

**MALAYAN UNITED INDUSTRIES BERHAD**

Company No: 3809-W  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

	<b>QUARTER ENDED</b>		<b>CUMULATIVE 3 MONTHS</b>	
	<b>30.09.2019 RM'000</b>	<b>30.09.2018 RM'000</b>	<b>30.09.2019 RM'000</b>	<b>30.09.2018 RM'000</b>
Revenue	97,356	103,227	97,356	103,227
Cost of sales	(59,476)	(60,542)	(59,476)	(60,542)
Gross profit	37,880	42,685	37,880	42,685
Other income	1,967	3,232	1,967	3,232
Distribution costs	(2,360)	(2,039)	(2,360)	(2,039)
Administrative expenses	(19,829)	(22,317)	(19,829)	(22,317)
Other operating expenses	(9,309)	(13,449)	(9,309)	(13,449)
Profit from operations	8,349	8,112	8,349	8,112
Exceptional items (refer Note A4)	2,966	12,431	2,966	12,431
Finance cost	(11,129)	(10,582)	(11,129)	(10,582)
Share of results of associates	379	625	379	625
Share of results of joint venture	(7)	-	(7)	-
Profit before taxation	558	10,586	558	10,586
Tax expense	(2,617)	(2,702)	(2,617)	(2,702)
(Loss)/Profit for the financial period	(2,059)	7,884	(2,059)	7,884
(Loss)/Profit attributable to:-				
Equity holders of the Company	(6,605)	2,754	(6,605)	2,754
Non-controlling interests	4,546	5,130	4,546	5,130
(Loss)/Profit for the financial period	(2,059)	7,884	(2,059)	7,884
(Loss)/Earnings per share attributable to equity holders of the Company:-	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic / Diluted	(0.23)	0.09	(0.23)	0.09

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	QUARTER ENDED		CUMULATIVE 3 MONTHS	
	30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
(Loss)/Profit for the financial period	(2,059)	7,884	(2,059)	7,884
Other comprehensive (expenses)/income, net of tax:-				
Items that will not be reclassified subsequently to profit or loss				
Fair value (loss)/gain of equity instruments	(1,104)	187	(1,104)	187
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	794	18,613	794	18,613
Other comprehensive (expenses)/income for the financial period	(310)	18,800	(310)	18,800
Total comprehensive (expenses)/income for the financial period	(2,369)	26,684	(2,369)	26,684
Total comprehensive (expenses)/income attributable to:-				
Equity holders of the Company	(5,186)	19,485	(5,186)	19,485
Non-controlling interests	2,817	7,199	2,817	7,199
Total comprehensive (expenses)/income for the financial period	(2,369)	26,684	(2,369)	26,684

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	30.09.2019 RM'000	30.06.2019 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	598,210	608,247
Investment properties	95,640	95,654
Investment in associates	300,220	296,340
Joint venture	452	459
Other investments	5,620	6,729
Inventories	35,263	35,263
Goodwill on consolidation	25,179	25,179
Right-of-use assets	827	-
Deferred tax assets	1,688	1,516
	<u>1,063,099</u>	<u>1,069,387</u>
<b>Current Assets</b>		
Inventories	153,272	162,814
Trade and other receivables	129,067	126,994
Contract assets	11,588	11,076
Right to recover returned goods	625	615
Contract cost	528	541
Other investments	55	55
Current tax assets	3,911	9,932
Deposits, bank balances and cash	255,490	241,529
	<u>554,536</u>	<u>553,556</u>
<b>TOTAL ASSETS</b>	<u>1,617,635</u>	<u>1,622,943</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	3,152,866	3,152,866
Reserves	(2,782,539)	(2,777,353)
	<u>370,327</u>	<u>375,513</u>
<b>Non-Controlling Interests</b>	<u>231,540</u>	<u>228,723</u>
<b>Total Equity</b>	<u>601,867</u>	<u>604,236</u>
<b>Non-Current Liabilities</b>	290,879	292,557
<b>Current Liabilities</b>		
Trade and other payables	157,962	174,400
Contract liabilities	7,255	7,679
Refund liabilities	1,043	1,024
Lease liabilities	833	-
Borrowings	553,415	539,927
Derivative liability	1,167	1,191
Current tax liabilities	3,214	1,929
	<u>724,889</u>	<u>726,150</u>
<b>Total Liabilities</b>	<u>1,015,768</u>	<u>1,018,707</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,617,635</u>	<u>1,622,943</u>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.13	0.13

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Attributable to Equity Holders 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
<b>CUMULATIVE 3 MONTHS</b>						
At 1 July 2019	3,152,866	(34,490)	(2,742,863)	375,513	228,723	604,236
(Loss)/Profit for the financial period	-	-	(6,605)	(6,605)	4,546	(2,059)
Fair value (loss)/gain of equity instruments	-	(2,074)	1,347	(727)	(377)	(1,104)
Foreign currency translations, net of tax	-	2,146	-	2,146	(1,352)	794
Total comprehensive income/(expenses)	-	72	(5,258)	(5,186)	2,817	(2,369)
At 30 September 2019	3,152,866	(34,418)	(2,748,121)	370,327	231,540	601,867
<b>CUMULATIVE 3 MONTHS</b>						
At 1 July 2018	3,152,866	(42,895)	(2,572,070)	537,901	227,065	764,966
Profit for the financial period	-	-	2,754	2,754	5,130	7,884
Fair value gain of equity instruments	-	132	-	132	55	187
Foreign currency translations, net of tax	-	16,599	-	16,599	2,014	18,613
Total comprehensive income	-	16,731	2,754	19,485	7,199	26,684
At 30 September 2018	3,152,866	(26,164)	(2,569,316)	557,386	234,264	791,650

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	CUMULATIVE 3 MONTHS	
	30.09.2019 RM'000	30.09.2018 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	558	10,586
Net adjustments	10,000	2,122
	10,558	12,708
Operating profit before working capital changes		
Net change in working capital	(8,082)	(7,632)
	2,476	5,076
Cash generated from operations		
Employee benefits paid	(2)	(4)
Interest paid	(100)	(253)
Interest received	327	934
Net tax refunded/(paid)	4,522	(695)
	7,223	5,058
<b>Cash Flows Used In Investing Activities</b>		
Interest received	1,215	1,149
Purchase of property, plant and equipment	(2,514)	(3,502)
Placement of fixed deposits pledged with licensed financial institutions	(15)	(45)
	(1,314)	(2,398)
Net cash used in investing activities		
<b>Cash Flows From/(Used In) Financing Activities</b>		
Interest paid	(11,029)	(10,329)
Net drawdown/(repayments) of bank borrowings	21,132	(6,651)
	10,103	(16,980)
Net cash from/(used in) financing activities		
Effects of exchange rate changes	(87)	(2,080)
	15,925	(16,400)
Net increase/(decrease) in cash and cash equivalents		
<b>Cash and cash equivalents at 1 July</b>		
As previously reported	184,568	197,065
Effects of exchange rate changes on cash and cash equivalents	(1,606)	1,754
As restated	182,962	198,819
Cash and cash equivalents at 30 September	198,887	182,419

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## 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 2019. The 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 2019.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2019 except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs"), IC Interpretation, Amendments to MFRSs and Annual improvements to MFRSs which are applicable for the Group's financial year beginning on or after 1 July 2019:-

MFRS 16	<i>Leases</i>
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
Amendment to MFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures</i>
Annual Improvements to MFRSs 2015-2017 Cycle:	
* Amendment to MFRS 3 and MFRS 11: Previously Held Interest in a Joint Operations	
* Amendment to MFRS 112: Income Tax Consequences of Payments on Financial Instruments Classified as Equity	
* Amendment to MFRS 123: Borrowing Costs Eligible for Capitalisation	

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>
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108: <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement and MFRS 7 Financial Instruments: Disclosures <i>Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred until further notice

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## A2 Seasonal or Cyclical Factors

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

- (a) The retailing operations in Malaysia have seasonal peaks in tandem with various festive seasons and sales promotions approved by Ministry of Domestic Trade, Co-operatives and Consumerism;
- (b) The hotel operations and hospitality business in the United Kingdom normally experience low seasonality due to after effects of the festivities and holiday seasons of Christmas and New Year. Additionally, winter period will also experience a decline in trading;
- (c) The food operations of the Group is affected by seasonal factors; and
- (d) The property operations of the Group is not affected by seasonal factors.

## A3 Changes in estimates

There were no significant changes in estimates of the amounts reported in prior financial years which have a material effect in the financial period ended 30 September 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 30 September 2019 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE 3 MONTHS	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
Capital distribution from a subsidiary placed under winding up	-	261	-	261
Fair value gain on investment in preference shares of an associate	-	5,043	-	5,043
Fair value gain on other financial assets	-	9	-	9
Fair value loss on other investment (current)	-	(51)	-	(51)
Gain arising from derecognition of subsidiaries placed under winding up / dissolved	-	381	-	381
Gain on disposal of properties	-	16,379	-	16,379
Net gain/(loss) on foreign exchange	1,533	(9,559)	1,533	(9,559)
Reversal of Impairment/(Impairment) on:-				
- amount owing by an associate	1,373	(54)	1,373	(54)
- receivables	60	22	60	22
	<u>2,966</u>	<u>12,431</u>	<u>2,966</u>	<u>12,431</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 30 September 2019.

## A6 Dividends Paid

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

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 September 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	124,618 *	-	124,618 *	(110,435)	14,183
Hotel	47,272	-	47,272	-	47,272
Food	15,592	-	15,592	-	15,592
Property	20,327	(18)	20,309	-	20,309
Others	3,871	(1,899)	1,972	(1,972)	-
<b>Total</b>	<b>211,680</b>	<b>(1,917)</b>	<b>209,763</b>	<b>(112,407)</b>	<b>97,356</b>

\* Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2019 was not publicly available.

### (b) Results

	(Loss)/ Profit from Operations RM'000	Exceptional Items RM'000	Finance Joint venture's Costs RM'000	Share of Associates/ Results RM'000	(Loss)/Profit Before Taxation RM'000
Retailing	(3,655)	(6)	-	364 *	(3,297)
Hotel	8,681	40	(667)	-	8,054
Food	(413)	46	-	(7)	(374)
Property	6,940	8	(25)	-	6,923
Others	(3,204)	2,878	(10,437)	15	(10,748)
<b>Total</b>	<b>8,349</b>	<b>2,966</b>	<b>(11,129)</b>	<b>372</b>	<b>558</b>

\* Included the results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2019 was not publicly available.

### (c) Assets

	Segment Assets RM'000	Investment In Associates/ Joint Venture RM'000	Total RM'000
Retailing	236,366	119,069	355,435
Hotel	556,678	-	556,678
Food	154,966	452	155,418
Property	317,794	-	317,794
Others	45,560	181,151	226,711
	<b>1,311,364</b>	<b>300,672</b>	<b>1,612,036</b>
Unallocated Corporate Assets			5,599
<b>Total Assets</b>			<b>1,617,635</b>

## A8 Events Subsequent to the End of the Financial Period

There are no material events subsequent to the end of the financial period ended 30 September 2019 that have not been reflected in the financial statements for the said period as at the date of this report.



# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## A9 Changes in the Composition of the Group

On 25 October 2019, the following wholly-owned subsidiaries of Metrojaya Berhad, which is in turn a partly-owned subsidiaries of the Company, was dissolved by way of deregistered pursuant to Section 751 of the Companies Ordinance of Hong Kong:-

<u>Company name</u>	<u>Date of dissolution</u>
(i) Dixon Enterprise Limited	25 October 2019
(ii) East India Company (Hong Kong) Pte Limited	25 October 2019

The dissolution of the above subsidiaries did not have any material impact on the earnings and net assets of the Group for the financial period ended 30 September 2019.

Other than the above, there were no other changes in the composition of the Group as at the date of this report.

## A10 Contingent Liabilities

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

## A11 Capital Commitments

As at 30 September 2019, the Group has commitments in respect of capital expenditure as follows:-

	<b>RM'000</b>
Authorised but not contracted for	115
Contracted but not provided for	84

# 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			
	30.09.2019 RM'000	30.09.2018 RM'000	Changes RM'000	%
<b>Revenue</b>				
Retailing	14,183	20,057	(5,874)	(29.30)
Hotel	47,272	50,946	(3,674)	(7.20)
Food	15,592	19,946	(4,354)	(21.80)
Property	20,309	12,278	8,031	65.40
Others	-	-	-	-
	<b>97,356</b>	<b>103,227</b>	<b>(5,871)</b>	<b>(5.70)</b>
<b>Profit/(Loss) before taxation ("PBT / (LBT)")</b>				
Retailing	(3,297) *	13,595 *	(16,892)	(124.30)
Hotel	8,054	7,930	124	1.60
Food	(374)	1,142	(1,516)	(132.70)
Property	6,923	3,854		79.60
Financial Services <sup>^</sup>	-	-	-	-
Others	(10,748)	(15,935)	5,187	32.60
	<b>558</b>	<b>10,586</b>	<b>(13,097)</b>	<b>(94.70)</b>

\* Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2019 and 30 September 2018 were not publicly available.

<sup>^</sup> 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.

### Current Quarter Ended 30 September 2019

The Group recorded a lower revenue of RM97.4 million and a PBT of RM0.6 million in the current quarter compared with a revenue of RM103.2 million and a PBT of RM10.6 million in the quarter ended 30 September 2018. The performance of the respective divisions are as follows:-

#### Retailing

The decrease in revenue was mainly attributed to lower sales of its department stores in Malaysia. For the current quarter, an LBT was recorded compared with a PBT in the quarter ended 30 September 2018. The PBT in the quarter ended 30 September 2018 was due to a gain of RM16.4 million on disposal of properties.

#### Hotel

The Group's hotel division in the UK recorded a drop in occupancy leading to a decrease in revenue. Despite this, the division reported a marginal increase in PBT compared with the quarter ended 30 September 2018.

#### Food

The decrease in the revenue and a LBT in the current quarter was affected by weak retail sentiments in both domestic and export markets. The results in the quarter ended 30 September 2018 was mainly contributed by the new appointment of new distributors.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## Property

The increase in revenue and a PBT in the current quarter was mainly attributed to higher revenue recognition of Phase E7-1 and E7-2 in Bandar Springhill, Negeri Sembilan.

## Others

The decrease in LBT was mainly attributed to the gain on foreign exchange translations on intragroup balances.

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

	Quarter Ended			
	30.09.2019	30.06.2019	Changes	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
Retailing	14,183	17,913	(3,730)	(20.8)
Hotel	47,272	47,176	96	0.2
Food	15,592	10,953	4,639	42.4
Property	20,309	14,102	6,207	44.0
Others	-	-	-	-
	<b>97,356</b>	<b>90,144</b>	<b>7,212</b>	<b>8.0</b>
<b>Profit/(Loss) before taxation ("PBT / (LBT)")</b>				
Retailing	(3,297) *	(77,315)	74,018	95.7
Hotel	8,054	5,156	2,898	56.2
Food	(374)	(979)	605	61.8
Property	6,923	4,176	2,747	65.8
Financial Services <sup>^</sup>	-	-	-	-
Others	(10,748)	(8,964)	(1,784)	(19.9)
	<b>558</b>	<b>(77,926)</b>	<b>78,484</b>	<b>100.7</b>

\* Included results of an associate in the United Kingdom based on estimation as its quarterly results ended 30 September 2019 were not publicly available.

<sup>^</sup> 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 a higher revenue of RM97.4 million and a PBT of RM0.6 million in the current quarter compared with a revenue of RM90.1 million and a LBT of RM77.9 million in the preceding quarter. The performance of the respective divisions are analysed as follows:-

## Retailing

The decrease in revenue was mainly attributed to lower sales of its department stores in Malaysia coupled with a one-off loyalty programme adjustment of RM1.3 million in the preceding quarter. The lower LBT in the current quarter was largely due to an impairment on an investment and share of loss in an associate in the preceding quarter.

## Hotel

The hotel division registered a slight increase in revenue as compared with the preceding quarter. However, a higher PBT was recorded by both hotel divisions in the UK and Malaysia in the current quarter contributed by lower operating expenses.

## Food

The higher revenue and lower LBT in the current quarter was mainly due to the launching of new Crispy version 2.0 in May 2019 and various trade activities carried out during the current quarter.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## Property

The increase in revenue and a PBT was mainly attributed to higher revenue recognition of Phase E7-1 and E7-2 in Bandar Springhill, Negeri Sembilan.

## Others

The increase in LBT was mainly attributed to share of lower profit from an associate.

### **B3 Prospects for the Financial Year Ending 30 June 2020**

#### Retailing

The Retail division continues to be weighed down by weak retail sentiments in shopping malls and cautious consumer spending. To mitigate these challenges, the division has established a business transformation plan focused on enhancing consumers' experiential retail journey. In addition, the right merchandise mix and various marketing and promotional strategies will be put in place to drive shoppers back into the stores to boost sales performance. As such, the division expects to improve its financial performance in the remaining quarters.

#### Hotel

Tourism in the UK is expected to hold steady, boosted by a weaker British pound.

In Malaysia, the previous quarter result has shown improvement, supported by tourist arrivals from Asean countries as well as local tourists. Occupancy rate was higher and PBT improved. The Hotel division expects better performance in the second quarter with the year-end school break and upcoming Visit Malaysia 2020 drawing in holidaymakers.

#### Food

The continuing global trade tension has impacted the export and OEM business in Asia to a larger degree than anticipated. On the domestic front, market sentiments remained weak in the first quarter.

Nonetheless, Network Foods remains confident that its performance for the whole financial year will exceed that of the last financial year. The division is confident that the planned relaunch of Tango in December 2019 will further boost sales.

#### Property

The Property division saw improved revenue in the first quarter due to more units sold as well as higher percentage of completion of its Freesia, Peony, Irises and Cosmos houses.

A new phase, Amarilis, comprising 73 units of double-storey house, was launched in October 2019. There are also plans to launch another phase consisting of 272 units of double-storey terrace house in the third quarter. The division expects improved performance for the remaining quarters.

### **B4 Variance of Actual Profit from Forecast Profit**

Not applicable.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## B5 Profit before taxation

Included in the profit before taxation were the followings items:-

	QUARTER ENDED		Changes %	CUMULATIVE 3 MONTHS		Changes %
	30.09.2019 RM'000	30.09.2018 RM'000		30.09.2019 RM'000	30.09.2018 RM'000	
Depreciation	(4,032)	(4,508)	10.6	(4,032)	(4,508)	10.6
Interest income	1,337	2,083	(35.8)	1,337	2,083	(35.8)
Inventories written down	(1,753)	(1,389)	(26.2)	(1,753)	(1,389)	(26.2)
Property, plant and equipment written off	(22)	(35)	37.1	(22)	(35)	37.1
	(22)	(35)		(22)	(35)	

## B6 Trade Receivables

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

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

	30.09.2019 RM'000	30.06.2019 RM'000	Changes %
Current (Not past due)	18,354	14,397	27.5
1 to 30 days past due	6,819	6,513	4.7
31 to 60 days past due	3,406	4,365	(22.0)
61 to 90 days past due	1,402	1,761	(20.4)
91 to 120 days past due	78	543	(85.6)
More than 120 days past due	1,671	1,215	37.5
	31,730	28,794	10.2

## B7 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED		Changes %	CUMULATIVE 3 MONTHS		Changes %
	30.09.2019 RM'000	30.09.2018 RM'000		30.09.2019 RM'000	30.09.2018 RM'000	
Current tax expense						
- Malaysia	2,347	2,269	3.4	2,347	2,269	3.4
- Foreign	455	1,825	(75.1)	455	1,825	(75.1)
Deferred tax	(185)	(1,392)	86.7	(185)	(1,392)	86.7
	2,617	2,702	(3.1)	2,617	2,702	(3.1)

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

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## B8 Status of Corporate Proposals

On 12 November 2019, MUI Properties Berhad ("MUIP") announced that Cesuco Trading Limited, a wholly-owned subsidiary of the MUIP, which is in turn a partly-owned subsidiary of the Company, decided to convert the AUD\$1.5 million Secured Convertible Note of Nex Metals Explorations Ltd ("Nex Metals") together with the outstanding sum of AUD\$272,506.85 being accrued interest thereon as at 1 November 2019, into 132,474,353 ordinary shares. This represents 40.73% of the enlarged share capital of Nex Metals at an issue price of AUD\$0.01338 per ordinary share ("Proposed Conversion").

Nex Metals is a public limited liabilities company incorporated in Australia on 4 February 2007 with a registered office address at 45 Guthrie St, Osborne Park, WA, Australia, 6017, and listed on the Australian Securities Exchange. The principal activity of Nex Metals is primarily in gold exploration.

The Proposed Conversion is subject to the approval of Nex Metals' shareholders. Upon the completion of the Proposed Conversion, Nex Metals will become an associate company of the Group.

The Proposed Conversion is not expected to have any material effect on the net assets per share, gearing, share capital and substantial shareholders' direct and/or indirect shareholding of MUIP for the financial year ending 30 June 2020; however, it is expected to have a positive effect on the earnings per share of MUIP for the financial year ending 30 June 2020 due to a gain from remeasurement to fair value arising from the Proposed Conversion.

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

## B9 Group Borrowings

Total Group borrowings as at 30 September 2019 were as follows:-

	30.09.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
<i>Secured</i>			
- Term loan	202,863	461,789	664,652
- Revolving credit	43,295	31,900	75,195
- Bank overdraft	-	18,364	18,364
- Hire purchase	256	482	738
	246,414	512,535	758,949
<i>Unsecured</i>			
- Revolving credit	34,209	40,880	75,089
	34,209	40,880	75,089
Total borrowings	280,623	553,415	834,038

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

	30.06.2019		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
<i>Secured</i>			
- Term loan	204,542	441,702	646,244
- Revolving credit	43,295	34,200	77,495
- Bank overdraft	-	18,738	18,738
- Hire purchase	261	557	818
	248,098	495,197	743,295
<i>Unsecured</i>			
- Revolving credit	34,209	44,730	78,939
	34,209	44,730	78,939
	282,307	539,927	822,234

Foreign borrowing in Ringgit Malaysia equivalent as at 30 September 2019 included in the above was as follows:-

	30.09.2019		30.06.2019	
	£'000	RM'000	£'000	RM'000
Total foreign borrowing	89,106	458,397	89,106	468,527

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

## B10 Derivative Financial Instruments

### Interest rate swap contract

The Group has entered into interest rate swap contract to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuation in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amount was exchanged at periodic intervals. All changes in fair value during the financial year are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

The outstanding interest rate swap contract as at 30 September 2019 is as follows:-

<u>Effective Period</u>	<u>Notional Amount</u> £'000
28 July 2015 to 19 May 2020	26,276

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

As at 30 September 2019, the notional amount, fair value and maturity tenor of the interest rate swap contract were as follows:-

<u>Current liabilities</u>	<u>Notional Amount</u> RM'000	<u>Fair Value Liabilities</u> RM'000
Less than 1 year	135,174	1,167

## B11 Fair Value Changes of Financial Liabilities

As at 30 September 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.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## 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 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, 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 28 March 2019, the Plaintiff received a Statement of Defence dated 26 March 2019 that was filed by the Defendant in the High Court.

On 30 May 2019, the High 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. Both parties are currently awaiting the decision from the 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 in connection with the litigation.

## B13 Dividend

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

## B14 Basic (Loss)/Profit Per Share

	QUARTER ENDED		Changes %	CUMULATIVE 3 MONTHS		Changes %
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	-	2,932,561	2,932,561	-
(Loss)/Profit for the financial period attributable to equity holders of the Company (RM'000)	(6,605)	2,754	(339.8)	(6,605)	2,754	(339.8)
Basic (loss)/earnings per share (sen)	(0.23)	0.09	(339.8)	(0.23)	0.09	(339.8)
Diluted (loss)/earnings per share (sen)	(0.23)	0.09	(339.8)	(0.23)	0.09	(339.8)

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



**MALAYAN UNITED INDUSTRIES BERHAD**

**Company No: 3809-W  
(Incorporated in Malaysia)**

**B15 Auditors' Report**

The auditors' report on the financial statements for the financial year ended 30 June 2019 was unmodified.

**On behalf of the Board  
MALAYAN UNITED INDUSTRIES BERHAD**

**Lee Chik Siong  
Norlyn Binti Kamal Basha  
Joint Company Secretaries**

**Date: 28 November 2019**