MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018

(The figures are unaudited)

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

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
Revenue	110,614	106,674	213,841	211,851
Cost of sales	(65,206)	(66,487)	(125,748)	(131,813)
Gross profit	45,408	40,187	88,093	80,038
Other income	3,733	2,170	6,965	4,558
Distribution costs	(1,802)	(1,759)	(3,841)	(4,652)
Administrative expenses	(22,677)	(21,534)	(46,010)	(43,063)
Other operating expenses	(14,189)	(15,588)	(26,622)	(33,449)
Profit from operations	10,473	3,476	18,585	3,432
Exceptional items (refer Note A4)	4,044	(4,528)	16,475	(5,292)
Finance cost	(11,515)	(11,358)	(22,097)	(21,972)
Share of results of associates	(1,330)	5,661	(705)	8,902
Profit/(Loss) before taxation	1,672	(6,749)	12,258	(14,930)
Tax expense	(3,129)	(1,939)	(5,831)	(3,863)
(Loss)/Profit for the financial period	(1,457)	(8,688)	6,427	(18,793)
(Loss)/Profit attributable to:-				
Equity holders of the Company	(3,548)	(8,810)	(794)	(20,225)
Non-controlling interests	2,091	122	7,221	1,432
(Loss)/Profit for the financial period	(1,457)	(8,688)	6,427	(18,793)
Loss per share attributable to equity holders of the Company:-	**Sen**	**Sen**	**Sen**	**Sen**
Basic / Diluted	(0.12)	(0.30)	(0.03)	(0.69)

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 31 DECEMBER 2018

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2018 RM'000	**31.12.2017 RM'000**	**31.12.2018 RM'000**	**31.12.2017 RM'000**
(Loss)/Profit for the financial period	(1,457)	(8,688)	6,427	(18,793)
Other comprehensive income/(expense), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	(7,217)	(35,029)	11,396	(38,699)
Fair value of available-for-sale investments - Loss on fair value changes	(780)	(598)	(593)	(505)
Derecognition of subsidiaries placed under winding up / dissolved	-	17,644	-	17,692
Other comprehensive (expense)/income for the financial period	(7,997)	(17,983)	10,803	(21,512)
Total comprehensive (expense)/income for the financial period	(9,454)	(26,671)	17,230	(40,305)
Total comprehensive (expense)/income attributable to:-				
Equity holders of the Company	(8,012)	(23,498)	11,473	(39,116)
Non-controlling interests	(1,442)	(3,173)	5,757	(1,189)
Total comprehensive (expense)/income for the financial period	(9,454)	(26,671)	17,230	(40,305)

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 31 DECEMBER 2018

	31.12.2018 RM'000	30.06.2018 RM'000 (Restated)	01.07.2017 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	602,823	619,908	674,511
Investment properties	96,073	97,383	99,076
Investment in associates	377,325	403,667	441,372
Other investments	9,294	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	1,428	867	1,052
	1,147,385	1,192,592	1,291,856
Current Assets			
Inventories	160,259	151,353	142,904
Trade and other receivables	163,745	176,521	187,149
Other investments	74	45	49
Current tax assets	10,234	12,232	17,039
Deposits, bank balances and cash	243,520	251,233	276,662
	577,832	591,384	623,803
TOTAL ASSETS	1,725,217	1,783,976	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	(2,658,949)	(2,622,290)	(2,534,645)
	493,917	530,576	618,221
Non-Controlling Interests	231,079	227,714	228,108
Total Equity	724,996	758,290	846,329
Non-Current Liabilities	738,700	742,353	794,072
Current Liabilities			
Trade and other payables	151,342	161,791	141,642
Borrowings	107,204	119,987	130,392
Current tax liabilities	2,975	1,555	3,224
	261,521	283,333	275,258
Total Liabilities	1,000,221	1,025,686	1,069,330
TOTAL EQUITY AND LIABILITIES	1,725,217	1,783,976	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 31 DECEMBER 2018

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
CUMULATIVE 6 MONTHS	**Share Capital RM'000**	**Non-Distributable Reserves RM'000**	**Distributable Reserves RM'000**	**Accumulated Losses RM'000**	**Total RM'000**	**RM'000**	**RM'000**
At 1 July 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	-	-	-	(48,135)	(48,135)	(2,392)	(50,527)
- MFRS 15	-	-	-	(226)	(226)	(120)	(346)
	-	(221,129)	(24,347)	195,592	(49,884)	(2,512)	(52,396)
At 1 July 2018 (As restated)	3,152,866	(22,154)	-	(2,648,268)	482,444	225,322	707,766
(Loss)/Profit for the financial period	-	-	-	(794)	(794)	7,221	6,427
Fair value loss on available-for-sale financial assets, net of tax	-	(520)	-	-	(520)	(73)	(593)
Foreign currency translations, net of tax	-	12,787	-	-	12,787	(1,391)	11,396
Total comprehensive income/(expense)	-	12,267	-	(794)	11,473	5,757	17,230
At 31 December 2018	3,152,866	(9,887)	-	(2,649,062)	493,917	231,079	724,996
CUMULATIVE 6 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	-	-	-	(20,225)	(20,225)	1,432	(18,793)
Fair value loss on available-for-sale financial assets, net of tax	-	(409)	-	-	(409)	(96)	(505)
Foreign currency translations, net of tax	-	(36,127)	-	-	(36,127)	(2,572)	(38,699)
Derecognised upon winding up of a subsidiary	-	17,238	(910)	1,316	17,644	48	17,692
Total comprehensive expense	-	(19,298)	(910)	(18,909)	(39,117)	(1,188)	(40,305)
At 31 December 2017	3,152,866	(11,633)	(910)	(2,561,219)	579,104	226,920	806,024

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

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	CUMULATIVE 6 MONTHS	
	31.12.2018	**31.12.2017**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	12,258	(14,930)
Net adjustments	12,194	28,323
Operating profit before working capital changes	24,452	13,393
Net change in working capital	(25,900)	9,285
Cash (used)/generated from operations	(1,448)	22,678
Employee benefits paid	(12)	-
Interest paid	(505)	(675)
Interest received	2,246	815
Net tax (paid)/refunded	(3,961)	589
Net cash (used)/generated from operating activities	(3,680)	23,407
Cash Flows From Investing Activities		
Interest received	2,226	1,990
Proceeds from disposal of properties	32,650	-
Purchase of investments	(750)	-
Purchase of property, plant and equipment	(5,355)	(6,033)
Utilisation of restricted fund	-	1,062
(Placement)/Withdrawal of fixed deposits pledged with licensed financial institutions	(21,026)	533
Net cash generated/(used) in investing activities	7,745	(2,448)
Cash Flows From Financing Activities		
Interest paid	(21,592)	(21,297)
Net repayments of bank borrowings	(12,716)	(11,128)
Net cash used in financing activities	(34,308)	(32,425)
Effects of exchange rate changes	645	1,573
Net decrease in cash and cash equivalents	(29,598)	(9,893)
Cash and cash equivalents at 1 July		
As previously reported	197,065	199,413
Effects of exchange rate changes on cash and cash equivalents	817	(1,445)
As restated	197,882	197,968
Cash and cash equivalents at 31 December	168,284	188,075

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.

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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 31.12.2017 (Unaudited) RM'000**	**Effects of application of MFRS 1 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**As at 31.12.2017 (Restated) RM'000**
Revenue	214,408	-	(2,557)	211,851
Cost of sales	(131,813)	-	-	(131,813)
Gross profit	82,595	-	(2,557)	80,038
Distribution costs	(7,206)	-	2,554	(4,652)
Administrative expenses	(42,883)	(180)	-	(43,063)
Loss for the financial period	(18,610)	(180)	(3)	(18,793)
Loss attributable to:-				
Equity holders of the Company	(20,041)	(180)	(4)	(20,225)
Non-controlling interests	1,431	-	1	1,432
Loss for the financial period	(18,610)	(180)	(3)	(18,793)

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)	-
Available-for-sales reserve	7,665	-	7,665
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	(2,215)	-	97,383	-	97,383
Investment in associates	403,667	-	-	403,667	(31,722)	371,945
Deferred tax assets	867	-	-	867	(54)	813
Current Assets						
Trade and other receivables	176,002	-	519	176,521	(18,479)	158,042
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)	-	-	-	-
Available-for-sales reserve	7,330	-	-	7,330	-	7,330
Accumulated losses	(2,843,860)	243,950	(226)	(2,600,136)	(48,135)	(2,648,271)
Non-Controlling Interests	227,834	-	(120)	227,714	(2,392)	225,322
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 31 December 2018.

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the financial period ended 31 December 2018 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Capital distribution from a subsidiary placed under winding up	-	-	261	-
Fair value gain on other financial assets	24	-	33	-
Fair value gain on other investment (current)	51	-	-	-
Gain on disposal of properties	3,298	-	19,677	-
Gain/(Loss) arising from derecognition of subsidiaries placed under winding up / dissolved	4	(17,537)	385	(18,098)
Impairment on amount owing by an associate	(47)	-	(101)	-
Reversal of impairment on receivables	64	-	86	-
Reversal of fair value gain on investment in preference shares of an associate	(5,043)	-	-	-
Net gain/(loss) on foreign exchange	5,693	13,009	(3,866)	12,806
	4,044	(4,528)	16,475	(5,292)

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 31 December 2018.

A6 Dividends Paid

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

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 December 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	159,971	-	159,971	(115,255)	44,716
Hotel	96,110	-	96,110	-	96,110
Food	45,303	-	45,303	-	45,303
Property	27,748	(36)	27,712	-	27,712
Others	11,589	(3,608)	7,981	(7,981)	-
Total	340,721	(3,644)	337,077	(123,236)	213,841

(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	(4,370)	16,379	-	(2,819)	9,190
Hotel	13,604	-	(1,314)	-	12,290
Food	5,055	(21)	-	-	5,034
Property	9,380	3,298	(50)	-	12,628
Others	(5,084)	(3,181)	(20,733)	2,114	(26,884)
Total	18,585	16,475	(22,097)	(705)	12,258

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	224,923	198,075	422,998
Hotel	582,472	-	582,472
Food	157,928	-	157,928
Property	308,091	-	308,091
Others	62,816	179,250	242,066
	1,336,230	377,325	1,713,555
Unallocated Corporate Assets			11,662
Total Assets			1,725,217

A8 Events Subsequent to the End of the Financial Period

There are no material events subsequent to the end of the financial period ended 31 December 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.

(f) On 29 January 2019, it was annouced that the following direct and indirect wholly-owned subsidiaries of PMH, which is in turn a partly-owned subsidiary of the Company, have been dissolved pursuant to Section 439(1)(b) of the Companies Act 2016 ("Winding-up"):-

	Company name	Date of dissolution
(i)	Pengkalen Equities Sdn Bhd	26 December 2018
(ii)	Pengkalen Properties Sdn Bhd	26 December 2018
(iii)	Destiny Aims Sdn Bhd	26 December 2018
(iv)	Kayangan Makmur Sdn Bhd	1 January 2019

The dissolution and members' voluntary winding-up of the above subsidiaries did not have any material impact on the earnings and net assets of the Group for the financial period ended 31 December 2018.

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

A10 Contingent Liabilities

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

A11 Capital Commitments

As at 31 December 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	-

MALAYAN UNITED INDUSTRIES BERHAD

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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 6 MONTHS		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Revenue						
Retailing	24,659	29,777	(17.2)	44,716	53,701	(16.7)
Hotel	45,164	51,238	(11.9)	96,110	108,585	(11.5)
Food	25,357	19,854	27.7	45,303	37,304	21.4
Property	15,434	5,805	165.9	27,712	12,261	126.0
Others	-	-	-	-	-	-
	110,614	106,674	3.7	213,841	211,851	0.9
(Loss)/Profit before tax ("(LBT) / PBT")						
Retailing	(4,405)	1,170	(476.5)	9,190	(4,857)	289.2
Hotel	4,360	5,505	(20.8)	12,290	16,077	(23.6)
Food	3,892	1,412	175.6	5,034	1,476	241.1
Property	8,774	1,274	588.7	12,628	2,319	444.5
Financial Services	-	-	-	-	-	-
Others	(10,949)	(16,110)	32.0	(26,884)	(29,945)	10.2
	1,672	(6,749)	124.8	12,258	(14,930)	182.1

Quarter ended 31 December 2018 vs Quarter ended 31 December 2017

The Group recorded higher revenue of RM110.6 million and PBT of RM1.7 million in the current quarter compared with revenue of RM106.7 million and LBT of RM6.7 million for the quarter ended 31 December 2017. The higher revenue and PBT in the current quarter were mainly from the property and food divisions.

The Group's retailing division in Malaysia recorded lower revenue of RM24.7 million and lower LBT of RM0.6 million in the current quarter compared with revenue of RM29.8 million and LBT of RM2.4 million for the quarter ended 31 December 2017. The decrease in revenue was from the department stores and specialty stores. The lower LBT in the current quarter was mainly attributed to lower operating expenses.

The Group’s hotel division in Malaysia recorded lower revenue of RM8.9 million and lower PBT of RM1.2 million in the current quarter compared with revenue of RM10.8 million and PBT of RM2.1 million for the quarter ended 31 December 2017. The lower revenue in the current quarter was mainly attributed to lower tourist arrivals and stiff competition among hotels. The lower PBT in the current quarter are in tandem with the decrease in revenue. In the UK, the Group's hotel division recorded lower revenue of RM36.2 million and lower PBT of RM3.2 million in the current quarter compared with revenue of RM40.4 million and PBT of RM3.5 million for the quarter ended 31 December 2017. The lower revenue in the current quarter was mainly attributed to the 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 RM25.4 million and higher PBT of RM3.9 million in the current quarter compared with revenue of RM19.9 million and PBT of RM1.4 million for the quarter ended 31 December 2017. The higher revenue and higher PBT were mainly due to higher local and export sales in Crispy and Tango. The appointment of new distributor in Singapore has broadened the market coverage leading to higher demand.

The Group's property division recorded higher revenue of RM15.4 million and higher PBT of RM8.8 million in the current quarter compared with revenue of RM5.8 million and PBT of RM1.3 million in the quarter ended 31 December 2017. The higher revenue in the current quarter was mainly attributed to higher percentage of completion in the current phases in Bandar Springhill, Negeri Sembilan. The higher PBT in the current quarter was mainly due to higher revenue, higher gross profit margin of current phases in Bandar Springhill and a gain on disposal of investment properties of RM3.3 million.

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 lower LBT of RM10.9 million in the current quarter compared with LBT of RM16.1 million for the quarter ended 31 December 2017 was mainly due to a one-off loss arising from derecognition of dissolved subsidiaries recorded in the quarter ended 31 December 2017.

Financial period ended 31 December 2018 vs financial period ended 31 December 2017

For the financial period ended 31 December 2018, the Group recorded higher revenue of RM213.8 million and PBT of RM12.3 million compared with revenue of RM211.9 million and LBT of RM14.9 million for the financial period ended 31 December 2017. The higher revenue was mainly from property and food divisions. The PBT was achieved mainly due to better performance in the retailing, property and food divisions.

The Group's retailing division in Malaysia recorded lower revenue of RM44.7 million and PBT of RM12.0 million in the current financial period compared with revenue of RM53.7 million and LBT of RM11.5 million for the financial period ended 31 December 2017. The decrease in revenue was from the department stores and specialty stores. The PBT in the current financial period was mainly attributable to an exceptional gain of RM16.4 million on the disposal of 2 warehouses in Shah Alam and lower operating expenses.

The Group’s hotel division in Malaysia recorded lower revenue of RM17.7 million and lower PBT of RM2.2 million in the current financial period compared with revenue of RM21.7 million and PBT of RM5.1 million for the financial period ended 31 December 2017. The lower revenue and lower PBT were mainly due to lower room occupancy. In the UK, the Group's hotel division recorded lower revenue of RM78.4 million and lower PBT of RM10.2 million in the current financial period compared with revenue of RM86.9 million and PBT of RM11.2 million for the financial period ended 31 December 2017. The lower revenue in the current financial period was mainly attributed to the disposal of 2 small hotels in the previous financial year. The lower PBT was mainly due to increase in operating costs.

The Group's food division recorded higher revenue of RM45.3 million and higher PBT of RM5.0 million in the current financial period compared with revenue of RM37.3 million and PBT of RM1.5 million for the financial period ended 31 December 2017. The higher revenue in the current financial period was mainly attributed to higher local sales in Crispy and Tango. The higher PBT in the current financial period was mainly attributed to higher sales and lower operating expenses resulting from the integration of sales, marketing and distribution with the factory at a single location.

The Group's property division recorded higher revenue of RM27.7 million and higher PBT of RM12.6 million in the current financial period compared with revenue of RM12.3 million and PBT of RM2.3 million for the financial period ended 31 December 2017. The higher revenue in the current quarter was mainly attributed to higher percentage of completion in the current phases in Bandar Springhill, Negeri Sembilan. The higher PBT in the current quarter was mainly due to higher revenue, higher gross profit margin of current phases in Bandar Springhill and a gain on disposal of investment properties of RM3.3 million.

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 RM26.9 million in the current financial period compared with LBT of RM29.9 million for the financial period ended 31 December 2017. The lower LBT was mainly attributed to a one-off loss arising from derecognition of dissolved subsidiaries recorded in the financial period ended 31 December 2017 and higher interest income in the current financial period.

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

	Quarter Ended		
	31.12.2018	30.09.2018	Changes
	RM'000	RM'000	%
Revenue			
Retailing	24,659	20,057	22.9
Hotel	45,164	50,946	(11.3)
Food	25,357	19,946	27.1
Property	15,434	12,278	25.7
Others	-	-	-
	110,614	103,227	7.2
(Loss)/Profit before tax ("(LBT) / PBT")			
Retailing	(4,405)	13,595	(132.4)
Hotel	4,360	7,930	(45.0)
Food	3,892	1,142	240.8
Property	8,774	3,854	127.7
Financial Services	-	-	-
Others	(10,949)	(15,935)	31.3
	1,672	10,586	(84.2)

The Group recorded higher revenue of RM110.6 million and lower PBT of RM1.7 million in the current quarter compared with revenue of RM103.2 million and PBT of RM10.6 million in the preceding quarter. The higher revenue in the current quarter was mainly from the food, retailing and property divisions. The lower PBT in the current quarter was mainly attributed to retailing and hotel divisions.

The Group's retailing division in Malaysia recorded higher revenue of RM24.7 million and lower LBT of RM0.6 million in the current quarter compared with revenue of RM20.1 million and LBT (before the exceptional gain of RM16.4 million on disposal of 2 warehouses in Shah Alam) of RM2.8 million in the preceding quarter. The higher revenue was mainly contributed by the department stores due to festive and holiday seasons. The lower LBT in the current quarter was in tandem with the higher revenue.

The Group’s hotel division in Malaysia recorded higher revenue of RM9.0 million and PBT of RM1.2 million in the current quarter compared with revenue of RM8.8 million and PBT of RM0.9 million in the preceding quarter. The higher revenue and PBT in the current quarter were mainly attributed to the increase in room occupancy. In the UK, the Group's hotel division recorded lower revenue of RM36.2 million and lower PBT of RM3.2 million in the current quarter compared with revenue of RM42.2 million and PBT of RM7.0 million in the preceding quarter. The lower revenue and lower PBT in the current quarter were mainly attributed to decrease in room occupancy and average room rate.

The Group's food division recorded higher revenue of RM25.4 million and higher PBT of RM3.9 million in the current quarter compared with revenue of RM19.9 million and PBT of RM1.1 million in the preceding quarter. The higher revenue and higher PBT in the current quarter mainly driven by higher export sales in Tango, Tudor Gold and contract manufacturing to Singapore, Korea, Myanmar and Vietnam.

The Group's property division recorded higher revenue of RM15.4 million and higher PBT of RM8.8 million in the current quarter compared with revenue of RM12.3 million and PBT of RM3.9 million in the preceding quarter. The higher revenue in the current quarter was mainly attributed to higher percentage of completion in the current phases in Bandar Springhill, Negeri Sembilan. The higher PBT in the current quarter was mainly due to higher revenue and a gain on disposal of investment properties of RM3.3 million.

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 RM10.9 million in the current quarter compared with LBT of RM15.9 million in the preceding quarter. The lower LBT in the current quarter was mainly attributed to exchange translation gain on intragroup balances recorded in the current quarter as compared to loss in the preceding quarter, reversal of fair value gain on investment in preference shares of an associate as compared to fair value gain recognised in the preceding quarter and higher share of profit of an associate.

B3 Prospects for the Financial Year Ending 30 June 2019

The retail industry remains challenging as online shopping continues its rise and consumers have taken to spending cautiously. This scenario is further weighed down by a dip in footfall as consumers are spoilt for choice with the proliferation of shopping malls. In response to the changing conditions, the Group’s retailing division in Malaysia is planning to venture into e-commerce, introduce exciting new brands and concepts into the market place and to upgrade the stores experience to make it more lifestyle-driven.

The Group's hotel operations in Malaysia expect to remain challenging due to oversupply of hotel rooms coupled with the drop in tourist arrivals in Malaysia and lower demand from Government as well as corporate clients. Initiatives were taken to improve the performance of the Group's hotel operations in Kuala Lumpur whereby refurbishments were done at the lobby, reception and rooms. In the United Kingdom (“UK”), due to the uncertainty over Brexit, the Group expects the hotel operations in UK to remain uncertain.

The 21% growth in the food division's revenue for the 6 months ended 31 December 2018 was driven by aggressive marketing initiatives in both the domestic and international markets. Robust promotions with selected sales channels in Malaysia propelled revenue in the second quarter. Regionally, Vietnam, Myanmar and the Philippines performed better due to an extended product range and stepped-up effort to meet festive demands.

The property market, especially the residential and commercial subsectors, is expected to face continuing headwinds in 2019. Despite Government initiatives, potential buyers continue to face stringent mortgage guidelines from financial institutions. The Group's ability to develop its strong positioning in the Bandar Springhill project has shown encouraging results. It expects to turn in an improved performance for this financial year.

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 6 MONTHS		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Depreciation	(4,605)	(4,953)	7.0	(9,113)	(10,206)	10.7
Interest income	2,389	1,417	68.6	4,472	2,805	59.4
Inventories written back/(down)	1,215	(23)	5,382.6	(174)	(2,751)	93.7
Property, plant and equipment written off	(35)	(35)	-	(70)	(70)	-

B6 Trade Receivables

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

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

	31.12.2018 RM'000	30.06.2018 RM'000	Changes %
Neither past due	19,957	14,279	39.8
Past due			
1 to 30 days	6,995	6,512	7.4
31 to 60 days	3,435	2,400	43.1
61 to 90 days	1,573	1,252	25.6
91 to 120 days	1,512	155	875.5
More than 121 days	735	4,280	(82.8)
	34,207	28,878	18.5

B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Current tax expense						
- Malaysia	2,809	1,540	82.4	5,078	2,474	105.3
- Foreign	(331)	252	(231.3)	1,494	1,267	17.9
Deferred tax	634	5	12,580.0	(758)	(20)	(3,690.0)
	3,112	1,797	73.2	5,814	3,721	56.2
Underprovision in respect of prior years	17	142	(88.0)	17	142	(88.0)
	3,129	1,939	61.4	5,831	3,863	50.9

The tax provision of the Group for the financial period ended 31 December 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 31 December 2018 were as follows:-

	31.12.2018		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- Term loan	629,911	16,617	646,528
- Revolving credit	53,095	29,000	82,095
- Bank overdraft	-	18,884	18,884
- Hire purchase	819	392	1,211
	683,825	64,893	748,718
Unsecured			
- Revolving credit	41,439	42,115	83,554
- Bank overdraft	-	196	196
	41,439	42,311	83,750
Total borrowings	725,264	107,204	832,468

	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 31 December 2018 included in the above was as follows:-

	31.12.2018		30.06.2018	
	£'000	**RM'000**	**£'000**	**RM'000**
Total foreign borrowing	88,106	462,838	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 31 December 2018 is as follows:-

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

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

As at 31 December 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	138,033	2,254

B11 Fair Value Changes of Financial Liabilities

As at 31 December 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 31 December 2018 (31 December 2017: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31.12.2018	31.12.2017	Changes %	31.12.2018	31.12.2017	Changes %
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	-	2,932,561	2,932,561	-
Loss for the financial period attributable to equity holders of the Company (RM'000)	(3,548)	(8,810)	59.7	(794)	(20,225)	96.1
Basic loss per share (sen)	(0.12)	(0.30)	59.7	(0.03)	(0.69)	96.1
Diluted loss per share (sen)	(0.12)	(0.30)	59.7	(0.03)	(0.69)	96.1

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 2018 was unmodified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 27 February 2019