



Malayan United Industries Berhad

Registration No.: 196001000140 (3809-W)

6th
ANNIVERSARY

ANNUAL REPORT 2020

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The MUI Group 60th Anniversary (1960 - 2020)



Tan Sri Dato' Khoo Kay Peng, a visionary and the architect of The MUI Group

The year 2020 has been an eventful one. It has been disruptive in every sense and is proving to be one of humanity's greatest tests, particularly as the world continues to grapple with COVID-19 without an end in sight. In this trying year too, as The MUI Group marks its 60th anniversary, it is fitting to honour our retired Chairman and Group Chief Executive, Tan Sri Dato' Khoo Kay Peng, for he is not one who will shy away from challenges.

In fact, this man, the architect of The MUI Group, overcame adversities to transform Malayan United Industries Berhad (MUI) from its founding in 1960 as a humble enamel household utensil and toothbrush manufacturer into a large multi-national and multi-industry Group.

The Background

His beginnings were humble. In 1956, the young Batu Pahat lad set his sights on Singapore, taking his first step into the corporate world as a bank clerk with Oversea-Chinese Banking Corporation Ltd. Four years later, he returned to Malaysia to join the then newly-established Malayan Banking Berhad. In 1965, he was handpicked to manage the new Bank Bumiputra (M) Berhad.

In the years that followed, Tan Sri Khoo's career continued to flourish. He sealed his strong banking repute and leadership as a man who holds firmly to the philosophy of hard work, integrity and honesty. His steady rise to the top is an embodiment of his personal drive for excellence.

Then came that one career move that elevated and stamped his status as a prominent entrepreneur: when he took over the reins of MUI in 1976.

He successfully led MUI into many major industries, including banking, finance, insurance, cement, sugar, hotels, properties, retailing and trading; achievements attributed to his indomitable drive for success.

The Big Four

It is no surprise that Tan Sri Khoo has been hailed as a prominent Malaysian corporate captain. In fact, his foresight and strong leadership in the diversification of The MUI Group's businesses, locally and globally, over the last 60 years, cannot be understated. He is admired for his genius and his contribution to the nation and society, evident in his illustrious career which was filled with awards, accolades and high-profile appointments.

When he was conferred the Honorary Doctorate degree by UCSI University, Malaysia in 2011, Tan Sri Khoo shared his secret of success in his keynote address. In his speech, he said the four essential qualities needed by an entrepreneur to succeed are having a dream, passion, hard work and perseverance.

"Your dream gives you direction and goals in life. It helps you focus on where to direct your ambition, time, energy and resources. Without a clear dream, you just meander through life, moving on as external circumstances and events shift you along. With a clear dream, you embark on a journey of discovery."

The second trait Tan Sri Khoo subscribes to is the belief that passion makes things happen.

"Passion is what entrepreneurs must have first and foremost. It is the fire that converts vision into reality. There is no excellence without passion. Only passion can achieve excellence, again and again."

The third quality is simply solid hard work.

"When you have a bold dream and you are passionate about it, hard work comes quite naturally. For me, working hard is not an exertion at all. On the contrary, it is enjoyable because you get to see the fruits of your own labour."

"There is no substitute for hard work and no short-cut to success. All the secrets of success won't work if you don't work."

"My final and fourth recipe for success is perseverance. Another word for this is tenacity. It means you do not quit easily."

The Balancing Act

Away from his public persona, Tan Sri Khoo is a lover of music, loyal to performing arts, especially musicals. For many years, he was the patron of The Philharmonic Society of Selangor. He even has a favourite seat in the theatre which, although not deemed as the best in the house, he considered a vantage point as he could then see each performer's facial expressions. To a certain extent, this gives away the details Tan Sri Khoo goes into in everything that he does; he is meticulous, perhaps to a fault.

It is also no secret that food is another one of his passions. Some of his favourites are Hainanese chicken rice (with a generous helping of fresh chilli condiment), char koay teow, poh piah and chai tow kway. A true Malaysian, he enjoys a hearty durian feast too. So much so that he even hosts durian parties for family, friends, directors, management and staff of The MUI Group.

The Golden Rule

Strong. Efficient. Trustworthy. These are the three words that Tan Sri Khoo lives by. These are the three words that have served and continue to be the guiding principles for the Group.

In December 2018, Tan Sri Khoo officially announced his retirement and passed the reigns to his son, Andrew Khoo, the current Chairman and Chief Executive Officer of The MUI Group. In keeping to his father's legacy and philosophy, Andrew too holds firmly to the same ideals. As he took over the helm, Andrew paid the following tribute to his father:

"He has left a huge legacy that's near impossible for anyone to replicate. Nevertheless, I shall always look up to what he has achieved, draw inspiration from his remarkable achievements and continue to follow the values he espoused as I begin to chart a new course for The MUI Group."

To GOD Be The Glory





NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Forty-Ninth Annual General Meeting of the Company will be held at Rembau Room, Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul Khusus on Thursday, 10 December 2020 at 3.00 p.m. for the following purposes:-

As Ordinary Business

1. To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2020.
2. To approve the payment of Directors' Fees of RM336,000 for the financial year ended 30 June 2020. **Resolution 1**
3. To approve the payment of Directors' Benefits (other than Directors' Fees) of up to RM78,000 for the period from 11 December 2020 until the next Annual General Meeting. **Resolution 2**
4. To re-elect Mr Andrew Khoo Boo Yeow as Director of the Company, who is retiring in accordance with Clause 118 of the Company's Constitution. **Resolution 3**
5. To re-elect Mr Wong Nyen Faat as Director of the Company, who is retiring in accordance with Clause 99 of the Company's Constitution. **Resolution 4**
6. To re-elect Mr Chan Choung Yau as Director of the Company, who is retiring in accordance with Clause 99 of the Company's Constitution. **Resolution 5**
7. To re-appoint Messrs Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

As Special Business

To consider and, if thought fit, pass the following resolutions:-

8. Ordinary Resolution
 - Proposed authority for Dato' Dr Tan Kee Kwong to continue in office as Independent Non-Executive Director

"THAT authority be and is hereby given to Dato' Dr Tan Kee Kwong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **Resolution 7**

9. Ordinary Resolution
 - Proposed authority for Dr Wong Hong Meng to continue in office as Independent Non-Executive Director

"THAT authority be and is hereby given to Dr Wong Hong Meng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **Resolution 8**

10. Ordinary Resolution

- Proposed authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.”

Resolution 9

11. Ordinary Resolution

- Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad

“THAT, subject to the Companies Act 2016 and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company to purchase and/or hold such amount of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) provided that:-

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of purchase; and
- (b) the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the Company’s retained profits;

AND THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution, and will, subject to renewal thereat, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution or the expiry of the period within which the next Annual General Meeting is required by law to be held (unless earlier revoked or varied by ordinary resolution in a general meeting of shareholders of the Company), whichever occurs first and in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements and/or any other relevant authorities;

AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to:-

- (a) cancel the shares so purchased; or
- (b) retain the shares so purchased as treasury shares; or
- (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (d) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation with full powers to assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time.”

Resolution 10



NOTICE OF MEETING (Cont'd)

12. To transact any other business of which due notice shall have been received.

By order of the Board

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Kuala Lumpur
30 October 2020

Notes: -

1. Only a member whose name appears on the Record of Depositors as at 27 November 2020 shall be entitled to attend and vote at the meeting. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.
2. A member entitled to attend and vote may not appoint more than two (2) proxies to attend and vote at the same meetings. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991.
3. Where a member and/or an exempt authorised nominee appoint two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy in the instrument appointing the proxies.
4. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
5. The Form of Proxy must be deposited at the registered office of the Company at 189 Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. Pursuant to the Bursa Securities Main Market Listing Requirements, all the resolutions set out in this Notice will be put to vote by way of poll.

Explanatory Notes On Special Business

1. The Ordinary Resolution proposed under item 8, if passed, will authorise Dato' Dr Tan Kee Kwong to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

The Nomination Committee, with Dato' Dr Tan Kee Kwong abstaining from the deliberation of his own assessment, had assessed the independence of Dato' Dr Tan Kee Kwong who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Dato' Dr Tan Kee Kwong has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements. The length of his service does not interfere with Dato' Dr Tan Kee Kwong's ability and exercise of independent judgement as Independent Director.

2. The Ordinary Resolution proposed under item 9, if passed, will authorise Dr Wong Hong Meng to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.

The Nomination Committee, with Dr Wong Hong Meng abstaining from the deliberation of his own assessment, had assessed the independence of Dr Wong Hong Meng who has served on the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Dr Wong Hong Meng has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements. The length of his service does not interfere with Dr Wong Hong Meng's ability and exercise of independent judgement as Independent Director.

3. The Ordinary Resolution proposed under item 10 is a renewal of the general authority for the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. If passed, it will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

The Company has not issued any new shares under the general authority which was approved at the Forty-Eighth Annual General Meeting held on 11 December 2019 and which will lapse at the conclusion of the Forty-Ninth Annual General Meeting to be held on 10 December 2020.

The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

4. The Ordinary Resolution proposed under item 11, if passed, will empower the Directors of the Company to purchase Malayan United Industries Berhad shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company.



Malayan United Industries Berhad
Registration No: 196001000140 (3809-W)
Incorporated in Malaysia

CORPORATE INFORMATION

Board of Directors

Andrew Khoo Boo Yeow, *Chairman and Chief Executive Officer*
Chan Choung Yau, *Executive Director*
Dato' Dr Tan Kee Kwong, *Independent Non-Executive Director*
Dr Wong Hong Meng, *Independent Non-Executive Director*
Farizon binti Ibrahim, *Independent Non-Executive Director*
Wong Nyen Faat, *Non-Independent Non-Executive Director*

Joint Company Secretaries

Lee Chik Siong (MAICSA 7054334)
Wong Shuk Fuen (MIA 12985)

Auditors

Crowe Malaysia PLT, *Chartered Accountants*

Principal Bankers

Affin Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
United Overseas Bank Limited

Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Tel. No.: 03-2783 9299 Fax. No.: 03-2783 9222

Registered Office

189 Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Tel. No.: 03-2145 1366 Fax. No.: 03-2144 5209
Website: www.muiglobal.com

PROFILE OF DIRECTORS

Andrew Khoo Boo Yeow

Age 48. Male. Australian. Chairman and Chief Executive Officer. He was appointed as the Chief Executive Officer and Executive Director on 1 January 2018 and was subsequently re-designated to Chairman and Chief Executive Officer on 13 December 2018. He is currently also the Chief Executive Officer and Executive Director of MUI Properties Berhad, an Executive Director of Pan Malaysia Corporation Berhad and Network Foods International Ltd, and a Director of Metrojaya Berhad, West Synergy Sdn Bhd, Laura Ashley Inc., Laura Ashley (North America) Inc., Regent Corporation, Corus Hotels Limited and Federal International (2000) Ltd. He is a Barrister-at-law from Lincolns Inn, United Kingdom and also holds a Degree in Law and Master of Arts from Cambridge University, United Kingdom and Master of Business Administration from Seattle Pacific University, United States of America as well as Bachelor of Arts majoring in Political Science and minoring in Economics from the University of Victoria, Canada. He has also held senior management positions in a number of diverse industries including food, retailing, and the hospitality sector. He is the son of 'Tan Sri Dato' Khoo Kay Peng, the deemed major shareholder of Malayan United Industries Berhad. He attended all the seven (7) Board Meetings held during the financial year ended 30 June 2020.

Chan Choung Yau

Age 58. Male. Malaysian. Executive Director. He was appointed to the Board as a Non-Independent Non-Executive Director on 1 January 2020 before being re-designated as Executive Director on 17 February 2020. He is currently the Group Executive Director of The MUI Group. He also sits on the Boards of Pan Malaysia Corporation Berhad, MUI Properties Berhad, Pan Malaysia Holdings Berhad, Laura Ashley Inc., Laura Ashley (North America) Inc. and Regent Corporation. He is a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants, United Kingdom. Prior to joining The MUI Group, he was the Group Chief Operating Officer of BW Yee Seng Steel Industries Sdn Bhd, a member of the BWYS Group. He has also previously worked for The MUI Group, IOI Oleochemical Industries Berhad, Escoy Holdings Berhad, Plantation Agencies Sdn Bhd and Deloitte, amongst others. He attended the remaining five (5) Board Meetings held during the financial year ended 30 June 2020 subsequent to his appointment on 1 January 2020.

Dato' Dr Tan Kee Kwong

Age 73. Male. Malaysian. Independent Non-Executive Director. He was appointed to the Board on 3 January 2007. He is the Chairman of the Remuneration Committee. He is also a member of the Audit Committee and the Nomination Committee. Currently, he is the Chairman of the Board of Governors of Sekolah Menengah Laki-Laki Methodist Sentul and Chairman of Pusat Bantuan Sentul; Chairman of the Management Committee of Wesley Methodist School and Chairman of the Board of Management of Methodist College Kuala Lumpur. He graduated with a Bachelor of Medicine and Bachelor of Surgery from the Faculty of Medicine, University of Malaya in 1973. He joined the Government service as a medical officer in 1974 until 1977. Between 1977 and 1980, he worked as a medical officer with the British National Health Service. From 1981 to 1983, he was a volunteer rural health officer in Southern Sudan, Africa. In 1985, he commenced private medical general practice until 1999, when he was made a Deputy Minister in the Ministry of Land and Cooperative Development, a post he held until 2004. He had previously served as a Member of Parliament for Segambut, Kuala Lumpur from 1995 until 2008 and a Member of Parliament for Wangsa Maju, Kuala Lumpur from 2013 until 2018. Formerly, he was a Board Member of TMC Life Sciences Berhad. He attended all the seven (7) Board Meetings held during the financial year ended 30 June 2020.



PROFILE OF DIRECTORS (Cont'd)

Dr Wong Hong Meng

Age 74. Male. Malaysian. Independent Non-Executive Director. He was appointed to the Board on 4 October 2011. He is the Chairman of the Audit Committee and the Nomination Committee. He is also a member of the Remuneration Committee. He is an independent non-executive director and member of the Investment Committee of TA Investment Management Berhad and a director of Malayan United Industries Berhad and Full Gospel Business Men's Fellowship Berhad. He is an economics graduate from the University of Malaya with an MBA from Cranfield School of Management, earned his DBA from the University of South Australia in 2007. Professionally he was a Fellow of the Institute of Chartered Accountant in England and Wales. Currently he is a Chartered Accountant member of the Malaysian Institute of Accountants and an Associate of the Institute of Chartered Secretaries and Administrators. For more than thirty years Dr Wong had held senior management positions in management consultancy, merchant banking, commercial banking and stock broking. In January 1999 he took early retirement from his employment career as Executive Director of TA Enterprise Berhad. After retirement he remained active in the business world and had served as an independent non-executive director and chairman of the audit committee of two companies listed on Bursa Malaysia Securities Berhad. He attended all the seven (7) Board Meetings held during the financial year ended 30 June 2020.

Farizon binti Ibrahim

Age 63. Female. Malaysian. Independent Non-Executive Director. She was appointed to the Board on 26 June 2018. She is a member of the Audit Committee. She sits on the Boards of Pan Malaysia Holdings Berhad, Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad and Metrojaya Berhad. She is the Advisor for EL Wafa Travel Services Sdn Bhd. She is a graduate in Accountancy and Business Management Studies. She had worked with Tabung Haji Kuala Lumpur from 1980 to 1985 and was subsequently attached to Tabung Haji Saudi Arabia under the auspices of the Embassy of Malaysia from 1986 to 1992. She was appointed as the Councillor in the Haj Welfare Division in Tabung Haji Jeddah to assist pilgrims who need counselling during the Haj period in Saudi Arabia. She was also the Public Relations Manager of the Malaysian Women's Association Club of Jeddah. She handled the activities of the Club that includes public relations with various Government, Corporate and other associations in Saudi Arabia. She also played an important role in the International Women's Association of Jeddah in the affairs of Welfare and Charity work. Formerly, she was the Chief Executive Officer of FDI Travel Services Sdn Bhd. Her exposure and experience in trade and travel began while working for the family-owned businesses. She attended all the seven (7) Board Meetings held during the financial year ended 30 June 2020.

Wong Nyen Faat

Age 63. Male. Malaysian. Non-Independent Non-Executive Director. He was appointed to the Board on 1 January 2020. He is currently a member of the Nomination Committee and Remuneration Committee. He sits on the Boards of Pan Malaysia Corporation Berhad, MUI Properties Berhad, Pan Malaysia Holdings Berhad and Pan Malaysia Capital Berhad. He had served as Chief Operating Officer of The MUI Group, Executive Director of Pan Malaysia Corporation Berhad and Executive Director of Morning Star Resources Limited in Hong Kong. He holds a First Class Honours Bachelor's Degree in Science (Mathematics) with Education from the University of Malaya and a Master's Degree in Business Management from the Asian Institute of Management. He attended the remaining five (5) Board Meetings held during the financial year ended 30 June 2020 subsequent to his appointment on 1 January 2020.

Note: -

Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholders of the Company. None of the Directors has any conflict of interest with the Company nor have they been convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2020.

PROFILE OF KEY SENIOR MANAGEMENT

Andrew Khoo Boo Yeow

Age 48. Male. Australian. He was appointed as the Chief Executive Officer and Executive Director on 1 January 2018 and was subsequently re-designated to Chairman & Chief Executive Officer on 13 December 2018. For the profile of Mr Andrew Khoo Boo Yeow, please refer to page 9 of this Annual Report.

Chan Choung Yau

Age 58. Male. Malaysian. He was appointed to the Board as Non-Independent Non-Executive Director on 1 January 2020 before being re-designated as Executive Director on 17 February 2020. For the profile of Mr Chan Choung Yau, please refer to page 9 of this Annual Report.

David Michael Westerby

Age 61. Male. British. He is the Chief Executive Officer and a Director of Corus Hotels Limited, the United Kingdom since 18 February 2020. He had previously served as Director of Operations and Director of Corus Hotels PLC (now known as Corus Hotels Limited) from March 1997 to October 2013. He commenced his previous engagement with the company when it was known as Regal Hotels Limited. He has various operational experience in the sectors of hospitality and private high-end nursing care. In addition to his operating capability he has held specialist responsibilities for real estate development, human resources, sales and marketing within the United Kingdom.

Raymond Yeoh Huat Hock

Age 65. Male. Malaysian. He is the Executive Director of the Group's Hotel Division (Malaysia). He joined the Group's Hotel Division (Malaysia) as Vice President in August 2012. He has a Diploma in Hotel Management from the American Hotel & Motel Association. He has over 40 years of experience in hotel industry. He worked with the Holiday Inns in Kuala Lumpur, Penang and Hong Kong and has extensive hotel pre-opening experience with Equatorial Penang and the Swiss Garden International Group. He had also worked with 5-star Padma hotel in Bali, Indonesia. In 1994, he was appointed as General Manager to pre-open two Swiss Garden hotels and was subsequently appointed as Vice President (Operations) of the Swiss Garden International Group.

Chan Chee Meng

Age 58. Male. Malaysian. He is the Executive Director of the Group's Property Division and an Executive Director of West Synergy Sdn Bhd. He joined the Group in November 2016. He has a degree of Bachelor of Arts (Architecture) from Deakin University, Australia. He has more than 25 years of experience in architectural consultancy and property development. He was previously with UOA Development Bhd and prior to joining The MUI Group, he was Deputy General Manager of the Mah Sing Group.

Lee Yik Loong

Age 44. Male. Malaysian. He was appointed as the Divisional Executive Director, overseeing Network Foods Division business operations and strategies in December 2019. Prior to his current position, he was the Executive Director of Network Foods (Malaysia) Sdn Bhd. He graduated from Flinders University of South Australia with a Bachelor of Economics in 1998. Prior to joining the Group, he was the Group Chief Operating Officer of Asia Brands Berhad from April 2014 – May 2018 overseeing the Group's operations and execution of business strategies. From 2003 – 2013, he was attached to Nestle Products Sdn Bhd where he held various leadership positions in the company.



PROFILE OF KEY SENIOR MANAGEMENT (Cont'd)

Wong Shuk Fuen

Age 50. Female. Malaysian. She is the Group Financial Controller. She joined The MUI Group as Financial Controller in October 2014. She has 26 years of experience in accounting and finance, and is a member of the Chartered Institute of Management Accountants, the United Kingdom and a member of the Malaysian Institute of Accountants. She started her career as Accounts Officer at Guolene Plastic Products Sdn Bhd before moving on to various accounting and financial positions in Kenneison Brothers Group. Prior to joining The MUI Group, she was Vice President of AlloyMtd Group.

Pamela Geh Cheng Yen

Age 40. Female. Malaysian. She was appointed as the Group Human Resources Director on 1 August 2019. She has an LL.B (Honours) and was called to the Bar of England and Wales, United Kingdom as a Barrister-at-Law from Gray's Inn. She was also called to the Malaysian Bar in 2005. She has more than 15 years of working experience in legal and human resource in different industries including consumer goods, healthcare, digital & social media marketing and consulting with a strong background in Talent and Performance Management, Organisational Development, and Employee Engagement.

Note:-

Save as disclosed, none of the Key Senior Management has any family relationship with any Director and/or major shareholder of the Company. None of the Key Senior Management has any conflict of interest with the Company nor have they been convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2020.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) is committed to the principles of corporate governance set out in the Malaysian Code on Corporate Governance (the “Code”). The Board is also committed in continuously observing corporate governance practices that are best suited to achieve the objectives and goals of the Company.

In implementing the corporate governance practices, the Company ensures compliance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Corporate Governance Statement reports on how the Company has applied the principles and recommendations of good corporate governance during the financial year ended 30 June 2020, having considered the Group’s structure, business environment and industry practices.

The Board will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the recommendations of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the principles and recommendations of the Code.

The Company was established in 1960 and has grown to become a multi-national conglomerate with extensive interests in various industries such as retailing, hotel, property development, food and financial services. The Company’s core philosophy has not wavered for over 60 years, underpinned by three key attributes – strong, efficient and trustworthy; together forming the guiding principles for its business practices and corporate governance.

Set out below is the description on the manner in which the Company has applied the principles and recommendations of the Code.

1. Board of Directors

1.1 Composition of Board

The Board is responsible for the overall performance of the Company and focuses mainly on strategy, performance, standard of conduct and critical business issues.

The Board currently consists of six (6) Directors:-

- One (1) Chairman and Chief Executive Officer (“CEO”)
- One (1) Executive Director
- Three (3) Independent Non-Executive Directors
- One (1) Non-Independent Non-Executive Director

The Board complies with the Bursa Securities Listing Requirements that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be Independent Directors.

The Chairman functions both as Chairman and CEO and is supported by experienced Board members with a wide range of expertise. The Board is mindful of the combined roles but is comfortable that there are no concerns as all related party transactions are dealt with in accordance with the Bursa Securities Listing Requirements.

The Board has reserved certain material matters for the collective review and decision by the Board. The roles and contributions of Independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board. Matters reserved for the Board include but are not limited to the following:-

- (a) Group’s business strategy and business plan;
- (b) Annual budgets, including major capital commitments;
- (c) Material acquisition and disposal of assets; and
- (d) Changes to the senior management and control structure.



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1.1 Composition of Board (Cont'd)

The Management is accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress made by the Company's business units.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group's businesses. A brief description of the background of each Director is presented in pages 9 and 10 of the Annual Report.

Dr Wong Hong Meng has been identified as the senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

The Board recognises the importance of gender, age and ethnic diversity in the composition of the Board. The Board currently does not have any gender, age and ethnic policies and targets. The Board believes that candidature to the Board should be based on a candidate's skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position.

The Board has formed different Board committees, in support of independent oversight of management that operate within the defined terms of reference. These committees are:-

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 30 June 2020 is set out in pages 29 and 30 of the Annual Report.

Details of the Nomination Committee and the Remuneration Committee are set out in Section 2.2 and Section 2.3 respectively of this Statement.

1.2 Independence of Directors

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, upon completion of the nine years, the Independent Director may continue to serve the Board subject to shareholders' approval.

The Board will continuously evaluate from time to time the independence of each of its Independent Directors. In this regard, the Board will be guided by the criteria set out in the Bursa Securities Listing Requirements.

1.3 Board Meetings

The Board meets at least four (4) times a year, with additional meetings convened as necessary. During meetings, the Chairman leads the discussions and welcomes opinions, facts and concerns from members of the Board. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda typically reaches the Board at least two (2) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Seven (7) Board Meetings were held during the financial year ended 30 June 2020. Details of the attendance of the Directors are set out in the Profile of Directors appearing in pages 9 and 10 of the Annual Report.

1.4 Appointments to the Board

The Nomination Committee is responsible in identifying and evaluating potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment. The proposed appointment of each new Director will be deliberated by the Board based on the recommendation by the Nomination Committee.

The Board has taken note of the recommendation in the Code pertaining to the establishment of board gender diversity policy. The Board recognises the importance of boardroom diversity and aims to ensure diversity in its composition. The Board currently has one (1) female Director, namely Puan Farizon binti Ibrahim.

The Directors have direct access to the services of the Joint Company Secretaries who are responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act 2016, Bursa Securities Listing Requirements and other regulatory requirements.

1.5 Re-election of Directors

In accordance with the Company's Constitution, Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment.

The Company's Constitution provide that at every Annual General Meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office and shall be eligible for re-election. The Company's Constitution further provide that subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office at least once in every three years and shall be eligible for re-election.

1.6 Directors' Remuneration

The Remuneration Committee will review the remuneration of the Directors and submit its recommendations to the Board for approval. The individual director concerned will abstain from discussion of their own remuneration. Directors' fees are approved at the Annual General Meeting by the shareholders.

For the financial year ended 30 June 2020, the aggregate of remuneration of the Directors received/receivable from the Company and the Group's subsidiaries are categorised into appropriate components and are as follows:-

<i>Directors' Remuneration</i>	<i>Salaries RM'000</i>	<i>Fees RM'000</i>	<i>Allowance & others RM'000</i>	<i>Total RM'000</i>
Group				
<i>Executive Directors</i>				
Andrew Khoo Boo Yeow	1,417	267	50	1,734
Chan Choung Yau*	204	-	29	233
<i>Non-Executive Directors</i>				
Dato' Dr Tan Kee Kwong	-	60	7	67
Dr Wong Hong Meng	-	125	14	139
Farizon binti Ibrahim	-	119	23	142
Wong Nyen Faat*	-	39	5	44
	1,621	610	128	2,359



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1.6 Directors' Remuneration (Cont'd)

<i>Directors' Remuneration</i>	<i>Salaries RM'000</i>	<i>Fees RM'000</i>	<i>Allowance & others RM'000</i>	<i>Total RM'000</i>
Company				
<i>Executive Directors</i>				
Andrew Khoo Boo Yeow	#	74	3	77
Chan Choung Yau*	-	-	1	1
<i>Non-Executive Directors</i>				
Dato' Dr Tan Kee Kwong	-	60	7	67
Dr Wong Hong Meng	-	72	7	79
Farizon binti Ibrahim	-	60	7	67
Wong Nyen Faat*	-	-	1	1
	-	266	26	292

Note: -

Amount below RM1,000.

** Appointed on 1 January 2020.*

The number of Directors of the Company whose remuneration during the financial year falls within the respective bands are as follows:-

<i>Range of Remuneration</i>	<i>Group Number of Directors</i>		<i>Company Number of Directors</i>	
	<i>Executive Directors</i>	<i>Non-Executive Directors</i>	<i>Executive Directors</i>	<i>Non-Executive Directors</i>
Below RM50,000	-	1	1	1
RM50,001 to RM100,000	-	1	1	3
RM100,001 to RM150,000	-	2	-	-
RM200,001 to RM250,000	1	-	-	-
RM1,700,001 to RM1,750,000	1	-	-	-
	2	4	2	4

1.7 Supply of Information

The Board has unrestricted access to information necessary for the furtherance of their duties.

The Board is also updated by the Joint Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Board papers are distributed to Board members prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

All Directors have access to the advice and services of the Joint Company Secretaries and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.

1.8 Qualified and Competent Company Secretaries

The Board is supported by two (2) Joint Company Secretaries who are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. One of them is a member of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) whilst the other is a member of Malaysian Institute of Accountants (“MIA”).

The Joint Company Secretaries play an advisory role to the Board in relation to the Company’s compliances with relevant regulatory requirements, guidelines and legislation. The Joint Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors’ reference.

The Joint Company Secretaries facilitate the orientation of new Directors besides coordinating the Directors’ training and development. The Joint Company Secretaries ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented. The Joint Company Secretaries constantly keep themselves up-to-date through continuous training of the regularly evolving capital market environment, regulatory changes and developments in Corporate Governance.

1.9 Directorships in other Companies

In accordance with the Bursa Securities Listing Requirements, each member of the Board holds not more than five (5) directorships in public listed companies. Prior to acceptance of any other appointment for directorships in other public listed companies, the Directors are required to consult with the Chairman to ensure that the acceptance of the new directorships would not affect their commitments and responsibilities to the Group. Any acceptance of new directorships must be notified to the Company immediately and the Board is informed of all changes to the directorships held by the Directors at the following Board meeting.

1.10 Directors’ Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities.

The Directors are encouraged to attend training programmes and seminars which they feel may be conducive to ensure that they are kept abreast on various aspects related to the businesses of the Group and its regulations, compliance, risk management and sustainability.

For the financial year under review, the Directors have attended the following training programmes:-

<i>Name of Director</i>	<i>Programme</i>
1. Dato’ Dr Tan Kee Kwong	- Bursa Advocacy on Diversity - Demystifying the Diversity Conundrum : The Road to Business Excellence - Securities Commission Malaysia – Session on Corporate Governance & Anti-Corruption
2. Dr Wong Hong Meng	- Bursa Advocacy on Diversity - Demystifying the Diversity Conundrum : The Road to Business Excellence



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1.10 Directors' Training (Cont'd)

For Directors who did not attend any official training during the financial year under review due to personal commitments and/or the Covid-19 pandemic, they enhanced their knowledge and kept abreast with latest developments on statutory and regulatory requirements from briefings given by the Internal Auditors and the Company Secretaries from time to time during the Audit Committee and Board Meetings. They also enhanced their knowledge by focusing on business news and extensive reading of relevant business and regulatory materials. They actively sought advice and interacted with relevant professional personnel to enhance their skills and knowledge on specific area.

2. Board Committees

2.1 Audit Committee

The Audit Committee comprises exclusively Non-Executive Directors, and all are Independent Directors. The members of Audit Committee are as follows:-

Chairman	Dr Wong Hong Meng	- Independent Non-Executive Director
Members	Dato' Dr Tan Kee Kwong	- Independent Non-Executive Director
	Farizon binti Ibrahim	- Independent Non-Executive Director

The attendance of members at the Audit Committee Meetings and work of the Audit Committee for the financial year ended 30 June 2020 are set out in the Report of the Audit Committee in pages 29 and 30 of the Annual Report. The terms of reference of the Audit Committee are available on the Company's corporate website at www.muiglobal.com.

2.2 Nomination Committee

The Nomination Committee comprises exclusively Non-Executive Directors, and majority are Independent Directors. The members of the Nomination Committee are as follows:-

Chairman	Dr Wong Hong Meng	- Independent Non-Executive Director
Members	Dato' Dr Tan Kee Kwong	- Independent Non-Executive Director
	Wong Nyen Faat*	- Non-Independent Non-Executive Director

Note: -

** Appointed as a Member on 1 January 2020*

The Nomination Committee held one (1) meeting during the financial year ended 30 June 2020. The Nomination Committee has carried out the annual assessment for the financial year ended 30 June 2020 and is satisfied that the size of the Board is optimum and there is an appropriate mix of knowledge, skills, attributes, diversity and core competencies in the Board's composition. The Nomination Committee assesses every Director annually and such assessment is based on different criteria, some of them being:-

- (a) Fit and proper
- (b) Contribution and Performance
- (c) Calibre and Personality

Annual appraisals on the Independent Directors are also conducted via a self-assessment questionnaire to be filled up by each Independent Director and submitted to the Nomination Committee before recommending to the Board on its composition.

The terms of reference of the Nomination Committee are available on the Company's corporate website at www.muiglobal.com.

2.3 Remuneration Committee

The Remuneration Committee comprises exclusively Non-Executive Directors, and majority are Independent Directors. The members of the Remuneration Committee are as follows:-

Chairman	Dato' Dr Tan Kee Kwong	- Independent Non-Executive Director
Members	Dr Wong Hong Meng	- Independent Non-Executive Director
	Wong Nyen Faat ⁺	- Non-Independent Non-Executive Director

Note: -

+ Appointed as a Member on 1 January 2020

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of Executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of Executive Directors is a matter for the Board as a whole and individual Executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of Non-Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board collectively.

During the financial year ended 30 June 2020, the Remuneration Committee reviewed the Directors' fees and Directors' benefits and made recommendations to the Board. The Remuneration Committee also recommended to the Board a retirement gratuity be made to Tan Sri Dato' Khoo Kay Peng in recognition of his long service, selfless dedication and invaluable contribution to the Company and the Group.

3. Board Charter

The Board has established a Board Charter which prescribes, among other things, the roles of the Board and the matters reserved for the Board's collective decision to assist in the discharge of its responsibilities.

The Board Charter is subject to review by the Board from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current laws and practice. The Board Charter was adopted by the Company on 30 May 2013. The Board Charter is available on the Company's corporate website at www.muiglobal.com.

4. Corporate Disclosure Policy

The Company aims to provide accurate and fair disclosure of corporate information to enable informed and orderly market decisions by investors in accordance with the requirements under the Bursa Securities Listing Requirements as the Company promotes transparency in all aspects of its business and/or management.

5. Code of Conduct & Business Ethics

The Company has adopted a Code of Conduct & Business Ethics which sets out the guidelines on ethical issues which may arise during the course of business and the standards of behaviour expected of all Directors and employees.



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

5. Code of Conduct & Business Ethics (Cont'd)

The Directors conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. The Code of Conduct & Business Ethics is available on the Company's corporate website at www.muiglobal.com.

6. Whistleblower Policy

The Company has adopted and implemented a Whistleblower Policy which is committed in promoting and maintaining high standards of transparency, accountability and ethics in the workplace, in line with good corporate governance and prevailing legislation.

Pursuant to this Whistleblower Policy, employees in the Company are encouraged to report or disclose alleged, suspected and/or known improper conduct in the workplace without fear of retribution or detrimental action. The Whistleblower Policy is available on the Company's corporate website at www.muiglobal.com.

7. Anti-Bribery and Anti-Corruption Policy

The Company has adopted and implemented an Anti-Bribery and Anti-Corruption Policy which provides the guidelines on the scope and objective of handling bribery and corruption issues within the Group.

It is part of the Company's commitment to adhere strictly to the relevant laws relating to corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009, the Penal Code (Act 574) and the Anti-Money Laundering and Anti-Terrorism Financing Act 2001. It is also intended to serve as a preventive tool to help the Directors, employees and business partners recognise, detect and avoid potential corrupt practices.

The Anti-Bribery and Anti-Corruption Policy is subject to review by the Board from time to time to assess its effectiveness. The Anti-Bribery and Anti-Corruption Policy is available on the Company's corporate website at www.muiglobal.com.

8. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly interim financial report provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by the Company by accessing Bursa Securities' website and the Company's corporate website at www.muiglobal.com.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meetings, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session. This process highlights the check and balance system that is required under Malaysian Law.

Pursuant to Paragraph 8.29A(1) of the Bursa Securities Listing Requirements, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

Shareholders and other interested parties may contact the Joint Company Secretaries for investor relations matter by writing or via telephone/facsimile as follows:-

Postal Address : 189 Jalan Ampang, 50450 Kuala Lumpur
Telephone number : 03-2145 1366
Facsimile number : 03-2144 5209

9. Accountability and Audit

9.1 Financial Reporting

The Audit Committee is tasked to assist the Board in ensuring that the financial statements comply with the Companies Act 2016 and the applicable financial reporting standards. The Board has the overall responsibility to ensure that the financial statements reviewed and recommended by the Audit Committee for the Board's approval are prepared in accordance with the Companies Act 2016 and applicable financial reporting standards so as to present a true and fair view of the state of affairs of the Group.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out in page 43 of the Annual Report, and the Statement explaining the Directors' responsibilities for preparing the annual audited financial statements pursuant to paragraph 15.26(a) of Bursa Securities Listing Requirements is set out in page 23 of the Annual Report.

9.2 Risk Management and Internal Control

The Directors acknowledge their responsibilities for an internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed.

The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits. The Board has established an internal audit function which reports directly to the Audit Committee. Details of the internal audit functions are set out in the Report of the Audit Committee in page 30 of the Annual Report.

The Board recognises that risks cannot be fully eliminated. As such, the Group has an Enterprise Risk Management ("ERM") framework in place to minimise and manage them. The Board has established a Risk Management Committee comprising the Chief Executive Officer, the Executive Director, the Group Financial Controller and the Heads of Operations and guided by documented terms of reference. The Risk Management Committee tables their risk report to the Audit Committee after regular meeting that are held to deliberate on risk and control issues. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls and ERM framework in safeguarding the Group's assets.

Details of the Company's internal control system and risk management are set out in the Statement on Risk Management and Internal Control in pages 24 to 27 of the Annual Report.



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

9.3 Relationship with the External Auditors

The Company's external auditors have continued to report to members of the Audit Committee on their findings which are included as part of the Company's financial reports with respect to their audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The Audit Committee met the external auditors once during the financial year ended 30 June 2020 without presence of management to discuss key concerns and obtain feedback relating to the Company's affairs.

Further, the Audit Committee carries out its own evaluation on the external auditors to determine their suitability in various aspects such as their audit scope and independence. The external auditors have also provided assurances to the Audit Committee on its independence via the Audit Planning Memorandum and Audit Review Memorandum.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee in pages 29 and 30 of the Annual Report.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 in Malaysia.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors (“Board”) is pleased to present its Statement on Risk Management and Internal Control (“SORMIC”) pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Malaysian Code on Corporate Governance 2017. The SORMIC is prepared with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The SORMIC does not include the risk management and internal control practices of the Group’s associates and joint venture.

Board’s Responsibility

The Board is responsible for the Group’s system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system covers risks and controls on financial, operational and compliance/legal aspects. This system is designed to manage, rather than to eliminate, the risks in the pursuit of the Group’s business objective as well as to safeguard shareholders’ investments and Group’s assets. The system serves to provide reasonable but not absolute assurance against the risk of material misstatement, loss or fraud.

Risk Management

The Board confirms that an ongoing process for identifying, measuring and managing the Group’s principal risks is in place. This process is carried out via the following risk management governance structure:

- The Board – discharges its responsibilities and duties by ensuring a sound system of risk management and internal control is in place for the Group. The Board has established the Audit Committee to assist them in fulfilling their responsibilities and duties. The Board formulates the Group’s business strategies and reviews the Group’s performance on a quarterly basis. Additional meetings may be called as and when the Board deems necessary. The Board also directs appropriate actions as and when significant risks and internal control issues arise.
- The Audit Committee – on behalf of the Board, the Audit Committee, with the assistance of the Risk Management Committee and the Group’s Internal Audit Department (“GIAD”), establishes a system of risk management and internal control. The Audit Committee, on behalf of the Board, reviews the significant risks and internal controls of the Group’s business and activities and highlights significant risks and issues to the Board on a quarterly basis. The GIAD which reports directly and independently to the Audit Committee regularly conducts audit on the Group’s business and activities, and reviews the adequacy and effectiveness of the Group’s system of risk management and internal control.
- The Risk Management Committee (“RMC”) – assists the Audit Committee in establishing risk management framework and process capable of identifying and managing significant risks inherent or developed in the Group’s business and activities. The RMC meets with the risk owners to review the risks on a quarterly basis and presents its reports to the Audit Committee quarterly. Additional meetings may be called as and when the RMC deems necessary. The RMC comprises the Chief Executive Officer, the Executive Director, the Group Financial Controller and the Heads of Operations.

Risk Management Process

Risks are reported and monitored at the operational level using a Risk Register which captures risks, mitigating measures and risk ratings. The Risk Register is presented to the RMC for review on a quarterly basis. The level of risk tolerance is guided by a risk likelihood and impact matrix which enables the risk to be rated and prioritised accordingly.

For risks that are material, the mitigating measures are presented to the Management for review on a quarterly basis. Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review at Group level.

High and new risk areas are immediately flagged and reported to the Audit Committee whose comments and advice are noted for the full Board's information.

Types of Risks

The principal business activities of the Group are retailing, hotel, property, food, financial services and investment holding. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2020.

The significant risks faced by the Group during the financial year ended 30 June 2020 can be broadly categorised as follows:

Financial Risk

- Potential impairment of investment in associates and amount owing by an associate
- Potential impairment of goodwill on consolidation
- Bank borrowings principal/interest settlements

Operational Risk

- Design, sourcing and buying of merchandise
- Service standards
- Safety and fire hazards
- Recoverability of trade receivables
- Demand forecasting
- Machinery and equipment failures
- Obsolete and slow moving inventories
- Goods returns
- Rising costs

Compliance/Legal Risk

- Failures to comply with relevant laws relating to corruption
- Failures to comply with statutory/regulatory requirements
- Any legal suits that may arise from time to time



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Types of Risks (Cont'd)

The significant risks faced by the Group during the financial year ended 30 June 2020 can be broadly categorised as follows: (Cont'd)

External Risk

- Impact of COVID-19 on the businesses of the Group
- Domestic and/or global economic slowdown
- Continued cooling measures on the property market
- Calamities e.g. outbreak of other transmissible diseases, air tragedies, terrorist attacks
- Foreign exchange fluctuations
- Fluctuations in interest rates
- Fluctuation in prices of raw materials, building materials and crude palm oil
- Price wars among competitors
- Trade war between China and the United States of America

Internal Audit Function

The internal audit function is performed by GIAD of Malayan United Management Sdn Bhd, a company under the MUI Group of Companies, which provides assurance on the efficiency and effectiveness of the Group's internal control system. Further details of the internal audit function are set out in the Report of the Audit Committee in the Annual Report.

Key Elements of Internal Control

The key elements of the Group's internal control system, that are regularly reviewed by the Board and are in accordance with the Guidelines, are described below:

- Establishment of a control environment in respect of the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance to the Group;
- Recruitment of experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that adequate controls are in place;
- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Documented policies, procedures and limits of approving authorities for key aspects of the business. This provides a framework of authority and accountability within the organisation and facilitates corporate decision-making at the appropriate level in the organisation's hierarchy;
- Establishment of segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Quarterly management reports to the Board from various lines of operations and business units, on key business performance, operating statistics and regular matters. This allows for an effective monitoring of significant variances and deviation from standard operating procedures and budget;

Key Elements of Internal Control *(Cont'd)*

- Group Internal Audit function independently reviews the risk identification procedures and control procedures implemented by Management, and reports to the Audit Committee on a quarterly basis. The Group Internal Audit function assesses the operation and validity of the system of internal controls in relation to the level of risk involved using Risk-Based-Auditing methodology;
- The Audit Committee convenes meetings to deliberate on the findings and recommendations for improvement by the Group Internal Audit function, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems; and
- The Group's internal control does not apply to associated companies where the Group does not have direct control over their operations.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the Chief Executive Officer, the Executive Director, the Group Financial Controller and the Heads of Operations that the Group's risk management and internal control is operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of issuance of the financial statements, is adequate and effective to safeguard the shareholders' investment and the Group's assets. The system of risk management and internal control continues to be subject to enhancement, validation and regular review.

Review of Statement by External Auditors

As required by paragraph 15.23 of Bursa Securities Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements other than Audit or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.



OTHER INFORMATION

1. Utilisation of Proceeds raised from Corporate Proposal

The Company did not have any corporate proposal during the financial year ended 30 June 2020.

2. Audit and Non-Audit Fees

During the financial year ended 30 June 2020, the amounts of audit and non-audit fees paid/payable by the Company and the Group to the external auditors, Crowe Malaysia PLT, were as follows:

	Group RM'000	Company RM'000
Audit Fees	941	167
Non-Audit Fees	259	146

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 30 June 2020 or entered into since the end of the previous financial year except as disclosed in the financial statements.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was established on 5 July 1994. The Board shall ensure that the composition of the Audit Committee complies with Bursa Securities Listing Requirements as well as other regulatory requirements. The terms of reference of the Audit Committee are available on the Company's corporate website.

MEMBERS

1. Members

The Audit Committee consists of the following members:-

<i>Name</i>	<i>Designation</i>
Dr Wong Hong Meng - <i>Chairman</i>	<i>Independent Non-Executive Director</i>
Dato' Dr Tan Kee Kwong	<i>Independent Non-Executive Director</i>
Farizon binti Ibrahim	<i>Independent Non-Executive Director</i>

2. Meetings

During the financial year ended 30 June 2020, five (5) Audit Committee Meetings were held and the records of each member are as follows:-

<i>Name</i>	<i>Attendance</i>
Dr Wong Hong Meng - <i>Chairman</i>	5 out of 5
Dato' Dr Tan Kee Kwong	5 out of 5
Farizon binti Ibrahim	5 out of 5

In addition to the Committee members, the Head of Internal Audit and officer in charge of accounts are invited to each meeting. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

3. Summary of Work of the Audit Committee During the Financial Year Ended 30 June 2020

The Audit Committee reviewed and deliberated one (1) audit report on assignment and four (4) audit follow-up reports conducted by the Group Internal Audit Department ("GIAD"). Besides, there were fifteen (15) audit reports which had been reviewed at the respective subsidiaries' Audit Committee meetings which were also brought to the attention of this Audit Committee. The Audit Committee also appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

In addition, the unaudited quarterly interim financial reports and the audited financial statements of the Group and of the Company were reviewed by the Audit Committee prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with.



REPORT OF THE AUDIT COMMITTEE (Cont'd)

3. Summary of Work of the Audit Committee During the Financial Year Ended 30 June 2020 (Cont'd)

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Company and its subsidiaries and discussed applicable accounting and auditing standards that may have a significant implication on the Group's financial statements. The Audit Committee also reviewed related party transactions/recurrent related party transactions carried out by the Group.

The Audit Committee reviewed and approved the Internal Audit Plan for the financial year ended 30 June 2020. In its review of the Internal Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group.

4. Internal Audit Function

The internal audit function is performed by GIAD of Malayan United Management Sdn Bhd, a company under the MUI Group of companies and is independent of the activities audited. The function is performed with impartiality, proficiency and due professional care. The GIAD reports directly to the Audit Committee, and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed.

The GIAD carries out audit assignments based on risk-based audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken are presented to the Audit Committee and forwarded to the management concerned for attention and necessary action. During the financial year ended 30 June 2020, GIAD carried out internal audit functions to all business entities of the Group, summarised as follows:

- 1) Retailing : audits on store operations, warehouse management, procurement, human resource & administration, account payables, account receivables, capital expenditure and asset management;
- 2) Hotel : audits on food & beverages management, finance department, front office management, end-of-day processing, cash management and customer service;
- 3) Food : audits on factory maintenance, engineering, supply chain management, purchasing activities, production and quality assurance; and
- 4) Property : audits on tendering process, contract management, project management and oil palm fruit plantation activities.

Follow-up reviews on previous audit reports are conducted by GIAD on a quarterly basis to ensure appropriate actions are implemented to address the concerns highlighted.

The cost incurred for the internal audit function of the Group for the financial year ended 30 June 2020 was approximately RM404,543.

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Activities

The Group is an investment holding entity, primarily engaged in five core business activities either directly or through its various subsidiaries and associates. These businesses are grouped under the categories of retailing, hotel, property, food and financial services. For the financial year ended 30 June 2020, there were no significant changes to these principal activities.

Financial Results

The outbreak of the coronavirus (Covid-19) pandemic since early 2020 had a significant impact on the Group's results, particularly the retailing and hotel segments. Group revenue slipped 24.2% to RM297.8 million for the financial year ended 30 June 2020 from RM392.9 million in the previous financial year.

The pandemic had an immediate and significant impact on the trading of the Group's associate, Laura Ashley Holdings plc (Laura Ashley) in the United Kingdom (UK), which regrettably went into Administration in March 2020. Consequently, the Group had to book a loss of RM111.8 million and ceased to recognise Laura Ashley as an associate. The huge loss, which was a non-cash flow item, was primarily the reason for the Group's loss before taxation widening from RM83.0 million in the previous financial year to RM182.8 million for the financial year just ended.

As at 30 June 2020, total borrowings of the Group stood at RM811.2 million, marginally down from RM822.2 million a year ago.

Corporate Developments

As mentioned above, Laura Ashley went into Administration in March 2020, following which the listing and trading of its shares on the London Stock Exchange was cancelled. The Group has since discontinued the use of the equity method to account for its investment in Laura Ashley.

In February 2020, the Group via Corus Hotels Limited completed its disposal of a development site in Edinburgh, Scotland for RM38.2 million, resulting in a gain on disposal of approximately RM16.1 million.



Corus Hotel Hyde Park, London, UK



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

On 30 June 2020, the Group via MJ Properties Sdn Bhd entered into a sale and purchase agreement to dispose of its retail space in Kompleks Bukit Jambul, Penang for RM25.5 million, which would result in a gain on disposal of approximately RM7 million. The transaction is pending completion as at the date of this report.

Review of Business Operations

Retailing Division

As at 30 June 2020, the Metrojaya Group operates three department stores and six other retail outlets. The department stores are located in Mid Valley Megamall, Kuala Lumpur; The Curve in Petaling Jaya, Selangor and Suria Sabah Shopping Mall in Kota Kinabalu, Sabah. The remaining six outlets comprise MJ Outlets and specialty stores in the Klang Valley, and Kuching and Miri in Sarawak. The Metrojaya Group has its own established fashion brands like East India Company and Somerset Bay, and home furnishing brand, Living Quarters.

For the financial year under review, the Metrojaya Group recorded a lower revenue of RM45.6 million compared with RM84.3 million in the previous financial year. The 45.9% drop in revenue was mainly due to the Covid-19 pandemic that forced a total closure of all stores during the Movement Control Order (MCO) and a total reliance on the domestic market after a slow and gradual reopening of the economy.

Metrojaya recorded a lower loss before tax of RM2.7 million for the financial year compared with a loss before tax of RM20.5 million in the previous financial year. Without exceptional items, the loss before tax from operations was RM10.9 million, which was higher than the RM5.0 million loss recorded in the preceding year. The higher loss this year was mainly due to the impact of the coronavirus outbreak.

Hotel Division

The Group owns and operates seven hotels in the UK and two hotels in Malaysia, mainly under the Corus brand.

In the UK, Corus Hotels recorded a 33.5% drop in revenue to £18.1 million (RM96.1 million) from £27.2 million (RM145.6 million) during the financial year under review. Hotel operations were ceased on 24 March 2020 at the UK government's instruction. The impact of the pandemic adversely affected revenues in February and March at all locations but most notably London and Burnham. A RM12.4 million impairment loss on three UK hotels aggravated the poor trading results although

this was mitigated by a gain of RM16.1 million from the disposal of the land in Scotland.

In Malaysia, both hotels in Kuala Lumpur and Port Dickson reported lower revenue in the financial year under review due to an oversupply of hotel rooms compared to market demand. The fierce competition in the hospitality industry was further aggravated by the coronavirus outbreak. When MCO was imposed in March 2020, revenue plummeted as the closure of international borders and restrictions on interstate travel drastically reduced occupancy to single digits.

Prior to the Covid-19 outbreak in January 2020, both hotels in Kuala Lumpur and Port Dickson showed an improved profit before tax of 30.0% and 261.0% respectively year-on-year. By the close of the financial year on 30 June 2020, the performance of both hotels had reversed and slid into losses instead.

Property Division

The Group's main property development is its 1,990-acre flagship Bandar Springhill township in the southern fringe of Seremban and strategically located on the Seremban-Port Dickson Highway. It is undertaken by its subsidiary West Synergy Sdn Bhd (West Synergy), which is a 60-40 joint venture company with Chin Teck Plantations Berhad.

These are unprecedented times, of which the timeframe for economic recovery remains uncertain. Notwithstanding this, the Group will continue to focus on building quality homes which are competitively priced in its Bandar Springhill township in line with market demands.

For the financial year under review, West Synergy launched two new projects – Amarilis, a gated and guarded parcel in September 2019 and Nova and Aurora in March 2020. Response for both projects have been encouraging with 64.0% of the 73 Amarilis units sold and all 218 units of Nova and Aurora fully-booked as at 30 June 2020.



Corus Hotel Kuala Lumpur

Apart from this, West Synergy also continued to market its residential launches from the previous financial year. As at 30 June 2020, about 89.0% out of the 134 gated units of Freesia and Peony from the first phase, have been sold and close to 90.0% of the 252 units of Irises and Cosmos from the second phase, have been snapped up.

Apart from property development, West Synergy is also engaged in oil palm fruit harvesting, which is carried out on about 755 acres of undeveloped oil palm plantation land in Bandar Springhill. These palm trees continue to provide reasonable yields, despite their advanced age, due to stringent plantation management practices.

Food Division

Crispy, Tango, Tudor Gold, Kandos and Soreign are the brands manufactured and distributed by the Network Foods Group. The Group also manufactures and distributes private labels for third parties.

During the financial year, the Group has taken on several marketing initiatives, in particular product innovation to meet the needs of novelty-seeking consumers and to stay on trend to maintain brand visibility. New flavours of Crispy, namely Dodol, Toasted Coconut, Popping Candy, Salted Caramel and Brown Sugar Milk Tea were introduced to the market with very favourable response.

The relaunch of Tango with its new look and improved taste in the second quarter was also well-accepted in both the domestic and export markets.

Overall, Tango commands a stronger market share, contributing 38.8% to the Group's total sales, while Crispy holds 25.4% of total sales. Efforts are being made to push both Crispy and Tango to the export and domestic markets on a bigger scale.

The Group also consolidated a number of its essential business operations, resulting in cost reduction as well as improvement in both product and operational efficiencies.

Financial Services Division

The Group has investment in an associate company, Pan Malaysia Capital Berhad which, in turn, owns PM Securities Sdn Bhd, a stock broking firm, and PCB Asset Management Sdn Bhd, an asset management company.

Risks

The risk profile of the trading environment in the hotel, retail, confectionery and property markets will continue to remain challenging and difficult as the global economic

recovery is expected to be slow given the uncertainties created by the pandemic. The International Monetary Fund has also warned that recovery cannot be assured if the pandemic is not contained.

The Group is also mindful of its current gearing position and is making concerted efforts to unlock selected assets that will enable it to lessen its financial leverage while strengthening its liquidity.

Prospects

The coronavirus outbreak has cast a long shadow over the world's economy. The pandemic has devastated businesses across all sectors the world over and the Group anticipates a prolonged impact on the economy and society.

Against this backdrop, much of the Group's businesses in retail, hotel, property and food will remain challenging. The way forward is preparation and planning with implementation of various business strategies to keep up with the rapid changes and constant disruptions. Digitalisation is key and the Group will continue to build on this across its businesses.



Effortless elegance with East India Company



SUSTAINABILITY REPORT

The MUI Group recognises that the way it conducts its businesses has a direct effect on the society at large. With this in mind, the Group fully subscribes to the universal concept of corporate social responsibility, working to ensure that its business operations and practices meet the economic, environmental and social expectations of corporate sustainability.

The Group's approach to sustainability is based on its core values of strength, efficiency and trustworthiness. This corporate culture underpins the Group's day-to-day interactions with its employees, customers and all stakeholders.

Economic sustainability

One of the fundamental principles that the Group encourages in all its business practices is fair dealings and ethical engagement in the marketplace. In this regard, the Group strives to deliver products and services that meet the criteria of value, safety and quality.

Environment sustainability

The Group believes that a business practice with a friendly environment can boost its business, improve reputation and drive market opportunities. It also recognises the importance of environmental protection and preservation in all its business operations and as such, aims to reduce its carbon footprint to promote a cleaner and healthier environment through better management of resources and material utilisation. Procedures that ensure sound environmental practises are encouraged in its hotels, retail outlets and manufacturing plant.

Energy efficiency

The Group is of the view that efficient use of energy will contribute to a healthier environment for the benefit of all, now and in the future. It encourages the use of energy-saving lightings, devices and practices in its hotels, retail stores, factory and offices. In addition to water conservation practices, the Group encourages its management teams to explore less polluting and greener alternatives for their operations.



The beautiful grounds of Burnham Beeches Hotel, Slough, UK

Societal sustainability

Employees First

The Group believes that the long-term sustainability of its business is dependent on its workforce which it regards as its most important asset. Thus, it seeks to create a workplace environment that values mutual respect, regular dialogues with staff, equal treatment and opportunities for all, training and advancement prospects based on meritocracy.

The Group ensures that its Human Resources policies and guidelines fully comply with all relevant legislations and that its workplace embraces diversity, inclusion and equality. The Group regards its employees as key assets, hence managing talents at all levels is a priority.

The health and wellbeing of its staff is also of great importance. The Group subscribes to the Bookdoc programme, an online healthcare application that allows easy access to staff's basic healthcare needs. Other benefits include medical, hospitalisation and insurance coverage. Long-service awards are also given to honour employees' commitment and dedication.

In light of the current coronavirus outbreak, the Group operates in accordance with the Standard Operating Procedures (SOPs) as established by the Ministry of Health and other relevant authorities.

Employee's Code of Conduct

We apprise our employees of the Group's Code of Business Ethics and Conduct, and the need to carry out businesses at the highest ethical standards. Corporate and individual integrity and mutual respect are emphasised in the Group's dealings and interactions.

Anti-Bribery and Anti-Corruption Policy

Ethical engagement with the marketplace is something the Group views seriously. In this regard, the Anti-Bribery and Anti-Corruption Policy is in place to ensure that one of the underlying principles of the Group's business philosophy, fair dealings in its business practices, is upheld for long-term recurring values for both stakeholders and shareholders.

Whistleblower Policy

To help create a fair, equitable and healthy workplace environment, the Senior Management adopts and actively enforces the Whistleblower Policy across all its business divisions. Complaints and allegations of improper employee behaviour are dealt with promptly and fairly.

OSH (Occupational safety and health)

The Group takes pains to ensure compliance with the standards of safety and health in the workplace. Each business unit sets up its OSHA committee which is tasked to address workplace safety issues.

The OSHA committee is headed by a senior management member and minutes are also disseminated to the senior corporate management team to ensure full communication and ownership.

Corporate Social Responsibility

As a responsible corporate citizen, the Group believes in giving back to the community and has participated in community projects for the benefit of various charitable organisations. However, with the Covid-19 outbreak, much of the Group's participation for the causes it champions have been put on hold.



Chic with Somerset Bay



SUSTAINABILITY REPORT (Cont'd)

Following is a list of CSR projects undertaken by the Group, its subsidiaries or associates:

- The Group sponsored RM50,000 for the World Chinese Economic Forum 2019 held from 17 to 18 October 2019.
- The Network Foods group continues with its community initiative called 'Jom Sekolah' for the children of Kampung Orang Asli Kerling (KOA Kerling) in Hulu Selangor. Its aim is to reduce the school drop-out rate for these children, offering rewards for their attendance and school performance.
- Corus Hotels in the United Kingdom continues to support local community projects and offers assistance to local charities. Among others, Corus Hotel Hyde Park established a partnership with Food Bank during Christmas and supported the Macmillan Cancer association.
- Corus Hotel Kuala Lumpur continues to give to homes in need by providing hotel meals during festive occasions and donating food items. In conjunction with Senior Citizens' Month in October 2019, they invited the folks from Rumah Charis in Setapak for a fun get-together at the hotel.
- Corus Hotel Kuala Lumpur is also scaling up on its sustainable development practices to reduce the impact of the tourism sector on the environment. It includes recycling programmes and reducing reliance on single-use plastic. The hotel no longer makes available plastic straws.
- Corus Paradise Resort Hotel Port Dickson lends a hand to local charities through financial contributions as well as other forms of donation, including goods and services.
- West Synergy made donations of about RM12,000 to various homes and welfare organisations.



One of the latest projects in Bandar Springhill, Negeri Sembilan

GROUP FINANCIAL HIGHLIGHTS

	<i>Year ended 30 June</i>				<i>1.1.2015 to 30.6.2016 (Restated)</i>
	<i>2020</i>	<i>2019</i>	<i>2018 (Restated)</i>	<i>2017</i>	
KEY RESULTS (RM'000)					
Revenue	297,800	392,900	400,181	414,062	676,575
(Loss)/Profit from operations before exceptional items	(17,912)	25,214	3,206	11,316	5,604
Loss before taxation	(182,777)	(82,972)	(47,332)	(116,658)	(116,076)
Loss after taxation attributable to owners of the Company	(194,419)	(102,611)	(56,947)	(130,367)	(140,912)
OTHER KEY DATA (RM'000) AND FINANCIAL RATIOS					
Total assets	1,431,257	1,622,943	1,790,652	1,915,662	2,032,983
Total liabilities	1,006,978	1,018,707	1,025,686	1,069,330	1,107,011
Share capital	3,152,866	3,152,866	3,152,866	3,152,866	2,932,561
Equity attributable to owners of the Company	192,427	375,513	537,901	618,224	701,612
Total equity	424,279	604,236	764,966	846,332	925,972
Total borrowings	811,160	822,234	848,774	906,021	937,661
Current ratio (times)	1.79	0.76	2.09	2.27	1.96
Gearing ratio (times)	1.91	1.36	1.11	1.07	1.01
SHARE INFORMATION					
Basic loss per share (sen)	(6.63)	(3.50)	(1.94)	(4.45)	(4.81)
Net assets per share attributable to owners of the Company (RM)	0.07	0.13	0.18	0.21	0.24

Note:

1. 2018 to 2020 figures reflect the results and state of affairs of the Group reported in accordance with Malaysian Financial Reporting Standards.
2. 2016 to 2017 figures reflect the results and state of affairs of the Group reported in accordance with Financial Reporting Standards.



DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

Principal Activities

The principal activity of the Company is investment holding whilst its subsidiaries and associates are primarily engaged in retailing, hotel, property, food and financial services as set out in Note 41 to the financial statements.

Financial Results

	Group RM'000	Company RM'000
Loss after taxation for the financial year	(185,236)	(24,202)
Attributable to:-		
Owners of the Company	(194,419)	(24,202)
Non-controlling interests	9,183	-
	(185,236)	(24,202)

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the financial year ended 30 June 2020.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

Option Granted Over Unissued Shares

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

Bad and Doubtful Debts

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the Directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Current Assets

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that any current assets, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

Valuation Methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent and Other Liabilities

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Change of Circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Items of an Unusual Nature

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 6 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.



DIRECTORS' REPORT (Cont'd)

Directors

The names of Directors of the Company who served during the financial year and up to the date of this report are as follows:-

Andrew Khoo Boo Yeow (Chairman and Chief Executive Officer)
Chan Choung Yau (Executive Director) (Appointed on 1 January 2020; re-designated on 17 February 2020)
Dato' Dr Tan Kee Kwong (Independent Non-Executive Director)
Dr Wong Hong Meng (Independent Non-Executive Director)
Farizon binti Ibrahim (Independent Non-Executive Director)
Wong Nyen Faat (Non-Independent Non-Executive Director) (Appointed on 1 January 2020)

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are as follows:-

Abdul Rashid bin Ismail
Anna Melissa R. Lichaytoo
Ariff bin Rozhan
Chan Chee Meng
Ching Eng Chin @ Ching Eng Ching
Datin Ngiam Pick Ngoh
Datuk Christopher Martin Boyd
David Michael Westerby (Appointed on 18 February 2020)
Gho Lian Chin
Goh Wei Lei
Khurram Mohmand
Kok William
Kwa Kim Li
Lawrence Chai
Lee Boon Kong (Resigned on 5 September 2019)
Lee Chik Siong
Lee Yik Loong (Appointed on 6 January 2020)
Lew Choong Teck (Resigned on 6 January 2020)
Lim Fei Fong
Loh Pooi Ling
Loy Yet-King (Resigned on 18 February 2020)
Marguerite Lai
Ng Kwan Cheong (Resigned on 23 March 2020)
Ng Lai Fah
Norlyn binti Kamal Basha
Ong Hung Ming
Poon Yoke Fun
Raymond Yeoh Huat Hock
Ronald G. Bickford
Tan Sri Dato' Dr Yeoh Oon Kheng
Tan Sri Dato' Seri Azmi bin Khalid
Teoh Eng Gaik
Valerie Anne D. Gonzales

Directors (Cont'd)

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are as follows: - (Cont'd)

Victoria C. De Los Reyes
Wong Shuk Fuen
Yeoh Thiam Leong

Directors' Interests

According to the register of Directors' shareholdings, none of the Directors of the Company holding office at the end of the financial year had any shares of the Company and its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 39(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 7 to the financial statements.

Indemnity And Insurance Cost

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company were RM75,000,000 and RM34,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 12 and Note 41 to the financial statements.

Significant Events During The Financial Year

The significant events during the financial year are disclosed in Note 36 to the financial statements.

Significant Events Occurring After The Financial Year

The significant events occurring after the financial year are disclosed in Note 37 to the financial statements.



Malayan United Industries Berhad

Registration No: 196001000140 (3809-W)

Incorporated in Malaysia

DIRECTORS' REPORT (Cont'd)

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 7 to the financial statements.

Signed in accordance with a resolution of the directors dated 19 October 2020.

Andrew Khoo Boo Yeow

Chan Choung Yau

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies Act, 2016

We, Andrew Khoo Boo Yeow and Chan Choung Yau, being two of the Directors of Malayan United Industries Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 49 to 149 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2020 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 19 October 2020.

Andrew Khoo Boo Yeow

Chan Choung Yau

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of The Companies Act, 2016

I, Wong Shuk Fuen, MIA Membership Number: 12985, being the officer primarily responsible for the financial management of Malayan United Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 149 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Wong Shuk Fuen at Kuala Lumpur in the Federal Territory on this 19 October 2020.

Wong Shuk Fuen

Before me

Ramathilagam A/P T Ramasamy
Commissioner for Oaths



INDEPENDENT AUDITORS' REPORT

To The Members Of Malayan United Industries Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Malayan United Industries Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 149.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Investment in Associates	
Refer to Notes 4(bb)(iii) and 13 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>The Group's carrying amount of associates is RM188.2 million as at 30 June 2020.</p> <p>We focused on this area due to the significance of the carrying amount recognised in the financial statements of the Group and the inherent subjectivity associated with the assumptions used in the following:</p> <ul style="list-style-type: none"> • Impairment indication assessment of investment in ordinary shares; and • Fair value assessment of investment in preference shares. 	<p>Our procedures included, amongst others:-</p> <p><u>Impairment indication assessment of ordinary shares</u></p> <ul style="list-style-type: none"> • Assessing if there is any impairment indication and reviewing adequacy of impairment losses, if any. <p><u>Fair value assessment of investment in preference shares</u></p> <ul style="list-style-type: none"> • Making enquiries of and challenging the management on the key assumptions made, including: <ul style="list-style-type: none"> - redemption of the subscription price paid; - redemption periods; and - discount rate. • Involving our internal experts to evaluate the management's valuation methodology; and • Performing a sensitivity analysis over the key assumptions used in deriving the fair value of preference shares.

Impairment of Goodwill	
Refer to Notes 4(bb)(ix) and 17 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Goodwill impairment testing of cash-generating unit ("CGU") relies on estimates of value-in-use based on estimated future cash flows. The Group is required to annually test the amount of goodwill for impairment.</p> <p>The Group has goodwill of RM25.0 million relating to the food CGU as at 30 June 2020.</p> <p>We focused on this area due to the significance of the goodwill recognised in the financial statements of the Group and the inherent subjectivity associated with the assumptions used in estimating the value-in-use of the CGU.</p> <p>The judgements in relation to goodwill impairment relate primarily to the assumptions underlying the calculation of the value-in-use of the business, being the achievability of the long-term business plans.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> • Reviewing the value-in-use model for goodwill including challenging management's forecast and other key assumptions including revenue growth rates, gross profit margin and discount rate; • Comparing previous cash flow projections to actual results to assess the reasonableness of assumptions used in the cash flow projections; and • Performing a sensitivity analysis over the revenue growth rates, gross profit margin and discount rate used in deriving the value-in-use to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of goodwill.



INDEPENDENT AUDITORS' REPORT (Cont'd)

Key Audit Matters (Cont'd)

Recoverability of Receivables	
Refer to Notes 4(bb)(vii) and 18 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Included in receivables of the Group is an amount of RM64.4 million, being advances to an associate, which represented 47.5% of total receivables as at 30 June 2020. We focused on this area due to the significance of the carrying amount and the inherent judgement involved in the impairment review process.	<p><u>Our procedures included, amongst others:-</u></p> <ul style="list-style-type: none"> • Verifying the collections for the current financial year and reviewing historical collection trend; and • Reviewing management's assessment and basis of estimation on the adequacy of allowance for impairment losses.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Malayan United Industries Berhad

Registration No: 196001000140 (3809-W)
Incorporated in Malaysia

INDEPENDENT AUDITORS' REPORT (Cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 41 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

19 October 2020

Chan Kuan Chee

02271/10/2021 J

Chartered Accountant

STATEMENTS OF PROFIT OR LOSS

For The Financial Year Ended 30 June 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	5	297,800	392,900	17,300	177
Cost of sales		(194,182)	(230,414)	-	-
Gross profit		103,618	162,486	17,300	177
Other income		10,860	15,778	1,011	1,252
Distribution costs		(8,442)	(8,281)	-	-
Administrative expenses		(90,233)	(90,517)	(2,687)	(1,486)
Other expenses		(33,715)	(54,252)	-	-
(Loss)/Profit from operations before exceptional items		(17,912)	25,214	15,624	(57)
Exceptional items	6	(110,450)	(41,798)	(29,358)	(181,879)
Loss from operations after exceptional items		(128,362)	(16,584)	(13,734)	(181,936)
Finance costs		(44,007)	(45,303)	(10,468)	(11,153)
Share of results of associates		(10,398)	(20,794)	-	-
Share of results of joint venture		(10)	(291)	-	-
Loss before taxation	7	(182,777)	(82,972)	(24,202)	(193,089)
Taxation	8	(2,459)	(10,013)	-	-
Loss after taxation		(185,236)	(92,985)	(24,202)	(193,089)
Loss after taxation attributable to:-					
Owners of the Company		(194,419)	(102,611)	(24,202)	(193,089)
Non-controlling interests	12	9,183	9,626	-	-
		(185,236)	(92,985)	(24,202)	(193,089)
Basic/Diluted loss per share attributable to owners of the Company (sen)	9	(6.63)	(3.50)		

The attached notes form an integral part of these financial statements.



STATEMENTS OF OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2020

	Group		Company	
	2020	2019	2020	2019
Note	RM'000	RM'000	RM'000	RM'000
Loss after taxation	(185,236)	(92,985)	(24,202)	(193,089)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Fair value loss of equity investments	(3,302)	(2,412)	-	-
Share of other comprehensive expenses of an associate	-	(5,258)	-	-
Items that will be reclassified subsequently to profit or loss				
Derecognition of an associate	(10,793)	-	-	-
Derecognition of a dissolved subsidiary	(929)	-	-	-
Foreign currency translations differences	26,520	14,537	-	-
Share of other comprehensive (expenses)/income of an associate	(372)	1,127	-	-
Total other comprehensive income	11,124	7,994	-	-
Total comprehensive expenses for the financial year	(174,112)	(84,991)	(24,202)	(193,089)
Total comprehensive expenses attributable to:-				
Owners of the Company	(183,086)	(94,206)	(24,202)	(193,089)
Non-controlling interests	8,974	9,215	-	-
Total comprehensive expenses for the financial year	(174,112)	(84,991)	(24,202)	(193,089)

The attached notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
			(Restated)		
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	575,564	608,247	-	-
Investment properties	11	67,281	95,654	-	-
Subsidiaries	12	-	-	736,022	688,337
Associates	13	188,173	296,340	-	-
Joint venture	14	449	459	-	-
Other investments	15	6,335	6,729	-	-
Inventories	16	35,263	35,263	-	-
Goodwill on consolidation	17	24,974	25,179	-	-
Deferred tax assets	29	1,923	1,516	-	-
		899,962	1,069,387	736,022	688,337
CURRENT ASSETS					
Inventories	16	136,580	162,814	-	-
Trade and other receivables	18	135,586	126,994	232,960	317,988
Contract assets	19	3,622	11,076	-	-
Right to recover returned goods	20	538	615	-	-
Contract costs	21	275	541	-	-
Other investments	15	16,157	32,535	-	-
Short term investments	15	5,372	-	-	-
Current tax assets		4,707	9,932	842	842
Deposits, bank balances and cash	22	206,494	209,049	464	131
		509,331	553,556	234,266	318,961
Assets classified as held for sale	23	21,964	-	-	-
		531,295	553,556	234,266	318,961
TOTAL ASSETS		1,431,257	1,622,943	970,288	1,007,298

The attached notes form an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 30 June 2020

		Group		Company	
		2020	2019	2020	2019
Note		RM'000	RM'000	RM'000	RM'000
			(Restated)		
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	24	3,152,866	3,152,866	3,152,866	3,152,866
Reserves	25	(20,288)	(34,490)	-	-
Accumulated losses		(2,940,151)	(2,742,863)	(2,679,542)	(2,655,340)
		192,427	375,513	473,324	497,526
NON-CONTROLLING INTERESTS	12	231,852	228,723	-	-
TOTAL EQUITY		424,279	604,236	473,324	497,526
NON-CURRENT LIABILITIES					
Borrowings	26	700,331	282,307	10,000	11,000
Provision for restoration cost	27	3,630	3,242	-	-
Employee benefits	28	1,709	1,721	-	-
Deferred tax liabilities	29	5,081	5,287	-	-
		710,751	292,557	10,000	11,000
CURRENT LIABILITIES					
Trade and other payables	30	181,448	173,825	485,964	496,772
Contract liabilities	19	1,453	7,679	-	-
Refund liabilities	20	958	1,024	-	-
Borrowings	26	110,829	539,927	1,000	2,000
Derivative liability	31	-	1,191	-	-
Employee benefits	28	642	575	-	-
Current tax liabilities		897	1,929	-	-
		296,227	726,150	486,964	498,772
TOTAL LIABILITIES		1,006,978	1,018,707	496,964	509,772
TOTAL EQUITY AND LIABILITIES		1,431,257	1,622,943	970,288	1,007,298

The attached notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2020

Group

	Share Capital RM'000	Exchange Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1.7.2018	3,152,866	(52,707)	5,209	4,603	(2,640,252)	469,719	220,338	690,057
(Loss)/Profit after taxation	-	-	-	-	(102,611)	(102,611)	9,626	(92,985)
Fair value loss of equity instruments	-	-	-	(1,801)	-	(1,801)	(611)	(2,412)
Foreign currency translations	-	14,337	-	-	-	14,337	200	14,537
Share of other comprehensive income / (expenses) of an associate	-	1,127	(5,258)	-	-	(4,131)	-	(4,131)
Total comprehensive income/(expenses)	-	15,464	(5,258)	(1,801)	(102,611)	(94,206)	9,215	(84,991)
Transaction with owners:-								
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(830)	(830)
At 30.6.2019	3,152,866	(37,243)	(49)	2,802	(2,742,863)	375,513	228,723	604,236

The attached notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For The Financial Year Ended 30 June 2020

Group	Share Capital RM'000	Exchange Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1.7.2019	3,152,866	(37,243)	(49)	2,802	(2,742,863)	375,513	228,723	604,236
(Loss)/Profit after taxation	-	-	-	-	(194,419)	(194,419)	9,183	(185,236)
Derecognition of an associate	-	(8,285)	49	-	(2,557)	(10,793)	-	(10,793)
Derecognition of dissolved subsidiaries	-	(929)	-	-	-	(929)	-	(929)
Fair value loss of equity instruments	-	-	-	(2,746)	-	(2,746)	(556)	(3,302)
Foreign currency translations	-	26,173	-	-	-	26,173	347	26,520
Share of other comprehensive expenses of an associate	-	(372)	-	-	-	(372)	-	(372)
Total comprehensive income/(expenses)	-	16,587	49	(2,746)	(196,976)	(183,086)	8,974	(174,112)
Equity investment written off	-	-	-	312	(312)	-	-	-
Transaction with owners:-	-	-	-	-	-	-	(5,845)	(5,845)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-
At 30.6.2020	3,152,866	(20,656)	-	368	(2,940,151)	192,427	231,852	424,279

The attached notes form an integral part of these financial statements.

**Company**

	Share Capital RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1.7.2018	3,152,866	(2,462,251)	690,615
Loss after taxation / Total comprehensive expenses for the financial year	-	(193,089)	(193,089)
At 30.6.2019 / 1.7.2019	3,152,866	(2,655,340)	497,526
Loss after taxation / Total comprehensive expenses for the financial year	-	(24,202)	(24,202)
At 30.6.2020	3,152,866	(2,679,542)	473,324

The attached notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2020

		Group		Company	
		2020	2019	2020	2019
	<i>Note</i>	RM'000	RM'000	RM'000	RM'000
Cash Flows From/(Used In) Operating Activities					
Loss before taxation		(182,777)	(82,972)	(24,202)	(193,089)
Adjustments for:-					
Depreciation:					
- property, plant and equipment	10	18,854	18,173	-	-
- investment properties	11	988	1,067	-	-
Dividend income from:					
- other investments		(43)	(1)	-	-
- subsidiaries		-	-	(17,300)	(177)
Exceptional items	6	110,374	38,096	29,087	181,879
Fair value gain on interest rate swap	31(a)	-	(1,080)	-	-
Fair value gain on other investments (current)		-	(11)	-	-
Interest expense		44,007	45,303	10,468	11,153
Interest income		(5,456)	(9,274)	(1,011)	(1,252)
Inventories written down	16	4,150	859	-	-
Property, plant and equipment written off	10	200	1,417	-	-
Provision for employee benefits	28	646	199	-	-
Provision for restoration cost	27	105	80	-	-
Provision for legal suit settlement		2,076	-	-	-
Reversal of inventories previously written down	16	-	(465)	-	-
Share of results of associates		10,398	20,794	-	-
Share of results of joint venture		10	291	-	-
Writeback of employee benefits	28	(74)	-	-	-
Writeback of provision for restoration cost	27	-	(1,408)	-	-
Write off of provision for restoration cost	27	(641)	-	-	-
Operating profit/(loss) before working capital changes		2,817	31,068	(2,958)	(1,486)
Changes in working capital:					
- contract costs		266	(541)	-	-
- contract assets		7,454	(3,504)	-	-
- contract liabilities		(6,226)	(1,278)	-	-
- inventories		21,862	(11,854)	-	-
- payables		2,049	22,769	943	60
- receivables		(4,436)	929	(15,261)	(28,876)
- refund liabilities		(66)	159	-	-
- right to recover returned goods		77	(96)	-	-
Cash generated from/(used in) operations		23,797	37,652	(17,276)	(30,302)
Employee benefits paid	28	(523)	(177)	-	-
Interest paid		(548)	(675)	(1,011)	(1,252)
Interest received		581	3,850	1,011	1,252
Real property gains tax paid		-	(986)	-	-
Tax refunded		8,611	2,408	-	-
Tax paid		(9,667)	(9,582)	-	-
Net cash from/(used in) operating activities		22,251	32,490	(17,276)	(30,302)

The attached notes form an integral part of these financial statements.

		Group		Company		
		2020	2019	2020	2019	
	Note	RM'000	RM'000	RM'000	RM'000	
Cash Flows From Investing Activities						
Dividends received from:						
- other investments		43	1	-	-	
- subsidiaries		-	-	975	177	
Interest received		4,875	5,424	-	-	
Proceeds from disposal of:						
- investment properties		-	4,551	-	-	
- property, plant and equipment		39,127	27,669	-	-	
Proceeds from capital distribution received from a subsidiary						
		261	522	-	-	
Proceeds from capital distribution received from investment previously written off						
		137	-	-	-	
Proceeds from redemption of debentures						
		-	1,189	-	-	
Proceeds from redemption of preference shares						
		-	-	24,904	31,923	
Purchase of:						
- interest in an associate		(6,079)	-	-	-	
- interest in a joint venture		-	(750)	-	-	
- interest in a subsidiary	12	-	-	(6,270)	-	
- investment properties	11	(49)	(271)	-	-	
- other investments (non-current)		(1,632)	-	-	-	
- other investments (current)		(5,372)	-	-	-	
- property, plant and equipment	32(a)	(11,120)	(16,587)	-	-	
Utilisation of restricted fund						
		144	-	-	-	
(Placement)/Withdrawal of term deposits:						
- pledged with licensed banks		(103)	1,174	-	-	
- with tenure of more than 3 months		(17)	(4,268)	-	-	
Net cash from investing activities		20,215	18,654	19,609	32,100	
Cash Flows Used In Financing Activities						
Dividends paid to non-controlling shareholders of subsidiaries						
		(5,845)	(830)	-	-	
Interest paid						
		(43,459)	(44,628)	-	-	
Proceeds from drawdown of bank borrowings						
	32(b)	30,000	5,380	-	-	
Repayments of bank borrowings						
	32(b)	(40,841)	(27,629)	(2,000)	(2,000)	
Net cash used in financing activities		(60,145)	(67,707)	(2,000)	(2,000)	
Net (decrease)/increase in cash and cash equivalents		(17,679)	(16,563)	333	(202)	
Cash and cash equivalents as at 1 July 2019/2018		184,568	197,066	131	333	
Effect of exchange rate changes on cash and cash equivalents						
		1,524	4,065	-	-	
Cash and cash equivalents as at 30 June 2020/2019		32(c)	168,413	184,568	464	131

The attached notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

As At 30 June 2020

1. Corporate Information

Malayan United Industries Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office and the principal place of business of the Company is located at No. 189, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

The consolidated financial statements for the financial year ended 30 June 2020 comprise the Company and its subsidiaries and the interests of the Group in associates and joint venture.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 19 October 2020.

2. Principal Activities

The principal activity of the Company is investment holding whilst its subsidiaries and associates are primarily engaged in retailing, hotel, property, food and financial services as set out in Note 41 to the financial statements.

3. Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

3.1. During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements other than the new classification of leasehold land and buildings as right-of-use assets as disclosed in Note 10 to the financial statements. The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

3. Basis of Preparation *(Cont'd)*

3.2. 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 17 Insurance Contracts	1 January 2023*
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023**
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
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2021 to 1 January 2023 pursuant to the amendments to MFRS 17 issued by the MASB, namely 'Amendments to MFRS 17 Insurance Contracts'.

** 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'.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(a) Basis of Consolidation (Cont'd)

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

4. Significant Accounting Policies (*Cont'd*)

(a) Basis of Consolidation (*Cont'd*)

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Revenue from Contracts with Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(i) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance, as well as the customer purchases the goods at the retail outlets. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Payment for the retail sales transaction is due immediately at the point the customer purchases the goods and takes delivery in outlet.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(b) Revenue from Contracts with Customers (Cont'd)

(i) Sale of Goods (Cont'd)

The goods are often sold with a right to return the goods within a specific period. Revenue from these sales is recognised based on the price specific in the contract, net of estimated returns. Past experience is used to estimate and provide for the returns, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases. Past experience is used to estimate and provide for the discounts using most likely method. A contract liability for the award points is recognised at the time of the initial sales transaction. Revenue is recognised when the points are redeemed by the customer or expire.

(ii) Revenue from Hotel Operations

Revenue received from the services rendered to guests of the hotel includes provision of rooms, food and beverage sales, other departments' sales and ancillary services. The services rendered are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

(iii) Revenue from Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress toward complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(iv) Commissions from Concessionaire Sales

When the Group acts in a capacity of an agent rather than as a principal in a transaction, the revenue recognised is the net amount of commission earned by the Group upon the sale of goods in the retail stores.

(v) Sale of Oil Palm Fruits

Revenue from sale of oil palm fruits harvested is recognised upon the transfer of control of the goods to the customer, being when the goods have been delivered to the customers and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

(vi) Property Rental Income

Property rental income is accounted for on a straight-line basis over the lease term.

4. Significant Accounting Policies (Cont'd)

(c) Other Income

(i) Dividend Income

Dividend income from subsidiaries, associates and other investments is recognised when the right to receive payment is established.

(ii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other cost directly attributable to bringing the assets to working conditions for its intended use.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land has unlimited useful life and is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

	%
Buildings	2 to 5
Leasehold land (Reclassified as right-of-use assets)	41 to 92 years
Plant & machinery	5 to 20
Motor vehicles	10 to 30
Furniture, fittings & equipment	5 to 33.3
Renovation	5 to 20

Construction work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(e) Investment Properties

Investment properties are land and buildings which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

(f) Leased Assets

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment property and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

4. Significant Accounting Policies (*Cont'd*)

(f) Leased Assets (*Cont'd*)

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

Accounting Policies Applied Until 30 June 2019

(i) *Finance Leases*

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statements of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) *Operating Leases*

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(g) Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(h) Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(h) Associates (Cont'd)

The share of the profit or loss and other comprehensive income of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting period of the financial statements are not co-terminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(i) Joint Venture

A joint venture is an entity in which the Group has rights only to the net assets of the investments.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2020. The Group's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

4. Significant Accounting Policies (Cont'd)

(i) Joint Venture (Cont'd)

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

(j) Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(j) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Debt Instruments

a) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

b) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

c) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

4. Significant Accounting Policies (*Cont'd*)

(j) Financial Instruments (*Cont'd*)

(ii) Financial Liabilities

a) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

b) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(iii) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(j) Financial Instruments (Cont'd)

(v) Derecognition (Cont'd)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

(k) Contract Costs

(i) Incremental Costs of Obtaining A Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(ii) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(l) Contract Asset And Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4. Significant Accounting Policies (Cont'd)

(m) Impairment

(i) *Impairment of Financial Assets*

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

(ii) *Impairment of Non-financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(n) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest, if any, in the entity over net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed, if any. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, if any, the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such investment is not allocated to any assets including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

(o) Inventories

Inventories which consist of completed development properties held for sale, retail trading merchandises, raw materials, work-in-progress, finished goods, sundry stores, consumables and other stock items, are stated at the lower of cost and net realisable value.

Cost of completed properties for sale is determined by the specific identification method and comprises cost associated with acquisition of land, building and constructions costs and appropriate proportions of common costs.

The cost of other inventories is measured based on a weighted average cost of formula, and comprises the purchase price and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes and appropriate share of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(p) Inventories - Property Development

(i) Land Held for Property Development

Land held for property development consist of land costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land and development costs are stated lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be best available measure of the net realisable value.

4. Significant Accounting Policies (*Cont'd*)

(p) Inventories - Property Development (*Cont'd*)

(i) *Land Held for Property Development (Cont'd)*

Land held for property development is classified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) *Property Development Costs*

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs are stated at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

(q) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Income Taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries or associates on distributions to the Group and the Company, capital gain taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(i) *Current Tax*

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(ii) *Deferred Tax*

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(r) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

Provision for Restoration Costs

Provision for restoration costs is included in the carrying amounts of furniture, fittings and equipment. This provision is recognised in respect of the Group's obligation to restore leased outlets to its original state upon the expiry of tenancy agreements.

(t) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When its inflow of economic benefit is virtually certain, then the related asset is recognised in the statements of financial position.

4. Significant Accounting Policies (*Cont'd*)

(u) Employee Benefits

(i) *Short Term Employee Benefits*

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leaves are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leaves are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) *Defined Contribution Plans*

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(iii) *Provision for Retirement Gratuities*

The Group makes provisions for unfunded retirement gratuities for certain eligible employees. The retirement benefits are calculated based on the terms of employment contract.

(v) Functional and Foreign Currencies

(i) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(ii) *Foreign Currency Translation and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(iii) *Foreign Operations*

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(v) Functional and Foreign Currencies (Cont'd)

(iii) Foreign Operations (Cont'd)

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in associates and a joint venture that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in associates and a joint venture that includes a foreign operation while retaining significant influence and joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

(w) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, term deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(x) Non-Current Assets Held For Sale

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

(y) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. Significant Accounting Policies (*Cont'd*)

(z) Earnings Per Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

(aa) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(bb) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. Significant Accounting Policies (Cont'd)

(bb) Critical Accounting Estimates and Judgements (Cont'd)

(ii) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is required in determining the worldwide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(iii) Impairment of Property, Plant and Equipment, Investment Properties and Associates

The Group determines whether an item of its property, plant and equipment, investment properties and associates is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

(iv) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(vi) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the value of trade receivables and contract assets.

(vii) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period.

4. Significant Accounting Policies (*Cont'd*)

(bb) Critical Accounting Estimates and Judgements (*Cont'd*)

(viii) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(ix) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(x) Fair Value Estimates for Unquoted Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income.

(xi) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the assets is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customers and the application laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress toward complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extents of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(xii) Provision for Restoration Costs

The Group estimates provision for restoration costs based on historical costs incurred per square feet of sales area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs.

(xiii) Deferred Tax Assets

Deferred tax assets are recognised for all unutilised tax losses and capital allowances, and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the unutilised tax losses and capital allowances, and other deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.



NOTES TO THE FINANCIAL STATEMENTS (C o n t ' d)

4. Significant Accounting Policies *(Cont'd)*

(bb) Critical Accounting Estimates and Judgements *(Cont'd)*

(xiv) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporary 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 30 June 2020.

5. Revenue

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers:-					
Sales of goods		86,344	131,252	-	-
Hotel operations		120,243	179,404	-	-
Property development		74,277	54,810	-	-
Commissions from concessionaire sales	5(a)	11,859	21,854	-	-
Sales of oil palm fruits		2,112	2,427	-	-
Property rental income		2,965	3,153	-	-
Revenue from other source:-					
Dividend income from subsidiaries		-	-	17,300	177
		297,800	392,900	17,300	177

(a) The commission income is from gross concessionaire sales amounting to RM45,687,000 (2019: RM85,097,000).

(b) The information on the disaggregation of revenue by geographical markets is disclosed in Note 33(ii) to the financial statements.

6. Exceptional Items

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Bad debts recovered		-	-	-	266
Bad debts written off		(23)	(128)	-	-
Fair value gain/(loss) on investment in unquoted preference shares		1,047	(4,256)	-	-
Gain on capital distribution received from a subsidiary		261	522	-	-
Gain on capital distribution received from investment previously written off		137	-	-	-
Gain on derecognition of winding up/dissolved subsidiaries		930	384	-	-
Gain on disposal of:					
- investment properties		-	3,435	-	-
- property, plant and equipment		16,773	17,491	-	-
Gain on redemption of preference shares		-	-	9,383	3,944
(Loss)/Gain on foreign exchange:					
- realised		(76)	(3,702)	(271)	-
- unrealised		(7,206)	5,208	-	-
Other investment written off		(65)	-	-	-
Reversal of impairment loss/(Impairment loss) on:					
- amount owing by an associate	18	2,047	(276)	-	-
- amount owing by subsidiaries	18	-	-	(24,510)	(100,099)
- deposits, bank balances and cash		-	196	-	-
- goodwill on consolidation	17	(205)	-	-	-
- investment in an associate	13	-	(58,751)	-	-



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. Exceptional Items (Cont'd)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Reversal of impairment loss/(Impairment loss) on:					
(Cont'd)					
- investment in subsidiaries	12	-	-	(13,960)	(85,990)
- property, plant and equipment	10	(12,378)	(1,645)	-	-
- trade and other receivables	18	138	(276)	-	-
Loss on derecognition of an associate		(111,830)	-	-	-
As recognised in Statements of Profit or Loss		(110,450)	(41,798)	(29,358)	(181,879)
Realised gain on foreign exchange		76	3,702	271	-
As presented in Statements of Cash Flows		(110,374)	(38,096)	(29,087)	(181,879)

7. Loss Before Taxation

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Loss before taxation is stated after charging:-					
Auditors' remuneration:					
Audit fees:					
- current financial year		1,661	1,632	192	167
- underprovision in prior years		250	132	-	16
Non-audit fees:					
- auditors of the Company		23	146	5	47
- member firms of the auditors of the Company		236	174	141	72
Depreciation:					
- property, plant and equipment	10	18,854	18,173	-	-
- investment properties	11	988	1,067	-	-
Directors' remuneration:					
Directors of the Company:					
Receivable from the Company					
- fees		309	298	309	298
- other emoluments		26	173	26	173
- other emolument to a former Director		1,157	-	1,157	-
- defined contribution plan		-	47	-	47
Receivable from subsidiaries					
- fees		409	390	-	-
- other emoluments		1,661	3,356	-	-
- other emolument to a former Director		7,411	-	-	-
- defined contribution plan		62	317	-	-
Directors of subsidiaries:					
- fees		573	537	-	-
- other emoluments		2,685	2,672	-	-
- defined contribution plan		208	138	-	-

7. Loss Before Taxation (Cont'd)

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Loss before taxation is stated after charging:- <i>(Cont'd)</i>					
Interest expense on:					
- bank overdrafts		548	675	-	-
- term loans		30,369	30,910	-	-
- revolving credits		9,971	11,404	1,011	1,252
- others		3,119	2,314	9,457	9,901
Inventories written down	16	4,150	859	-	-
Property, plant and equipment written off	10	200	1,417	-	-
Provision for employee benefits	28	646	199	-	-
Provision for restoration cost	27	105	80	-	-
Staff costs:					
- defined contribution plan		4,690	5,380	-	-
- salary, wages and other costs		81,657	101,645	-	-
Other key management personnel:					
- defined contribution plan		230	70	-	-
- salary, bonus and allowance		993	590	-	-
Loss before taxation is stated after crediting:-					
Dividend income from investment:					
- quoted shares in Malaysia		43	-	-	-
- quoted shares in overseas		-	1	-	-
Interest income from:					
- amounts owing by subsidiaries		-	-	1,011	1,252
- term deposits		4,875	5,424	-	-
- others		581	3,850	-	-
Fair value gain on interest rate swap	31(a)	-	1,080	-	-
Fair value gain on other investments (current)		-	11	-	-
Reversal of inventories previously written down	16	-	465	-	-
Write off of provision for restoration cost	27	641	-	-	-
Writeback of provision for restoration cost	27	-	1,408	-	-
Writeback of employee benefits	28	74	-	-	-

The estimated monetary value of benefits-in-kind received by the Directors of the Company, otherwise than in cash from the Group amounted to RM42,600 (2019: RM8,600).



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. Taxation

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expense:					
- Malaysian income tax		(7,649)	(7,886)	-	-
- Foreign income tax		(6)	(1,647)	-	-
- Overprovision/(Underprovision) in respect of prior years		4,551	(320)	-	-
		(3,104)	(9,853)	-	-
Real property gains tax		-	(986)	-	-
		(3,104)	(10,839)	-	-
Deferred tax:					
- Origination and reversal of temporary differences		526	420	-	-
- Overprovision in respect of prior years		119	406	-	-
	29	645	826	-	-
Total tax expense		(2,459)	(10,013)	-	-

A reconciliation between the average effective tax rate and the applicable tax rate to the loss before taxation of the Group and the Company is as follows:-

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Tax at applicable tax rate on loss before taxation	24.00	24.00	24.00	24.00
Tax effects of:-				
Different tax rates on foreign subsidiaries	(15.20)	0.18	-	-
Tax exempt income	0.02	0.95	-	-
Movement in deferred tax assets not recognised during the financial year	(2.93)	(3.30)	-	-
Non-allowable expenses	(11.59)	(39.70)	(25.00)	(24.67)
Utilisation of deferred tax assets in the previous financial year	0.09	0.81	-	-
Income not subject to tax	3.07	12.17	1.00	0.67
Real property gains tax	-	(1.19)	-	-
Share of results of associates	(1.37)	(6.01)	-	-
Share of results of joint venture	-	(0.08)	-	-
	(3.91)	(12.17)	-	-
Overprovision in respect of prior years	2.56	0.10	-	-
Average effective tax rate	(1.35)	(12.07)	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit of the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. Basic/Diluted Loss Per Share

Basic/Diluted loss per ordinary share for the financial year is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2020	2019
Loss attributable to owners of the Company (RM'000)	(194,419)	(102,611)
	Unit	Unit
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561
	Sen	Sen
Basic/Diluted loss per share attributable to owners of the Company	(6.63)	(3.50)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



Malayan United Industries Berhad
Registration No: 196001000140 (3809-W)
Incorporated in Malaysia

10. Property, Plant And Equipment

Group	Note	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings & Equipment RM'000	Construction Work-In Progress RM'000	Renovation RM'000	Right-of-use Assets RM'000	Total 2020 RM'000	2019 RM'000
Cost												
At beginning of financial year												
- As previously reported		278,281	36,334	431,086	54,322	4,437	278,329	2,377	25,288	-	1,110,454	1,124,920
- Initial application of MFRS 16		-	(36,334)	(18,975)	-	-	-	-	-	56,322	1,013	-
- As restated		278,281	-	412,111	54,322	4,437	278,329	2,377	25,288	56,322	1,111,467	1,124,920
Exchange difference		833	-	867	(10)	82	1,168	6	-	2,041	4,987	(5,773)
Transfer from/(to):												
- Inventories		-	-	-	-	-	221	-	-	-	221	-
- Investment properties	11	-	-	-	-	-	-	-	-	10,563	10,563	-
- Assets classified as held for sale		-	-	-	-	-	-	-	-	(5,640)	(5,640)	-
Additions	32(a)	-	-	-	181	273	7,629	2,209	146	-	10,438	17,034
Disposals		(22,240)	-	-	-	(101)	(149)	-	-	(228)	(22,718)	(15,916)
Written off		-	-	-	-	-	(99,769)	-	-	-	(99,769)	(8,188)
Reclassifications		4,750	-	9,944	-	-	(12,672)	(2,022)	-	-	-	(1,623)
At end of financial year		261,624	-	422,922	54,493	4,691	174,757	2,570	25,434	63,058	1,009,549	1,110,454



10. Property, Plant And Equipment (Cont'd)

Group	Note	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings & Equipment RM'000	Construction Progress RM'000	Renovation RM'000	Right-of-use Assets RM'000	Total 2020 RM'000	Total 2019 RM'000
Accumulated Depreciation												
At beginning of financial year												
- As previously reported		4,062	7,561	101,451	49,590	4,244	247,765	-	22,308	-	436,981	434,435
- Initial application of MFRS 16		-	(7,561)	(7,426)	-	-	-	-	-	14,987	-	-
- As restated		4,062	-	94,025	49,590	4,244	247,765	-	22,308	14,987	436,981	434,435
Exchange difference		40	-	(131)	(9)	79	1,551	-	-	9	1,539	(1,495)
Transfer from/(to):												
- Investment properties	11	-	-	-	-	-	-	-	-	995	995	-
- Assets classified as held for sale	23	-	-	-	-	-	-	-	-	(2,086)	(2,086)	-
Charge for the financial year	7	-	-	3,738	882	187	11,240	-	835	1,972	18,854	18,173
Disposals		-	-	-	-	(96)	(140)	-	-	(128)	(364)	(5,738)
Written off		-	-	-	-	-	(99,531)	-	-	-	(99,531)	(6,771)
Reclassifications		(4,102)	-	38,163	-	-	(33,931)	-	-	(9)	121	(1,623)
At end of financial year		-	-	135,795	50,463	4,414	126,954	-	23,143	15,740	356,509	436,981



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. Property, Plant And Equipment (Cont'd)

Group	Note	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings & Equipment RM'000	Construction Progress RM'000	Renovation RM'000	Right-of-use Assets RM'000	Total 2020 RM'000	2019 RM'000
Accumulated Impairment Losses												
At beginning of financial year												
- As previously reported		68	2,373	60,193	-	-	2,592	-	-	-	65,226	63,904
- Initial application of MFRS 16		-	(2,373)	-	-	-	-	-	-	2,373	-	-
- As restated		68	-	60,193	-	-	2,592	-	-	2,373	65,226	63,904
Exchange difference Recognised during the financial year		-	-	30	-	-	1	-	-	-	31	(323)
Written off	6	-	-	12,283	-	-	95	-	-	-	12,378	1,645
Reclassifications		-	-	-	-	-	(38)	-	-	-	(38)	-
		-	-	-	-	-	(121)	-	-	-	(121)	-
At end of financial year		68	-	72,506	-	-	2,529	-	-	2,373	77,476	65,226
Carrying Amount												
At 30 June 2020		261,556	-	214,621	4,030	277	45,274	2,570	2,291	44,945	575,564	-
At 30 June 2019		274,151	26,400	269,442	4,732	193	27,972	2,377	2,980	-	-	608,247

10. Property, Plant And Equipment (Cont'd)

- (a) Certain land and buildings, furniture, fittings and equipment, and plant and machinery of the subsidiaries with carrying amounts totalling RM501,234,000 (2019: RM478,204,000) are pledged to financial institutions for banking facilities granted to certain subsidiaries as disclosed in Note 26 to the financial statements.
- (b) In the previous financial year, plant and equipment of the Group with carrying amounts totalling RM818,000 had been acquired under hire-purchase and lease arrangements. The leases were secured by the leased assets.
- (c) The strata titles of shoplots of the Group with carrying amounts of RM1,696,000 (2019: RM1,745,000) have yet to be transferred to the Group as at the end of reporting period.
- (d) During the financial year, a building was transferred from investment properties because it was no longer leased to a third party and was instead used by the Group.
- (e) Details of right-of-use assets:-

	Retail Stores RM'000	Leasehold Land RM'000	Leasehold Buildings RM'000	Total RM'000
At 1 July 2019, as previously reported	-	-	-	-
- Initial application of MFRS 16	1,013	26,400	11,549	38,962
At 1 July 2019, as restated	1,013	26,400	11,549	38,962
Depreciation	(744)	(523)	(705)	(1,972)
Exchange difference	-	(3)	2,035	2,032
Transfer from/(to):				
- Investment properties	-	-	9,568	9,568
- Asset classified as held for sale	-	-	(3,554)	(3,554)
Disposals	-	-	(100)	(100)
Reclassifications	-	-	9	9
At 30 June 2020	269	25,874	18,802	44,945

The Group leases certain leasehold land, leasehold buildings and various retail stores of which the leasing activities are summarised below:-

- (i) Retail stores The Group has leased a number of retail stores that run between 1 year and 3 years, with an option to renew the lease after that date.
- (ii) Leasehold land and buildings The Group has entered into non-cancellable operating lease agreements for the use of land and buildings. The leases are for periods ranging from 41 to 92 years with no renewal or purchase option included in the agreements.



NOTES TO THE FINANCIAL STATEMENTS (C o n t ' d)

11. Investment Properties

		Group	
	Note	2020	2019
		RM'000	RM'000
Cost			
At beginning of financial year		112,004	113,405
Transfer to:			
- Assets classified as held for sale	23	(34,696)	-
- Property, plant and equipment	10	(10,563)	-
Exchange difference		565	195
Additions		49	271
Disposals		-	(1,867)
At end of financial year		67,359	112,004
Accumulated Depreciation			
At beginning of financial year		16,350	16,019
Transfer to:			
- Assets classified as held for sale	23	(16,286)	-
- Property, plant and equipment	10	(995)	-
Exchange difference		21	15
Charge for the financial year	7	988	1,067
Disposals		-	(751)
At end of financial year		78	16,350
Carrying Amount			
At 30 June		67,281	95,654
Fair Value		88,995	131,209
Included in the above are:-			
Buildings		821	29,243
Freehold land		66,460	66,411
		67,281	95,654

- (a) Investment properties comprise commercial properties leased to third parties under operating leases. Rental income and direct operating expenses arising from these investment properties are as follows:-

	Group	
	2020	2019
	RM'000	RM'000
Rental income	2,881	3,255
Direct operating expenses	1,710	1,979

11. Investment Properties (Cont'd)

- (b) Included in investment properties for the previous financial year were freehold shoplots with a carrying amount of RM19,094,000 where the related strata titles have yet to be transferred to the Group. The freehold shoplots were transferred to assets classified as held for sale in the current financial year.
- (c) The fair value of investment properties for disclosure purposes, which are at Level 3 fair value, were recommended by the Directors as at the end of reporting period based on indicative market value of similar properties in the vicinity on a price per square foot basis. The price per square foot of the properties adopted were significant inputs. Any changes in the price per square foot will result in a reasonable change in the fair value of the investment properties.
- (d) The investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties based on the view and estimation that the Group should the investment properties be disposed of. However, the management does not intend to dispose of the investment properties at the moment and the existing use of the investment properties remain for rental purpose.

12. Subsidiaries

	Note	Company 2020 RM'000	2019 RM'000
Investments in subsidiaries, at cost			
Quoted shares		305,028	305,028
Unquoted shares			
At beginning of financial year		731,100	759,079
Additions		6,270	-
Capitalisation of amounts owing by subsidiaries		1,846,102	-
Redemption of preference shares		(15,521)	(27,979)
At end of financial year		2,567,951	731,100
		2,872,979	1,036,128
Less: Accumulated impairment losses			
At beginning of financial year		(347,791)	(261,801)
Additions	6	(13,960)	(85,990)
Capitalisation of amounts owing by subsidiaries	18	(1,775,206)	-
At end of financial year		(2,136,957)	(347,791)
		736,022	688,337
Market value of quoted shares		54,829	62,975

- (a) The consolidated financial statements do not deal with the subsidiaries under or pending liquidation/winding up.
- (b) The subsidiaries, including those companies under or pending liquidation/winding up as indicated, are disclosed in Note 41 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. Subsidiaries (Cont'd)

(c) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:-

	Belsfield LLP	County Hotels Limited	Pan Malaysia Corporation Berhad	Pan Malaysia Holdings Berhad	West Synergy Sdn Bhd	Others	Total
2020							
NCI percentage of ownership interest and voting interest	38.89%	38.89%	33.49%	30.81%	40.00%		
Carrying amount of NCI (RM'000)	15,932	17,510	97,719	10,854	88,284	1,553	231,852
Profit/(Loss) allocated to NCI (RM'000)	144	(2,921)	1,060	(1,073)	8,150	3,823	9,183
2019							
NCI percentage of ownership interest and voting interest	38.89%	38.89%	33.49%	30.81%	40.00%		
Carrying amount of NCI (RM'000)	16,220	20,369	97,845	12,229	84,239	(2,179)	228,723
Profit/(Loss) allocated to NCI (RM'000)	1,137	(993)	(1,124)	(445)	5,603	5,448	9,626

(d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period is as follows:-

	Belsfield LLP RM'000	County Hotels Limited RM'000	Pan Malaysia Corporation Berhad RM'000	Pan Malaysia Holdings Berhad RM'000	West Synergy Sdn Bhd RM'000
2020					
Assets and liabilities					
Non-current assets	48,311	56,341	172,236	20,637	37,274
Current assets	9,104	3,960	126,472	31,186	203,132
Non-current liabilities	(11,837)	(6,076)	(965)	(13,762)	(24)
Current liabilities	(4,612)	(6,714)	(15,697)	(7,713)	(19,671)
Net assets	40,966	47,511	282,046	30,348	220,711
Results					
Revenue	15,139	9,610	55,271	6,097	76,389
Profit/(Loss) for the financial year	371	(9,891)	(7,927)	(3,442)	20,374
Total comprehensive income/(expenses)	371	(9,891)	47	(4,646)	20,374
Total comprehensive income/(expenses) attributed to NCI	144	(2,921)	16	(1,431)	8,150
Dividends paid to NCI	515	-	1,226	-	4,104
Cash flows					
Net cash from/(used in) operating activities	3,922	6,383	(7,031)	467	39,135
Net cash (used in)/from investing activities	(823)	-	(8,564)	688	(248)
Net cash (used in)/from financing activities	(17,649)	3,762	(3,542)	(1,229)	(10,260)
Net (decrease)/increase in cash and cash equivalents	(14,550)	10,145	(19,137)	(74)	28,627

12. Subsidiaries (Cont'd)

- (d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period is as follows:- (Cont'd)

	Belsfield LLP RM'000	County Hotels Limited RM'000	Pan Malaysia Corporation Berhad RM'000	Pan Malaysia Holdings Berhad RM'000	West Synergy Sdn Bhd RM'000
2019					
Assets and liabilities					
Non-current assets	48,243	58,153	172,814	22,652	36,703
Current assets	6,997	6,157	126,804	31,624	195,064
Non-current liabilities	(10,141)	(5,249)	(1,022)	(14,411)	(49)
Current liabilities	(3,391)	(5,748)	(13,055)	(4,871)	(21,121)
Net assets	41,708	53,313	285,541	34,994	210,597
Results					
Revenue	22,154	13,162	71,733	8,110	57,237
Profit/(Loss) for the financial year	2,921	(2,552)	(5,515)	(1,313)	14,008
Total comprehensive income/(expenses)	2,921	(2,552)	(10,598)	(2,474)	14,008
Total comprehensive income/(expenses) attributed to NCI	1,137	(993)	(3,549)	(762)	5,603
Dividends paid to NCI	830	-	-	-	-
Cash flows					
Net cash (used in)/from operating activities	(8,084)	85	1,545	(437)	(7,114)
Net cash (used in)/from investing activities	(748)	(3,433)	(6,581)	635	(61)
Net cash from/(used in) financing activities	8,175	3,284	-	(2,159)	-
Net decrease in cash and cash equivalents	(657)	(64)	(5,036)	(1,961)	(7,175)

- (e) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment loss of RM13,960,000 (2019: RM85,990,000), representing the write-down of the investments to their recoverable amounts, was recognised under "Exceptional Items" in the statement of profit or loss.
- (f) None of the covenants of bank borrowings taken by the Company and its subsidiaries restrict the subsidiary to provide advances to other parties (including the related corporations within the Group) and to declare dividends to its shareholders until settlement of the borrowing.
- (g) Certain shares held in quoted subsidiaries were pledged to financial institutions for credit facilities of RM48,953,000 (2019: RM27,095,000) granted to the Group.
- (h) Certain shares held in unquoted foreign subsidiaries were pledged to a financial institution for a credit facility of RM419,265,438 (2019: RM417,943,663) granted to the Group.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Associates

		Group	
		2020	2019
	Note	RM'000	RM'000
Unquoted shares	13(a)	188,173	181,135
Quoted shares	13(b)	-	115,205
		188,173	296,340
(a) Unquoted shares:			
(i) Ordinary shares, at cost			
- Malaysia		63,828	63,828
- Overseas		39,085	33,006
Group's share of post-acquisition reserves		(56,490)	(53,451)
Exchange difference		8,968	10,790
Less: Accumulated impairment losses		(16,057)	(16,057)
		39,334	38,116
(ii) Preference shares, at fair value			
- Overseas		143,995	142,948
Exchange difference		4,844	71
		148,839	143,019
		188,173	181,135
(b) Quoted shares:			
Ordinary shares, at cost			
- Overseas		-	336,278
Exchange difference		-	4,713
Group's share of post-acquisition reserves		-	(167,035)
Less: Accumulated impairment losses		-	(58,751)
		-	115,205
Market value of quoted shares			
- Overseas		-	30,548

13. Associates (Cont'd)

The summarised financial information of the material associates is as follows:-

	Laura Ashley Holdings plc RM'000	Regent Corporation RM'000	The Benjamin Barker Group Pte. Ltd. RM'000
2020			
Assets and liabilities			
Non-current assets	-	126,537	16,138
Current assets	-	50,517	13,351
Non-current liabilities	-	-	(3,035)
Current liabilities	-	(28,721)	(16,606)
Net assets	-	148,333	9,848
Results			
Revenue	573,329	30,166	5,633
Loss for the financial year	(20,924)	(6,005)	(477)
Total comprehensive expenses	(21,981)	(6,005)	(477)
2019			
Assets and liabilities			
Non-current assets	60,363	137,299	-
Current assets	328,056	37,642	-
Non-current liabilities	(82,408)	-	-
Current liabilities	(199,983)	(25,481)	-
Net assets	106,028	149,460	-
Results			
Revenue	1,241,434	33,248	-
(Loss)/Profit for the financial year	(74,753)	11,220	-
Total comprehensive (expenses)/income	(86,500)	11,220	-

The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:-

	Laura Ashley Holdings plc RM'000	Regent Corporation RM'000	The Benjamin Barker Group Pte. Ltd. RM'000
2020			
Group's share of net assets	-	34,134	1,998
Exchange difference	-	(848)	64
Goodwill	-	-	3,986
Net investment in preference shares	-	148,839	-
Carrying amount in the statements of financial position	-	182,125	6,048



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. Associates (Cont'd)

The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:-
(Cont'd)

	Laura Ashley Holdings plc RM'000	Regent Corporation RM'000	The Benjamin Barker Group Pte. Ltd. RM'000
2020			
Group's share of associates' results:			
Group's share of loss	(7,359)	(2,943)	(96)
Group's share of other comprehensive expenses	(372)	-	-
Group's share of total comprehensive expenses	(7,731)	(2,943)	(96)
2019			
Group's share of net assets	57,325	37,077	-
Exchange difference	4,713	1,039	-
Goodwill	53,167	-	-
Net investment in preference shares	-	143,019	-
Carrying amount in the statements of financial position	115,205	181,135	-
Group's share of associates' results:			
Group's share of (loss)/profit	(26,291)	5,497	-
Group's share of other comprehensive expenses	(4,131)	-	-
Group's share of total comprehensive (expenses)/ income	(30,422)	5,497	-

- (a) The investment in preference shares represents investment in unquoted preference shares of Regent Corporation. The redemption of the shares shall be upon application by the holders thereof and at a price equal to the original subscription price paid plus an amount equal to the share of the investee company's surplus assets at the time of redemption on a pari passu basis with other classes of shares based on the price paid for these shares respectively.

Information on the fair value hierarchy of investment in unquoted preference shares is disclosed in Note 34(V)(iii) to the financial statements.

- (b) During the financial year, the Group has discontinued the use of equity method to account for its investment in Laura Ashley Holdings plc as disclosed in Note 36(i). A loss on derecognition amounting to RM111,830,000 has been recognised in "Exceptional Items" in the statements of profit or loss.
- (c) In the previous financial year, an impairment loss of RM58,751,000 was recognised in "Exceptional Items" in the statements of profit or loss in respect of the Group's investment in Laura Ashley Holdings plc. The recoverable amount was determined based on the value-in-use approach and the pre-tax discount rate used was 8%.
- (d) The associates are disclosed in Note 41 to the financial statements.

14. Joint Venture

	Group	
	2020	2019
	RM'000	RM'000
Unquoted shares, at cost	750	750
Group's share of post-acquisition reserves	(301)	(291)
	449	459

- (a) The Group's involvement in joint arrangement is structured through a separate vehicle which provides the Group rights to the net assets of the entity. Accordingly, the Group has classified this investment as a joint venture.
- (b) The summarised unaudited financial information of the joint venture is as follows:-

	Baker & Cook (M) Sdn Bhd	
	2020	2019
	RM'000	RM'000
Assets		
Non-current assets	303	184
Current assets	595	733
Net assets	898	917
Results		
Loss/Total comprehensive expenses for the financial year	(19)	(583)
Group's share of loss for the financial year	(10)	(291)

- (c) The joint venture is disclosed in Note 41 to the financial statements.

15. Other Investments And Short-term Investments

		Group	
		2020	2019
	Note	RM'000	RM'000
			(Restated)
Other Investments			
Non-current			
Quoted shares in Malaysia, at fair value	15(a)	4,700	5,452
Quoted shares outside Malaysia, at fair value	15(a)	3	1,212
Unquoted shares in Malaysia, at fair value		-	65
Unquoted shares outside Malaysia, at fair value			
- Limited partnership	15(b)	1,016	-
- Others		616	-
		6,335	6,729



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

15. Other Investments And Short-term Investments (Cont'd)

		Group	
	Note	2020 RM'000	2019 RM'000 (Restated)
Other Investments (Cont'd)			
Current			
Money market fund in Malaysia, at fair value	15(c)	16,102	32,480
Convertible bond outside Malaysia, at fair value		55	55
		16,157	32,535
		22,492	39,264
Short-term Investments			
Current			
Other fund, at fair value	15(d)	5,372	-

(a) The Group has designated the quoted equity investments at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

(b) The investment in limited partnership represents the Group's subscription for the participating interests in a partnership. The participating interests will not carry any voting rights or any other special rights, but will carry the right to distributions if so declared on an ongoing basis as well as to participate in the return of capital upon the dissolution and winding up of the partnership.

The fair value of the investment is primarily based on the net asset values of the partnership as the partnership measures and evaluates the performance of substantially all of its investments on a fair value basis.

There were no unobservable inputs identified that would require disclosure of sensitivity analysis on possible movements on the fair value of the investment.

(c) The investment in money market fund represents the Group's investment in funds managed by UOB Asset Management (Malaysia) Berhad. The redemption proceeds for the investment will normally be collected by the next business day. Therefore, the Group considers that the investment represents investment in highly liquid money market instruments which are readily convertible to known amounts of cash, and subject to an insignificant change in value.

(d) The other fund represents the Group's short-term investment in funds managed by PCB Asset Management Sdn Bhd, a subsidiary of Pan Malaysia Capital Berhad, which is in turn an associate of the Group.

(e) Information on the fair value hierarchy is disclosed in Note 34(V)(iii) to the financial statements.

16. Inventories

		Group	
	Note	2020 RM'000	2019 RM'000
Non-current			
Land held for property development			
- Freehold land, at cost	16(a)	35,263	35,263

16. Inventories (Cont'd)

		Group	
		2020	2019
	Note	RM'000	RM'000
Current			
At cost			
Property development costs	16(b)	82,912	116,076
Completed development properties		25,873	14,877
Finished goods		6,067	5,956
Raw materials		4,224	3,865
Packing materials		2,669	2,108
Sundry stores and consumables		1,262	2,754
Work-in-progress		1,198	744
Food, beverages and hotel supplies		734	1,285
At net realisable value			
Retail trading merchandises		11,641	15,149
		136,580	162,814

(a) The land held for property development is temporarily used for oil palm planting prior to the commencement of property development activities.

(b) Property development costs

		Group	
		2020	2019
	Note	RM'000	RM'000
At beginning of financial year			
Freehold land		13,713	14,148
Development costs		101,861	91,720
Exchange difference		502	447
		116,076	106,315
Property development costs incurred during the financial year		23,100	47,491
Property development costs recognised as an expense in profit or loss during the financial year		(44,877)	(33,699)
Transfer to completed development properties		(11,478)	(4,086)
Exchange difference		91	55
		82,912	116,076
At end of financial year			
Represented by:			
Freehold land, at cost		13,117	13,713
Property development costs		69,202	101,861
Exchange difference		593	502
		82,912	116,076

(c) Recognised in profit or loss:-

Inventories recognised as cost of sales		79,527	89,211
Inventories written down as cost of sales	7	4,150	859
Reversal of inventories previously written down	7	-	(465)



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17. Goodwill On Consolidation

	Group	
	2020	2019
	RM'000	RM'000
Cost	1,267,253	1,267,253
Less: Accumulated impairment losses	(1,242,279)	(1,242,074)
Carrying amount	24,974	25,179
Accumulated impairment losses:-		
At beginning of financial year	1,242,074	1,242,074
Recognised during the financial year (Note 6)	205	-
At end of financial year	1,242,279	1,242,074

The carrying amount of goodwill allocated to each cash-generating unit ("CGU") is as follows:-

	Group	
	2020	2019
	RM'000	RM'000
CGU		
Retailing	-	205
Food	24,974	24,974
	24,974	25,179

(a) Retailing

During the current financial year, an impairment loss of RM205,000 is recognised on the Group's retailing CGU in "Exceptional Items" in the statements of profit or loss which had sustained consecutive losses for a number of financial years and the management did not foresee any cash flows from this CGU in the near future.

(b) Food

The Group has assessed the recoverable amount of the food CGU and determined that no impairment is required. The recoverable amount of the CGU is determined using the value in use approach, and this is derived from the present value of the future cash flows from the CGU computed using projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount of the food CGU are as follows:-

- Revenue growth rates ranging from 4% to 21% (2019: 5% to 11%);
- Gross profit margin which determined at 32% (2019: 31%) based on average gross profit margin achieved in previous financial years immediately before the budgeted period; and
- A pre-tax discount rate of 10% (2019: 8%) estimated based on the weighted average cost of capital of the subsidiary group that operates the food CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the CGU and are based on both external sources and internal historical data.

Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount of the goodwill on consolidation to exceed its recoverable amount of the CGU. The assumptions above have been consistently applied in estimating.

18. Trade And Other Receivables

		Group	
		2020	2019
Note		RM'000	RM'000
	Trade receivables	39,409	30,342
18(a)	Less: Allowance for impairment losses	(1,493)	(1,548)
		37,916	28,794
	Other receivables	71,569	67,380
18(a)	Less: Allowance for impairment losses	(52,302)	(51,749)
		19,267	15,631
	Amounts owing by associates	101,894	102,750
18(a)	Less: Allowance for impairment losses	(37,492)	(39,539)
		64,402	63,211
	Goods and Services Tax recoverable	961	1,929
	Deposits	7,499	6,191
	Prepayments	5,541	11,238
		135,586	126,994

		Company	
		2020	2019
Note		RM'000	RM'000
	Amounts owing by subsidiaries	1,141,188	2,976,912
	Less: Allowance for impairment losses		
	At beginning of financial year	(2,658,929)	(2,558,830)
	Additions during the financial year	(28,950)	(736,431)
	Reversal during the financial year	4,440	636,332
12	Capitalisation of debts as investments in subsidiaries	1,775,206	-
	At end of financial year	(908,233)	(2,658,929)
		232,955	317,983
	Deposits	5	5
		232,960	317,988

(a) The reconciliation of movements in the impairment losses on trade and other receivables are as follows:-

		Group	
		2020	2019
		RM'000	RM'000
Trade receivables			
	At beginning of financial year	1,548	1,409
	Charge for the financial year	-	498
	Written back	(59)	(357)
	Exchange difference	4	(2)
	At end of financial year	1,493	1,548



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. Trade And Other Receivables (Cont'd)

- (a) The reconciliation of movements in the impairment losses on trade and other receivables are as follows:- (Cont'd)

	Group	
	2020	2019
	RM'000	RM'000
Other receivables		
At beginning of financial year	51,749	51,140
Charge for the financial year	-	333
Written back	(79)	(198)
Exchange difference	632	474
At end of financial year	52,302	51,749
Amounts owing by associates		
At beginning of financial year	39,539	39,263
Charge for the financial year	-	276
Written back	(2,047)	-
At end of financial year	37,492	39,539
	91,287	92,836

- (b) Trade receivables are non-interest bearing and the normal trade credit terms range from 7 to 120 days (2019: 7 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.
- (c) Included in the trade receivables are retention sums on sale and purchase agreements totalling RM5,685,000 (2019: RM2,936,000). The retention sums are due upon expiry of the defect liability period stated in the respective sale and purchase agreements. The remaining defect liability period range from 8 to 24 (2019: 8 to 24) months.
- (d) Included in other receivables is an amount owing by a related party of RM17,007,000 (2019: RM16,757,000), which is unsecured, bears average interest at 2.5% (2019: 2.5%) per annum and payable upon demand in cash and cash equivalents. As at the reporting date, an accumulated impairment loss of RM10,739,000 (2019: RM10,739,000) is recognised in the financial statements.
- (e) Included in other receivables is an overpayment of rental to be refunded from a related party, which amounted to RM16,546,000 (2019: RM16,312,000). As at the reporting date, an accumulated impairment loss of RM10,428,000 (2019: RM10,428,000) is recognised in the financial statements.
- (f) The amounts owing by associates represent balances arising from advances, which are unsecured, repayable on demand in cash and cash equivalents and interest-free except for gross advances of RM54,400,000 (2019: RM54,400,000), which bear interest at 4.7% (2019: 4.7%) per annum and are repayable on demand. As at the reporting date, an accumulated impairment loss of RM37,492,000 (2019: RM39,539,000) is recognised in the financial statements.
- (g) The amounts owing by subsidiaries represent balances arising from advances and payments made on behalf by the Company, are unsecured, repayable on demand in cash and cash equivalents and interest-free except for amounts totalling RM11,000,000 (2019: RM13,000,000), which bear interest at 8.7% (2019: 9.2%) per annum.
- (h) Included in deposits is an amount of RM1,606,000 (2019: Nil) paid for the purchase of property, plant and equipment.

18. Trade And Other Receivables (Cont'd)

(i) The ageing analysis of trade receivables of the Group is as follows: -

	Gross Amount RM'000	Individual Impairment RM'000	Group Collective Impairment RM'000	Carrying Amount RM'000
2020				
Current (Not past due)	25,263	-	(1)	25,262
1 to 30 days past due	4,225	-	(7)	4,218
31 to 60 days past due	1,544	-	(13)	1,531
61 to 90 days past due	3,980	-	(12)	3,968
91 to 120 days past due	1,490	-	-	1,490
Credit impaired	2,907	(543)	(917)	1,447
	39,409	(543)	(950)	37,916
2019				
Current (Not past due)	14,398	-	(1)	14,397
1 to 30 days past due	6,520	-	(7)	6,513
31 to 60 days past due	4,378	-	(13)	4,365
61 to 90 days past due	1,773	-	(12)	1,761
91 to 120 days past due	543	-	-	543
Credit impaired	2,730	(471)	(1,044)	1,215
	30,342	(471)	(1,077)	28,794

19. Contract Assets/Contract Liabilities

		Group 2020 RM'000	2019 RM'000
Contract assets			
- accrued billings in respect of property development costs	19(a)	3,622	11,076
Contract liabilities			
- progress billings in respect of property development costs	19(a)	(27)	(5,986)
- customer loyalty programme	19(b)	(1,426)	(1,693)
		(1,453)	(7,679)
(a) At beginning of financial year		5,090	1,103
Property development revenue recognised in profit or loss during the financial year		40,826	53,820
Billings to customers during the financial year		(42,321)	(49,833)
At end of financial year		3,595	5,090



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19. Contract Assets/Contract Liabilities (Cont'd)

	Group	
	2020	2019
	RM'000	RM'000
Represented by:-		
Contract assets	3,622	11,076
Contract liabilities	(27)	(5,986)
	3,595	5,090

- The contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings in respect of the property development activities.
- Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the reporting date are as follows:-

	2021	2022
	RM'000	RM'000
Property development revenue	5,692	451

- The contract liabilities relate to loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases.

20. Right To Recover Returned Goods And Refund Liabilities

In accordance of MFRS 15, Revenue from Contracts with Customers, an asset for a right to recover returned goods is recognised in relation to sales of goods with a right to return.

These are measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those inventories and any potential decreases in the value to the Group of the returned goods. For goods that are expected to be returned, instead of revenue, a refund liability is recognised.

21. Contract Costs

Costs to obtain customer contracts primarily comprise commission paid to secure sales contracts for the Group's property development activities. The contract costs are recoverable and amortised over the period in which the related revenue is expected to be recognised.

22. Deposits, Bank Balances And Cash

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Term deposits with licensed banks	144,445	140,884	-	-
Bank balances and cash	62,049	68,165	464	131
	206,494	209,049	464	131

22. Deposits, Bank Balances And Cash (Cont'd)

- (a) The weighted average effective annual interest rate of term deposits during the financial year are as follows:-

	Group	
	2020	2019
	%	%
Term deposits with licensed banks	2.77	3.13

The maturity periods for deposits range from 1 to 365 days (2019: 1 to 365 days).

- (b) Included in bank balances and cash of the Group are funds held under the Housing Development Accounts amounting to RM27,307,000 (2019: RM22,934,000) pursuant to Section 7A of the Housing Development (Control & Licensing) Act 1966.
- (c) Included in term deposits is an amount of RM26,549,000 (2019: RM26,693,000) which represents balance of proceeds from the disposal of the cement associates by a listed subsidiary. Any deviation from the approved utilisation of this amount is subject to the approval of Securities Commission ("SC"). The SC had vide its letter dated 15 December 2008 approved the listed subsidiary's application to revise the utilisation by repaying its bank borrowings and expanding its food business.
- (d) Included in term deposits is an amount of RM5,165,000 (2019: RM5,062,000) pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.

23. Assets Classified As Held For Sale

		Group	
		2020	2019
	Note	RM'000	RM'000
At beginning of financial year		-	-
Classified as held for sale			
- Property, plant and equipment	10	3,554	-
- Investment properties	11	18,410	-
At end of financial year		21,964	-

The carrying amount of the assets is the same as their carrying amounts before they were classified as held for sale.

24. Share Capital

	Group/Company	
	2020	2019
Issued and fully paid		
Number of shares ('000)	2,932,561	2,932,561
Ordinary shares (RM'000)	3,152,866	3,152,866

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. Reserves

	Group	
	2020	2019
	RM'000	RM'000
Exchange translation reserve	(20,656)	(37,243)
Capital reserve	-	(49)
Fair value reserve	368	2,802
	(20,288)	(34,490)

- (a) The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.
- (b) The capital reserve represents the Group's share of reserves of associates.
- (c) The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

26. Borrowings

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Non-current				
Term loans				
- secured	636,042	204,542	-	-
Revolving credits				
- secured	34,695	43,295	-	-
- unsecured	29,594	34,209	10,000	11,000
Lease liabilities and hire-purchase	-	261	-	-
	700,331	282,307	10,000	11,000
Current				
Bank overdrafts				
- secured	15,984	18,738	-	-
Term loans				
- secured	19,788	441,702	-	-
Revolving credits				
- secured	34,900	34,200	-	-
- unsecured	39,880	44,730	1,000	2,000
Lease liabilities and hire-purchase	277	557	-	-
	110,829	539,927	1,000	2,000
Total borrowings	811,160	822,234	11,000	13,000

26. Borrowings (Cont'd)

	Group
	2020
	RM'000
(a) The maturities of non-current term loans and revolving credits are as follows:-	
Between 1 year to 5 years	262,683
More than 5 years	19,363
	700,331

(b) Details of lease liabilities are as follows:-

	Group
	2020
	RM'000
At beginning of financial year	
- As previously reported	-
- Initial application of MFRS 16	1,831
- As restated	1,831
Interest expense recognised in profit or loss	102
Repayment of principal	(1,554)
Repayment of interest expense	(102)
At end of financial year, payable within 1 year (current)	277

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

(c) Details of hire-purchase are as follows:-

	Group
	2019
	RM'000
Hire-purchase and minimum lease payments	
Within 1 year	599
Between 1 year to 5 years	282
	881
Future finance charges	(63)
Present value of hire-purchase	818
Portion payable: -	
Within 1 year (current)	557
Between 1 year to 5 years (non-current)	261
	818

The hire-purchase has been represented as lease liabilities as disclosed in Note 26 (b) to the financial statements following the application of MFRS 16 by the Group using the modified retrospective approach.

(d) In the previous financial year, a term loan of approximately RM417,944,000 had been partially pledged by an interest rate swap as disclosed in Note 31 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. Borrowings (Cont'd)

(e) The weighted average effective annual interest rates of borrowings during the financial year are as follows:-

	Group		Company	
	2020	2019	2020	2019
	%	%	%	%
Bank overdrafts	4.3	4.0	-	-
Revolving credits	6.8	6.9	8.7	9.2
Term loans	4.3	4.3	-	-
Lease liabilities and hire-purchase	5.7	8.0	-	-

(f) The banking facilities of certain subsidiaries are secured by the following:-

- (i) fixed charges over certain property, plant and equipment, shares held in a quoted and unquoted subsidiaries and term deposits of the Group as disclosed in Notes 10, 12 and 22 to the financial statements;
- (ii) floating charges over all the other assets of certain subsidiaries;
- (iii) a corporate guarantee of the Company; and
- (iv) a corporate guarantee of certain subsidiaries.

27. Provision For Restoration Cost

	Note	Group	
		2020 RM'000	2019 RM'000
At beginning of financial year		3,242	4,123
Additions:			
- by the capitalisation of property, plant and equipment	32(a)	924	447
- recognised in profit or loss	7	105	80
Written off during the financial year	7	(641)	-
Written back during the financial year	7	-	(1,408)
At end of financial year		3,630	3,242

Provision for restoration cost comprises mainly initial estimates of reinstatement costs for stores upon termination of tenancy.

28. Employee Benefits

	Note	Group	
		2020 RM'000	2019 RM'000
At beginning of financial year		2,296	2,272
Exchange difference		6	2
Provision during the financial year	7	646	199
Writeback during the financial year	7	(74)	-
Paid during the financial year		(523)	(177)
At end of financial year		2,351	2,296

28. Employee Benefits (Cont'd)

		Group	
	Note	2020	2019
		RM'000	RM'000
Analysed between:			
- Non-current portion		1,709	1,721
- Current portion		642	575
		2,351	2,296

Provision is made for employee entitlements accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and retirement gratuity.

Liabilities arising in respect of annual leave and retirement gratuity are measured at their nominal amounts.

29. Deferred Tax Assets/Liabilities

		Group	
	Note	2020	2019
		RM'000	RM'000
At beginning of financial year		3,771	4,562
Recognised in profit or loss	8	(645)	(826)
Exchange difference		32	35
At end of financial year		3,158	3,771

(a) The amounts, determined after appropriate offsetting, are as follows:-

Deferred tax liabilities, net	5,081	5,287
Deferred tax assets, net	(1,923)	(1,516)
	3,158	3,771

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:-

Deferred tax liabilities

Group	Property, plant and equipment	Set off of Tax	Total
	RM'000	RM'000	RM'000
At 1 July 2018	15,039	(9,610)	5,429
Recognised in profit or loss	(539)	133	(406)
Reclassification	104	129	233
Exchange difference	(50)	81	31
At 30 June 2019/1 July 2019	14,554	(9,267)	5,287
Recognised in profit or loss	(3,984)	3,738	(246)
Reclassification	(1)	1	-
Exchange difference	94	(54)	40
At 30 June 2020	10,663	(5,582)	5,081



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. Deferred Tax Assets/Liabilities (Cont'd)

- (b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:- (Cont'd)

Deferred tax assets

Group	Advance Corporation Taxation RM'000	Provisions RM'000	Unutilised Tax Losses and Capital Allowances RM'000	Inventories RM'000	Set off of Tax RM'000	Total RM'000
At 1 July 2018	(4,484)	(786)	(5,207)	-	9,610	(867)
Recognised in profit or loss	99	(331)	-	(55)	(133)	(420)
Reclassification	1	130	-	(234)	(130)	(233)
Exchange difference	39	-	55	(9)	(81)	4
At 30 June 2019/1 July 2019	(4,345)	(987)	(5,152)	(298)	9,266	(1,516)
Recognised in profit or loss	-	(408)	3,746	-	(3,737)	(399)
Reclassification	-	-	1	-	(1)	-
Exchange difference	(14)	-	(47)	(1)	54	(8)
At 30 June 2020	(4,359)	(1,395)	(1,452)	(299)	5,582	(1,923)

- (c) The Group has not recognised deferred tax assets in the financial statements in respect of the following items:-

	Group	
	2020	2019
	RM'000	RM'000
Unutilised tax losses	840,082	821,632
Unutilised capital allowances	25,219	22,423
Other deductible temporary differences	316,852	316,464
	1,182,153	1,160,519

The deferred tax assets are not recognised in respect of these items as the relevant subsidiaries are uncertain of the extent that is probable that future taxable profit will be available against which the above deductible temporary differences can be utilised.

For the Malaysia entities, the unused tax losses are allowed to be utilised for 7 consecutive years of assessment while unabsorbed capital allowances and other deductible temporary differences are allowed to be carried forward indefinitely. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

30. Trade And Other Payables

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Trade payables	41,474	57,119	-	-
Other payables	17,663	12,605	1,202	259
Accrued expenses	35,973	22,457	-	-
Amounts owing to subsidiaries	-	-	484,762	496,513
Amounts owing to associates	86,338	81,644	-	-
Total trade and other payables	181,448	173,825	485,964	496,772

- (a) Trade payables are non-interest bearing and the normal trade credit terms range from 14 to 120 days (2019: 14 to 120 days).
- (b) Included in other payables of the Group is a provision of RM2,076,000 in respect of a legal claim brought against a subsidiary of the Group.
- (c) The amounts owing to subsidiaries represent balances arising from advances received from subsidiaries which are unsecured, repayable on demand in cash and cash equivalents and interest-free except for amount totalling RM166,105,000 (2019: RM169,405,000), which bears interest 5.61% (2019: 5.80%) per annum.
- (d) The amounts owing to associates represent balances arising from advances received by certain overseas subsidiaries from associates, which are unsecured, repayable on demand in cash and cash equivalents and interest-free except for amount totalling RM76,760,000 (2019: RM72,100,000), which bears interest 2.98% (2019: 3.61%) per annum.

31. Derivative Liability

	Group	
	2020	2019
	RM'000	RM'000
Interest rate swap		
Contract/Notional Amount	-	137,920
Current	-	1,191

The Group does not apply hedge accounting.

- (a) In the previous financial year, the Group had recognised a gain of RM1,080,000 arising from fair value changes of derivatives during the financial year as disclosed in Note 7 to the financial statements. The fair value changes were attributed to changes in interest rates. The method and assumptions applied in determining the fair value of interest rate swap is disclosed in Note 34(V)(iii) to the financial statements.
- (b) In the previous financial year, the interest rate swap was used to hedge cash flow interest rate risk arising from a floating rate term loan amounting to £26,276,000 (or RM137,920,000 equivalent). This interest rate swap received floating interest equal to LIBOR + 2.35%, paid a fixed rate of interest of 4.31% and had the same maturity terms as the term loan.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. Cash Flow Information

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

		Group	
		2020	2019
	Note	RM'000	RM'000
Cost of property, plant and equipment purchased	10	10,438	17,034
Deposits made for future purchases	18(h)	1,606	-
Provision for restoration cost capitalised	27	(924)	(447)
		11,120	16,587

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Note	Term Loans RM'000	Revolving Credits RM'000	Hire-Purchase RM'000	Lease Liabilities RM'000	Interest Rate Swap RM'000	Total RM'000
Group							
At 1 July 2019, as previously reported		646,244	156,434	818	-	1,191	804,687
Initial application of MFRS 16		-	-	(818)	1,831	-	1,013
At 1 July 2019, as restated		646,244	156,434	-	1,831	1,191	805,700
Changes in financing cash flows							
Proceeds from drawdown		30,000	-	-	-	-	30,000
Repayment of principal		(21,922)	(17,365)	-	(1,554)	-	(40,841)
Repayment of interest		(30,369)	(9,971)	-	(102)	-	(40,442)
		(22,291)	(27,336)	-	(1,656)	-	(51,283)
Non-cash changes							
Exchange difference		1,508	-	-	-	12	1,520
Loss on settlement recognised in profit or loss		-	-	-	-	(1,203)	(1,203)
Interest expense recognised in profit or loss		30,369	9,971	-	102	-	40,442
		31,877	9,971	-	102	(1,191)	40,759
At 30 June 2020		655,830	139,069	-	277	-	795,176
At 1 July 2018							
		653,358	174,764	1,614	-	2,273	832,009
Changes in financing cash flows							
Proceeds from drawdown		5,380	-	-	-	-	5,380
Repayment of principal		(8,505)	(18,330)	(794)	-	-	(27,629)
Repayment of interest		(30,910)	(11,404)	(64)	-	-	(42,378)
		(34,035)	(29,734)	(858)	-	-	(64,627)

32. Cash Flow Information (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Note	Term Loans RM'000	Revolving Credits RM'000	Hire-Purchase RM'000	Lease Liabilities RM'000	Interest Rate Swap RM'000	Total RM'000
Group							
Non-cash changes							
Exchange difference	31(a)	(3,989)	-	(2)	-	(2)	(3,993)
Fair value changes		-	-	-	-	(1,080)	(1,080)
Interest expense recognised in profit or loss		30,910	11,404	64	-	-	42,378
		26,921	11,404	62	-	(1,082)	37,305
At 30 June 2019		646,244	156,434	818	-	1,191	804,687
Company							
At 1 July 2019		-	13,000	-	-	-	13,000
Changes in financing cash flows							
Repayment of principal		-	(2,000)	-	-	-	(2,000)
Repayment of interest		-	(1,011)	-	-	-	(1,011)
		-	(3,011)	-	-	-	(3,011)
Non-cash change							
Interest expense recognised in profit or loss		-	1,011	-	-	-	1,011
At 30 June 2020		-	11,000	-	-	-	11,000
At 1 July 2018		-	15,000	-	-	-	15,000
Changes in financing cash flows							
Repayment of principal		-	(2,000)	-	-	-	(2,000)
Repayment of interest		-	(1,252)	-	-	-	(1,252)
		-	(3,252)	-	-	-	(3,252)
Non-cash change							
Interest expense recognised in profit or loss		-	1,252	-	-	-	1,252
At 30 June 2019		-	13,000	-	-	-	13,000



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. Cash Flow Information (Cont'd)

(c) The cash and cash equivalents comprise the following:-

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Term deposits with licensed banks		144,445	140,884	-	-
Bank balances and cash		62,049	68,165	464	131
Money market fund	15	16,102	32,480	-	-
Bank overdrafts		(15,984)	(18,738)	-	-
		206,612	222,791	464	131
Less: Term deposits with tenure of more than 3 months		(6,485)	(6,468)	-	-
Term deposits pledged with licensed banks	22(d)	(5,165)	(5,062)	-	-
Restricted fund	22(c)	(26,549)	(26,693)	-	-
		168,413	184,568	464	131

33. Operating Segments Of The Group

Malayan United Industries Berhad has arrived at six reportable segments that are organised and managed separately according to the nature of products and services, which requires different business and marketing strategies. The reportable segments are summarised as follows: -

Retailing	-	Operating department and specialty stores, and through an associate, design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings.
Hotel	-	Holding of hotel properties and hotel operations.
Food	-	Manufacturing, marketing & distribution of confectionery and other food products.
Property	-	Property development and investment, sales of fresh fruit bunches.
Others	-	Investment activities and others including property investment and licensing of a trademark through an associate.

For Financial Services, the Group has discontinued recognising share of further results as the total share of the losses exceeds the Group's interest in the associate.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as impairment losses.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities.

33. Operating Segments Of The Group (Cont'd)

(i) Business segments

2020	Retailing RM'000	Hotel RM'000	Food RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
REVENUE							
External revenue	45,640	120,243	55,271	76,646	-	-	297,800
Inter-segment revenue	-	-	-	72	24,872	(24,944)	-
Total revenue	45,640	120,243	55,271	76,718	24,872	(24,944)	297,800
Represented by:							
<u>Revenue recognised at a point in time</u>							
Sales of goods	31,073	-	55,271	-	-	-	86,344
Hotel operations	-	35,340	-	-	-	-	35,340
Property development	-	-	-	33,451	-	-	33,451
Commissions from concessionaire sales	11,859	-	-	-	-	-	11,859
Sales of oil palm fruits	-	-	-	2,112	-	-	2,112
Dividend income	-	-	-	-	17,300	(17,300)	-
<u>Revenue recognised over time</u>							
Hotel operations	-	84,903	-	-	-	-	84,903
Property development	-	-	-	40,826	-	-	40,826
Property rental income	2,708	-	-	329	-	(72)	2,965
Management fee	-	-	-	-	7,572	(7,572)	-
	45,640	120,243	55,271	76,718	24,872	(24,944)	297,800
RESULTS							
Segment results (external)	(12,321)	(12,600)	(3,468)	22,386	(17,365)	-	(23,368)
Interest income	264	61	484	1,396	3,251	-	5,456
(Loss)/Profit from operations before exceptional items	(12,057)	(12,539)	(2,984)	23,782	(14,114)	-	(17,912)
Exceptional items (refer note 6)	(112,500)	3,864	2,481	54	(4,349)	-	(110,450)
(Loss)/Profit from operations after exceptional items	(124,557)	(8,675)	(503)	23,836	(18,463)	-	(128,362)
Finance costs	-	(2,536)	(6)	(93)	(41,372)	-	(44,007)
Share of results of associates	(7,455)	-	-	-	(2,943)	-	(10,398)
Share of results of joint venture	-	-	(10)	-	-	-	(10)
(Loss)/Profit before taxation	(132,012)	(11,211)	(519)	23,743	(62,778)	-	(182,777)
Taxation	(906)	2,874	623	(4,889)	(161)	-	(2,459)
(Loss)/Profit after taxation	(132,918)	(8,337)	104	18,854	(62,939)	-	(185,236)



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. Operating Segments Of The Group (Cont'd)

(i) Business segments (Cont'd)

2020	Retailing RM'000	Hotel RM'000	Food RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
ASSETS							
Segment assets	224,777	502,487	151,936	350,642	6,161	-	1,236,003
Investments in associates	6,048	-	-	-	182,125	-	188,173
Investments in joint venture	-	-	449	-	-	-	449
Unallocated corporate assets	-	-	-	-	-	-	6,632
Consolidated total assets							<u>1,431,257</u>
LIABILITIES							
Segment liabilities	81,303	94,379	15,119	27,051	783,148	-	1,001,000
Unallocated corporate liabilities	-	-	-	-	5,978	-	5,978
Consolidated total liabilities							<u>1,006,978</u>
OTHER SEGMENT INFORMATION							
Additions to non-current assets other than financial instruments and deferred tax assets	3,518	5,082	1,384	351	152	-	10,487
Depreciation	(3,332)	(13,289)	(2,227)	(569)	(425)	-	(19,842)
Other material non-cash items:							
- Fair value gain on preference shares	-	-	-	-	1,047	-	1,047
- Gain on disposal of:-							
- property, plant and equipment	-	16,090	636	47	-	-	16,773
- Inventories written down	(3,000)	-	(1,150)	-	-	-	(4,150)
- (Impairment loss)/Reversal of impairment loss on:-							
- amount owing by an associate	-	-	-	-	2,047	-	2,047
- property, plant and equipment	(95)	(12,283)	-	-	-	-	(12,378)
- Loss in foreign exchange (unrealised)	(9)	-	(207)	-	(6,990)	-	(7,206)
- Loss on derecognition of an associate	(111,830)	-	-	-	-	-	(111,830)

33. Operating Segments Of The Group (Cont'd)

(i) Business segments (Cont'd)

2019	Retailing RM'000	Hotel RM'000	Food RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
REVENUE							
External revenue	84,290	179,404	71,733	57,473	-	-	392,900
Inter-segment revenue	-	-	-	72	8,071	(8,143)	-
Total revenue	84,290	179,404	71,733	57,545	8,071	(8,143)	392,900
Represented by:							
<u>Revenue recognised at a point in time</u>							
Sales of goods	59,519	-	71,733	-	-	-	131,252
Hotel operations	-	53,045	-	-	-	-	53,045
Property development	-	-	-	990	-	-	990
Commissions from concessionaire sales	21,854	-	-	-	-	-	21,854
Sales of oil palm fruits	-	-	-	2,427	-	-	2,427
Dividend income	-	-	-	-	177	(177)	-
<u>Revenue recognised over time</u>							
Hotel operations	-	126,359	-	-	-	-	126,359
Property development	-	-	-	53,820	-	-	53,820
Property rental income	2,917	-	-	308	-	(72)	3,153
Management fee	-	-	-	-	7,894	(7,894)	-
Total	84,290	179,404	71,733	57,545	8,071	(8,143)	392,900
RESULTS							
Segment results (external)	(6,588)	18,929	2,806	15,693	(14,900)	-	15,940
Interest income	414	37	895	1,547	6,381	-	9,274
(Loss)/Profit from operations before exceptional items	(6,174)	18,966	3,701	17,240	(8,519)	-	25,214
Exceptional items (refer note 6)	(43,295)	3	526	3,455	(2,487)	-	(41,798)
(Loss)/Profit from operations after exceptional items	(49,469)	18,969	4,227	20,695	(11,006)	-	(16,584)
Finance costs	-	(2,703)	-	(100)	(42,500)	-	(45,303)
Share of results of associates	(26,291)	-	-	-	5,497	-	(20,794)
Share of results of joint venture	-	-	(291)	-	-	-	(291)
(Loss)/Profit before taxation	(75,760)	16,266	3,936	20,595	(48,009)	-	(82,972)
Taxation	(2,351)	(1,779)	(910)	(4,737)	(236)	-	(10,013)
(Loss)/Profit after taxation	(78,111)	14,487	3,026	15,858	(48,245)	-	(92,985)



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. Operating Segments Of The Group (Cont'd)

(i) Business segments (Cont'd)

2019	Retailing RM'000	Hotel RM'000	Food RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
ASSETS							
Segment assets	241,418	583,183	155,363	313,887	20,845	-	1,314,696
Investments in associates	115,204	-	-	-	181,136	-	296,340
Investments in joint venture	-	-	459	-	-	-	459
Unallocated corporate assets	-	-	-	-	-	-	11,448
Consolidated total assets							<u>1,622,943</u>
LIABILITIES							
Segment liabilities	90,536	81,140	12,691	34,266	792,858	-	1,011,491
Unallocated corporate liabilities	-	-	-	-	-	-	7,216
Consolidated total liabilities							<u>1,018,707</u>
OTHER SEGMENT INFORMATION							
Additions to non-current assets other than financial instruments and deferred tax assets	3,673	10,955	2,188	366	123	-	17,305
Depreciation	(3,412)	(12,748)	(2,098)	(563)	(419)	-	(19,240)
Other material non-cash items:							
- Gain on disposal of:-	-	-	-	3,435	-	-	3,435
- investment properties	17,288	1	197	-	5	-	17,491
- property, plant and equipment	-	-	-	-	1,080	-	1,080
- Fair value gain on interest rate swap	-	-	-	-	(4,256)	-	(4,256)
- Fair value loss on preference shares	-	-	-	-	-	-	-
- (Impairment loss)/Reversal of impairment loss on:-							
- associates	(58,751)	-	-	-	-	-	(58,751)
- property, plant and equipment	(1,645)	-	-	-	-	-	(1,645)
- Gain/(Loss) in foreign exchange (unrealised)	488	-	(290)	-	5,010	-	5,208
- Property, plant, and equipment written off	(1,347)	(70)	-	-	-	-	(1,417)
- Writeback of provision for restoration cost	(1,408)	-	-	-	-	-	(1,408)

33. Operating Segments Of The Group (Cont'd)

(ii) Geographical segments

	Revenue		Assets Employed		Capital Expenditure	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	190,158	231,584	568,092	554,405	5,125	7,731
Asia-Pacific	11,250	15,527	194,707	218,418	760	52
Australia	257	215	5,857	5,213	-	-
North America	-	-	321,638	322,966	-	-
United Kingdom	96,135	145,574	340,963	521,941	4,602	9,522
Total	297,800	392,900	1,431,257	1,622,943	10,487	17,305

(iii) Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

34. Financial Instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

I. Financial Risk Management Policies

(a) Market Risk

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of its normal operations, both external and intra-group where the currency denomination differs from the functional currencies of the operating entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), British Pound ("GBP"), United States Dollar ("USD") and Hong Kong Dollar ("HKD"). The policy of the Group is to minimise the exposure of overseas operating subsidiaries to transaction risk by matching local currency income against local currency costs.

The Group is also exposed to foreign currency risk in respect of its overseas investments.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	SGD RM'000	GBP RM'000	USD RM'000	HKD RM'000
2020				
<u>Financial assets</u>				
Trade and other receivables	2,239	3,049	577	2,554
Deposits, bank balances and cash	5,974	26,772	17,802	7,148
Other investments	615	-	1,016	58
	8,828	29,821	19,395	9,760
<u>Financial liabilities</u>				
Borrowings	-	(452,732)	-	-
Trade and other payables	(836)	(31,805)	(82,672)	(1,143)
	(836)	(484,537)	(82,672)	(1,143)
Net financial assets/(liabilities)	7,992	(454,716)	(63,277)	8,617
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(8,126)	460,977	71,205	(8,649)
Currency Exposure	(134)	6,261	7,928	(32)
2019				
<u>Financial assets</u>				
Trade and other receivables	1,734	13,380	193	1,402
Deposits, bank balances and cash	3,726	49,433	21,551	11,398
	5,460	62,813	21,744	12,800
<u>Financial liabilities</u>				
Borrowings	-	(468,526)	-	-
Trade and other payables	(792)	(38,179)	(72,101)	(1,120)
	(792)	(506,705)	(72,101)	(1,120)
Net financial assets/(liabilities)	4,668	(443,892)	(50,357)	11,680
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(4,602)	443,917	71,155	(11,164)
Currency Exposure	66	25	20,798	516

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the SGD, GBP, USD and HKD against the respective functional currencies of the Group entities, with all other variables held constant:-

		Group	
		2020	2019
		RM'000	RM'000
Effects on loss after taxation			
SGD/RM	- strengthened by 10%	-10	+5
	- weakened by 10%	+10	-5
GBP/RM	- strengthened by 10%	+476	+2
	- weakened by 10%	-476	-2
USD/RM	- strengthened by 10%	+603	+1,581
	- weakened by 10%	-603	-1,581
HKD/RM	- strengthened by 10%	-2	+39
	- weakened by 10%	+2	-39

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from borrowings and derivative liability with variable rate. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and term deposits are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 26 and 31 to the financial statements.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by 0.5% with all other variables held constant:

		Group	
		2020	2019
		RM'000	RM'000
Effects on loss after taxation			
	- increased by 0.5% (2019: 0.5%)	-3,081	-3,125
	- decreased by 0.5% (2019: 0.5%)	+3,081	+3,125



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

Equity price risk is the risk that the fair value or future cash flow of financial instruments will fluctuate because of changes in market price in equity instruments. The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Sensitivity analysis for equity price risk

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:-

	Group	
	2020	2019
	RM'000	RM'000
Effects on loss after taxation		
- increased by 5% (2019: 5%)	+818	+1,236
- decreased by 5% (2019: 5%)	-818	-1,236
Effects on other comprehensive income		
- increased by 5% (2019: 5%)	+241	+256
- decreased by 5% (2019: 5%)	-241	-256

(b) Credit Risk

Credit risk is the risk that a counterparty is unable to pay its debts or meet its obligations. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade and other receivables, details of which are disclosed in Note 18 to the financial statements. For other financial assets (including quoted investments, deposits, bank balances and cash and derivatives), the Group minimises credit risks by dealing exclusively with high credit rating counter parties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Credit risk concentration profile

Management believes that concentration of credit risk is limited due to the large number of receivables of the Group and of the Company who are dispersed over a broad spectrum of industries and businesses other than:

- amounts owing by associates of RM64,402,000 (2019: RM63,211,000), which contributes 47.6% (2019: 49.8%) of receivables of the Group; and
- amounts owing by subsidiaries of RM232,955,000 (2019: RM317,983,000), which represents 100% (2019: 100%) of receivables of the Company.

The exposure of credit risk for trade receivables net allowance for impairment losses, as at the end of the reporting period by geographical region was:-

	Group	
	2020	2019
	RM'000	RM'000
Malaysia	33,893	20,772
United Kingdom	224	4,992
United States	578	193
Hong Kong	1,044	1,215
Singapore	2,177	1,622
	37,916	28,794

Assessment of impairment losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets and debt investments at fair value through other comprehensive income are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customer or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 120 days, are deemed credit impaired.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Assessment of impairment losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Export sales made are generally accompanied by letters of credit or advance payments and therefore, there is minimal exposure to credit risk. Furthermore, outstanding trade receivables are largely collected within the credit term.

For property development, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

The information about the exposure to credit risk and movements in the loss allowances calculated under MFRS 9 for trade receivables is disclosed in Notes 18(a) and 18(i) to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss is disclosed in Note 18(a) to the financial statements.

Deposits, Bank Balances and Cash

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. At the end of the reporting period, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Assessment of impairment losses (Cont'd)

Amounts Owing By Subsidiaries and Amounts Owing By Associates (Non-trade Balances)

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Group considers loans and advances to subsidiaries and associates have low credit risks. The Group assumes that there is a significant increase in credit risk when the subsidiary's and associate's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the loans and advances when they are payable, the Group considers the loans and advances to be in default when they are payable, the Group considers the loans and advances to be in default when the subsidiaries and the associates are not able to pay when demanded. The Group considers a subsidiary's and an associate's loan or advance to be credit impaired when the subsidiary and the associate is unlikely to repay its loan or advance in full or the subsidiary and the associate are continuously loss making or having a deficit in its total equity.

The Group determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated for the amounts owing by subsidiaries and amounts owing by associates (non-trade balances) is summarised below:-

Amounts Owing By Subsidiaries (Non-trade Balances)

Company	Gross amount RM'000	12-month loss allowance RM'000	Lifetime loss allowance RM'000	Carrying amount RM'000
2020				
Low credit risk	10,396	-	-	10,396
Credit impaired	1,130,792	-	(908,233)	222,559
	1,141,188	-	(908,233)	232,955
2019				
Low credit risk	37,956	(1,355)	-	36,601
Credit impaired	2,938,956	-	(2,657,574)	281,382
	2,976,912	(1,355)	(2,657,574)	317,983

Amounts Owing By Associates (Non-trade Balances)

Group	Gross amount RM'000	Lifetime loss allowance RM'000	Carrying amount RM'000
2020			
Significant increase in credit risk	101,894	(37,492)	64,402
2019			
Significant increase in credit risk	102,750	(39,539)	63,211

The movements in the loss allowances are disclosed in Note 18 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

Assessment of impairment losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises from the management of working capital of the Group. It is the risk that the Group will encounter difficulty in meeting its financial obligation when due.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected borrowing needs are covered by committed facilities and also to ensure that the amount of debt maturing in any one year is within the means of the Group to repay and refinance.

Maturity Analysis

The table below summarises the maturity profile of the financial liabilities at the end of each of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted average effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2020						
Group						
Non-derivative financial liabilities						
Trade and other payables	0.0% - 3.0%	181,448	181,448	181,448	-	-
Borrowings	4.3% - 6.8%	811,160	903,721	138,776	747,256	17,689
		992,608	1,085,169	320,224	747,256	17,689
Company						
Non-derivative financial liabilities						
Trade and other payables	0.0% - 5.6%	485,964	485,964	485,964	-	-
Borrowings	8.7%	11,000	12,797	1,000	9,770	2,027
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	736,953	736,953	-	-
		496,964	1,235,714	1,223,917	9,770	2,027

34. Financial Instruments (Cont'd)

I. Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

	Weighted average effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2019						
Group						
Non-derivative financial liabilities						
Trade and other payables	0.0% - 3.6%	173,825	173,825	173,825	-	-
Borrowings	4.0% - 8.0%	822,234	882,678	541,715	319,189	21,774
Derivative financial liability						
Interest rate swap (net settled)	4.3%	1,191	1,191	1,191	-	-
		997,250	1,057,694	716,731	319,189	21,774
Company						
Non-derivative financial liabilities						
Trade and other payables	0.0% - 5.8%	496,772	496,772	496,772	-	-
Borrowings	9.2%	13,000	15,572	2,000	10,413	3,159
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	727,371	727,371	-	-
		509,772	1,239,715	1,226,143	10,413	3,159

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

II. Capital Management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains from that in the previous financial year.

The Group and the Company monitor capital using gearing ratio, which is the amount of borrowings (Note 26 to the financial statements) divided by total equity. The Group's and the Company's policy is to keep the gearing ratio within manageable levels.

Capital represents equity attributable to the owners of the Company and non-controlling interests.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Total debts	811,160	822,234	11,000	13,000
Total equity	424,279	604,236	473,324	497,526
Gearing ratio	1.91	1.36	0.02	0.03



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd)

III. Categories of Financial Instruments

Financial assets	Amortised cost RM'000	Fair value through profit or loss RM'000	Fair value through other comprehensive income RM'000	Total RM'000
Group				
2020				
Investment in unquoted preference shares	-	148,839	-	148,839
Other investments	-	16,157	6,335	22,492
Short-term investments	-	5,372	-	5,372
Trade and other receivables	121,585	-	-	121,585
Deposits, bank balances and cash	206,494	-	-	206,494
	328,079	170,368	6,335	504,782
2019				
Investment in unquoted preference shares	-	143,019	-	143,019
Other investments	-	32,535	6,729	39,264
Trade and other receivables	107,636	-	-	107,636
Deposits, bank balances and cash	209,049	-	-	209,049
	316,685	175,554	6,729	498,968
			Amortised cost RM'000	
Company				
2020				
Trade and other receivables				232,955
Deposits, bank balances and cash				464
				233,419
2019				
Trade and other receivables				317,983
Deposits, bank balances and cash				131
				318,114



34. Financial Instruments (Cont'd)

III. Categories of Financial Instruments (Cont'd)

	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
Financial liabilities			
Group			
2020			
Borrowings	-	811,160	811,160
Trade and other payables	-	181,448	181,448
	-	992,608	992,608
2019			
Borrowings	-	822,234	822,234
Trade and other payables	-	173,825	173,825
Interest rate swap	1,191	-	1,191
	1,191	996,059	997,250
Company			
2020			
Borrowings			11,000
Trade and other payables			485,964
			496,964
2019			
Borrowings			13,000
Trade and other payables			496,772
			509,772



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd)

IV. Gains or Losses Arising from Financial Instruments

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains/(losses) recognised in profit or loss	1,047	(4,245)	-	-
<u>Equity Investments at Fair Value Through Other Comprehensive Income</u>				
Net losses recognised in profit or loss and other comprehensive income	(4,605)	(2,411)	-	-
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	7,618	8,790	(23,499)	(98,581)
Financial liabilities				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	-	1,080	-	-
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(44,007)	(45,303)	(10,468)	(11,153)

34. Financial Instruments (Cont'd)

V. Fair Value Information

(i) Fair values of financial instruments carried at fair value

(a) Quoted investments

The fair value of quoted investments is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

(b) Unquoted shares

The fair value of unquoted shares is determined to approximate the net assets of the investee as it is immaterial in the context of the financial statements.

(c) Unquoted preference shares

The fair value of unquoted preference shares is determined using discounted cash flow approach based on the pre-tax cash flow projections that approved by management based on the following significant unobservable inputs:-

- Discount rate of 7.22% (2019: 9.35%);
- Redemption at the subscription price paid; and
- 14% of the shares will be redeemed in 2024, 20% of the shares will be redeemed in 2025, 35% of the shares will be redeemed in 2031 and 31% of the remaining shares will be redeemed in 2038 (2019: 30% of the shares will be redeemed in 2024, 30% of the shares will be redeemed in 2025, 20% of the shares will be redeemed in 2030 and 20% of the remaining shares will be redeemed in 2034).

A reasonable possible change of the assumptions will change the fair value as follows:-

	2020 RM'000	2019 RM'000
Effects on loss after taxation		
Increase in discount rate by 1%	-11,849	-9,161
Reduction in discount rate by 1%	+13,362	+10,022
Early redemption by one year	+10,746	+13,372
Delay redemption by one year	-10,023	-12,229

In performing the sensitivity analysis above, it is assumed that other parameters will not change.

(d) Money market fund

The fair value of investments in money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(e) Other fund

The fair value of investment in other fund is based on the fund manager's statement at the reporting date.

(f) Convertible bond

The fair value of convertible bond has been derived based on estimated conversion value measured using market price of the bond issuer's shares as at 30 June 2020.

(g) Interest rate swap

In the previous financial year, the fair value of interest rate swap was estimated based on mark-to-market ("MTM") valuation of outstanding swap deal.



NOTES TO THE FINANCIAL STATEMENTS (C o n t ' d)

34. Financial Instruments (*Cont'd*)

V. Fair Value Information (*Cont'd*)

(ii) Fair values of financial instruments not carried at fair value

- (a) Financial instruments that are not carried at fair values and whose carrying amounts are a reasonable approximation of fair values.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables, term loans and revolving credits are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- (b) Hire-purchase

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For hire-purchase, the market rate of interest is determined by reference to similar credit agreements.

34. Financial Instruments (Cont'd)

V. Fair Value Information (Cont'd)

(iii) Fair value hierarchy

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amounts shown in the statements of financial position.

2020	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Group								
Financial assets								
Investments at fair value through other comprehensive income								
- Quoted shares in Malaysia	4,700	-	-	4,700	-	-	-	4,700
- Quoted shares outside Malaysia	3	-	-	3	-	-	-	3
- Unquoted shares outside Malaysia	-	-	1,632	1,632	-	-	-	1,632
Investments at fair value through profit or loss								
- Unquoted preference shares outside Malaysia	-	-	148,839	148,839	-	-	-	148,839
- Money market fund in Malaysia	-	16,102	-	16,102	-	-	-	16,102
- Other fund in Malaysia	-	5,372	-	5,372	-	-	-	5,372
Financial asset at fair value through profit or loss								
- Convertible bond outside Malaysia	-	55	-	55	-	-	-	55
Financial liabilities								
Other financial liabilities								
- Term loans and revolving credits	-	-	-	-	-	794,899	-	794,899

During the financial year ended 30 June 2020, there were no transfer between Level 1 and Level 2 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Financial Instruments (Cont'd) V. Fair Value Information (Cont'd)

(iii) Fair value hierarchy (Cont'd)

The following tables set out the financial instruments carried at fair value and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amounts shown in the statements of financial position. (Cont'd)

2019	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group								
Financial assets								
Investments at fair value through other comprehensive income								
- Quoted shares in Malaysia	5,452	-	-	-	-	-	5,452	5,452
- Quoted shares outside Malaysia	1,212	-	-	-	-	-	1,212	1,212
- Unquoted shares in Malaysia	-	-	65	-	-	-	65	65
Investments at fair value through profit or loss								
- Unquoted preference shares outside Malaysia	-	-	143,019	-	-	-	143,019	143,019
- Money market fund in Malaysia	-	32,480	-	-	-	-	32,480	32,480
Financial asset at fair value through profit or loss								
- Convertible bond outside Malaysia	-	55	-	-	-	-	55	55
Financial liabilities								
Financial liability at fair value through profit or loss								
- Interest rate swap	-	1,191	-	-	-	-	1,191	1,191
Other financial liabilities								
- Hire-purchase	-	-	-	-	-	818	818	818
- Term loans and revolving credits	-	-	-	-	802,678	-	802,678	802,678

During the financial year ended 30 June 2019, there were no transfer between Level 1 and Level 2 fair value measurements.

35. Capital And Other Commitments

(a) Capital commitments

i) Capital expenditures in respect of purchase of property, plant and equipment: -

	Group	
	2020	2019
	RM'000	RM'000
Purchase of equipment	233	1,599
Renovation	-	317
	233	1,916

ii) Other contractual commitments: -

Investment in limited partnership	3,283	-
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(b) Operating lease commitments

The Group has applied MFRS 16 using the modified retrospective approach. As a result, the following information are disclosures required by MFRS 117 'Leases':-

Group as a lessee

Non-cancellable operating lease commitments not provided for in the financial statements: -

	Group
	2019
	RM'000
Within 1 year	11,966
Between 1 year to 5 years	33,728
More than 5 years	129,658
	175,352

Group as a lessor

The Group lease out their investment properties under operating leases (as disclosed in Note 11 to the financial statements). The future minimum lease receivables under non-cancellable leases are as follows: -

	Group
	2019
	RM'000
Within 1 year	3,764
Between 1 year to 5 years	1,154
	4,918



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

36. Significant Events During The Financial Year

- (a) On 25 October 2019, the following dormant wholly-owned subsidiaries of Metrojaya Berhad, which is in turn a partly-owned subsidiary of Malayan United Industries Berhad ("MUI" or "the Company"), were dissolved by way of deregistration pursuant to Section 751 of the Companies Ordinance of Hong Kong:-
- i) Dixon Enterprise Limited
 - ii) East India Company (Hong Kong) Pte Limited
- (b) On 12 November 2019, MUI Properties Berhad ("MUIP") announced that Cesuco Trading Limited ("Cesuco"), a wholly-owned subsidiary of MUIP, which is in turn a partly-owned subsidiary of the Company, decided to convert the AUD\$1,500,000 secured convertible note of Nex Metals Explorations Ltd ("Nex Metals") together with the outstanding sum of AUD\$272,506.85 being accrued interest as at 1 November 2019, into 132,474,353 ordinary shares upon approval by Nex Metals' shareholders. This represents 40.73% of the enlarged share capital of Nex Metals at an issue price of AUD\$0.01338 per ordinary shares ("Proposed Conversion"). [see Note 37(c)]
- (c) On 20 December 2019, Corus Hotels Limited, an indirect wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement with AR Land Investments Ltd to dispose its development site at Ferrymuirgait, South Queensferry, Edinburgh EH30 9SF, for a disposal consideration of £7,200,000 (equivalent to RM38.2 million). The disposal was completed on 18 February 2020.
- (d) On 6 January 2020, the following dormant wholly-owned subsidiaries of Metrojaya Berhad were struck off following an earlier application by both companies to the Companies Registry in Singapore to strike off the name from the Register:-
- i) East India Company (Singapore) Pte Ltd
 - ii) Metrojaya Reject Shop Pte Ltd
- (e) On 24 January 2020, MUI Singapore Private Limited, a wholly-owned subsidiary of the Company, entered into a shares sale agreement with Yap Zhenglin Nelson, Damien Tan Soo Chen and Ark Global Capital Pte Ltd to acquire 40,000 ordinary shares representing 20% of the entire issued and paid up share capital of The Benjamin Barker Group Pte. Ltd. ("BB") for a purchase consideration of S\$2,000,000 (equivalent to RM6.1 million). The transaction has been completed and BB has become an indirect associate of the Company.
- (f) On 8 February 2020, Twin Phoenix Sdn Bhd, an inactive indirect wholly-owned subsidiary of Pan Malaysia Holdings Berhad, which is in turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 459(5) of the Companies Act, 2016.
- (g) On 8 February 2020, the following inactive wholly-owned subsidiaries of Pan Malaysia Corporation Berhad, which is in turn a partly-owned subsidiary of the Company, were dissolved pursuant to Section 459(5) of the Companies Act, 2016:-
- i) Jaguh Padu Sdn Bhd
 - ii) Panorama Scope Sdn Bhd
 - iii) United Pace Sdn Bhd
 - iv) Uniwell Nominees (Tempatan) Sdn Bhd
- (h) The following inactive wholly-owned subsidiaries of MUIP, which is in turn a partly-owned subsidiary of the Company, were dissolved pursuant to Section 459(5) of the Companies Act, 2016:-

	<u>Date of Dissolution</u>
i) Intercontinental Properties Sdn Bhd	13 February 2020
ii) Lembaran Makmur Sdn Bhd	8 February 2020

36. Significant Events During The Financial Year *(Cont'd)*

- (i) On 23 March 2020, an associate of the Group, Laura Ashley Holdings plc ("LAH") appointed Rob Lewis and Zelf Hussain of PwC as Administrators of LAH and its named subsidiaries. The ordinary shares of LAH were cancelled from listing and trading on the main market of the London Stock Exchange following the appointment of the Administrators.

The Group has discontinued the use of equity method to account for its investment in LAH effective 23 March 2020. A loss on derecognition amounting to RM111.8 million has been taken up in the financial statements of the Group for the financial year ended 30 June 2020.

- (j) On 18 April 2020, Mecomas Pty Limited, a company incorporated in Australia and a dormant indirect wholly-owned subsidiary of MUIP, was deregistered from the Australian Securities and Investments Commission pursuant to Section 601AA(4) of the Corporations Act 2001.
- (k) On 27 May 2020, the following dormant wholly-owned subsidiaries of Metrojaya Berhad commenced members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016:-
- i) East India Company Clothing (Malaysia) Sdn Bhd
 - ii) Metrojaya Department Stores Sdn Bhd
- (l) On 30 June 2020, MJ Properties Sdn Bhd, an indirect 98.21%-owned subsidiary of the Company, entered into a sale and purchase agreement with Iman Ikhlas (M) Sdn Bhd to dispose of a freehold retail space known as Lot 3A-B, G-M01, Basement and Ground Floor of Kompleks Bukit Jambul, Jalan Rumbia, Bayan Lepas, 11900 Penang, with a lettable floor area of approximately 145,843 square feet for a disposal price of RM25,500,000.
- (m) In June 2020, the Group entered into a Subscription Agreement with Genesis Alternatives Ventures I L.P. in respect of a subscription of interest as a limited partner of Genesis Alternatives Ventures I L.P. amounting to USD1.0 million. As at 30 June 2020, the Group has invested USD233,590 (equivalent to RM1,016,000) for the subscription.
- (n) The outbreak of COVID-19 in early 2020 has affected the business and economic environment of the Group. Both the government and private sector have taken measures to contain the spread of the virus such as travel bans, quarantines, closures of non-essential services and physical distancing, all of which have impacted the Group's operations directly or indirectly. Although the Group has applied some critical judgements in its accounting policies as disclosed in Note 4(bb)(xiv), the full impact of the COVID-19 pandemic on the Group's financial statements cannot be reasonably quantified at this juncture.

37. Significant Events Occurring After The Financial Year

- (a) On 7 August 2020, the Group disposed of 10.0 million number of MUIP shares in the open market for a total consideration of RM4,926,000.
- (b) The disposal of a property, plant and equipment which was classified as an asset held for sale with carrying amount of RM3,554,000 was completed on 18 August 2020.
- (c) In respect of Note 36(b): On 4 September 2020, MUIP announced that by reason of Nex Metals' failure to convene an Extraordinary General Meeting to seek its shareholders' approval for the Proposed Conversion in accordance with the requirements of the agreements between Cesuco and Nex Metals, the Proposed Conversion has automatically terminated and Nex Metals became obliged to pay to Cesuco the sum of AUD1,500,000 plus accrued interest. On 9 September 2020, Cesuco received the sum of AUD\$1,500,000 plus accrued interest from Nex Metals.
- (d) In September 2020, the Group increased its subscription commitment in Genesis Alternative Ventures I L.P. from USD1.0 million to USD 2.0 million. As at 7 October 2020, the Group has invested a total of USD792,039 (equivalent to RM3,355,000) for the subscription.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38. Material Litigation

On 28 February 2019, MJ Department Stores Sdn Bhd (“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 (“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 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.

39. Related Party Disclosures

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related party could be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries and the following:-

- (i) A corporate shareholder of the Company in which a director of the Company has financial interests;
- (ii) Associates and joint venture of the Group as disclosed in Note 41 to the financial statements; and
- (iii) Key management personnel (including Directors).

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: -

	Group		Company	
	2020	2019	2020	2019
	RM’000	RM’000	RM’000	RM’000
Corporate Shareholder: -				
Interest income	484	484	-	-
Associates: -				
Interest expense	2,220	1,958	-	-
Management fees	41	12	-	-
Purchase of inventories	127	316	-	-
Subsidiaries: -				
Dividend income	-	-	17,300	177
Interest income	-	-	1,011	1,252
Interest expense	-	-	9,457	9,901
Repayments	-	-	14,250	27,625

39. Related Party Disclosures (Cont'd)

- (c) Material balances with related parties at the end of the reporting period are disclosed in Notes 18 and 30 to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

- (d) Compensation of key management personnel

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Short term employee benefits	5,663	7,426	335	471
Defined contribution plan	270	502	-	47
	5,933	7,928	335	518

40. Comparative Information

The following figures have been reclassified to conform with the presentation of the current financial year:

	Group	
	As	As
	Restated	Previously
	RM'000	Reported
	RM'000	RM'000
Statements of Financial Position (Extract):		
Current Assets		
- Other investments	32,535	55
- Deposits, bank balances and cash	209,049	241,529



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

41. SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020 %	2019 %		
* 1. Acquiline Sdn Bhd	100	100	Investment holding	Malaysia
* 2. Alameda Enterprises Limited	100	100	Investment holding	British Virgin Islands
* 3. Ample Line Sdn Bhd	100	100	Investment holding	Malaysia
* 4. Ascada Sdn Bhd	100	100	Investment holding	Malaysia
* 5. Carulli Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 6. Continental Capitals Sdn Bhd	100	100	Investment holding	Malaysia
* 7. Corus Hospitality Sdn Bhd	100	100	Inactive	Malaysia
* 8. Corus Hotels Sdn Bhd	100	100	Investment holding	Malaysia
* 9. Creative Vest (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 10. Davson Limited	100	100	Dormant	Hong Kong
* 11. Farrago Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Fuchsia Enterprises Limited	100	100	Investment holding	British Virgin Islands
* 13. Libertyray (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 14. London Vista Hotel Limited	100	100	Investment holding & hotel operations	United Kingdom
* 15. Loyal Design Sdn Bhd	100	100	Investment holding	Malaysia
+ 16. Malayan United Management Sdn Bhd	100	100	Management services	Malaysia
* 17. Malayan United Security Services Sdn Bhd	100	100	Security services	Malaysia
* 18. Marco Polo Trading Sdn Bhd	100	100	Investment holding	Malaysia
+ 19. Metrojaya Berhad	98.21	98.21	Investment holding	Malaysia
+ 20. Ming Court Hotel (KL) Sdn Bhd	100	100	Hotel operations	Malaysia
* 21. Ming Court Hotels International Sdn Bhd	100	100	Inactive	Malaysia
* 22. MUI Asia Limited	100	100	Investment holding	Hong Kong
* 23. MUI Capital Sdn Bhd	100	100	Investment holding & money lending	Malaysia
* 24. MUI China Limited	100	100	Investment holding	Hong Kong
* 25. MUI Enterprises Limited	100	100	Investment holding	Hong Kong
* 26. MUI Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
* 27. MUI Media Ltd	100	100	Investment holding	British Virgin Islands
* 28. MUI Philippines, Inc	100	100	Investment holding	Philippines
+ 29. MUI Properties Berhad	74.32	74.32	Investment holding	Malaysia
* 30. MUI Singapore Private Limited	100	100	Investment holding	Singapore
* 31. Natloyal (M) Sdn Bhd	100	100	Property investment	Malaysia
* 32. Novimax (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 33. Oriental Omega Sdn Bhd	100	100	Investment holding	Malaysia
+ 34. Pan Malaysia Corporation Berhad	66.51	66.51	Investment holding	Malaysia
+ 35. Pan Malaysia Holdings Berhad	69.19	69.19	Investment holding	Malaysia



**41. SUBSIDIARIES AND ASSOCIATES OF
MALAYAN UNITED INDUSTRIES BERHAD (Cont'd)**

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020	2019		
	%	%		
* 36. Regal Classic Sdn Bhd	100	100	Investment holding	Malaysia
* 37. Tarrega Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 38. Two Holdings Sdn Bhd	100	100	Property investment	Malaysia
* 39. United Review (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 40. Universal Growth Limited	100	100	Investment holding	British Virgin Islands

Subsidiaries of Malayan United Industries Berhad which are placed under members' voluntary winding up and are not consolidated

Subsidiary	Equity Interest (Nominal)		Country of Incorporation
	2020	2019	
	%	%	
Φ 1. MUI Continental Berhad	52.21	52.21	Malaysia



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

41. SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD (Cont'd)

At 30 June 2020

Associate		Equity Interest (Nominal)		Principal Activities	Country of Incorporation
		2020	2019		
		%	%		
*	1. Asia Pacific Media Corporation	50	50	Inactive	U.S.A.
*	2. Asian Capital Equities, Inc	20	20	Inactive	Philippines
*	3. The Benjamin Barker Group Pte. Ltd.	20	-	Design, sourcing, distribution & sale of clothing and accessories	Singapore
*	4. Farrago Holdings, Inc	40	40	Investment holding	Philippines
α *	5. Laura Ashley Holdings plc	35.17	35.17	Design, sourcing, distribution & sale of clothing, accessories & home furnishings	United Kingdom
*	6. Mansara International Limited	35	35	Investment holding	British Virgin Islands
Ω *	7. Pan Malaysia Capital Berhad	46.19	46.19	Investment holding	Malaysia
*	8. Regent Corporation	49	49	Investment holding	U.S.A.
*	9. Zhaodaola Limited	26.25	26.25	Inactive	Bermuda

Subsidiaries of Regent Corporation (The list comprises major subsidiaries only)

Subsidiary		Equity Interest (Nominal)		Principal Activities	Country of Incorporation
		2020	2019		
		%	%		
*	1. Laura Ashley (North America), Inc	100	100	Licensing and sub- licensing trademarks and copyright designs	U.S.A.
*	2. Regent Carolina Corporation	100	100	Resort operation & property investment	U.S.A.
*	3. Regent Park Corporation	100	100	Property investment	U.S.A.

Subsidiaries of Pan Malaysia Capital Berhad (The list comprises major subsidiaries only)

Subsidiary		Equity Interest (Nominal)		Principal Activities	Country of Incorporation
		2020	2019		
		%	%		
*	1. PCB Asset Management Sdn Bhd	100	100	Research & fund management services	Malaysia
*	2. PM Securities Sdn Bhd	100	100	Stock & sharebroking & corporate advisory services	Malaysia
*	3. Pan Malaysia Equities Sdn Bhd	100	100	Property & investment holding	Malaysia

41. SUBSIDIARIES OF MUI PROPERTIES BERHAD

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020 %	2019 %		
* 1. Appreplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 2. Bahtera Muhibbah Sdn Bhd	100	100	Investment holding	Malaysia
* 3. Cesuco Trading Limited	100	100	Investment holding	Hong Kong
* 4. CSB Sdn Bhd	100	100	Investment holding	Malaysia
* 5. CSB Holdings Sdn Bhd	100	100	Property investment	Malaysia
* 6. Dirnavy Pty Limited	100	100	Inactive	Australia
* 7. Elegantplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 8. Heritage Challenger (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 9. Indanas Sdn Bhd	100	100	Investment holding	Malaysia
* 10. Integrated Mark (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 11. Lambaian Maju Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Lunula Pty Limited	100	100	Property investment	Australia
* 13. Malayan United Realty Sdn Bhd	100	100	Property investment & investment holding	Malaysia
* 14. Ming Court Hotel (Vancouver) Ltd	100	100	Investment holding	Canada
* 15. MUI Australia Pty Ltd	100	100	Investment holding	Australia
* 16. MUI Carolina Corporation	100	100	Property investment & development	U.S.A.
* 17. MUI Investments (Canada) Ltd	100	100	Investment holding	Canada
* 18. MUI Plaza Sdn Bhd	100	100	Investment holding	Malaysia
* 19. MUI Property Services Sdn Bhd	100	100	Property services	Malaysia
* 20. Peristal Enterprise Sdn Bhd	100	100	Investment holding	Malaysia
* 21. Portico Sdn Bhd	100	100	Property development	Malaysia
* 22. Prescada Sdn Bhd	100	100	Investment holding	Malaysia
* 23. Unique Octagon Sdn Bhd	100	100	Investment holding	Malaysia
+ 24. West Synergy Sdn Bhd	60	60	Property investment & development	Malaysia

Subsidiaries of MUI Properties Berhad which are under liquidation and are not consolidated

Subsidiary	Equity Interest (Nominal)		Country of Incorporation
	2020 %	2019 %	
~ 1. Intercontinental Properties Sdn Bhd	-	100	Malaysia
∞ 2. Lembaran Makmur Sdn Bhd	-	100	Malaysia
■ 3. Superex Sdn Bhd	100	100	Malaysia
ψ 4. Mecomas Pty Limited	-	100	Australia



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

41. SUBSIDIARIES AND JOINT VENTURE OF PAN MALAYSIA CORPORATION BERHAD

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020	2019		
	%	%		
* 1. Baiduri Pertama Sdn Bhd	100	100	Investment holding	Malaysia
* 2. GCIH Trademarks Limited	100	100	Licensing of trademarks	Hong Kong
* 3. Pan Malaysia Ventures Sdn Bhd (<i>formerly known as Gelombang Sinar Sdn Bhd</i>)	100	100	Investment holding	Malaysia
* 4. Jomuda Sdn Bhd	100	100	Investment holding	Malaysia
* 5. Megafort Sdn Bhd	100	100	Investment holding	Malaysia
* 6. Megawise Sdn Bhd	100	100	Money lending licence	Malaysia
* 7. Network Foods International Ltd	100	100	Investment holding	Singapore
* 8. Pan Malaysia Management Sdn Bhd	100	100	Inactive	Malaysia
* 9. Pan Malaysia-Singapore Holdings (Pte) Ltd	100	100	Investment holding	Singapore
* 10. PMRI Investments (Singapore) Pte Ltd	100	100	Investment holding	Singapore
* 11. Taraf Sanjung (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Tunas Juara Sdn Bhd	100	100	Investment holding	Malaysia

Joint Venture	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020	2019		
	%	%		
* 1. Baker & Cook (M) Sdn Bhd	50	50	Operating food and beverage outlet	Malaysia

Subsidiaries of Network Foods International Ltd

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020	2019		
	%	%		
* 1. Danau Gelombang Sdn Bhd	100	100	Inactive	Malaysia
* 2. Network Foods Distribution Pte Ltd	100	100	Warehousing and distribution of chilled products, confectionery products and snack foods	Singapore
* 3. Network Foods (Hong Kong) Limited	100	100	Distribution of chocolates and other food and beverage products	Hong Kong
+ 4. Network Foods Industries Sdn Bhd	100	100	Manufacturing and trading of consumer chocolate products	Malaysia
+ 5. Network Foods (Malaysia) Sdn Bhd	100	100	Marketing and distribution of chocolates, confectionery and beverage products	Malaysia
* 6. Quintrinox Pte Ltd	100	100	Investment holding	Singapore
* 7. Tiffany Enterprise Sdn Bhd	100	100	Dormant	Malaysia



**41. SUBSIDIARIES OF
PAN MALAYSIA CORPORATION BERHAD (Cont'd)**

At 30 June 2020

Subsidiaries of Pan Malaysia Corporation Berhad which are placed under members' voluntarily winding-up/dissolved and are not consolidated

Subsidiary	Equity Interest (Nominal)		Country of Incorporation
	2020	2019	
	%	%	
∞ 1. Jaguh Padu Sdn Bhd	-	100	Malaysia
∞ 2. Panorama Scope Sdn Bhd	-	100	Malaysia
∞ 3. United Pace Sdn Bhd	-	100	Malaysia
z 4. Uniwell Nominees (Tempatan) Sdn Bhd	-	100	Malaysia
■ 5. Plumblin Sdn Bhd	100	100	Malaysia



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

41. SUBSIDIARIES OF PAN MALAYSIA HOLDINGS BERHAD

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020	2019		
	%	%		
* 1. Golden Carps Pte Ltd	100	100	Inactive	Singapore
* 2. Grandvestment Company Limited	100	100	Dormant	Hong Kong
+ 3. Pengkalen Holiday Resort Sdn Bhd	100	100	Operating a hotel	Malaysia

Subsidiaries of Pan Malaysia Holdings Berhad which are under liquidation and are not consolidated

Subsidiary	Equity Interest (Nominal)		Country of Incorporation
	2020	2019	
	%	%	
1. Asia Entertainment Network Sdn Bhd	60	60	Malaysia
2. Office Business Systems (Malacca) Sdn Bhd	41.67	41.67	Malaysia
3. Office Business Systems (Penang) Sdn Bhd	64.10	64.10	Malaysia
4. Office Business Systems Sdn Bhd	64.10	64.10	Malaysia
5. Pengkalen Building Materials Sdn Bhd	100	100	Malaysia
6. Pengkalen Electronics Industries Sdn Bhd	67	67	Malaysia
7. Sensor Equipment Sdn Bhd	64.10	64.10	Malaysia
8. Technitone (M) Sdn Bhd	64.10	64.10	Malaysia
€ 9. Pan Malaysia Travel & Tours Sdn Bhd	100	100	Malaysia
● 10. Twin Phoenix Sdn Bhd	-	100	Malaysia
¢ 11. Pengkalen Foodservices Sdn Bhd	100	100	Malaysia

41. SUBSIDIARIES OF METROJAYA BERHAD

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020 %	2019 %		
☼* 1. East India Company Clothing (Malaysia) Sdn Bhd	100	100	Dormant	Malaysia
+ 2. EIC Clothing Sdn Bhd	100	100	Operating of specialty stores	Malaysia
#+ 3. Laura Ashley (SEA) Sdn Bhd	100	100	Operating of specialty stores	Malaysia
+ 4. Living Quarters Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 5. Metro Multiples Sdn Bhd	100	100	Investment holding	Malaysia
☼* 6. Metrojaya Department Stores Sdn Bhd	100	100	Dormant	Malaysia
* 7. Millionmart Sdn Bhd	100	100	Investment holding	Malaysia
* 8. MJ Cape Cod Sdn Bhd	100	100	Operating of specialty stores	Malaysia
+ 9. MJ Department Stores Sdn Bhd	100	100	Operating of department stores	Malaysia
* 10. MJ Properties Sdn Bhd	100	100	Property investment and investment holding	Malaysia
* 11. MJ Reject Shop Sdn Bhd	100	100	Dormant	Malaysia
+ 12. MJ Reject Shop (2002) Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 13. MJ Somerset Bay Sdn Bhd	100	100	Operating of specialty stores	Malaysia

Subsidiaries of Metrojaya Berhad which are under liquidation and are not consolidated

Subsidiary	Equity Interest (Nominal)		Country of Incorporation
	2020 %	2019 %	
◆ 1. Dixon Enterprise Limited	-	100	Hong Kong
◆ 2. East India Company (Hong Kong) Pte Limited	-	100	Hong Kong
0 3. East India Company (Singapore) Pte Ltd	-	100	Singapore
0 4. Metrojaya Reject Shop Pte Ltd	-	100	Singapore



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

41. SUBSIDIARIES OF LONDON VISTA HOTEL LIMITED

At 30 June 2020

Subsidiary	Equity Interest (Nominal)		Principal Activities	Country of Incorporation
	2020	2019		
	%	%		
* 1. Corus Hotels Limited	100	100	Investment holding & hotel operations	United Kingdom
* 2. Belsfield LLP	61.11	61.11	Hotel operations	United Kingdom
* 3. County Hotels Group Limited	100	100	Investment holding & hotel operations	United Kingdom
* 4. County Hotels Limited	61.11	61.11	Hotel operations	United Kingdom
* 5. Delaquest Limited	100	100	Investment holding & hotel operations	United Kingdom
* 6. Dionball Limited	100	100	Investment holding & hotel operations	United Kingdom
* 7. Echostand Limited	100	100	Dormant	United Kingdom
* 8. Flamepro Limited	100	100	Hotel operations	United Kingdom
Δ * 9. No. 1 Cigar Club Limited	36.80	36.80	Dormant	United Kingdom
* 10. Patrolmake Limited	100	100	Investment holding & hotel operations	United Kingdom
* 11. Plaza On Hyde Park Limited	100	100	Hotel operations	United Kingdom
* 12. The Imperial Crown Hotel Limited	100	100	Hotel operations	United Kingdom
* 13. The Restaurant Partnership plc	62.50	62.50	Restaurant operations	United Kingdom

Subsidiaries of London Vista Hotel Limited which are under liquidation and are not consolidated

Subsidiary	Equity Interest (Nominal)		Country of Incorporation
	2020	2019	
	%	%	
π 1. Rose & Crown VCT Limited	100	100	United Kingdom
π 2. Shandwick Leisure Limited	100	100	United Kingdom
π 3. Styletune Limited	100	100	United Kingdom



- + *Subsidiaries audited by Crowe Malaysia PLT*
- * *Subsidiaries and associates not audited by Crowe Malaysia PLT.*
- Δ *The Restaurant Partnership plc held 58.81% equity interest in No. 1 Cigar Club Limited.*
- *Placed under members' voluntary winding up on 21 June 2019.*
- Ω *Associate where its financial statements contained an unqualified modified auditor's report due to the appropriateness of the going concern assumption in the preparation of its financial statements.*
- Φ *Placed under members' voluntary winding up on 3 July 2017.*
- ∞ *Placed under members' voluntary winding up on 23 March 2018 and was dissolved on 8 February 2020.*
- ε *Placed under members' voluntary winding up on 14 September 2017.*
- ~ *Placed under members' voluntary winding up on 10 August 2018 and was dissolved on 13 February 2020.*
- ¢ *Placed under members' voluntary winding up on 23 May 2018.*
- α *Placed under Administration on 23 March 2020*
- z *Placed under members' voluntary winding up on 22 October 2018 and was dissolved on 8 February 2020.*
- θ *Applied for striking off on 9 September 2019 and was dissolved on 6 January 2020.*
- ◆ *Applied for striking off on 4 June 2019 and was dissolved on 25 October 2019.*
- ☼ *Placed under winding up on 27 May 2020.*
- ψ *Dissolved on 18 April 2020.*
- π *Applied for striking off on 4 August 2020.*
- *Placed under members' voluntary winding up on 23 May 2018 and was dissolved on 8 February 2020.*
- # *The auditor's report on the financial statements of this subsidiary contained disclaimer opinion as there are uncertainties that may cast significant doubt on the ability of this subsidiary to continue as going concern.*



PROPERTIES OWNED BY THE GROUP

At 30 June 2020

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Carrying Amount RM'000</i>
MALAYSIA			
Federal Territory of Kuala Lumpur			
1 lot of freehold land with a 13-storey hotel, known as Corus Hotel Kuala Lumpur, Jalan Ampang, Kuala Lumpur (Date of last valuation: December 1982)	6,010	35	52,095
1 lot of freehold land at Section 43, Jalan Mayang, Kuala Lumpur, held for development.	1,478	-	36,099
1 lot of freehold land with 2 units of double-storey buildings at 189, Jalan Ampang, Kuala Lumpur (Date of acquisition: August 1991)	3,540	27	7,297
1 lot of freehold land with a 10 units, four storey apartment building at 191, Jalan Ampang, Kuala Lumpur (Date of acquisition: July 2007)	3,056	25	24,071
State of Selangor Darul Ehsan			
6 lots of freehold land at Seksyen 3, Pekan Batu Tiga, Mukim Damansara, Selangor Darul Ehsan (Date of last revaluation: December 1982)	771	-	165
Balance of freehold land held for residential development known as Vila Sri Ukay at Mukim of Hulu Kelang, Selangor Darul Ehsan (Date of acquisition: April 1995)	2,182	-	430
1 lot of leasehold industrial land with a factory and office building at Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2071) (Date of acquisition: September 1996)	10,800	49	7,276
1 lot of leasehold industrial land with factory and office building at Lot 614, Tapak Perusahaan Shah Alam, Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2068) (Date of acquisition: July 2009)	24,295	52	18,514

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Carrying Amount RM'000</i>
State of Pulau Pinang			
3 units of leasehold shoplots at 2B 1.02, 1.03 & 2.02, Komtar, Georgetown (Lease expires in 2080) (Date of acquisition: December 1995)	553	34	1,696
Freehold retail space comprising basement and ground floor of Kompleks Bukit Jambul, Jalan Rumbia, Penang (Date of acquisition: January 1996)	13,549	23	18,410
1 lot of leasehold land with an office and warehouse at no. 101-G, Lintang Kampong Jawa, Lot 4, Kawasan MIEL, Bayan Baru, Pulau Pinang (Lease expires in 2041) (Date of acquisition: September 1996)	976	38	1,009
1 unit of residential suite at Lot No. B-31-3, Southbay Plaza, Pulau Pinang (Date of acquisition: February 2013)	159	4	1,566
State of Negeri Sembilan Darul Khusus			
Balance of freehold land held for township development known as Bandar Springhill at Mukim of Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus (Date of acquisition: January 1995)	4,333,409	-	141,061
4 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson at Lots 286, 288, 289 and 848, Batu 3 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of acquisition: September 1996)	55,760	25	21,882
4 lots of freehold land held for future development at Jalan Tuanku Munawir, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition: November 2005)	19,534	-	30,196
State of Pahang Darul Makmur			
4 units of apartments at Block E Equatorial Hill Resort Cameron Highlands, Pahang Darul Makmur (Date of acquisition: May 2009)	583	20	1,008



PROPERTIES OWNED BY THE GROUP (Cont'd)

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Carrying Amount RM'000</i>
A U S T R A L I A			
1 lot of freehold land with building at no. 20, Kirby Court, West Hobart, Tasmania (Date of acquisition: October 1996)	24,970	42	4,419
U N I T E D S T A T E S O F A M E R I C A			
11 units of condominium, at a freehold condominium complex located within the Regent Park Complex in Fort Mill, South Carolina (Date of acquisition: March 1993)	994	25	2,557
H O N G K O N G			
1 unit of leasehold warehouse at Block 1, Unit C, 23 rd Floor, Kingsford Industrial Building, nos. 26-32 Kwai Hei Street, Kwai Chung, New Territories (Lease expires in 2047) (Date of acquisition: September 1996)	771	41	12,153
S I N G A P O R E			
1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore (Lease expires in 2096) (Date of acquisition: July 1999)	194	19	3,554
U N I T E D K I N G D O M			
1 lot of freehold land with a 66-room hotel known as The Illiffe Hotel at London Road, Toll Bar End, Coventry CV3 4EQ (Date of acquisition: November 2001)	13,240	168	12,495
1 lot of leasehold land with a 124-room hotel known as The St James' Hotel at St James Square, Grimsby DN31 1EP (Leases expires in 2071) (Date of acquisition: November 2001)	3,709	68	642
1 lot of freehold land with a 111-room hotel known as Corus hotel Solihull at Stratford Road, Shirley, Solihull B90 4EB (Date of acquisition: November 2001)	16,400	68	42,651
1 lot of freehold land with a 50-room hotel known as The Hillcrest Hotel at Cronton Lane, Widness, Cheshire WA8 9AR (Date of acquisition: November 2001)	2,003	68	5,792



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Carrying Amount RM'000</i>
UNITED KINGDOM			
1 lot of freehold land with a 62-room hotel known as Laura Ashley Hotel The Belsfield at Kendal Road, Bowness-on-Windermere, Cumbria LA23 3EL (Date of acquisition: November 2001)	28,050	175	34,858
1 lot of freehold land with a 82-room hotel known as Burnham Beeches Hotel at Grove Road, Burnham, Buckinghamshire SL1 8DP (Date of acquisition: November 2001)	31,830	293	56,341
1 lot of freehold land with a 388-room hotel known as Corus Hotel Hyde Park at Lancaster Gate, London W2 3LG (Date of acquisition: February 2001)	2,010	148	248,270
TOTAL			786,507



ANALYSIS OF SHAREHOLDINGS

As at 2 October 2020

Class of Share : Ordinary share

Voting Rights : 1 vote per ordinary share

Substantial Shareholders

as per Register of Substantial Shareholders

<i>Name</i>	<i>Direct Interest</i>		<i>Deemed Interest</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
1. KKP Holdings Sdn Bhd	-	-	1,395,355,289	47.58
2. Soo Lay Holdings Sdn Bhd	-	-	1,395,355,289	47.58
3. Tan Sri Dato' Khoo Kay Peng	-	-	1,395,355,289	47.58
4. Cherubim Investment (HK) Limited	297,848,487	10.16	81,239,433	2.77
5. Norcross Limited	300,154,836	10.24	81,239,433	2.77
6. Bonham Industries Limited	411,764,706	14.04	-	-
7. Noble Faith Foundation, Inc	167,631,200	5.72	-	-
8. KKP Enterprises Sdn Bhd	304,347,827	10.38	-	-

Distribution of Shareholders

<i>Holdings</i>	<i>No. of Holders</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Less than 100 shares	2,696	7.64	76,314	0.00
100 to 1,000 shares	5,728	16.24	4,512,194	0.15
1,001 to 10,000 shares	18,688	53.00	84,541,230	2.88
10,001 to 100,000 shares	6,920	19.62	227,521,385	7.76
100,001 to less than 5% of issued shares	1,230	3.49	1,575,468,264	53.73
5% and above of issued shares	4	0.01	1,040,441,805	35.48
Total	35,266	100.00	2,932,561,192	100.00

Thirty (30) Largest Registered Shareholders

<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
1. ABB Nominee (Asing) Sdn Bhd	408,333,333	13.92
- Securities Account for Bonham Industries Limited		
2. Kenanga Capital Sdn Bhd	246,561,579	8.41
- Securities Account for Cherubim Investment (HK) Limited		
3. RHB Nominees (Asing) Sdn Bhd	218,720,552	7.46
- OSK Capital Sdn Bhd for Norcross Limited		
4. KKP Enterprises Sdn Bhd	166,826,341	5.69
5. ABB Nominee (Tempatan) Sdn Bhd	137,521,486	4.69
- Securities Account for KKP Enterprises Sdn Bhd		
6. AMSEC Nominees (Tempatan) Sdn Bhd	132,008,600	4.50
- Securities Account for Yu Kuan Chon		
7. UOB Kay Hian Nominees (Asing) Sdn Bhd	85,957,998	2.93
- For UOB Kay Hian Pte Ltd		
8. Noble Faith Foundation, Inc.	84,677,367	2.89
9. Norcross Limited	81,434,284	2.78



<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
10. Pan Malaysian Industries Berhad	81,239,433	2.77
11. Citigroup Nominees (Asing) Sdn Bhd - CBHK PBGSB for Noble Faith Foundation, Inc.	79,333,333	2.71
12. Plenary Investments Pte Ltd	67,038,800	2.30
13. CGS- CIMB Nominees (Tempatan) Sdn Bhd - For CGS-CIMB Securities (Singapore) Pte. Ltd	52,266,529	1.78
14. Cherubim Investment (HK) Limited	51,286,908	1.75
15. Citigroup Nominees (Tempatan) Sdn Bhd - For OCBC Securities Private Limited	38,845,568	1.32
16. Lim Kuan Gin	28,500,600	0.97
17. Lim Siang Hee	13,322,100	0.45
18. Ho Kat Sin	12,549,300	0.43
19. Affin Hwang Nominees (Asing) Sdn Bhd - DBS Vickers Secs (S) Pte Ltd for KGI Securities (Singapore) Pte. Ltd.	12,400,000	0.42
20. SJ Sec Nominees (Tempatan) Sdn Bhd - Securities Account for Lim Fung Neng	11,900,000	0.41
21. Lee Kim Soon	11,512,900	0.39
22. Hui Yu Guan	10,000,000	0.34
23. Public Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Chong Choo	8,369,800	0.29
24. Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	8,294,855	0.28
25. CGS-CIMB Nominees (Tempatan) Sdn Bhd - Securities Account for Tay Hock Soon	8,000,000	0.27
26. Wong Kok Sin	7,500,000	0.26
27. SJ Sec Nominees (Tempatan) Sdn Bhd - Securities Account for Tan Kooi Ming @ Tam Kooi Ming	7,150,000	0.24
28. Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Chong Chen	6,008,000	0.20
29. SJ Sec Nominees (Tempatan) Sdn Bhd - Securities Account for Ho Swee Ming	5,650,000	0.19
30. Teo Kwee Hock	5,321,700	0.18
Total	2,088,531,366	71.22



Malayan United Industries Berhad

Registration No: 196001000140 (3809-W)

Incorporated in Malaysia

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FORM OF PROXY

IMPORTANT!

Please take note that all the fields underlined in this proxy form are mandatory and must be completed in full and accurately. The Company reserves the right to invalidate and/or reject any proxy form which is not complete or accurately filled in.

I/We _____ **No. of Shares Held:** _____
of _____ **NRIC/Company No.** _____
being a member of MALAYAN UNITED INDUSTRIES BERHAD hereby appoint
_____ **Tel. No.** _____
_____ **NRIC No.** _____
of _____ (percentage of shareholding represented: _____%)
or failing him/her, _____ **NRIC No.** _____
of _____ (percentage of shareholding represented: _____%)
or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our
behalf at the Forty-Ninth Annual General Meeting of the Company to be held at Rembau Room,
Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul
Khusus on Thursday, 10 December 2020 at 3.00 p.m. and at any adjournment thereof, and to vote as
indicated below:-

	Resolutions	For	Against
1.	To approve Directors' Fees of RM336,000.		
2.	To approve Directors' Benefits (other than Directors' Fees) of up to RM78,000.		
3.	To re-elect Mr Andrew Khoo Boo Yeow as Director of the Company.		
4.	To re-elect Mr Wong Nyen Faat as Director of the Company.		
5.	To re-elect Mr Chan Choung Yau as Director of the Company.		
6.	To re-appoint Messrs Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Proposed authority for Dato' Dr Tan Kee Kwong to continue in office as Independent Non-Executive Director.		
8.	Proposed authority for Dr Wong Hong Meng to continue in office as Independent Non-Executive Director.		
9.	Proposed authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
10.	Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad.		

(Please indicate with an 'X' how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature

Seal

Signed this _____ day of _____ 2020.

Notes: -

- Only a member whose name appears on the Record of Depositors as at 27 November 2020 shall be entitled to attend and vote at the meeting. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.

Notes (Cont'd):-

2. *A member entitled to attend and vote may not appoint more than two (2) proxies to attend and vote at the same meetings. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991.*
3. *Where a member and/or an exempt authorised nominee appoint two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
4. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
5. *The Form of Proxy must be deposited at the registered office of the Company at 189 Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
6. *Pursuant to the Bursa Securities Main Market Listing Requirements, all the resolutions set out in this Notice will be put to vote by way of poll.*

STAMP

The Company Secretary
Malayan United Industries Berhad
189 Jalan Ampang
50450 Kuala Lumpur
Malaysia



A member of The MUI Group

STRONG | EFFICIENT | TRUSTWORTHY