |
| Effects of exchange rate changes  | 4,615                | (3,425)                           |
| Net decrease in cash and cash equivalents                                 | (11,385)             | (40,012)                          |
| <b>Cash and cash equivalents at 1 July</b>                                |                      |                                   |
| As previously reported  | 199,413              | 234,523                           |
| Effects of exchange rate changes on cash and cash equivalents             | (3,871)              | 4,902                             |
| As restated   | 195,542              | 239,425                           |
| Cash and cash equivalents at 30 June                                      | 184,157              | 199,413                           |

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.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## 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                |

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
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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 year ended 30 June 2018.

## MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
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### 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 2018 other than the exceptional items as follows:-

| Exceptional items   | QUARTER ENDED |            | CUMULATIVE 12 MONTHS |            |
|---|---------------|------------|----------------------|------------|
|   | 30.06.2018    | 30.06.2017 | 30.06.2018           | 30.06.2017 |
|   | RM'000        | RM'000     | RM'000               | RM'000     |
| Bad debts recovered   | -             | 586        | -                    | 586        |
| Bad debts written off   | -             | (147)      | -                    | (147)      |
| Fair value gain on investment properties  | 1,875         | 1,570      | 1,875                | 1,570      |
| Gain on disposal of other investments (non-current)   | -             | -          | -                    | 202        |
| Gain on disposal of properties  | 3,147         | -          | 3,733                | -          |
| Impairment of goodwill on consolidation   | (4,756)       | (72,327)   | (4,756)              | (72,837)   |
| Impairment on property, plant & equipment   | -             | (172)      | -                    | (338)      |
| Reversal of impairment/(Impairment) on receivables  | 32            | (680)      | 32                   | (3,783)    |
| Surplus/(Loss) arising from derecognition of subsidiaries placed under winding up / dissolved | 1             | 4          | (18,097)             | 49         |
| Net gain/(loss) on foreign exchange   | 252           | 2,151      | 21,265               | (15,571)   |
|   | 551           | (69,015)   | 4,052                | (90,269)   |

### 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 year ended 30 June 2018.

### A6 Dividends Paid

No dividend was paid by the Company during the financial year ended 30 June 2018 (30 June 2017: Nil).

### A7 Operating Segments

The analysis of the Group's operations for the financial year ended 30 June 2018 is as follows:-

#### (a) Revenue

|           | External Customers | Inter-segment | Total Revenue | Share of Associates' Revenue | Net Revenue |
|-----------|--------------------|---------------|---------------|------------------------------|-------------|
|           | RM'000             | RM'000        | RM'000        | RM'000                       | RM'000      |
| Retailing | 598,902            | -             | 598,902       | (496,185)                    | 102,717     |
| Hotel     | 192,522            | -             | 192,522       | -                            | 192,522     |
| Food      | 70,814             | -             | 70,814        | -                            | 70,814      |
| Property  | 40,391             | (72)          | 40,319        | -                            | 40,319      |
| Others    | 20,340             | (6,094)       | 14,246        | (14,246)                     | -           |
| Total     | 922,969            | (6,166)       | 916,803       | (510,431)                    | 406,372     |



# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
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## (b) Results

|              | (Loss)/<br>Profit from<br>Operations<br>RM'000 | Exceptional<br>Items<br>RM'000 | Finance<br>Costs<br>RM'000 | Share of<br>Associates'<br>Results<br>RM'000 | (Loss)/Profit<br>Before<br>Taxation<br>RM'000 |
|--------------|--|--------------------------------|----------------------------|--|---|
| Retailing    | (17,059)                                       | (4,756)                        | -                          | (2,701)                                      | (24,516)                                      |
| Hotel        | 16,494   | 3,729                          | (2,708)                    | -  | 17,515  |
| Food         | (1,067)  | 1,178                          | -                          | -  | 111   |
| Property     | 11,427   | -                              | (164)                      | -  | 11,263  |
| Others       | (9,865)  | 3,901                          | (41,018)                   | (6,827)                                      | (53,809)                                      |
| <b>Total</b> | <b>(70)</b>                                    | <b>4,052</b>                   | <b>(43,890)</b>            | <b>(9,528)</b>                               | <b>(49,436)</b>                               |

## (c) Assets

|                              | Segment<br>Assets<br>RM'000 | Investment<br>In Associates<br>RM'000 | Total<br>RM'000  |
|------------------------------|-----------------------------|---------------------------------------|------------------|
| Retailing                    | 209,646                     | 195,688                               | 405,334          |
| Hotel                        | 590,716                     | -                                     | 590,716          |
| Food                         | 153,459                     | -                                     | 153,459          |
| Property                     | 301,455                     | -                                     | 301,455          |
| Others                       | 103,460                     | 206,898                               | 310,358          |
|                              | <b>1,358,736</b>            | <b>402,586</b>                        | <b>1,761,322</b> |
| Unallocated Corporate Assets |                             |                                       | 13,136           |
| <b>Total Assets</b>          |                             |                                       | <b>1,774,458</b> |

## 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 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.

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- (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 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
- (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 subsidiary 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.

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- (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
- (o) On 23 May 2018, Twin Phoenix Sdn Bhd, the indirect wholly-owned subsidiary of PMH, which is in turn a partly-owned subsidiary of the Company, has at its Extraordinary General Meeting held on 23 May 2018, obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.
- (p) On 29 May 2018, the following indirect subsidiaries incorporated in United Kingdom have been dissolved by way of voluntary striking-off:-
- Indirect wholly-owned subsidiaries
- (i) Belsfield Hotels Limited
  - (ii) Corus Corporation UK Limited; and
  - (iii) Regal Hotels Limited
- Indirect 62.50%-owned subsidiaries
- (i) Experience Inns Limited
  - (ii) Historic Country Inns Limited
  - (iii) Pub (Nico) Limited
  - (iv) TRP (Langan's) Limited
  - (v) TRP (Nico) Limited

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 2018 except for item (l).

Other than the above, there were no changes in the composition of the Group during the financial year ended 30 June 2018.

### A10 Contingent Liabilities

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

### A11 Capital Commitments

As at 30 June 2018, the Group has commitments in respect of capital expenditure as follows:-

|                                   | <b>RM'000</b> |
|-----------------------------------|---------------|
| Authorised but not contracted for | 265           |
| Contracted but not provided for   | 138           |

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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 |            |         | CUMULATIVE 12 MONTHS |            |         |
|---|---------------|------------|---------|----------------------|------------|---------|
|   | 30.06.2018    | 30.06.2017 | Changes | 30.06.2018           | 30.06.2017 | Changes |
|   | RM'000        | RM'000     | %       | RM'000               | RM'000     | %       |
| <b>Revenue</b>                                  |               |            |         |                      |            |         |
| Retailing                                       | 23,847        | 27,821     | (14.3)  | 102,717              | 116,396    | (11.8)  |
| Hotel   | 45,590        | 49,469     | (7.8)   | 192,522              | 189,174    | 1.8     |
| Food  | 15,129        | 16,560     | (8.6)   | 70,814               | 71,107     | (0.4)   |
| Property  | 14,447        | 11,253     | 28.4    | 40,319               | 37,385     | 7.8     |
| Others  | -             | -          | -       | -                    | -          | -       |
|   | 99,013        | 105,103    | (5.8)   | 406,372              | 414,062    | (1.9)   |
| <b>(Loss)/Profit before tax ("LBT" / "PBT")</b> |               |            |         |                      |            |         |
| Retailing                                       | (19,859)      | (80,218)   | 75.2    | (24,516)             | (83,498)   | 70.6    |
| Hotel   | 3,603         | 6,144      | (41.4)  | 17,515               | 23,299     | (24.8)  |
| Food  | 115           | (1,858)    | 106.2   | 111                  | (532)      | 120.9   |
| Property  | 4,054         | 1,747      | 132.1   | 11,263               | 7,250      | 55.4    |
| Financial Services                              | -             | -          | -       | -                    | -          | -       |
| Others  | (19,649)      | (6,640)    | (195.9) | (53,809)             | (63,177)   | 14.8    |
|   | (31,736)      | (80,825)   | 60.7    | (49,436)             | (116,658)  | 57.6    |

#### Quarter ended 30 June 2018 vs Quarter ended 30 June 2017

The Group recorded lower revenue of RM99.0 million and lower LBT of RM31.7 million in the current quarter compared with revenue of RM105.1 million and LBT of RM80.8 million for the quarter ended 30 June 2017. The lower revenue in the current quarter was mainly attributed to decrease in revenue from the retailing, hotel and food divisions. The lower LBT in the current quarter was mainly attributed to lower impairment of goodwill in relation to the retailing division.

The Group's retailing division in Malaysia recorded lower revenue of RM23.8 million and lower LBT of RM10.2 million in the current quarter compared with revenue of RM27.8 million and LBT of RM71.9 million for the quarter ended 30 June 2017. The lower revenue in the current quarter was mainly due to lower concessionaire fee income and impact from closure of specialty stores. The lower LBT in the current quarter was mainly attributed to lower impairment of goodwill in relation to the retailing division.

The Group's hotel division in Malaysia recorded lower revenue of RM7.2 million and LBT of RM0.5 million in the current quarter compared with revenue of RM8.6 million and PBT of RM44,000 for the quarter ended 30 June 2017. The lower revenue and LBT in the current quarter were mainly attributed to decrease in room occupancy. In the UK, the Group's hotel division recorded lower revenue of RM38.4 million and lower PBT of RM1.0 million in the current quarter compared with revenue of RM40.9 million and PBT of RM6.1 million for the quarter ended 30 June 2017. The lower revenue in the current quarter was mainly attributed to the impact from disposal of 2 province hotels in the previous quarter. The lower PBT was mainly due to increase in operating costs.

The Group's food division recorded lower revenue of RM15.1 million and PBT of RM115,000 in the current quarter compared with revenue of RM16.6 million and LBT of RM1.9 million for the quarter ended 30 June 2017. The lower revenue was mainly due to lower sales in the export market. The LBT for the quarter ended 30 June 2017 was mainly attributed to provision of back-pay wages and impairment on receivables.

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The Group's property division recorded higher revenue of RM14.4 million and higher PBT of RM4.1 million in the current quarter compared with revenue of RM11.3 million and PBT of RM1.7 million in the quarter ended 30 June 2017. The higher revenue and higher PBT in the current quarter were mainly attributed to higher percentage of completion 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 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 higher LBT of RM19.6 million in the current quarter was mainly attributed to higher share of loss of associates and lower net exceptional gain, mainly unrealised foreign exchange translation gain on intragroup balances and fair value gain on interest rate swap.

### **Financial year ended 30 June 2018 vs financial year ended 30 June 2017**

For the financial year ended 30 June 2018, the Group recorded lower revenue of RM406.4 million and lower LBT of RM49.4 million compared with revenue of RM414.1 million and LBT of RM116.7 million for the financial year ended 30 June 2017. The lower revenue was mainly attributed to lower revenue from retailing division. The lower LBT was mainly attributed to lower LBT recorded by retailing division and "others" segment.

The Group's retailing division in Malaysia recorded lower revenue of RM102.7 million and lower LBT of RM21.8 million in the current financial year compared with revenue of RM116.4 million and LBT of RM91.2 million for the financial year ended 30 June 2017. The lower revenue was mainly attributed to lower concessionaire fee income and impact from closure of specialty stores. The lower LBT was mainly attributed to lower impairment of goodwill in relation to retailing division and reversal of inventories written down.

The Group's hotel division in Malaysia recorded lower revenue of RM37.7 million and lower PBT of RM5.3 million in the current financial year compared with revenue of RM38.3 million and PBT of RM8.2 million for the financial year ended 30 June 2017. The lower revenue was mainly due to lower average room rate. The lower PBT was mainly attributed to increase in finance cost, higher cost of sales and impact from temporary closure of ballroom for renovation. Included in the PBT for the financial year ended 30 June 2017 is an exceptional gain derived from one-off adjustments on receivables. In the UK, the Group's hotel division recorded higher revenue of RM154.8 million and lower PBT of RM9.4 million in the financial year compared with revenue of RM150.8 million and PBT of RM15.6 million for the financial year ended 30 June 2017. The increase in revenue was mainly attributed to increase in average room rate and room occupancy. 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 around the same level of revenue and PBT of RM0.1 million in the current financial year compared with LBT of RM0.5 million for the financial year ended 30 June 2017. The LBT for the financial year ended 30 June 2017 was mainly due to provision of back-pay wages and impairment on receivables.

The Group's property division recorded higher revenue of RM40.3 million and higher PBT of RM11.3 million in the current financial year compared with revenue of RM37.4 million and PBT of RM7.3 million for the financial year ended 30 June 2017. The higher revenue and higher PBT in the current financial year were mainly attributed to higher percentage of completion 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 in the current financial year was mainly attributed to net exceptional gain recorded by "others" segment. The net exceptional gain included unrealised foreign exchange translation gain on intragroup balances and exceptional losses arising from derecognition of dissolved subsidiaries. For the previous financial year, the Group's "others" segment recorded net exceptional loss.

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

|  | Quarter Ended        |                      | Changes<br>% |
|--|----------------------|----------------------|--------------|
|  | 30.06.2018<br>RM'000 | 31.03.2018<br>RM'000 |              |
| <b>Revenue</b>                                 |                      |                      |              |
| Retailing                                      | 23,847               | 25,169               | (5.3)        |
| Hotel  | 45,590               | 38,347               | 18.9         |
| Food   | 15,129               | 15,824               | (4.4)        |
| Property                                       | 14,447               | 13,611               | 6.1          |
| Others   | -                    | -                    | -            |
|  | 99,013               | 92,951               | 6.5          |
| <b>(Loss)/Profit before tax ("LBT) / PBT")</b> |                      |                      |              |
| Retailing                                      | (19,859)             | 200                  | (10,029.5)   |
| Hotel  | 3,603                | (2,165)              | 266.4        |
| Food   | 115                  | (1,663)              | 106.9        |
| Property                                       | 4,054                | 4,890                | (17.1)       |
| Financial Services                             | -                    | -                    | -            |
| Others   | (19,649)             | (4,213)              | (366.4)      |
|  | (31,736)             | (2,951)              | (975.4)      |

The Group recorded higher revenue of RM99.0 million and higher LBT of RM31.7 million in the current quarter compared with revenue of RM93.0 million and LBT of RM3.0 million in the preceding quarter. The higher revenue in the current quarter was mainly from the hotel and property divisions. The higher LBT in the current quarter was mainly attributed to higher LBT recorded by retailing division and "others" segment.

The Group's retailing division in Malaysia recorded lower revenue of RM23.8 million and higher LBT of RM10.2 million in the current quarter compared with revenue of RM25.2 million and LBT of RM0.1 million in the preceding quarter. The lower revenue was mainly due to lower concessionaire fee income and closure of specialty stores. The higher LBT in the current quarter was mainly due to lower revenue and impairment of goodwill in relation to retailing division.

The Group's hotel division in Malaysia recorded lower revenue of RM7.2 million and LBT of RM0.5 million in the current quarter compared with revenue of RM8.8 million and PBT of RM0.8 million in the preceding quarter. The lower revenue in the current quarter was mainly attributed to the lower room occupancy. The LBT in the current quarter was mainly attributed to lower revenue and impact from temporary closure of ballroom for renovation. In the UK, the Group's hotel division recorded higher revenue of RM38.4 million and PBT of RM1.0 million in the current quarter compared with revenue of RM29.5 million and LBT of RM2.8 million in the preceding quarter. The higher revenue in the current quarter was mainly attributed to increase in room occupancy and average room rate. The PBT recorded by the UK hotel division is in tandem with the increase in revenue.

The Group's food division recorded lower revenue of RM15.1 million and PBT of RM0.1 million in the current quarter compared with revenue of RM15.8 million and LBT of RM1.7 million in the preceding quarter. The lower revenue in the current quarter was mainly due to decrease in export sales. The PBT was mainly attributed to fair value gain on an investment property in Hong Kong.

The Group's property division recorded higher revenue of RM14.4 million and lower PBT of RM4.1 million in the current quarter compared with revenue of RM13.6 million and PBT of RM4.9 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 lower PBT was mainly caused by one-off adjustment on the recognition of infrastructure cost for 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.

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The Group's "others" segment recorded higher LBT of RM19.6 million in the current quarter compared with LBT of RM4.2 million in the preceding quarter. The higher LBT was mainly attributed to higher share of loss of associates and lower net exceptional gain, mainly unrealised foreign exchange translation gain on intragroup balances.

## B3 Prospects for the Financial Year Ending 30 June 2019

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 well as better guest experiences.

The FMCG (fast-moving consumer goods) business in Malaysia continues to operate in a highly competitive environment. Despite industry challenges, the Group is confident that its current streamlining of internal operating structure will not only result in improved manufacturing efficiencies but also lead to product innovations. Efforts are actively underway to expand the Food Division's distribution network, particularly in China, Indonesia and the Middle East. These early initiatives have already shown encouraging results. The Group is also exploring opportunities for synergistic collaboration with other groups to enhance its operating efficiencies and also to explore new product lines.

In relation to Group's property division, we share the prevailing sentiments that market confidence in the country will continue to improve. This, in turn, will favourably impact the property market even though no significant rebound is forecast in the immediate future. In line with market demands, the Group will focus on building affordable and quality homes.

## 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 12 MONTHS |                      |              |
|--|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
|  | 30.06.2018<br>RM'000 | 30.06.2017<br>RM'000 | Changes<br>% | 30.06.2018<br>RM'000 | 30.06.2017<br>RM'000 | Changes<br>% |
| Depreciation   | (4,185)              | (5,563)              | 24.8         | (18,806)             | (21,048)             | 10.7         |
| Fair value gain on<br>interest rate swap             | 2,424                | 3,975                | (39.0)       | 2,424                | 3,975                | (39.0)       |
| Gain on disposal of property,<br>plant and equipment | -                    | -                    | -            | -                    | 20                   | (100.0)      |
| Interest income                                      | 1,785                | 1,800                | (0.8)        | 6,291                | 7,042                | (10.7)       |
| Inventories written back /<br>(written down)         | 232                  | 2,736                | (91.5)       | 1,252                | (6,055)              | 120.7        |
| Property, plant and equipment<br>written off         | (472)                | (243)                | (94.2)       | (577)                | (279)                | (106.8)      |

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### 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:-

|                    | 30.06.2018<br>RM'000 | 30.06.2017<br>RM'000 | Changes<br>% |
|--------------------|----------------------|----------------------|--------------|
| Neither past due   | 14,539               | 18,741               | (22.4)       |
| Past due           |                      |                      |              |
| 1 to 30 days       | 6,141                | 4,122                | 49.0         |
| 31 to 60 days      | 3,491                | 1,791                | 94.9         |
| 61 to 90 days      | 1,172                | 2,923                | (59.9)       |
| 91 to 120 days     | 2,037                | 312                  | 552.9        |
| More than 121 days | 1,980                | 3,765                | (47.4)       |
|                    | <u>29,360</u>        | <u>31,654</u>        | (7.2)        |

### B7 Tax Expense

Tax expense comprises of:-

|  | QUARTER ENDED        |                      | Changes<br>% | CUMULATIVE 12 MONTHS |                      | Changes<br>% |
|--|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
|  | 30.06.2018<br>RM'000 | 30.06.2017<br>RM'000 |              | 30.06.2018<br>RM'000 | 30.06.2017<br>RM'000 |              |
| Current tax expense                              |                      |                      |              |                      |                      |              |
| - Malaysia                                       | 1,680                | 415                  | 304.8        | 5,526                | 5,183                | 6.6          |
| - Foreign  | 397                  | 1,710                | (76.8)       | 1,384                | 2,919                | (52.6)       |
| Deferred tax                                     | (763)                | (1,400)              | 45.5         | (593)                | (82)                 | (623.2)      |
|  | <u>1,314</u>         | <u>725</u>           | 81.2         | <u>6,317</u>         | <u>8,020</u>         | (21.2)       |
| (Under)/Over provision in respect of prior years | (7)                  | 1,009                | (100.7)      | 277                  | 924                  | (70.0)       |
|  | <u>1,307</u>         | <u>1,734</u>         | (24.6)       | <u>6,594</u>         | <u>8,944</u>         | (26.3)       |

The tax provision of the Group for the financial year ended 30 June 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.



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### B9 Group Borrowings

Total Group borrowings as at 30 June 2018 were as follows:-

|                         | 30.06.2018          |                      |                               |
|-------------------------|---------------------|----------------------|-------------------------------|
|                         | Long Term<br>RM'000 | Short Term<br>RM'000 | Total<br>Borrowings<br>RM'000 |
| <i>Secured</i>          |                     |                      |                               |
| - Term loan             | 633,377             | 19,981               | 653,358                       |
| - Revolving credit      | 26,000              | 25,000               | 51,000                        |
| - Bank overdraft        | -                   | 19,038               | 19,038                        |
| - Hire purchase         | 826                 | 788                  | 1,614                         |
|                         | 660,203             | 64,807               | 725,010                       |
| <i>Unsecured</i>        |                     |                      |                               |
| - Revolving credit      | 70,234              | 53,530               | 123,764                       |
|                         | 70,234              | 53,530               | 123,764                       |
| <b>Total borrowings</b> | <b>730,437</b>      | <b>118,337</b>       | <b>848,774</b>                |
|                         |                     |                      |                               |
|                         | 30.06.2017          |                      |                               |
|                         | Long Term<br>RM'000 | Short Term<br>RM'000 | Total<br>Borrowings<br>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 June 2018 included in the above was as follows:-

|                         | 30.06.2018 |         | 30.06.2017 |         |
|-------------------------|------------|---------|------------|---------|
|                         | £'000      | RM'000  | £'000      | RM'000  |
| Total foreign borrowing | 88,106     | 466,618 | 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 year 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 2018 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 June 2018, the notional amount, fair value and maturity tenor of the interest rate swap contract were as follows:-

| <u>Non-current liabilities</u> | <u>Notional Amount</u> | <u>Fair Value Liabilities</u> |
|--------------------------------|------------------------|-------------------------------|
|                                | RM'000                 | RM'000                        |
| More than 3 years              | <u>139,160</u>         | <u>2,273</u>                  |

## B11 Fair Value Changes of Financial Liabilities

As at 30 June 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 Material Litigation

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

# MALAYAN UNITED INDUSTRIES BERHAD

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## B13 Dividend

No dividend has been declared by the Board for the financial year ended 30 June 2018 (30 June 2017: Nil).

## B14 Basic Loss Per Share

|  | QUARTER ENDED |            | Changes<br>% | CUMULATIVE 12 MONTHS |            | Changes<br>% |
|--|---------------|------------|--------------|----------------------|------------|--------------|
|  | 30.06.2018    | 30.06.2017 |              | 30.06.2018           | 30.06.2017 |              |
| 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 year attributable to equity holders of the Company (RM'000) | (35,059)      | (83,474)   | 58.0         | (60,548)             | (130,367)  | 53.6         |
| Basic loss per share (sen)   | (1.20)        | (2.85)     | 58.0         | (2.06)               | (4.45)     | 53.6         |
| Diluted loss per share (sen)   | (1.20)        | (2.85)     | 58.0         | (2.06)               | (4.45)     | 53.6         |

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

## B15 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 August 2018