MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2019

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2019 RM'000	**30.06.2018 RM'000**	**30.06.2019 RM'000**	**30.06.2018 RM'000 (Restated)**
Revenue	88,302	96,608	391,058	400,181
Cost of sales	(51,112)	(58,951)	(236,024)	(245,231)
Gross profit	37,190	37,657	155,034	154,950
Other income	4,957	5,554	15,660	13,166
Distribution costs	(2,355)	(2,137)	(8,281)	(9,462)
Administrative expenses	(16,438)	(18,441)	(84,804)	(84,516)
Other operating expenses	(14,846)	(22,169)	(52,969)	(70,932)
Profit from operations	8,508	464	24,640	3,206
Exceptional items (refer Note A4)	(61,164)	(502)	(43,103)	2,999
Finance cost	(11,653)	(11,277)	(45,303)	(43,890)
Share of results of associates	(16,491)	(18,051)	(22,080)	(9,647)
Loss before taxation	(80,800)	(29,366)	(85,846)	(47,332)
Tax expense	(1,969)	(567)	(9,376)	(5,854)
Loss for the financial period/year	(82,769)	(29,933)	(95,222)	(53,186)
Loss attributable to:-				
Equity holders of the Company	(84,403)	(31,193)	(104,829)	(56,947)
Non-controlling interests	1,634	1,260	9,607	3,761
Loss for the financial period/year	(82,769)	(29,933)	(95,222)	(53,186)
Loss per share attributable to equity holders of the Company:-	**Sen**	**Sen**	**Sen**	**Sen**
Basic / Diluted	(2.88)	(1.06)	(3.57)	(1.94)

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 YEAR ENDED 30 JUNE 2019

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2019 RM'000	30.06.2018 RM'000	30.06.2019 RM'000	30.06.2018 RM'000 (Restated)
Loss for the financial period/year	(82,769)	(29,933)	(95,222)	(53,186)
Other comprehensive income/(expense), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	7,847	15,546	16,236	(56,502)
Fair value of available-for-sale investments - profit/(loss) on fair value changes	407	985	(2,412)	(320)
Derecognition of subsidiaries placed under winding up / dissolved	-	-	-	17,692
Share of other comprehensive (expense)/income of associates	(4,219)	4,630	(4,219)	4,630
Other comprehensive (expense)/income for the financial period/year	4,035	21,161	9,605	(34,500)
Total comprehensive expense for the financial period/year	(78,734)	(8,772)	(85,617)	(87,686)
Total comprehensive expense attributable to:-				
Equity holders of the Company	(81,307)	(10,823)	(94,812)	(86,765)
Non-controlling interests	2,573	2,051	9,195	(921)
Total comprehensive expense for the financial period/year	(78,734)	(8,772)	(85,617)	(87,686)

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 JUNE 2019

	30.06.2019 RM'000	30.06.2018 RM'000 (Restated)	01.07.2017 RM'000 (Restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	601,452	619,908	674,511
Investment properties	95,655	97,386	99,079
Investment in associates	295,576	403,667	441,372
Other investments	6,729	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	1,516	867	1,052
	1,061,370	1,192,595	1,291,859
Current Assets			
Inventories	162,896	151,353	142,904
Trade and other receivables	136,427	176,521	187,668
Contract cost	541	-	-
Other investments	55	45	49
Current tax assets	10,485	12,232	17,039
Deposits, bank balances and cash	241,521	251,233	276,662
	551,925	591,384	624,322
TOTAL ASSETS	1,613,295	1,783,979	1,916,181
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share capital	3,152,866	3,152,866	3,152,866
Reserves	(2,784,631)	(2,621,638)	(2,534,873)
	368,235	531,228	617,993
Non-Controlling Interests	228,703	227,065	227,986
Total Equity	596,938	758,293	845,979
Non-Current Liabilities	718,629	742,353	794,072
Current Liabilities			
Trade and other payables	179,850	161,791	142,514
Borrowings	115,045	119,987	130,392
Current tax liabilities	2,833	1,555	3,224
	297,728	283,333	276,130
Total Liabilities	1,016,357	1,025,686	1,070,202
TOTAL EQUITY AND LIABILITIES	1,613,295	1,783,979	1,916,181
	RM	**RM**	**RM**
Net assets per share attributable to equity holders of the Company	0.13	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 YEAR ENDED 30 JUNE 2019

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
CUMULATIVE 12 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)	244,602	(874)	(649)	(1,523)
- MFRS 9	-	-	-	(68,181)	(68,181)	(6,727)	(74,908)
- MFRS 15	-	-	-	(226)	(226)	(120)	(346)
	-	(221,129)	(24,347)	176,195	(69,281)	(7,496)	(76,777)
At 1 July 2018 (As restated)	3,152,866	(22,154)	-	(2,667,665)	463,047	220,338	683,385
(Loss)/Profit for the financial year	-	-	-	(104,829)	(104,829)	9,607	(95,222)
Fair value loss on available-for-sale financial assets, net of tax	-	(1,801)	-	-	(1,801)	(611)	(2,412)
Foreign currency translations, net of tax	-	16,037	-	-	16,037	199	16,236
Share of other comprehensive expense of	-	-	-	-	-	-	-
associates, net of tax	-	(4,219)	-	-	(4,219)	-	(4,219)
Total comprehensive income/(expense)	-	10,017	-	(104,829)	(94,812)	9,195	(85,617)
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(830)	(830)
At 30 June 2019	3,152,866	(12,137)	-	(2,772,494)	368,235	228,703	596,938
CUMULATIVE 12 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)	246,792	-	-	-
- MFRS 15	-	-	-	(231)	(231)	(122)	(353)
At 1 July 2017 (As restated)	3,152,866	7,665	-	(2,542,538)	617,993	227,986	845,979
(Loss)/Profit for the financial year	-	-	-	(56,947)	(56,947)	3,761	(53,186)
Fair value (loss)/profit on available-for-sale financial assets, net of tax	-	(335)	-	-	(335)	14	(321)
Foreign currency translations, net of tax	-	(51,757)	-	-	(51,757)	(4,745)	(56,502)
Derecognised upon winding up of a subsidiary	-	17,644	-	-	17,644	49	17,693
Share of other comprehensive income of associates, net of tax	-	4,630	-	-	4,630	-	4,630
Total comprehensive expense	-	(29,818)	-	(56,947)	(86,765)	(921)	(87,686)
At 30 June 2018	3,152,866	(22,153)	-	(2,599,485)	531,228	227,065	758,293

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 YEAR ENDED 30 JUNE 2019

	CUMULATIVE 12 MONTHS	
	30.06.2019	**30.06.2018**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
Loss before taxation	(85,846)	(47,332)
Net adjustments	123,372	54,845
Operating profit before working capital changes	37,526	7,513
Net change in working capital	2,400	27,518
Cash generated from operations	39,926	35,031
Employee benefits paid	(177)	(110)
Interest paid	(675)	(1,226)
Interest received	3,850	1,871
Restoration costs paid	-	(182)
Net tax paid	(7,202)	(5,263)
Net cash generated from operating activities	35,722	30,121
Cash Flows From Investing Activities		
Interest received	5,424	4,424
Proceeds from disposal of properties	32,923	29,734
Purchase of investments	(750)	-
Purchase of property, plant and equipment	(17,056)	(15,123)
Utilisation of restricted fund	-	2,248
(Placement)/Withdrawal of fixed deposits pledged with licensed financial institutions	(19,969)	11,333
Net cash generated from investing activities	572	32,616
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	(830)	-
Interest paid	(44,628)	(42,664)
Net repayments of bank borrowings	(22,380)	(22,784)
Net cash used in financing activities	(67,838)	(65,448)
Effects of exchange rate changes	1,240	2,030
Net decrease in cash and cash equivalents	(30,304)	(681)
Cash and cash equivalents at 1 July		
As previously reported	195,542	199,413
Effects of exchange rate changes on cash and cash equivalents	793	(3,871)
As restated	196,335	195,542
Cash and cash equivalents at 30 June	166,031	194,861

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 30.06.2018 (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**
Revenue	405,662	-	(5,481)	400,181
Cost of sales	(245,231)	-	-	(245,231)
Gross profit	160,431	-	(5,481)	154,950
Distribution costs	(14,949)	-	5,487	(9,462)
Administrative expenses	(82,280)	(2,236)	-	(84,516)
Exceptional items	2,975	24	-	2,999
Taxation	(6,543)	689	-	(5,854)
Loss for the financial year	(51,669)	(1,523)	6	(53,186)
Loss attributable to:-				
Equity holders of the Company	(56,077)	(874)	4	(56,947)
Non-controlling interests	4,408	(649)	2	3,761
Loss for the financial year	(51,669)	(1,523)	6	(53,186)

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**
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)	246,561	(2,542,538)
Non-Controlling Interests	228,108	(122)	227,986

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	(34,887)	368,780
Current Assets						
Trade and other receivables	176,002	-	519	176,521	(39,826)	136,695
Other investments	45	-	-	45	-	45
Deposit, bank balances and cash	251,233	-	-	251,233	(196)	251,037

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)	244,602	(226)	(2,599,484)	(68,182)	(2,667,666)
Non-Controlling Interests	227,834	(649)	(120)	227,065	(6,727)	220,338
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 year ended 30 June 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 year ended 30 June 2019 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Assessment and penalty not claimable	(408)	-	(408)	-
Capital distribution from a subsidiary placed under winding up	-	-	522	-
Fair value gain on other financial assets	145	-	196	-
Gain/(Loss) arising from derecognition of subsidiaries placed under winding up / dissolved	-	-	384	(18,098)
Gain on disposal of property, plant and equiment	10	3,119	19,869	3,705
Impairment of goodwill on consolidation	-	(4,756)	-	(4,756)
Impairment on amount owing by an associate	(126)	-	(275)	-
Impairment on investment in associates	(59,698)	-	(59,698)	-
(Impairment)/Reversal of impairment on property, plant & equipment	(1,892)	557	(1,892)	557
(Impairment)/Reversal of impairment on receivables	(109)	391	433	391
Net gain/(loss) on foreign exchange	914	187	(2,234)	21,200
	(61,164)	(502)	(43,103)	2,999

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial year ended 30 June 2019.

A6 Dividends Paid

No dividend was paid by the Company during the financial year ended 30 June 2019 (30 June 2018: Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial year ended 30 June 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	519,321	-	519,321	(436,612)	82,709
Hotel	179,047	-	179,047	-	179,047
Food	71,829	-	71,829	-	71,829
Property	57,545	(72)	57,473	-	57,473
Others	24,125	(7,894)	16,231	(16,231)	-
Total	851,867	(7,966)	843,901	(452,843)	391,058

(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	(7,077)	(44,275)	-	(26,291)	(77,643)
Hotel	19,110	-	(2,703)	-	16,407
Food	4,041	186	-	(291)	3,936
Property	17,260	3,298	(100)	-	20,458
Others	(8,694)	(2,312)	(42,500)	4,502	(49,004)
Total	24,640	(43,103)	(45,303)	(22,080)	(85,846)

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	238,766	115,205	353,971
Hotel	776,150	-	776,150
Food	154,690	458	155,148
Property	313,863	-	313,863
Others	(177,751)	179,913	2,162
	1,305,718	295,576	1,601,294
Unallocated Corporate Assets			12,001
Total Assets			1,613,295

A8 Events Subsequent to the End of the Financial Year

There are no material events subsequent to the end of the financial year ended 30 June 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

(g) On 21 June 2019, Superex Sdn Bhd, a wholly-owned subsidiary of 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.

(h) On 21 June 2019, Plumbline Sdn Bhd, a wholly-owned subsidiary of PMC, 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.

The dissolution and members' voluntary winding-up of the above subsidiaries did not have any material impact on the earnings and net assets of the Group for the financial year ended 30 June 2019.

Other than the above, there were no other changes in the composition of the Group during the financial year ended 30 June 2019.

A10 Contingent Liabilities

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

A11 Capital Commitments

As at 30 June 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	-

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

B1 Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED			CUMULATIVE 12 MONTHS		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Revenue						
Retailing	16,332	22,961	(28.9)	82,709	101,831	(18.8)
Hotel	46,819	45,766	2.3	179,047	192,698	(7.1)
Food	11,049	13,434	(17.8)	71,829	65,333	9.9
Property	14,102	14,447	(2.4)	57,473	40,319	42.5
Others	-	-	-	-	-	-
	88,302	96,608	(8.6)	391,058	400,181	(2.3)
(Loss)/Profit before tax ("(LBT) / PBT")						
Retailing	(79,198)	(15,174)	(421.9)	(77,643)	(19,831)	(291.5)
Hotel	5,297	3,423	54.7	16,407	17,335	(5.4)
Food	(979)	(1,901)	48.5	3,936	(2,171)	281.3
Property	4,039	4,054	(0.4)	20,458	11,263	81.6
Financial Services ^	-	-	-	-	-	-
Others	(9,959)	(19,768)	49.6	(49,004)	(53,928)	9.1
	(80,800)	(29,366)	(175.1)	(85,846)	(47,332)	(81.4)

^ *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.*

(a) Quarter ended 30 June 2019 vs Quarter ended 30 June 2018

The Group recorded lower revenue of RM88.3 million and higher LBT of RM80.8 million in the current quarter compared with a revenue of RM96.6 million and LBT of RM29.4 million for the quarter ended 30 June 2018. The lower revenue in the current quarter was mainly from the retailing, food and property divisions. The higher LBT in the current quarter was mainly from the retailing division. 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 closure of loss making stores. The higher LBT in the current quarter was mainly attributed to share of higher loss from an associate and impairment on an investment in an associate in the UK in accordance with MFRS 128 and MFRS 136.

The hotel division which consists of hotels in Malaysia and in the UK recorded higher revenue and higher PBT in the current quarter. The higher revenue in the current quarter was mainly contributed by the hotel division in the UK. The higher PBT in the current quarter was mainly attributed to higher revenue and improved in gross profit by the hotel division in the UK. There was a gain on disposal of a non-operating hotel in Port Dickson of RM3.3 million for the quarter ended 30 June 2018.

The food division recorded lower revenue and lower LBT in the current quarter compared to the corresponding quarter ended 30 June 2018. The decrease in the revenue was affected by weak retail sentiments in the ASEAN region. The lower LBT mainly due to lower operating expenses.

The property division recorded lower revenue and slightly lower PBT in the current quarter compared to the corresponding quarter ended 30 June 2018. The lower revenue was mainly due to the adoption of MFRS 15 whereby legal fees for sales of properties are to be deducted from the revenue.

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 in the current quarter was mainly due to share of profit in an associate compared with share of loss of an associate for the corresponding quarter ended 30 June 2018.

(b) Financial year ended 30 June 2019 vs Financial year ended 30 June 2018

For the current financial year, the Group recorded a lower revenue of RM391.1 million and higher LBT of RM85.8 million compared with a revenue of RM400.2 million and LBT of RM47.3 million for the financial year ended 30 June 2018. The lower revenue was mainly from the retailing and the hotel divisions. The higher LBT was mainly from the retailing and the hotel divisions. The performance of the Group, analysed by its divisions, are as follows:-

For the retailing division, the lower revenue in the current financial year was mainly from the from the closure of loss making stores. The higher LBT in the current financial year was mainly attributed to share of higher loss from an associate and impairment on an investment in an associate in the UK in accordance with MFRS 128 and MFRS 136.

The hotel division recorded lower revenue and lower PBT in the current financial year. The lower revenue was attributed to lower revenue from the hotel division in Malaysia due to lower average room rate and lower revenue from the hotel division in the UK due to the disposal of 2 hotels in February 2018. Included in the previous financial year's PBT was a gain on disposal of hotels in Malaysia and the UK amounted to RM3.9 million. Excluded the gain on disposal in the previous financial year, the hotel division recorded higher PBT in the current financial year. This was mainly due to improve in gross profit by the hotel division in the UK.

The food division recorded higher revenue and PBT in the current financial year. This was mainly attributed to higher sales in Crispy and Tango, as well as stronger demand in both domestic and export markets.

The property division recorded higher revenue and higher PBT in the current financial year. The higher revenue 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 year ended 30 June 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's "others" segment recorded lower LBT in the current financial year which was mainly attributed to share of profit in an associate compared with share of loss of an associate for the corresponding year ended 30 June 2018.

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

	Quarter Ended		
	30.06.2019	**31.03.2019**	**Changes**
	RM'000	**RM'000**	**%**
Revenue			
Retailing	16,332	21,661	(24.6)
Hotel	46,819	36,118	29.6
Food	11,049	15,477	(28.6)
Property	14,102	15,659	(9.9)
Others	-	-	-
	88,302	88,915	(0.7)
(Loss)/Profit before tax ("(LBT) / PBT")			
Retailing	(79,198)	(7,635)	(937.3)
Hotel	5,297	(1,180)	548.9
Food	(979)	(119)	(722.7)
Property	4,039	3,791	6.5
Financial Services ^	-	-	-
Others	(9,959)	(12,161)	18.1
	(80,800)	(17,304)	(366.9)

^ *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 recorded lower revenue of RM88.3 million and higher LBT of RM80.8 million in the current quarter compared with revenue of RM88.9 million and LBT of RM17.3 million in the preceding quarter. The lower revenue in the current quarter was mainly from the food, property and retailing divisions. The higher LBT in the current quarter was mainly from the retailing and the food 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 specialty stores in Malaysia. The higher LBT in the current quarter was mainly due to share of higher loss of an associate and an impairment on an investment in an associate in the UK in accordance with MFRS 128 and MFRS 136.

The hotel division recorded higher revenue and PBT in the current quarter. These were mainly contributed by hotel division in the UK due to increase in room occupancy and average room rate.

The food division recorded higher LBT in the current quarter mainly due to the decrease in revenue.

The property division recorded lower revenue and higher PBT in the current quarter compared to the preceding quarter. The lower revenue in the current quarter was mainly due to adoption of MFRS 15 whereby legal fees for sales of properties are to be deducted from the revenue. The higher PBT was mainly due to higher gross profit from FFB activity.

The Group's "others" segment recorded lower LBT and this was mainly attributed to share of profit in an associate compared with share of loss of an associate for the preceding quarter.

B3 Prospects for the Financial Year Ending 30 June 2020

Retailing

- In tandem with global trends, the retail industry in Malaysia will continue to face challenges as competition intensifies following the changes of consumers shopping behavior. To counter these challenges, our retail business division has embarked on a business transformation that emphasizes on enhancement of lifestyle and customer experiences. In addition to sourcing for more exciting fashion brands and products, the retail division will also relaunch its in-house iconic fashion brands with more appealing and trendy styles.

Hotel

- The surge in hotel room supply in recent years has adversely affected hotel occupancy and revenue. This situation will persist into the next financial year. Despite the challenging outlook, the hotel management will intensify its marketing initiatives in an effort to drive up revenue and improve efficiency. The 2020 Visit Malaysia Year is expected to boost tourist arrivals.

  While the Brexit uncertainty casts a shadow over our hotel investments in the UK, the weakening British pound is expected to help boost more travelling into the UK. The general consensus is that tourism in the UK, particularly in London and some key destinations in which the Group operates hotels, will remain steady.

Food

- Following the successful launch of Crispy 2.0 in the last quarter, Network Foods is currently working towards a relaunch of its Tango chocolates for the first half of the financial year. The Group's business strategy is two-pronged: greater market penetration, especially in the ASEAN region, and continual brand equity building. Economic outlook in the next financial year appears uncertain in the light of recent global economic indicators. In spite of this uncertainty, the Group expects to maintain its overall growth momentum into the next financial year.

Property

- In response to the increasing demand for affordable housing in the country, the Group targets to launch new phases of double-storey terrace houses in the fourth quarter of 2019 and second quarter of 2020. The Group has also initiated plans to optimise demand for its affordable landed residential properties. They include building a clubhouse and upgrading existing streetscape and lake park. These initiatives will enhance the lifestyle components of Bandar Springhill, making the development more attractive to home buyers. Owing to this, the Group expects to show positive performance in the next financial year.

Despite the challenges faced by some of its divisions, the Group is positive on the overall operational results for the next 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 12 MONTHS		
	30.06.2019	30.06.2018	Changes	30.06.2019	30.06.2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation	(5,345)	(4,907)	(8.9)	(19,028)	(19,528)	2.6
Fair value gain on interest rate swap	1,080	2,424	(55.4)	1,080	2,424	(55.4)
Interest income	2,734	1,053	159.6	9,274	6,295	47.3
Inventories written back	2,242	14,366	(84.4)	602	5,575	(89.2)
Property, plant and equipment written off	(1,335)	(835)	(59.9)	(1,405)	(871)	(61.3)

B6 Trade Receivables

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

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

	30.06.2019	30.06.2018	Changes
	RM'000	RM'000	%
Neither past due	11,115	14,279	(22.2)
Past due			
1 to 30 days	6,791	6,512	4.3
31 to 60 days	4,531	2,401	88.7
61 to 90 days	1,869	1,277	46.4
91 to 120 days	2,261	155	1,358.7
More than 121 days	2,697	5,270	(48.8)
	29,264	29,894	(2.1)

B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED			CUMULATIVE 12 MONTHS		
	30.06.2019	30.06.2018	Changes	30.06.2019	30.06.2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current tax expense						
- Malaysia	1,826	1,103	65.5	8,485	4,949	71.4
- Foreign	154	480	(67.9)	1,647	1,467	12.3
Deferred tax	(60)	(153)	60.8	(827)	17	(4,964.7)
	1,920	1,430	34.3	9,305	6,433	44.6
Underprovision/(overprovision) in respect of prior years	49	(863)	105.7	71	(579)	112.3
	1,969	567	247.3	9,376	5,854	60.2

The tax provision of the Group for the financial year ended 30 June 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 30 June 2019 were as follows:-

	30.06.2019		
	Long Term RM'000	**Short Term RM'000**	**Total Borrowings RM'000**
Secured			
- Term loan	628,324	19,889	648,213
- Revolving credit	42,395	33,000	75,395
- Bank overdraft	-	18,869	18,869
- Hire purchase	261	557	818
	670,980	72,315	743,295
Unsecured			
- Revolving credit	36,209	42,730	78,939
	36,209	42,730	78,939
Total borrowings	707,189	115,045	822,234

	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 June 2019 included in the above was as follows:-

	30.06.2019		30.06.2018	
	£'000	**RM'000**	**£'000**	**RM'000**
Total foreign borrowing	89,106	468,527	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 June 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 30 June 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	137,920	1,191

B11 Fair Value Changes of Financial Liabilities

As at 30 June 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 30 May 2019, the Company announced that Kuala Lumpur High Court ("Court") has instructed both parties to exchange and file in their respective Bundle of Documents on or before 28 June 2019. The Court has further fixed a three (3) day trial from 17 September 2019 to 19 September 2019.

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 in connection with the Litigation.

B13 Dividend

No dividend has been declared by the Board for the financial year ended 30 June 2019 (30 June 2018: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED			CUMULATIVE 12 MONTHS		
	30.06.2019	30.06.2018	Changes %	30.06.2019	30.06.2018	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 year attributable to equity holders of the Company (RM'000)	(84,403)	(31,193)	(170.6)	(104,829)	(56,947)	(84.1)
Basic loss per share (sen)	(2.88)	(1.06)	(170.6)	(3.57)	(1.94)	(84.1)
Diluted loss per share (sen)	(2.88)	(1.06)	(170.6)	(3.57)	(1.94)	(84.1)

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: 30 August 2019