MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	QUARTER ENDED		**CUMULATIVE 3 MONTHS**	
	30.09.2018 RM'000	**30.09.2017 RM'000**	**30.09.2018 RM'000**	**30.09.2017 RM'000**
Revenue	103,227	105,425	103,227	105,425
Cost of sales	(60,542)	(65,326)	(60,542)	(65,326)
Gross profit	42,685	40,099	42,685	40,099
Other income	3,232	2,140	3,232	2,140
Distribution costs	(2,039)	(2,893)	(2,039)	(2,893)
Administrative expenses	(23,333)	(21,529)	(23,333)	(21,529)
Other operating expenses	(12,433)	(17,861)	(12,433)	(17,861)
Profit/(Loss) from operations	8,112	(44)	8,112	(44)
Exceptional items (refer Note A4)	12,431	(764)	12,431	(764)
Finance cost	(10,582)	(10,614)	(10,582)	(10,614)
Share of results of associates	625	3,241	625	3,241
Profit/(Loss) before taxation	10,586	(8,181)	10,586	(8,181)
Tax expense	(2,702)	(1,924)	(2,702)	(1,924)
Profit/(Loss) for the financial period	7,884	(10,105)	7,884	(10,105)
Profit/(Loss) attributable to:-				
Equity holders of the Company	2,754	(11,415)	2,754	(11,415)
Non-controlling interests	5,130	1,310	5,130	1,310
Profit/(Loss) for the financial period	7,884	(10,105)	7,884	(10,105)
Profit/(Loss) per share attributable to equity holders of the Company:-	**Sen**	**Sen**	**Sen**	**Sen**
Basic / Diluted	0.09	(0.39)	0.09	(0.39)

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 2018 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 30 SEPTEMBER 2018

	QUARTER ENDED		CUMULATIVE 3 MONTHS	
	30.09.2018 RM'000	**30.09.2017 RM'000**	**30.09.2018 RM'000**	**30.09.2017 RM'000**
Profit/(Loss) for the financial period	7,884	(10,105)	7,884	(10,105)
Other comprehensive income/(expense), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	18,613	(3,671)	18,613	(3,671)
Fair value of available-for-sale investments - Gain on fair value changes	187	93	187	93
Other comprehensive income/(expense) for the financial period	18,800	(3,578)	18,800	(3,578)
Total comprehensive income/(expense) for the financial period	26,684	(13,683)	26,684	(13,683)
Total comprehensive income/(expense) attributable to:-				
Equity holders of the Company	19,485	(15,624)	19,485	(15,624)
Non-controlling interests	7,199	1,941	7,199	1,941
Total comprehensive income/(expense) for the financial period	26,684	(13,683)	26,684	(13,683)

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 2018 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 SEPTEMBER 2018

	30.09.2018 RM'000	30.06.2018 RM'000 (Restated)	01.07.2017 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	618,780	619,908	674,511
Investment properties	97,472	97,386	99,076
Investment in associates	386,688	403,667	441,372
Other investments	10,512	10,325	10,647
Inventories/Land held for property development	35,263	35,263	35,263
Goodwill on consolidation	25,179	25,179	29,935
Deferred tax assets	2,070	867	1,052
	1,175,964	1,192,595	1,291,856
Current Assets			
Inventories	157,630	151,353	142,904
Trade and other receivables	185,730	176,521	187,149
Other investments	23	45	49
Current tax assets	10,857	12,232	17,039
Deposits, bank balances and cash	237,060	251,233	276,662
	591,300	591,384	623,803
TOTAL ASSETS	1,767,264	1,783,979	1,915,659
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share capital	3,152,866	3,152,866	3,152,866
Reserves	(2,651,024)	(2,622,287)	(2,534,645)
	501,842	530,579	618,221
Non-Controlling Interests	232,475	227,714	228,108
Total Equity	734,317	758,293	846,329
Non-Current Liabilities	752,071	742,353	794,072
Current Liabilities			
Trade and other payables	163,161	161,791	141,642
Borrowings	114,084	119,987	130,392
Current tax liabilities	3,631	1,555	3,224
	280,876	283,333	275,258
Total Liabilities	1,032,947	1,025,686	1,069,330
TOTAL EQUITY AND LIABILITIES	1,767,264	1,783,979	1,915,659
	RM	**RM**	**RM**
Net assets per share attributable to equity holders of the Company	0.17	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 2018 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 30 SEPTEMBER 2018

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
CUMULATIVE 3 MONTHS	**Share Capital**	**Non-Distributable Reserves**	**Distributable Reserves**	**Accumulated Losses**	**Total**		
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 July 2018 (As previously reported)	3,152,866	198,975	24,347	(2,843,860)	532,328	227,834	760,162
Effects of adoption of :							
- MFRS 1	-	(221,129)	(24,347)	243,953	(1,523)	-	(1,523)
- MFRS 9	-	-	-	(48,222)	(48,222)	(2,438)	(50,660)
- MFRS 15	-	-	-	(226)	(226)	(120)	(346)
	-	(221,129)	(24,347)	195,505	(49,971)	(2,558)	(52,529)
At 1 July 2018 (As restated)	3,152,866	(22,154)	-	(2,648,355)	482,357	225,276	707,633
Profit for the financial period	-	-	-	2,754	2,754	5,130	7,884
Fair value gain on available-for-sale financial assets, net of tax	-	132	-	-	132	55	187
Foreign currency translations, net of tax	-	16,599	-	-	16,599	2,014	18,613
Total comprehensive income	-	16,731	-	2,754	19,485	7,199	26,684
At 30 September 2018	3,152,866	(5,423)	-	(2,645,601)	501,842	232,475	734,317
CUMULATIVE 3 MONTHS							
At 1 July 2017 (As previously reported)	3,152,866	229,200	25,257	(2,789,099)	618,224	228,108	846,332
Effects of adoption of :							
- MFRS 1	-	(221,535)	(25,257)	246,789	(3)	-	(3)
At 1 July 2017 (As restated)	3,152,866	7,665	-	(2,542,310)	618,221	228,108	846,329
(Loss)/Profit for the financial period	-	-	-	(11,415)	(11,415)	1,310	(10,105)
Fair value gain on available-for-sale financial assets, net of tax	-	90	-	-	90	3	93
Foreign currency translations, net of tax	-	(4,299)	-	-	(4,299)	628	(3,671)
Total comprehensive (expense)/income	-	(4,209)	-	(11,415)	(15,624)	1,941	(13,683)
Transaction with owners:-							
Derecognised upon winding up of a subsidiary	-	-	-	-	-	48	48
At 30 September 2017	3,152,866	3,456	-	(2,553,725)	602,597	230,097	832,694

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 2018 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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	CUMULATIVE 3 MONTHS	
	30.09.2018 RM'000	30.09.2017 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	10,586	(8,181)
Net adjustments	2,122	9,759
Operating profit before working capital changes	12,708	1,578
Net change in working capital	(7,632)	4,943
Cash generated from operations	5,076	6,521
Employee benefits paid	(4)	-
Interest paid	(253)	(339)
Interest received	934	409
Net tax (paid)/refunded	(695)	1,061
Net cash generated from operating activities	5,058	7,652
Cash Flows From Investing Activities		
Interest received	1,149	979
Purchase of property, plant and equipment	(3,502)	(2,768)
Utilisation of restricted fund	-	574
(Placement)/Withdrawal of fixed deposits pledged with licensed financial institutions	(45)	27
Net cash used in investing activities	(2,398)	(1,188)
Cash Flows From Financing Activities		
Interest paid	(10,329)	(10,274)
Net repayments of bank borrowings	(6,651)	(1,106)
Net cash used in financing activities	(16,980)	(11,380)
Effects of exchange rate changes	(2,080)	790
Net decrease in cash and cash equivalents	(16,400)	(4,126)
Cash and cash equivalents at 1 July		
As previously reported	197,065	199,413
Effects of exchange rate changes on cash and cash equivalents	1,754	(129)
As restated	198,819	199,284
Cash and cash equivalents at 30 September	182,419	195,158

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 are unaudited and have been prepared in accordance with the requirements of MFRS 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 2018. 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 2018.

The Group is adopting the Malaysian Financial Reporitng Standards Framework ("MFRS") for the first time in the current financial year beginning 1 July 2018 and hence MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* has been applied. In presenting its first MFRS financial statements, the Group is required to restate the comparative financial statements to amounts reflecting the application of MFRS framework, as if these policies had always been in effect.

The audited financial statements of the Group for the financial year ended 30 June 2018 were prepared in accordance to Financial Reporting Standards ("FRS"). As the requirements under FRS and MFRS are similiar, the significant accounting policies adopted in preparing this interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2018 except for the adoption of the following new MFRSs, Amendments to MFRSs and Annual improvements to MFRSs which are applicable for the Group's financial year beginning on or after 1 July 2018:-

MFRS 9	*Financial Instruments*
MFRS 15	*Revenue from Contracts with Customers*
Amendments to MFRS 2	*Classification and Measurement of Share-based Payment*
Amendments to MFRS 4	*Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
Amendments to MFRS 140	*Transfers of Investment Property*

Annual Improvements to FRS Standard 2014 - 2016 Cycles:
* *Amendments to MFRS 1: Deletion of Short-term Exemption for First-time Adopters*
* *Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value*

IC Interpretation 22	*Foreign Currency Transactions and Advance Consideration*

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

<u>MFRS 9 Financial Instruments ("MFRS 9")</u>

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. The new standard contains 3 principal classification categories for financial assets (measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income) and eliminates the existing MFRS 139 categories for held to maturity, loan and receivables, and available-for-sale financial assets.

MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" ("ECL") model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes. This new impairment model applies to financial assets measured at armotised cost, debt instruments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

MFRS 15 Revenue from Contracts with Customers ("MFRS 15")

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of "distinct" for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The effects of application of MFRS 1, adoption of MFRS 9 and MFRS 15 for the Group are as follows:-

Statement Of Profit Or Loss	**As at 30.09.2017 (Unaudited) RM'000**	**Effects of application of MFRS 1 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**As at 30.09.2017 (Restated) RM'000**
Revenue	105,820	-	(395)	105,425
Cost of sales	(65,306)	-	(20)	(65,326)
Distribution costs	(3,322)	-	429	(2,893)
Administrative expenses	(21,439)	(90)	-	(21,529)
Loss for the financial period	(10,029)	(90)	14	(10,105)
Loss attributable to:-				
Equity holders of the Company	(11,334)	(90)	9	(11,415)
Non-controlling interests	1,305	-	5	1,310
Loss for the financial period	(10,029)	(90)	14	(10,105)

Statement of Financial Position	**As at 30.06.2017 (Audited) RM'000**	**Effects of application of MFRS 1 RM'000**	**As at 01.07.2017 (Restated) RM'000**
Non-Current Assets			
Investment properties	99,079	(3)	99,076
Equity			
Revaluation reserves	19,304	(19,304)	-
Exchange translation reserves	192,386	(192,386)	-
Capital reserves	9,845	(9,845)	-
General reserves	25,257	(25,257)	-
Accumulated losses	(2,789,099)	246,789	(2,542,310)

Statement of Financial Position	**As at 30.06.2018 (Audited) RM'000**	**Effects of application of MFRS 1 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**As at 30.06.2018 (Restated) RM'000**	**Effects of adoption of MFRS 9 RM'000**	**As at 01.07.2018 (Restated) RM'000**
Non-Current Assets						
Investment properties	99,598	(2,212)	-	97,386	-	97,386
Investment in associates	403,667	-	-	403,667	(31,902)	371,765
Deferred tax assets	867	-	-	867	(54)	813
Current Assets						
Trade and other receivables	176,002	-	519	176,521	(18,432)	158,089
Other investments	45	-	-	45	29	74
Deposit, bank balances and cash	251,233	-	-	251,233	(301)	250,932

Statement of Financial Position	**As at 30.06.2018 (Audited) RM'000**	**Effects of application of MFRS 1 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**As at 30.06.2018 (Restated) RM'000**	**Effects of adoption of MFRS 9 RM'000**	**As at 01.07.2018 (Restated) RM'000**
Equity						
Revaluation reserves	19,304	(19,304)	-	-	-	-
Exchange translation reserves	157,693	(192,386)	-	(34,693)	-	(34,693)
Capital reserves	14,648	(9,439)	-	5,209	-	5,209
General reserves	24,347	(24,347)	-	-	-	-
Accumulated losses	(2,843,860)	243,953	(226)	(2,600,133)	(48,222)	(2,648,355)
Non-Controlling Interests	227,834	-	(120)	227,714	(2,438)	225,276
Non-Current Liabilities						
Deferred tax liabilities	6,118	(689)	-	5,429	-	5,429
Current Liabilities						
Trade and other payables	160,926	-	865	161,791	-	161,791

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:-

MFRSs and/or IC Interpretations (including The Consequential Amendments)		Effective Date
MFRS 16	*Leases*	1 January 2019
IC Interpretation 23	*Uncertainty Over Income Tax Treatments*	1 January 2019
Amendments to MFRS 10 and MFRS 128	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred until further notice

A2 Seasonal or Cyclical Factors

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

(a) The retailing operations in Malaysia have seasonal peaks in tandem with various festive seasons and sales promotions approved by Ministry of Domestic Trade, Co-operatives and Consumerism;

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

(c) The food operations of the Group is affected by seasonal factors; and

(d) The property operations of the Group is not affected by seasonal factors.

A3 Changes in estimates

There were no significant changes in estimates of the amounts reported in prior financial years which have a material effect in the financial period ended 30 September 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 30 September 2018 other than the exceptional items as follows:-

Exceptional items	**QUARTER ENDED**		**CUMULATIVE 3 MONTHS**	
	30.09.2018	**30.09.2017**	**30.09.2018**	**30.09.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital distribution from a subsidiary placed under winding up	261	-	261	-
Fair value gain on investment in preference shares of an associate	5,043	-	5,043	-
Fair value gain on other financial assets	9	-	9	-
Fair value loss on other investment (current)	(51)	-	(51)	-
Gain on disposal of properties	16,379	-	16,379	-
Gain/(Loss) arising from derecognition of subsidiaries placed under winding up / dissolved	381	(561)	381	(561)
Impairment on amount owing by an associate	(54)	-	(54)	-
Reversal of impairment on receivables	22	-	22	-
Net loss on foreign exchange	(9,559)	(203)	(9,559)	(203)
	12,431	(764)	12,431	(764)

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2018.

A6 Dividends Paid

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

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 September 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	135,312 *	-	135,312 *	(115,255)	20,057
Hotel	50,946	-	50,946	-	50,946
Food	19,946	-	19,946	-	19,946
Property	12,296	(18)	12,278	-	12,278
Others	3,735	(1,803)	1,932	(1,932)	-
Total	222,235	(1,821)	220,414	(117,187)	103,227

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 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	Profit/(Loss) Before Taxation RM'000
Retailing	(3,754)	16,379	-	970 *	13,595
Hotel	8,588	-	(658)	-	7,930
Food	1,298	(156)	-	-	1,142
Property	3,857	22	(25)	-	3,854
Others	(1,877)	(3,814)	(9,899)	(345)	(15,935)
Total	8,112	12,431	(10,582)	625	10,586

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2018 was not publicly available.*

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	242,174	197,431	439,605
Hotel	602,459	-	602,459
Food	150,439	-	150,439
Property	304,261	-	304,261
Others	68,270	189,257	257,527
	1,367,603	386,688	1,754,291
Unallocated Corporate Assets			12,973
Total Assets			1,767,264

A8 Events Subsequent to the End of the Financial Period

There are no material events subsequent to the end of the financial period ended 30 September 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 10 August 2018, Intercontinental Properties Sdn Bhd, a wholly-owned subsidiary of MUI Properties Berhad ("MUIP'), which is in turn a partly-owned subsidiary of the Company, has at its Extraordinary General Meeting, obtained approval from the sole shareholder to commence member's voluntary winding-up pursuant to Section 439(1)(b) of Companies Act, 2016.

(b) On 25 September 2018, MUI (U.K.) Limited, a company incorporated in United Kingdom and a wholly-owned dormant subsidiary of Davson Limited, which is in turn a wholly-owned subsidiary of the Company, was dissolved by way of striking off under United Kingdom Companies Act 2006.

(c) On 22 October 2018, Uniwell Nominees (Tempatan) Sdn Bhd, a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC"), which is in turn a partly-owned subsidiary of the Company, was placed under members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

(d) On 5 November 2018, the following companies which were incorporated in Singapore and indirect wholly-owned subsidiaries of PMC, which is in turn a partly-owned subsidiary of the Company, have been struck off from the Register following an earlier application by both companies to the Companies Registry in Singapore to strike off the name from the Register:-
   (i) Tiffany Hampers & Gifts Pte Ltd ("THG")
   (ii) Specialist Food Retailers Pte Ltd ("SFR")

(e) On 5 November 2018, C.S. Investments Private Limited ("C.S. Investments"), a company incorporated in Singapore and a wholly-owned subsidiary of MUIP, which is in turn a partly-owned subsidiary of the Company, has been struck off from the Register following an earlier application by C.S. Investments to the Companies Registry in Singapore for striking the name off the Register.

The dissolution and members' voluntary winding-up of the above subsidiaries did not have any material impact on the earnings and net assets of the Group for the financial period ended 30 September 2018.

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

A10 Contingent Liabilities

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

A11 Capital Commitments

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

	RM'000
Authorised but not contracted for	265
Contracted but not provided for	21

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 3 MONTHS		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Revenue						
Retailing	20,057	23,924	(16.2)	20,057	23,924	(16.2)
Hotel	50,946	57,595	(11.5)	50,946	57,595	(11.5)
Food	19,946	17,450	14.3	19,946	17,450	14.3
Property	12,278	6,456	90.2	12,278	6,456	90.2
Others	-	-	-	-	-	-
	103,227	105,425	(2.1)	103,227	105,425	(2.1)
Profit/(Loss) before tax ("PBT / (LBT)")						
Retailing	13,595 *	(6,027) *	325.6	13,595 *	(6,027) *	325.6
Hotel	7,930	10,572	(25.0)	7,930	10,572	(25.0)
Food	1,142	64	1,684.4	1,142	64	1,684.4
Property	3,854	1,045	268.8	3,854	1,045	268.8
Financial Services	-	-	-	-	-	-
Others	(15,935)	(13,835)	(15.2)	(15,935)	(13,835)	(15.2)
	10,586	(8,181)	229.4	10,586	(8,181)	229.4

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2018 and 30 September 2017 were not publicly available.*

<u>Quarter ended 30 September 2018 vs Quarter ended 30 September 2017</u>

The Group recorded lower revenue of RM103.2 million and PBT of RM10.6 million in the current quarter compared with revenue of RM105.4 million and LBT of RM8.2 million for the quarter ended 30 September 2017. The lower revenue in the current quarter was mainly from the retailing and hotel divisions. The PBT in the current quarter was mainly from retailing, food and property divisions.

The Group's retailing division in Malaysia recorded lower revenue of RM20.1 million and PBT of RM12.6 million in the current quarter compared with revenue of RM23.9 million and LBT of RM9.1 million for the quarter ended 30 September 2017. The decrease in revenue of 16.2% in the current quarter was mainly due to lower footfall in the department stores and impact from closure of the specialty stores in the previous financial year. The PBT in the current quarter was mainly attributed to an exceptional gain of RM16.4 million on the disposal of warehouses in Shah Alam, lower operating expenses and lower provision of stock depreciation.

The Group’s hotel division in Malaysia recorded lower revenue of RM8.8 million and lower PBT of RM0.9 million in the current quarter compared with revenue of RM10.8 million and PBT of RM3.0 million for the quarter ended 30 September 2017. The lower revenue in the current quarter was mainly attributed to decrease in room occupancy. The lower PBT in the current quarter was attributed to the decrease in revenue and higher operating expenses. In the UK, the Group's hotel division recorded lower revenue of RM42.2 million and lower PBT of RM7.0 million in the current quarter compared with revenue of RM46.5 million and PBT of RM7.7 million for the quarter ended 30 September 2017. The lower revenue in the current quarter was mainly attributed to the impact from disposal of 2 small hotels in the previous financial year. The lower PBT in the current quarter was mainly due to higher operating expenses.

The Group's food division recorded higher revenue of RM19.9 million and higher PBT of RM1.1 million in the current quarter compared with revenue of RM17.5 million and PBT of RM0.1 million for the quarter ended 30 September 2017. The higher revenue and higher PBT were mainly due to higher local sales in Crispy and Tango. The appointment of new distributors and the transitional implementation of 0% GST from June 2018 to August 2018 have boosted consumer spending.

The Group's property division recorded higher revenue of RM12.3 million and higher PBT of RM3.9 million in the current quarter compared with revenue of RM6.5 million and PBT of RM1.0 million in the quarter ended 30 September 2017. The higher revenue and higher PBT in the current quarter were mainly attributed to higher percentage of completion in 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 and fair value changes of financial assets. The higher LBT of RM15.9 million in the current quarter was mainly attributed to higher exchange translation loss on intragroup balances. The LBT was partly mitigated by the fair value gain on investment in preference shares of an associate of RM5.0 million.

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

	Quarter Ended		
	30.09.2018	**30.06.2018**	**Changes**
	RM'000	**RM'000**	**%**
Revenue			
Retailing	20,057	22,961	(12.6)
Hotel	50,946	45,767	11.3
Food	19,946	12,583	58.5
Property	12,278	14,447	(15.0)
Others	-	-	-
	103,227	95,758	7.8
Profit/(Loss) before tax ("PBT / (LBT)")			
Retailing	13,595 *	(15,174)	189.6
Hotel	7,930	3,423	131.7
Food	1,142	(2,152)	153.1
Property	3,854	4,054	(4.9)
Financial Services	-	-	-
Others	(15,935)	(19,770)	19.4
	10,586	(29,619)	135.7

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2018 was not publicly available.*

The Group recorded higher revenue of RM103.2 million and PBT of RM10.6 million in the current quarter compared with revenue of RM95.8 million and LBT of RM29.6 million in the preceding quarter. The higher revenue in the current quarter was mainly from the hotel and food divisions. The PBT in the current quarter was mainly attributed to PBT recorded by retailing, hotel and food divisions.

The Group's retailing division in Malaysia recorded lower revenue of RM20.1 million and PBT of RM12.6 million in the current quarter compared with revenue of RM23.0 million and LBT of RM5.5 million in the preceding quarter. The lower revenue was mainly due to lower footfall in the department stores. The PBT in the current quarter was mainly attributed to an exceptional gain of RM16.4 million on the disposal of warehouses in Shah Alam. The LBT in the preceding quarter included an impairment of goodwill of RM4.8 million in relation to retailing division.

The Group’s hotel division in Malaysia recorded higher revenue of RM8.8 million and PBT of RM0.9 million in the current quarter compared with revenue of RM7.4 million and LBT of RM0.8 million in the preceding quarter. The higher revenue and PBT in the current quarter was mainly attributed to the increase in room occupancy and average room rate. In the UK, the Group's hotel division recorded higher revenue of RM42.2 million and higher PBT of RM7.0 million in the current quarter compared with revenue of RM38.4 million and PBT of RM1.0 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 and increase in gross profit margin.

The Group's food division recorded higher revenue of RM19.9 million and PBT of RM1.1 million in the current quarter compared with revenue of RM12.6 million and LBT of RM2.2 million in the preceding quarter. The higher revenue and PBT in the current quarter was mainly due to increase in local and export sales for Crispy and Tango, and increase in export sales for contract manufacturing.

The Group's property division recorded lower revenue of RM12.3 million and higher PBT of RM3.9 million in the current quarter compared with revenue of RM14.4 million and PBT of RM4.1 million in the preceding quarter. The lower revenue and lower PBT in the current quarter were mainly attributed to lower percentage of completion in the current project. The PBT in the preceding quarter included one-off adjustment on the recognition of infrastructure cost in 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 recorded lower LBT of RM15.9 million in the current quarter compared with LBT of RM19.8 million in the preceding quarter. The lower LBT was mainly attributed to lower share of loss of an associate.

B3 Prospects for the Financial Year Ending 30 June 2019

The overall outlook for the Group seems positive. The retailing, the property, and the food divisions are expected to show improved performance for the current financial year. However, the hotel division, especially its operations in Malaysia, will continue to face challenges of an oversupply position.

Barring unforeseen developments, the Group expects to report better financial results for the current financial year.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Profit/(Loss) before tax

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

	QUARTER ENDED			**CUMULATIVE 3 MONTHS**		
	30.09.2018	**30.09.2017**	**Changes**	**30.09.2018**	**30.09.2017**	**Changes**
	RM'000	**RM'000**	**%**	**RM'000**	**RM'000**	**%**
Depreciation	(4,508)	(5,253)	14.2	(4,508)	(5,253)	14.2
Interest income	2,083	1,388	50.1	2,083	1,388	50.1
Inventories written down	(1,389)	(2,728)	49.1	(1,389)	(2,728)	49.1
Property, plant and equipment written off	(35)	(35)	-	(35)	(35)	-

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:-

	30.09.2018 RM'000	30.06.2018 RM'000	Changes %
Neither past due	14,526	14,279	1.7
Past due			
1 to 30 days	6,292	6,512	(3.4)
31 to 60 days	1,232	2,400	(48.7)
61 to 90 days	763	1,277	(40.3)
91 to 120 days	754	155	386.5
More than 121 days	2,808	4,637	(39.4)
	26,375	29,260	(9.9)

B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED			CUMULATIVE 3 MONTHS		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Current tax expense						
- Malaysia	2,269	934	142.9	2,269	934	142.9
- Foreign	1,825	1,015	79.8	1,825	1,015	79.8
Deferred tax	(1,392)	(25)	(5,468.0)	(1,392)	(25)	(5,468.0)
	2,702	1,924	40.4	2,702	1,924	40.4

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

On 20 September 2018, Megafort Sdn Bhd, a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC"), which is in turn a partly-owned subsidiary of the Company, has entered into a joint venture and shareholders agreement with Baker & Cook Pte Ltd for the purpose of forming a Joint Venture Company to carry on the franchise business of retail food and beverage outlet in Malaysia.

On 24 September 2018, a joint venture company under the name of Baker & Cook (Malaysia) Sdn Bhd (1296339-M) (“B&C Malaysia”) has been incorporated. The principal activity of B&C Malaysia is to establish and operate the franchise business of retail food and beverage outlets operated and conducted under the trade names of "Baker & Cook" and "Plank Sourdough Pizza" subject to the terms and conditions of the Joint Venture and Shareholders Agreement dated 20 September 2018.

The current paid-up share capital of B&C Malaysia is RM1.5 million, comprising 100,000 ordinary shares.

The Shareholders and their respective shareholding in B&C Malaysia are as follows:-

a) Megafort Sdn Bhd - 50%; and
b) Baker & Cook Pte Ltd - 50%.

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

B9 Group Borrowings

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

	30.09.2018		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- Term loan	643,188	18,632	661,820
- Revolving credit	53,095	31,000	84,095
- Bank overdraft	-	19,467	19,467
- Hire purchase	844	605	1,449
	697,127	69,704	766,831
Unsecured			
- Revolving credit	41,439	44,380	85,819
	41,439	44,380	85,819
Total borrowings	738,566	114,084	852,650

	30.06.2018		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- Term loan	633,427	19,931	653,358
- Revolving credit	53,095	33,000	86,095
- Bank overdraft	-	19,038	19,038
- Hire purchase	826	788	1,614
	687,348	72,757	760,105
Unsecured			
- Revolving credit	41,439	47,230	88,669
	41,439	47,230	88,669
	728,787	119,987	848,774

Foreign borrowing in Ringgit Malaysia equivalent as at 30 September 2018 included in the above was as follows:-

	30.09.2018		30.06.2018	
	£'000	**RM'000**	**£'000**	**RM'000**
Total foreign borrowing	88,106	477,111	88,106	466,618

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 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 September 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 30 September 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	142,290	2,324

B11 Fair Value Changes of Financial Liabilities

As at 30 September 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.

B13 Dividend

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

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

B14 Basic Profit/(Loss) Per Share

	QUARTER ENDED			CUMULATIVE 3 MONTHS		
	30.09.2018	30.09.2017	Changes %	30.09.2018	30.09.2017	Changes %
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	-	2,932,561	2,932,561	-
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	2,754	(11,415)	124.1	2,754	(11,415)	124.1
Basic profit/(loss) per share (sen)	0.09	(0.39)	124.1	0.09	(0.39)	124.1
Diluted profit/(loss) per share (sen)	0.09	(0.39)	124.1	0.09	(0.39)	124.1

Diluted profit/(loss) per ordinary share is the same as basic profit/(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 2018 was unmodified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 29 November 2018