MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2019

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2019 RM'000	**31.03.2018 RM'000**	**31.03.2019 RM'000**	**31.03.2018 RM'000**
Revenue	88,915	91,722	302,756	303,573
Cost of sales	(59,164)	(54,467)	(184,912)	(186,280)
Gross profit	29,751	37,255	117,844	117,293
Other income	3,738	3,054	10,703	7,612
Distribution costs	(2,085)	(2,673)	(5,926)	(7,325)
Administrative expenses	(22,356)	(23,012)	(68,366)	(66,075)
Other operating expenses	(11,501)	(15,314)	(38,123)	(48,763)
(Loss)/Profit from operations	(2,453)	(690)	16,132	2,742
Exceptional items (refer Note A4)	1,586	8,793	18,061	3,501
Finance cost	(11,553)	(10,641)	(33,650)	(32,613)
Share of results of associates	(4,884)	(498)	(5,589)	8,404
Loss before taxation	(17,304)	(3,036)	(5,046)	(17,966)
Tax expense	(1,576)	(1,424)	(7,407)	(5,287)
Loss for the financial period	(18,880)	(4,460)	(12,453)	(23,253)
Loss attributable to:-				
Equity holders of the Company	(19,632)	(5,529)	(20,426)	(25,754)
Non-controlling interests	752	1,069	7,973	2,501
Loss for the financial period	(18,880)	(4,460)	(12,453)	(23,253)
Loss per share attributable to equity holders of the Company:-	**Sen**	**Sen**	**Sen**	**Sen**
Basic / Diluted	(0.67)	(0.19)	(0.70)	(0.88)

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 MARCH 2019

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2019 RM'000	31.03.2018 RM'000	31.03.2019 RM'000	31.03.2018 RM'000
Loss for the financial period	(18,880)	(4,460)	(12,453)	(23,253)
Other comprehensive income/(expense), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	(3,007)	(33,350)	8,389	(72,048)
Fair value of available-for-sale investments - Loss on fair value changes	(2,226)	(799)	(2,819)	(1,305)
Derecognition of subsidiaries placed under winding up / dissolved	-	-	-	17,692
Other comprehensive (expense)/income for the financial period	(5,233)	(34,149)	5,570	(55,661)
Total comprehensive expense for the financial period	(24,113)	(38,609)	(6,883)	(78,914)
Total comprehensive expense attributable to:-				
Equity holders of the Company	(24,978)	(36,826)	(13,505)	(75,942)
Non-controlling interests	865	(1,783)	6,622	(2,972)
Total comprehensive expense for the financial period	(24,113)	(38,609)	(6,883)	(78,914)

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 MARCH 2019

	31.03.2019 RM'000	30.06.2018 RM'000 (Restated)	01.07.2017 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	609,514	619,908	674,511
Investment properties	95,598	97,386	99,076
Investment in associates	370,809	403,667	441,372
Other investments	6,318	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	1,538	867	1,052
	1,144,219	1,192,595	1,291,856
Current Assets			
Inventories	164,314	151,353	142,904
Trade and other receivables	150,144	176,521	187,149
Other investments	72	45	49
Current tax assets	10,213	12,232	17,039
Deposits, bank balances and cash	264,689	251,233	276,662
	589,432	591,384	623,803
TOTAL ASSETS	1,733,651	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	(2,683,850)	(2,622,287)	(2,534,645)
	469,016	530,579	618,221
Non-Controlling Interests	231,976	227,714	228,108
Total Equity	700,992	758,293	846,329
Non-Current Liabilities	746,949	742,353	794,072
Current Liabilities			
Trade and other payables	179,686	161,791	141,642
Borrowings	103,340	119,987	130,392
Current tax liabilities	2,684	1,555	3,224
	285,710	283,333	275,258
Total Liabilities	1,032,659	1,025,686	1,069,330
TOTAL EQUITY AND LIABILITIES	1,733,651	1,783,979	1,915,659
	RM	**RM**	**RM**
Net assets per share attributable to equity holders of the Company	0.16	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 MARCH 2019

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
CUMULATIVE 9 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	-	-	-	(48,058)	(48,058)	(2,360)	(50,418)
- MFRS 15	-	-	-	(226)	(226)	(120)	(346)
	-	(221,129)	(24,347)	195,669	(49,807)	(2,480)	(52,287)
At 1 July 2018 (As restated)	3,152,866	(22,154)	-	(2,648,191)	482,521	225,354	707,875
(Loss)/Profit for the financial period	-	-	-	(20,426)	(20,426)	7,973	(12,453)
Fair value loss on available-for-sale financial assets, net of tax	-	(2,185)	-	-	(2,185)	(634)	(2,819)
Foreign currency translations, net of tax	-	9,106	-	-	9,106	(717)	8,389
Total comprehensive income/(expense)	-	6,921	-	(20,426)	(13,505)	6,622	(6,883)
At 31 March 2019	3,152,866	(15,233)	-	(2,668,617)	469,016	231,976	700,992
CUMULATIVE 9 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	-	-	-	(25,754)	(25,754)	2,501	(23,253)
Fair value loss on available-for-sale financial assets, net of tax	-	(1,052)	-	-	(1,052)	(253)	(1,305)
Foreign currency translations, net of tax	-	(66,780)	-	-	(66,780)	(5,268)	(72,048)
Derecognised upon winding up of a subsidiary	-	17,238	(910)	1,316	17,644	48	17,692
Total comprehensive expense	-	(50,594)	(910)	(24,438)	(75,942)	(2,972)	(78,914)
At 31 March 2018	3,152,866	(42,929)	(910)	(2,566,748)	542,279	225,136	767,415

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 31 MARCH 2019

	CUMULATIVE 9 MONTHS	
	31.03.2019	**31.03.2018**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Loss before taxation	(5,046)	(17,966)
Net adjustments	25,490	29,713
Operating profit before working capital changes	20,444	11,747
Net change in working capital	10,593	881
Cash generated from operations	31,037	12,628
Employee benefits paid	(134)	(26)
Interest paid	(433)	(1,017)
Interest received	3,107	1,391
Net tax paid	(4,885)	(3,836)
Net cash generated from operating activities	28,692	9,140
Cash Flows From Investing Activities		
Interest received	3,433	3,115
Proceeds from disposal of properties	32,835	15,328
Purchase of investments	(750)	-
Purchase of property, plant and equipment	(9,876)	(9,760)
Utilisation of restricted fund	-	1,684
(Placement)/Withdrawal of fixed deposits pledged with licensed financial institutions	(20,206)	607
Net cash generated in investing activities	5,436	10,974
Cash Flows From Financing Activities		
Interest paid	(33,218)	(31,596)
Net repayments of bank borrowings	(15,041)	(17,031)
Net cash used in financing activities	(48,259)	(48,627)
Effects of exchange rate changes	6,460	4,865
Net decrease in cash and cash equivalents	(7,671)	(23,648)
Cash and cash equivalents at 1 July		
As previously reported	197,065	199,413
Effects of exchange rate changes on cash and cash equivalents	793	(4,403)
As restated	197,858	195,010
Cash and cash equivalents at 31 March	190,187	171,362

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 31.03.2018 (Unaudited) RM'000**	**Effects of application of MFRS 1 RM'000**	**Effects of adoption of MFRS 15 RM'000**	**As at 31.03.2018 (Restated) RM'000**
Revenue	307,359	-	(3,786)	303,573
Cost of sales	(186,280)	-	-	(186,280)
Gross profit	121,079	-	(3,786)	117,293
Distribution costs	(11,115)	-	3,790	(7,325)
Administrative expenses	(65,805)	(270)	-	(66,075)
Loss for the financial period	(22,987)	(270)	4	(23,253)
Loss attributable to:-				
Equity holders of the Company	(25,489)	(270)	5	(25,754)
Non-controlling interests	2,502	-	(1)	2,501
Loss for the financial period	(22,987)	(270)	4	(23,253)

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	(2,212)	-	97,386	-	97,386
Investment in associates	403,667	-	-	403,667	(31,722)	371,945
Deferred tax assets	867	-	-	867	54	921
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)	243,953	(226)	(2,600,133)	(48,058)	(2,648,191)
Non-Controlling Interests	227,834	-	(120)	227,714	(2,361)	225,353
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:-

<u>MFRSs and/or IC Interpretations (including The Consequential Amendments)</u>		<u>Effective Date</u>
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 March 2019.

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

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the financial period ended 31 March 2019 other than the exceptional items as follows:-

Exceptional items	**QUARTER ENDED**		**CUMULATIVE 9 MONTHS**	
	31.03.2019	**31.03.2018**	**31.03.2019**	**31.03.2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital distribution from a subsidiary placed under winding up	261	-	522	-
Fair value gain on other financial assets	18	-	51	-
Gain on disposal of property, plant and equipment	182	586	19,859	586
(Loss)/Gain arising from derecognition of subsidiaries placed under winding up / dissolved	(1)	-	384	(18,098)
Impairment on amount owing by an associate	(48)	-	(149)	-
Reversal of impairment on receivables	456	-	542	-
Net gain/(loss) on foreign exchange	718	8,207	(3,148)	21,013
	1,586	8,793	18,061	3,501

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 31 March 2019.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2019 (31 March 2018: Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2019 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	412,691 *	-	412,691*	(346,314)	66,377
Hotel	132,228	-	132,228	-	132,228
Food	60,780	-	60,780	-	60,780
Property	43,425	(54)	43,371	-	43,371
Others	15,787	(5,751)	10,036	(10,036)	-
Total	664,911	(5,805)	659,106	(356,350)	302,756

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2019 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	(7,584)	16,379	-	(7,240) *	1,555
Hotel	13,116	-	(2,006)	-	11,110
Food	4,502	664	-	(251)	4,915
Property	13,137	3,357	(75)	-	16,419
Others	(7,039)	(2,339)	(31,569)	1,902	(39,045)
Total	16,132	18,061	(33,650)	(5,589)	(5,046)

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2019 was not publicly available.*

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	248,323	191,272	439,595
Hotel	781,400	-	781,400
Food	156,091	499	156,590
Property	309,676	-	309,676
Others	(144,399)	179,038	34,639
	1,351,091	370,809	1,721,900
Unallocated Corporate Assets			11,751
Total Assets			1,733,651

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 March 2019 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 March 2019.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 March 2019.

A10 Contingent Liabilities

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

A11 Capital Commitments

As at 31 March 2019, 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
Company No: 3809-W
(Incorporated in Malaysia)

B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2019 RM'000	31.03.2018 RM'000	Changes %	31.03.2019 RM'000	31.03.2018 RM'000	Changes %
Revenue						
Retailing	21,661	25,169	(13.9)	66,377	78,870	(15.8)
Hotel	36,118	38,347	(5.8)	132,228	146,932	(10.0)
Food	15,477	14,595	6.0	60,780	51,899	17.1
Property	15,659	13,611	15.0	43,371	25,872	67.6
Others	-	-	-	-	-	-
	88,915	91,722	(3.1)	302,756	303,573	(0.3)
(Loss)/Profit before tax ("(LBT) / PBT")						
Retailing	(7,635) *	200 *	(3,917.5)	1,555*	(4,657)*	133.4
Hotel	(1,180)	(2,165)	45.5	11,110	13,912	(20.1)
Food	(119)	(1,746)	93.2	4,915	(270)	1,920.4
Property	3,791	4,890	(22.5)	16,419	7,209	127.8
Financial Services	-	-	-	-	-	-
Others	(12,161)	(4,215)	(188.5)	(39,045)	(34,160)	(14.3)
	(17,304)	(3,036)	(470.0)	(5,046)	(17,966)	71.9

* *Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2019 and 31 March 2018 were not publicly available.*

<u>(a) Quarter ended 31 March 2019 vs Quarter ended 31 March 2018</u>

The Group recorded lower revenue of RM88.9 million and higher LBT of RM17.3 million in the current quarter compared with a revenue of RM91.7 million and LBT of RM3.0 million for the quarter ended 31 March 2018. The lower revenue in the current quarter was mainly from the retailing and hotel divisions. The higher LBT in the current quarter was mainly from the retailing division and "others" segment. The performance of the Group, analysed by its divisions are as follows:-

The lower revenue in the current quarter recorded by the retailing division was mainly from the department stores and certain specialty stores operated by the retailing division in Malaysia. The LBT in the current quarter was attributed to share of loss of an associate in the UK and higher LBT from the retailing division in Malaysia, which was mainly due to RM1.2 million in stock provision in the current quarter as compared to a reversal of RM3.9 million in stock provision for the quarter ended 31 March 2018.

The hotel division which consists of hotels in Malaysia and in the UK recorded lower revenue and lower LBT in the current quarter. The lower revenue in the current quarter was mainly attributed to lower room revenue from the hotel division in Malaysia and the disposal of 2 small hotels in the UK in February 2018. The lower LBT in the current quarter was mainly attributed to lower operating expenses incurred by the hotel division in the UK.

The food division recorded higher revenue and lower LBT in the current quarter and this was mainly due to higher local and export sales in Crispy and contract manufacturing.

The property division recorded higher revenue in the current quarter and this was mainly attributed to a higher percentage of completion of Phase E7-2 in Bandar Springhill, Negeri Sembilan. The lower PBT in the current quarter was mainly due to lower gross profit margin of Phase E7-2 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 in the current quarter was mainly due to lower unrealised foreign exchange translation gain of intragroup balances derived from the depreciation of Ringgit Malaysia against major foreign currencies.

(b) Financial period ended 31 March 2019 vs Financial period ended 31 March 2018

For the current financial period, the Group recorded lower revenue of RM302.8 million and lower LBT of RM5.0 million compared with revenue of RM303.6 million and LBT of RM18.0 million for the financial period ended 31 March 2018. The lower revenue was mainly from retailing and hotel divisions. The lower LBT was mainly from hotel division and "others" segment. The performance of the Group, analysed by its divisions are as follows:-

For the retailing division, the lower revenue in the current financial period was mainly from the department stores and certain specialty stores operated by the retailing division in Malaysia. 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 from the retailing division in Malaysia. The PBT was partly set-off by share of loss of an associate in the UK compared to share of profit for the financial period ended 31 March 2018.

The hotel division recorded lower revenue and lower PBT in the current financial period. These were mainly due to lower room revenue from the hotel division in Malaysia and the disposal of 2 small hotels in the UK in February 2018.

The food division recorded higher revenue and PBT in the current financial period and this was mainly attributed to higher local and export sales in Crispy, Tango and contract manufacturing.

The property division recorded higher revenue in the current financial period and this was mainly due to a higher percentage of completion of Phase E7-2 in Bandar Springhill, Negeri Sembilan as compared to Phase E7-1 and Phase E8 in Bandar Springhill for the financial period ended 31 March 2018. The higher PBT was mainly due to higher revenue from Phase E7-2 and 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 higher LBT in the current financial period which was mainly attributed to a net exceptional loss recorded compared to a net exceptional gain for the financial period ended 31 March 2018. The net exceptional loss was mainly due to unrealised foreign exchange translation loss of intragroup balances derived from the depreciation of Ringgit Malaysia against major foreign currencies.

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

	Quarter Ended		
	31.03.2019	**31.12.2018**	**Changes**
	RM'000	**RM'000**	**%**
Revenue			
Retailing	21,661	24,659	(12.2)
Hotel	36,118	45,164	(20.0)
Food	15,477	25,357	(39.0)
Property	15,659	15,434	1.5
Others	-	-	-
	88,915	110,614	(19.6)
(Loss)/Profit before tax ("(LBT) / PBT")			
Retailing	(7,635)*	(4,405)	(73.3)
Hotel	(1,180)	4,360	(127.1)
Food	(119)	3,892	(103.1)
Property	3,791	8,774	(56.8)
Financial Services	-	-	-
Others	(12,161)	(10,949)	(11.1)
	(17,304)	1,672	(1,134.9)

** Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 31 March 2019 was not publicly available.*

The Group recorded lower revenue of RM88.9 million and LBT of RM17.3 million in the current quarter compared with revenue of RM110.6 million and PBT of RM1.7 million in the preceding quarter. The lower revenue in the current quarter was mainly from the food, hotel and retailing divisions. The LBT in the current quarter was mainly due to an overall drop in performance from all divisions. The performance of the Group, analysed by its divisions are as follows:-

The Group's retailing division recorded lower revenue and higher LBT in the current quarter. The lower revenue was mainly from the department stores and certain specialty stores in Malaysia. The higher LBT in the current quarter was mainly due to lower revenue as well as stock provision in the current quarter compared to reversal of stock provision in the preceding quarter.

The hotel division recorded lower revenue and LBT in the current quarter. These were mainly attributed to decrease in room revenue from the hotel division in Malaysia and UK.

The decrease in the food division revenue and the LBT recorded in the current quarter was mainly due to lower seasonal sales in the local and export markets after the peak festive season in the preceding quarter.

The property division recorded higher revenue in the current quarter compared to the preceding quarter. The PBT in the current quarter was lower than the preceding quarter mainly due to a one-off adjustment on the recognition of infrastructure cost for Phase E7-1 in Bandar Springhill in the current quarter. There was a reversal for the provision for development cost of previous completed phases and a gain on disposal of investment properties of RM3.3 million in the preceding quarter.

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 higher LBT and this was mainly attributed to the share of loss of an associate in the current quarter compared to share of profit in the preceding quarter.

B3 Prospects for the Financial Year Ending 30 June 2019

The sluggish retail industry coupled with the decrease in footfall in department stores and specialty stores have slowed down the recovery of the Group's retailing division in Malaysia. In response to the challenging conditions, the Group's retailing division in Malaysia is planning to seek out new business partners to bring in new brands and concepts into the local market and strengthen collaboration with existing business partners to introduce immersive retail experiences that are lifestyle-driven.

For the Group's hotel operations in Malaysia, renovation works and implementation of special room packages and promotions have led to a slight improvement in occupancy. However, the Group expects the economic climate to remain challenging due to the drop in tourist arrivals to Malaysia and lower demand from the government and corporate clients. Efforts to improve the Group's hotel performance will continue despite the ongoing price war in the market. In the UK, due to the uncertainty over Brexit, the Group expects its hotel operations in UK to remain uncertain.

Despite the anticipated seasonal dip from January to March, the food division of the Group continued to perform above expectation. The growth momentum is expected to continue into the next quarter with the relaunch of the Crispy brand as well as the realignment of domestic distributors, which had been put in place in the last quarter. This streamlining will result in better distribution and greater market penetration.

The Group's property division continued to perform well in the third quarter of the financial year ending 30 June 2019. To keep up the momentum, a new residential phase, expected to launch in June 2019, will target the middle-income earners, first-time homebuyers and upgraders. To further inject lifestyle elements into Bandar Springhill, the Group is in the process of upgrading the township's streetscape and has called for a tender to build a club house. These continual upgrade and addition to the facilities will help spur growth by adding value to the township.

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

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Loss before tax

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

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2019 RM'000	31.03.2018 RM'000	Changes %	31.03.2019 RM'000	31.03.2018 RM'000	Changes %
Depreciation	(4,570)	(4,415)	(3.5)	(13,683)	(14,621)	6.4
Gain on disposal of property, plant and equipment	-	-	-	-	20	(100.0)
Interest income	2,068	1,701	21.6	6,540	5,242	24.8
Inventories written (down)/back	(1,466)	3,771	(138.9)	(1,640)	(8,791)	81.3
Property, plant and equipment written off	-	(35)	100.0	(70)	(36)	(94.4)

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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:-

	31.03.2019 RM'000	30.06.2018 RM'000	Changes %
Neither past due	15,038	14,279	5.3
Past due			
1 to 30 days	8,151	6,512	25.2
31 to 60 days	2,901	2,401	20.8
61 to 90 days	3,476	1,277	172.2
91 to 120 days	931	155	500.6
More than 121 days	2,173	5,270	(58.8)
	32,670	29,894	9.3

B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2019 RM'000	31.03.2018 RM'000	Changes %	31.03.2019 RM'000	31.03.2018 RM'000	Changes %
Current tax expense						
- Malaysia	1,581	1,372	15.2	6,659	3,846	73.1
- Foreign	(1)	(280)	99.6	1,493	987	51.3
Deferred tax	(9)	190	(104.7)	(767)	170	(551.2)
	1,571	1,282	22.5	7,385	5,003	47.6
Underprovision in respect of prior years	5	142	(96.5)	22	284	(92.3)
	1,576	1,424	10.7	7,407	5,287	40.1

The tax provision of the Group for the financial period ended 31 March 2019 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

(a) 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.

(b) On 22 April 2019, Millionmart Sdn Bhd ("MSB" or the "Vendor"), a wholly-owned subsidiary of Metrojaya Berhad ("MJB"), which is in turn a 98.21%-owned subsidiary of the Company, had entered into a share sale agreement ("SSA") with Jomuda Sdn Bhd ("JSB" or the "Purchaser"), a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC") for disposal of its 11,200,000 ordinary shares representing 1.51% of the total issued and paid-up share capital of MUI Properties Berhad ("MPB") ("Sale Shares") for a total cash consideration of RM2,240,000 ("Disposal Consideration") ("Proposed Disposal"). PMC is a 66.51%-owned subsidiary of the Company.

On 29 April 2019, the acquisition has been completed.

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 March 2019 were as follows:-

	31.03.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured			
- Term loan	641,667	15,210	656,877
- Revolving credit	51,595	27,000	78,595
- Bank overdraft	-	19,167	19,167
- Hire purchase	831	198	1,029
	694,093	61,575	755,668
Unsecured			
- Revolving credit	39,439	41,765	81,204
	39,439	41,765	81,204
Total borrowings	733,532	103,340	836,872

	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 March 2019 included in the above was as follows:-

	31.03.2019		30.06.2018	
	£'000	**RM'000**	**£'000**	**RM'000**
Total foreign borrowing	89,106	475,077	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 March 2019 is as follows:-

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

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

As at 31 March 2019, 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	140,093	2,288

B11 Fair Value Changes of Financial Liabilities

As at 31 March 2019, 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

On 28 February 2019, the Company announced that MJ Department Stores Sdn Bhd (hereinafter referred to as the Plaintiff), a wholly-owned subsidiary of Metrojaya Berhad which is in turn an indirect 98.21%-owned subsidiary of the Company, had taken legal proceedings against UDA Holdings Berhad (hereinafter referred to as the Defendant) vide a Writ of Summons filed at the High Court of Kuala Lumpur on 28 February 2019.

The Plaintiff was the anchor and largest tenant in BB Plaza for some 33 years. Since 1981 until January 2015, the Plaintiff has operated a Metrojaya Department Store at BB Plaza. The last formal Tenancy Agreement entered into by the Plaintiff with the Defendant for the premises at BB Plaza was on 6 May 2010.

Pursuant to the Tenancy Agreement, the Plaintiff had the option to renew for 5 terms of 3 years each. However, the Defendant had prematurely terminated the Plaintiff’s tenancy at BB Plaza with effect from 19 January 2015. The Plaintiff’s total claim amounts to RM24,221,098.00, of which RM16,159,204.00 is for loss of profit. The rate of interest on the total claim by the Plaintiff shall be at such rate and for such period as the High Court may award as it deems fit.

On 26 March 2019, the Plaintiff received a Statement of Defence that was filed by the Defendant in the Kuala Lumpur High Court.

The Company is unable to ascertain its financial impact at this juncture as it will depend on the outcome of the legal proceedings between the Plaintiff and the Defendant. The Company does not foresee any adverse financial impact for the current year ending 30 June 2019 in connection with the Litigation.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2019 (31 March 2018: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED			**CUMULATIVE 9 MONTHS**		
	31.03.2019	**31.03.2018**	**Changes %**	**31.03.2019**	**31.03.2018**	**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)	(19,632)	(5,529)	(255.1)	(20,426)	(25,754)	20.7
Basic loss per share (sen)	(0.67)	(0.19)	(255.1)	(0.70)	(0.88)	20.7
Diluted loss per share (sen)	(0.67)	(0.19)	(255.1)	(0.70)	(0.88)	20.7

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

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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: 30 May 2019