

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	43,586	107,973	99,440	205,329
Cost of sales	(33,725)	(66,729)	(71,027)	(126,205)
Gross profit	9,861	41,244	28,413	79,124
Other income	12,547	902	25,815	4,402
Distribution costs	(1,959)	(2,256)	(3,943)	(4,616)
Administrative expenses	(13,970)	(21,912)	(29,127)	(41,741)
Other operating expenses	(5,005)	(14,206)	(10,967)	(23,515)
Net reversal of impairment losses on financial assets [Note A4(b)]	3,371	451	7,585	1,884
Finance costs	(8,263)	(11,322)	(17,674)	(22,451)
Share of results of associates	634	(4,748)	32	(4,369)
Share of results of joint venture	(2)	(8)	(3)	(15)
(Loss)/profit before taxation	(2,786)	(11,855)	131	(11,297)
Taxation	(1,594)	(2,753)	(2,661)	(5,370)
Loss after taxation	(4,380)	(14,608)	(2,530)	(16,667)
Loss after taxation attributable to:				
Owners of the Company	(6,248)	(17,832)	(11,144)	(24,437)
Non-controlling interests	1,868	3,224	8,614	7,770
	(4,380)	(14,608)	(2,530)	(16,667)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.21)	(0.61)	(0.38)	(0.83)

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Loss after taxation	(4,380)	(14,608)	(2,530)	(16,667)
Other comprehensive (expenses)/income, net of tax:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value (loss)/gain of equity instruments	-	(479)	598	(1,583)
<i>Items that will be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences	(2,954)	1,305	(5,930)	2,099
Other comprehensive (expenses)/income	(2,954)	826	(5,332)	516
Total comprehensive expenses for the financial period	(7,334)	(13,782)	(7,862)	(16,151)
Attributable to:				
Owners of the Company	(9,813)	(18,718)	(18,042)	(23,904)
Non-controlling interests	2,479	4,936	10,180	7,753
Total comprehensive expenses for the financial period	(7,334)	(13,782)	(7,862)	(16,151)

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	31.12.2020 RM'000	30.06.2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	588,636	575,564
Investment properties	67,234	67,281
Associates	188,138	188,173
Joint venture	196	449
Other investments	6,831	6,335
Inventories	35,263	35,263
Goodwill on consolidation	24,974	24,974
Deferred tax assets	2,234	1,923
	913,506	899,962
Current Assets		
Inventories	124,571	136,580
Trade and other receivables	126,015	135,586
Contract assets	14,684	3,622
Right to recover returned goods	538	538
Contract costs	1,962	275
Other investments	32,428	16,157
Short term investments	6,311	5,372
Current tax assets	2,419	4,707
Deposits, bank balances and cash	191,001	206,494
	499,929	509,331
Assets classified as held for sale	-	21,964
	499,929	531,295
TOTAL ASSETS	1,413,435	1,431,257
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	3,152,866	3,152,866
Accumulated losses and reserves	(2,977,939)	(2,960,439)
	174,927	192,427
Non-Controlling Interests	241,592	231,852
Total Equity	416,519	424,279
Non-Current Liabilities	736,968	710,751
Current Liabilities		
Trade and other payables	162,687	181,448
Contract liabilities	1,440	1,453
Refund liabilities	958	958
Borrowings	93,144	110,829
Employee benefits	663	642
Current tax liabilities	1,056	897
	259,948	296,227
Total Liabilities	996,916	1,006,978
TOTAL EQUITY AND LIABILITIES	1,413,435	1,431,257
	RM	RM
Net assets per share attributable to owners of the Company	0.06	0.07

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital RM'000	Non-Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
At 1 July 2020	3,152,866	(20,288)	(2,940,151)	192,427	231,852	424,279
(Loss)/profit after taxation	-	-	(11,144)	(11,144)	8,614	(2,530)
Fair value (loss)/gain of equity instruments	-	(157)	545	388	210	598
Foreign currency translations	-	(7,286)	-	(7,286)	1,356	(5,930)
Total comprehensive (expenses)/income	-	(7,443)	(10,599)	(18,042)	10,180	(7,862)
Transaction with owners:-						
Changes in ownership interests of subsidiaries	-	22	520	542	3,664	4,206
Dividend paid to a non-controlling interest of a subsidiary	-	-	-	-	(4,104)	(4,104)
At 31 December 2020	3,152,866	(27,709)	(2,950,230)	174,927	241,592	416,519
At 1 July 2019	3,152,866	(34,490)	(2,742,863)	375,513	228,723	604,236
(Loss)/profit after taxation	-	-	(24,437)	(24,437)	7,770	(16,667)
Fair value (loss)/gain of equity instruments	-	(2,390)	1,346	(1,044)	(539)	(1,583)
Foreign currency translations	-	1,577	-	1,577	522	2,099
Total comprehensive (expenses)/income	-	(813)	(23,091)	(23,904)	7,753	(16,151)
Transaction with owners:-						
Dividend paid to a non-controlling interest of a subsidiary	-	-	-	-	(4,104)	(4,104)
At 31 December 2019	3,152,866	(35,303)	(2,765,954)	351,609	232,372	583,981

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	31.12.2020 RM'000	31.12.2019 RM'000
Operating Activities		
Profit/(loss) before taxation	131	(11,297)
Net adjustments	(178)	33,253
Operating (loss)/profit before working capital changes	(47)	21,956
Net change in working capital	(7,877)	(6,621)
Cash (used in)/from operations	(7,924)	15,335
Employee benefits paid	(241)	(462)
Interest paid	(357)	(340)
Interest received	525	324
Net tax (paid)/refunded	(2,086)	2,350
Net cash (used in)/from operating activities	(10,083)	17,207
Investing Activities		
Dividend received	59	-
Interest received	1,251	2,464
Proceeds from capital distribution received from:		
- joint venture	250	-
- other investment	-	133
- subsidiaries	482	-
Proceeds from disposal of investments	13,533	-
Proceeds from disposal of property, plant and equipment	33,237	-
Purchase of investments (current)	(1,822)	-
Purchase of property, plant and equipment	(3,741)	(5,053)
Utilisation of restricted fund	2,465	-
Net cash from/(used in) investing activities	45,714	(2,456)
Financing Activities		
Dividend paid to a non-controlling interest of a subsidiary	(4,104)	(4,104)
Interest paid	(17,317)	(22,111)
Net (repayments)/drawdown of bank borrowings	(14,437)	13,547
Net cash used in financing activities	(35,858)	(12,668)
Net (decrease)/increase in cash and cash equivalents	(227)	2,083
Cash and cash equivalents at beginning of financial period		
As previously reported	168,413	184,568
Effects of exchange rate changes	2,532	74
As restated	170,945	184,642
Cash and cash equivalents at end of financial period	170,718	186,725

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The condensed consolidated financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. The Condensed Report, other than for financial instruments has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 Financial Instruments.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 30 June 2020, except for the following:

<u>MFRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020

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.

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>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023*

* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2022 to 1 January 2023 pursuant to the amendments to MFRS 101 issued by the MASB, namely 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date'.

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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 the government;
- (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; and
- (c) The food operations of the Group is 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 2020.

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

There were no other 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 2020 other than the following items:

(a) Coronavirus Disease 2019 (COVID-19)

The outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in a reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess the extent in which these series of events provide additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities as at 31 December 2020.

(b) Net reversal of impairment losses on financial assets

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Reversal of impairment/(Impairment) on:				
- amount owing by an associate	3,447	429	3,153	1,802
- overseas investment	(78)	-	4,420	-
- receivables	2	22	12	82
	<u>3,371</u>	<u>451</u>	<u>7,585</u>	<u>1,884</u>

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 2020.

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A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 December 2020 (31 December 2019: Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 December 2020 is as follows:

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	16,460	-	16,460	(2,879)	13,581
Hotel	29,316	-	29,316	-	29,316
Food	23,029	-	23,029	-	23,029
Property	33,550	(36)	33,514	-	33,514
Others	12,128	(3,628)	8,500	(8,500)	-
Total	114,483	(3,664)	110,819	(11,379)	99,440

(b) Results

	Segment Results RM'000	Net reversal of impairment losses on financial assets RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	2,893	7	-	257	3,157
Hotel	(9,614)	1	(1,242)	-	(10,855)
Food	(2,209)	-	(40)	(3)	(2,252)
Property	9,918	4	-	-	9,922
Others	9,203	7,573	(16,392)	(225)	159
Total	10,191	7,585	(17,674)	29	131

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	208,215	6,241	214,456
Hotel	508,536	-	508,536
Food	143,417	196	143,613
Property	315,246	-	315,246
Others	45,034	181,897	226,931
	1,220,448	188,334	1,408,782
Unallocated corporate assets			4,653
Total Assets			1,413,435

A8 Events Subsequent to the End of the Financial Period

There were no material events subsequent to the end of the financial period ended 31 December 2020 that have not been reflected in the interim financial statements for the said period as at the date of this report.

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A9 Changes in the Composition of the Group

(a) On 27 October 2020, the following dormant indirect subsidiaries incorporated in United Kingdom (all non-consolidated) have been dissolved by way of voluntary strike-off, with no material impact on the earnings and net assets of the Group:

- (i) Rose & Crown VCT Limited
- (ii) Shandwick Leisure Limited
- (iii) Styletune Limited

(b) During the financial period, the Group reduced its ownership interests in the following subsidiaries:

	No. of shares disposed of (‘000)	Total consideration (RM‘000)	Changes in ownership interests	
			Before disposal	After disposal
(i) Pan Malaysia Holdings Berhad	8,149	2,647	69.19%	68.32%
(ii) MUI Properties Berhad	15,819	6,498	74.32%	72.27%

Other than the above, there were no other changes in the composition of the Group during the financial period ended 31 December 2020.

A10 Contingent Liabilities

There were no material contingent liabilities not provided for as at 31 December 2020.

A11 Capital Commitments

As at 31 December 2020, the Group has capital commitment in respect of a subscription of interest as a limited partner of Genesis Alternative Ventures I L.P. as follows:

	USD‘000	RM‘000
Capital committed to invest	2,000	8,034
Capital invested	(665)	(2,671)
Balance of commitment	<u>1,335</u>	<u>5,363</u>

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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			
	31.12.2020 RM'000	31.12.2019 RM'000	Changes RM'000	%
Revenue				
Retailing	6,070	17,459	(11,389)	(65.20)
Hotel	9,714	44,813	(35,099)	(78.30)
Food	9,983	20,057	(10,074)	(50.20)
Property	17,819	25,644	(7,825)	(30.50)
	43,586	107,973	(64,387)	(59.60)
(Loss)/Profit before taxation ("LBT" / "PBT")				
Retailing	5,856	(8,813)	14,669	166.40
Hotel	(7,986)	4,685	(12,671)	(270.50)
Food	(2,766)	1,418	(4,184)	(295.10)
Property	5,067	8,064	(2,997)	(37.20)
Others	(2,957)	(17,209)	14,252	82.80
	(2,786)	(11,855)	9,069	76.50

Current Quarter Ended 31 December 2020

The imposition of the Conditional Movement Control Order (CMCO) since 14 October 2020 and rising cases of COVID-19 globally, has further affected the Group's business performance resulting in its revenue dropping by 59.6% for the current quarter. Despite this, the Group managed to narrow its LBT to RM2.8 million for the current quarter from RM11.9 million in the previous year corresponding quarter. This was mainly due to a gain from disposal of an investment property, and a reversal of impairment loss on an amount owing by an associate.

Retailing

The Group's retailing revenue declined by 65.2% in the current quarter compared to the same period last year as the various restrictions to curb the spread of COVID-19 significantly affected the retail sector. The retailing division reported a PBT of RM5.9 million in the current quarter compared to an LBT in the corresponding period in 2019, mainly due to a gain from the disposal of an investment property.

Hotel

The outbreak of COVID-19 has adversely affected the Group's hotel operations in Malaysia and the UK, causing the revenue to decrease by 78.3% compared to the previous year corresponding quarter. As a result, the hotel division reported an LBT of RM8.0 million compared to a PBT of RM4.7 million in 2019.

Food

Revenue in the second quarter dropped by 50.2% compared to the same period last year mainly due to sluggish demand in both the export and domestic markets. This was primarily due to the continuing effects of COVID-19 hampering consumer demand for certain categories of goods and services. Consequently, the Group incurred an LBT in the current quarter.

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Property

Revenue was lower by 30.5% in the current quarter compared to the corresponding quarter in 2019. The decline was mainly due to lower revenue recognition from the initial stages of construction for Phase E6 and E3A projects.

	CUMULATIVE 6 MONTHS			
	31.12.2020	31.12.2019	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	13,581	31,642	(18,061)	(57.10)
Hotel	29,316	92,085	(62,769)	(68.20)
Food	23,029	35,649	(12,620)	(35.40)
Property	33,514	45,953	(12,439)	(27.10)
	99,440	205,329	(105,889)	(51.60)
Profit/(Loss) before tax ("PBT / (LBT)")				
Retailing	3,157	(12,110)	15,267	126.10
Hotel	(10,855)	12,739	(23,594)	(185.20)
Food	(2,252)	1,044	(3,296)	(315.70)
Property	9,922	14,987	(5,065)	(33.80)
Others	159	(27,957)	28,116	100.60
	131	(11,297)	11,428	101.20

Financial Period Ended 31 December 2020

The Group reported an overall decrease in revenue of 51.60% mainly due to the prolonged effects of the COVID-19 pandemic on the economy. However, the Group managed to register a slight PBT of RM0.1 million in the current financial period compared to an LBT of RM11.3 million in the last financial period ended 31 December 2019. This was mainly due to gains from disposals of various assets and reversals of impairment losses.

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

	Quarter Ended			
	31.12.2020	30.09.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	6,070	7,511	(1,441)	(19.2)
Hotel	9,714	19,602	(9,888)	(50.4)
Food	9,983	13,046	(3,063)	(23.5)
Property	17,819	15,695	2,124	13.5
	43,586	55,854	(12,268)	(22.0)
(Loss)/Profit before taxation ("(LBT) / PBT")				
Retailing	5,856	(2,699)	8,555	317.0
Hotel	(7,986)	(2,869)	(5,117)	(178.4)
Food	(2,766)	514	(3,280)	(638.1)
Property	5,067	4,855	212	4.4
Others	(2,957)	3,116	(6,073)	(194.9)
	(2,786)	2,917	(5,703)	(195.5)

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The lower revenue from the retailing, hotel, and food divisions in the current quarter were mainly due to the imposition of CMCO and business disruption from the COVID-19 pandemic.

The LBT in the current quarter was mainly incurred by the hotel division and food division. However, the LBT was partly mitigated by a gain from the disposal of an investment property, a reversal of impairment loss on an amount owing by an associate, and higher revenue recognition from the property division's Phase E6 project during the current quarter.

B3 Prospects for the Financial Year Ending 30 June 2021

Movement restrictions throughout the current quarter due to the rising number of COVID-19 cases in the country have disrupted businesses across all sectors, some more severely than others, in particular, the Group's hotel and retail businesses.

Retailing

As the local retail industry continues to remain somewhat unpredictable, Metrojaya is venturing further into the digital realm by setting up its online store which is already operational. Apart from this, the Group will continue to build Metrojaya's presence through other e-commerce platforms to complement its retail outlets. By banking on multiple channels of sales and improving its product offering, the Group is cautiously optimistic that a gradual recovery is on the horizon.

Hotel

Both the hotels in Kuala Lumpur and Port Dickson have implemented stringent cost control measures on top of offering attractive pre-purchase packages and F&B promotions to derive some operational revenue.

In the UK, the Group remains hopeful that the removal of restrictive lockdown controls and the opening of some tourist attractions will lead to a gradual build-up of occupancy in the coming months. The Group will continue to provide flexible pricing options, assurances on refund arrangements and adequate safety protocols, all of which remain critical expectations of travellers.

Food

The prospects for the remaining quarters remain challenging with the prolonged imposition of Movement Control Order in Malaysia which will affect domestic sales, while the pick up of export sales remain slow. Nevertheless, the management will continue to focus on opening new business channels and improvements in the Group's products and operational efficiency as part of the turnaround plans.

Property

The Group remains cautiously optimistic that its well designed and competitively priced homes will continue to be well-received in its Bandar Springhill township in Negeri Sembilan.

The reintroduction of the Home Ownership Campaign, coupled with the government's property-friendly measures, low interest rate environment and the COVID-19 vaccination programme should help to boost the property market.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 (Loss)/profit before taxation

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

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Bad debts written off	-	(20)	100.0	-	(20)	100.0
Capital distribution received from subsidiaries	169	-	100.0	482	-	100.0
Capital distribution received from other investment	-	133	(100.0)	-	133	(100.0)
Depreciation	(4,153)	(3,784)	(9.8)	(8,386)	(7,816)	(7.3)
Gain/(loss) on disposal of:						
- investment property	7,096	-	100.0	7,096	-	100.0
- quoted equity investment	-	-	-	3,176	-	100.0
- property, plant and equipment	(13)	-	(100.0)	4,149	-	100.0
Gain on short term investments:						
- realised	84	-	100.0	84	-	100.0
- unrealised	809	-	100.0	814	-	100.0
Interest expense	(8,263)	(11,322)	27.0	(17,674)	(22,451)	21.3
Interest income	801	1,451	(44.8)	1,776	2,788	(36.3)
Net gain/(loss) on foreign exchange	2,554	(5,729)	144.6	5,853	(4,196)	239.5
Net inventories write back/ (written down)	209	(941)	122.2	(1,135)	(2,694)	57.9
Property, plant and equipment written off	(81)	(4)	(1,925.0)	(105)	(26)	(303.8)

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:

	31.12.2020	30.06.2020	Changes
	RM'000	RM'000	%
Current (Not past due)	16,284	25,262	(35.5)
Past due:			
1 to 30 days	5,282	4,218	25.2
31 to 60 days	3,777	1,531	146.7
61 to 90 days	2,317	3,968	(41.6)
91 to 120 days	430	1,490	(71.1)
More than 120 days	4,401	1,447	204.1
	<u>32,491</u>	<u>37,916</u>	(14.3)

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B7 Taxation

Taxation comprises:

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation						
- Malaysia	(1,977)	(2,593)	23.8	(3,205)	(4,940)	35.1
- Foreign	(14)	(39)	64.1	(18)	(494)	96.4
Deferred tax	211	(124)	270.2	291	61	377.0
	<u>(1,780)</u>	<u>(2,756)</u>	35.4	<u>(2,932)</u>	<u>(5,373)</u>	45.4
Overprovision in respect of prior years	186	3	6,100.0	271	3	8,933.3
	<u>(1,594)</u>	<u>(2,753)</u>	42.1	<u>(2,661)</u>	<u>(5,370)</u>	50.4

The Group's effective tax rate for the current quarter and previous year corresponding period were higher than the statutory tax rate of the respective periods mainly due to losses incurred by certain subsidiaries where no group relief on losses were available.

B8 Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

B9 Group Borrowings

	31.12.2020			30.06.2020		
	Long Term	Short Term	Total	Long Term	Short Term	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
- Term loan	659,165	7,950	667,115	636,042	19,788	655,830
- Revolving credit	34,695	30,100	64,795	34,695	34,900	69,595
- Bank overdraft	-	17,085	17,085	-	15,984	15,984
	<u>693,860</u>	<u>55,135</u>	<u>748,995</u>	<u>670,737</u>	<u>70,672</u>	<u>741,409</u>
Unsecured						
- Revolving credit	29,594	36,615	66,209	29,594	39,880	69,474
Lease liabilities	1,096	1,394	2,490	-	277	277
Total borrowings	<u>724,550</u>	<u>93,144</u>	<u>817,694</u>	<u>700,331</u>	<u>110,829</u>	<u>811,160</u>

Foreign borrowing in Ringgit Malaysia equivalent as at 31 December 2020 included in the above was as follows:

	31.12.2020		30.06.2020	
	£'000	RM'000	£'000	RM'000
Total foreign borrowing	86,740	476,235	85,981	452,732

The foreign borrowing above was taken by a foreign subsidiary of the Group.

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B10 Derivative Financial Instruments

There were no derivative financial instruments as at 31 December 2020.

B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 31 December 2020.

B12 Material Litigation

On 28 February 2019, 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 ("the High Court").

The Plaintiff was the anchor and largest tenant in BB Plaza for some 33 years. Since 1981 until January 2015, the Plaintiff 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, of which RM16,159,204 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 January 2020, the High Court dismissed the Plaintiff's claim with costs of RM30,000.00 subject to allocator's fees.

The Plaintiff has on 5 February 2020 filed a Notice of Appeal to the Court of Appeal against the High Court's decision to dismiss the Plaintiff's claim. The matter is now fixed for hearing at the Court of Appeal on 16 June 2021.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 31 December 2020 (31 December 2019: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	2,932,561	2,932,561
Loss after taxation attributable to owners of the Company (RM'000)	(6,248)	(17,832)	(11,144)	(24,437)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.21)	(0.61)	(0.38)	(0.83)

The Company has not issued any potentially dilutive ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

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B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2020 was unmodified.

On behalf of the Board

MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 25 February 2021