

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
THIRD QUARTER ENDED 30 SEPTEMBER 2015**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	117,965	119,754	332,095	350,270
Cost of sales	(56,624)	(63,823)	(174,937)	(191,476)
Gross profit	61,341	55,931	157,158	158,794
Other income	4,028	2,650	10,584	10,126
Distribution costs	(3,790)	(3,206)	(9,772)	(8,511)
Administrative expenses	(30,164)	(21,487)	(73,529)	(59,371)
Other operating expenses	(22,983)	(21,868)	(65,851)	(71,309)
Profit from operations	8,432	12,020	18,590	29,729
Exceptional items (refer Note A5)	(14,195)	(6,996)	(21,622)	(3,670)
Finance cost	(15,992)	(12,023)	(39,531)	(36,330)
Share of results of associates	6,896	7,260	18,354	17,473
(Loss)/Profit before taxation	(14,859)	261	(24,209)	7,202
Tax expense	(4,280)	(3,116)	(9,230)	(8,533)
Loss for the financial period	(19,139)	(2,855)	(33,439)	(1,331)
(Loss)/Profit attributable to:-				
Equity holders of the Company	(21,824)	(2,309)	(38,181)	(3,076)
Non-controlling interests	2,685	(546)	4,742	1,745
Loss for the financial period	(19,139)	(2,855)	(33,439)	(1,331)
Loss per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic	(0.74)	(0.08)	(1.30)	(0.10)
Fully diluted	(0.74)	(0.08)	(1.30)	(0.10)

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period	(19,139)	(2,855)	(33,439)	(1,331)
Other comprehensive income/(loss), net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	92,954	740	129,833	(12,148)
Fair value of available-for-sale investments - Gain/(Loss) on fair value changes	183	5,444	(2,907)	7,337
Other comprehensive income/(loss) for the financial period	93,137	6,184	126,926	(4,811)
Total comprehensive income/(loss) for the financial period	73,998	3,329	93,487	(6,142)
Total comprehensive income/(loss) attributable to:-				
Equity holders of the Company	62,372	4,101	76,166	(6,613)
Non-controlling interests	11,626	(772)	17,321	471
Total comprehensive income/(loss) for the financial period	73,998	3,329	93,487	(6,142)

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	30.09.2015	31.12.2014
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	748,769	630,779
Investment properties	86,283	54,098
Investment in associates	496,319	405,594
Other investments	9,829	12,718
Land held for property development	35,263	35,263
Goodwill on consolidation	184,835	181,340
Deferred tax assets	2,252	2,263
	1,563,550	1,322,055
Current Assets		
Property development costs	84,737	82,071
Inventories	75,792	89,126
Trade and other receivables	152,398	172,660
Other investments	374	343
Current tax assets	12,924	12,568
Deposits, bank balances and cash	389,269	300,001
	715,494	656,769
Assets classified as disposal group held for sale	87,565	89,672
	803,059	746,441
TOTAL ASSETS	2,366,609	2,068,496
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,932,561	2,932,561
Reserves	(2,075,796)	(2,151,962)
	856,765	780,599
Non-Controlling Interests	250,112	233,285
Total Equity	1,106,877	1,013,884
Non-Current Liabilities	893,246	675,544
Current Liabilities		
Trade and other payables	152,962	133,811
Borrowings	185,004	216,588
Current tax liabilities	3,628	1,903
	341,594	352,302
Liabilities classified as disposal group held for sale	24,892	26,766
Total Liabilities	1,259,732	1,054,612
TOTAL EQUITY AND LIABILITIES	2,366,609	2,068,496
	RM	RM
Net assets per share attributable to equity holders of the Company	0.29	0.27

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	Attributable to Equity Holders of the Company				Total	Non-	Total
	Share Capital	Distributable Reserves	Distributable Reserves	Accumulated Losses		Controlling Interests	Equity
CUMULATIVE 9 MONTHS	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015	2,932,561	343,397	25,257	(2,520,616)	780,599	233,285	1,013,884
Loss for the financial period	-	-	-	(38,181)	(38,181)	4,742	(33,439)
Fair value loss on available-for-sale financial assets, net of tax	-	(2,281)	-	-	(2,281)	(626)	(2,907)
Foreign currency translations, net of tax	-	116,628	-	-	116,628	13,205	129,833
Total comprehensive income/(loss)	-	114,347	-	(38,181)	76,166	17,321	93,487
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(494)	(494)
	-	-	-	-	-	(494)	(494)
At 30 September 2015	2,932,561	457,744	25,257	(2,558,797)	856,765	250,112	1,106,877
At 1 January 2014	2,932,561	312,687	25,257	(2,492,242)	778,263	248,257	1,026,520
Loss for the financial year	-	-	-	(3,076)	(3,076)	1,745	(1,331)
Fair value gain on available-for-sale financial assets, net of tax	-	5,953	-	-	5,953	1,384	7,337
Foreign currency translations, net of tax	-	(9,490)	-	-	(9,490)	(2,658)	(12,148)
Total comprehensive (loss)/income	-	(3,537)	-	(3,076)	(6,613)	471	(6,142)
Transaction with owners:-							
Acquisition of additional interests in subsidiaries	-	-	-	(5,599)	(5,599)	(7,757)	(13,356)
Dividend paid to non-controlling shareholders	-	-	-	-	-	(5,735)	(5,735)
	-	-	-	(5,599)	(5,599)	(13,492)	(19,091)
At 30 September 2014	2,932,561	309,150	25,257	(2,500,917)	766,051	235,236	1,001,287

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	CUMULATIVE 9 MONTHS	
	30.09.2015 RM'000	30.09.2014 RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(24,209)	7,202
Net adjustments	52,130	35,887
	27,921	43,089
Operating profit before working capital changes	27,921	43,089
Net change in working capital	38,764	(18)
	66,685	43,071
Cash generated from operations	66,685	43,071
Employee benefits paid	(191)	(30)
Interest paid	(1,222)	(650)
Interest received	3,069	787
Net tax paid	(8,326)	(14,539)
	60,015	28,639
Cash Flows From Investing Activities		
Dividend received	15,003	27,664
Interest received	4,573	6,001
Proceeds from disposal of property, plant and equipment	16	6
Proceeds from disposal of other investments	-	219
Purchase of additional interests in subsidiaries	(26,298)	(13,355)
Purchase of property, plant and equipment	(21,408)	(18,699)
Placements of fixed deposits pledged with licensed financial institutions	(23,981)	12
	(52,095)	1,848
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	(495)	(5,735)
Interest paid	(38,309)	(35,681)
Net drawdowns / (repayments) of bank borrowings	80,373	(98,323)
	41,569	(139,739)
Effects of exchange rate changes	(3,071)	170
Net increase/(decrease) in cash and cash equivalents	46,418	(109,082)
Cash and cash equivalents at 1 January		
As previously reported	262,313	344,014
Effects of exchange rate changes on cash and cash equivalents	4,959	(1,832)
As restated	267,272	342,182
Cash and cash equivalents at 30 September	313,690	233,100

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Change in Financial Year End

The Company has changed its financial year end from 31 December to 30 June. As a result of this change, the next audited financial statements of the Company shall be for a period of 18 months from 1 January 2015 to 30 June 2016 and thereafter 30 June for each subsequent year.

A2 Basis of Preparation

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to FRS 139 Financial Instrument : Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2014 except for the adoption of the following Amendments to Financial Reporting Standards ("FRSs") and Annual improvements to Financial Reporting Standards which are applicable for the Group's financial period beginning 1 January 2015:-

Amendments to FRS 119 *Employees Benefits - Defined Benefits Plans : Employee Contributions*
Annual Improvements to FRSS 2010 - 2012 Cycle
Annual Improvements to FRSS 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issues a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. However, the MASB further deferred the effective date of the adoption of the following MFRSs Framework by Transitioning Entities from 1 January 2013 to the following dates :

MFRS	Annual periods beginning on or after:
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
<i>Agriculture: Bearer Plants</i> (Amendments to MFRS 116 and MFRS 141)	1 January 2016

MUI Properties Berhad, a subsidiary of the Company falls within the scope of definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. As a result, the Group also temporarily deferred the adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ending 30 June 2016 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirement of the MFRS Framework for the financial year ending 30 June 2018.

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A3 Seasonal or Cyclical Factors

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

- (a) The retailing operations in United Kingdom normally record better sales in the fourth quarter of the financial year due to the Christmas season. Similarly, the retailing operations in Malaysia have seasonal peaks in tandem with the various festive seasons and during sales promotions;
- (b) The hotel operations in United Kingdom normally will experience low trading after Christmas, New Year and Easter due to the after effects of the holiday seasons. Additionally, winter periods will also experience a decline in trading; and
- (c) The food and confectionery operations in Malaysia, Singapore and Hong Kong normally record better sales during the various festive seasons.

A4 Changes in estimates

There were no significant changes in estimates of the amounts reported in prior financial years which have a material effect in the current financial period.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the financial period ended 30 September 2015 other than the exceptional items as follows:-

Exceptional items	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Assets distribution from an associate	465	-	465	-
Gain on disposal of other investments (non-current)	-	-	-	24
Reversal of Impairment/(Impairment) on receivables	8	28	17	(1,359)
(Impairment)/Reversal of impairment on property, plant & equipment	(2)	(2)	(317)	898
Provision for legal suit settlement	-	(3,245)	-	(3,245)
Net (loss)/gain on foreign exchange	(14,666)	(3,777)	(21,787)	12
	(14,195)	(6,996)	(21,622)	(3,670)

A6 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2015.

A7 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2015 (30 September 2014 : Nil).

A8 Operating Segments

The analysis of the Group's operations for the financial period ended 30 September 2015 is as follows:-

(a) Revenue

	External	Inter-	Total	Share of	Net
	Customers	segment	Revenue	Associates'	Revenue
	RM'000	RM'000	RM'000	RM'000	RM'000
Retailing	450,680 *	-	450,680	(343,054)	107,626
Hotel	147,925	-	147,925	-	147,925
Food & Confectionery	47,791	-	47,791	-	47,791
Financial Services	5,080	-	5,080	(5,080)	-
Property	28,807	(54)	28,753	-	28,753
Others	35,116	(26,046)	9,070	(9,070)	-
Total	715,399	(26,100)	689,299	(357,204)	332,095

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(b) Results

	(Loss)/ Profit from Operations RM'000	Exceptional Items RM'000	Finance Costs RM'000	Share of Associates' Results RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	(9,134)	15	-	16,091	6,972 *
Hotel	27,297	19	(992)	-	26,324
Food & Confectionery	(582)	(97)	(22)	-	(701)
Financial Services	-	-	-	538	538
Property	6,388	-	(1,941)	-	4,447
Others	(5,379)	(21,559)	(36,576)	1,725	(61,789)
Total	18,590	(21,622)	(39,531)	18,354	(24,209)

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	286,170	245,832	532,002
Hotel	810,493	-	810,493
Food & Confectionery	194,997	-	194,997
Financial Services	-	27	27
Property	271,777	-	271,777
Others	204,111	250,460	454,571
	1,767,548	496,319	2,263,867
Assets classified as disposal group held for sale:-			
Hotel	27,475	-	27,475
Others	59,571	511	60,082
	87,046	511	87,557
	1,854,594	496,830	2,351,424
Unallocated Corporate Assets:-			
Others			15,177
Assets classified as disposal group held for sale			8
Total Assets			2,366,609

* Includes estimated results of an associate

A9 Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the end of the financial period ended 30 September 2015 that have not been reflected in the financial statements for the said period as at the date of this report.

A10 Changes in the Composition of the Group

On 30 June 2014, Corus Hotels Sdn Bhd, a wholly-owned subsidiary of Malayan United Industries Berhad ("MUI" or "Company"), had entered into a shares sale agreement with Pan Malaysian Industries Berhad to acquire 385,000 ordinary shares of RM1.00 each representing the entire issued and paid up share capital of Two Holdings Sdn Bhd ("THSB") for a purchase consideration of RM26.3 million ("Proposed Acquisition"). The Proposed Acquisition was completed on 6 February 2015.

The fair value of identifiable assets and identifiable liabilities and cashflow arising from the acquisition of THSB are as follows:-

	At the date of acquisition RM'000
Investment property	32,000
Cash and cash equivalent	2
Trade and other payables	(8,827)
Deferred tax liability	(370)
Group's share of net assets	22,805
Goodwill arising on acquisition	3,495
Total purchase consideration satisfied by cash and cash equivalent	26,300
Less : Cash and cash equivalent of THSB	(2)
Cash outflow on acquisition	26,298

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 September 2015.

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A11 Contingent Liabilities

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

A12 Capital Commitments

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

A13 Assets and Liabilities Classified As Disposal Group Held For Sale

Pan Malaysia Holdings Berhad ("PMH") was informed by RHB Investment Bank Berhad on behalf of Dato' Dr Yu Kuan Chon that Dato' Dr Yu Kuan Chon had on 12 December 2014 entered into a Share Sale Agreement to acquire 642,700,783 PMH Shares from the Group for a total cash consideration of RM77,124,094 ("Proposed Disposal"). Upon completion of the Proposed Disposal, the aggregate interests of Dato' Yu Kuan Chon and the persons acting in-concert with him will increase from 49,506,900 PMH Shares, representing approximately 5.330%, to 692,207,683 PMH Shares, representing approximately 74.522% of the issued and paid-up share capital of PMH.

On 11 May 2015, the Securities Commission Malaysia ("SC") had vide its letter dated 7 May 2015 addressed to PM Securities Sdn Bhd ("PM Securities"), rejected PM Securities' application for change of controlling shareholder. On 20 May 2015, PM Securities had given a notice to the SC of its intention to appeal against the SC's decision in rejecting PM Securities' application for change of controlling shareholders. PM Securities is awaiting the outcome of its appeal to SC. In the meantime, the cut-off date to fulfill the condition precedent in the Share Sale Agreement has been mutually extended to 11 December 2015.

At the end of the current reporting period, the assets and liabilities of PMH have been presented in the consolidated statement of financial position as "Assets classified as disposal group held for sale" and "Liabilities classified as disposal group held for sale".

The assets and liabilities of PMH, measured at the lower of their carrying amount and fair value less cost to sell, are as follows:-

	30.09.2015	31.12.2014
	RM'000	RM'000
Assets		
Property, plant and equipment	31,356	32,055
Investment in associates	511	105
Other investment	872	872
Inventories	161	148
Trade and other receivables	52,728	51,911
Current tax assets	8	8
Deposits, bank balances and cash	1,929	4,573
Assets classified as disposal group held for sale	<u>87,565</u>	<u>89,672</u>
Liabilities		
Borrowings	18,797	19,646
Deferred tax liabilities	1,878	1,878
Trade and other payables	3,994	5,085
Employee benefits	215	144
Current tax liabilities	8	13
Liabilities classified as disposal group held for sale	<u>24,892</u>	<u>26,766</u>

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B. NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance of the Company and its Principal Subsidiaries

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Revenue				
Retailing	33,824	47,063	107,626	143,209
Hotel	57,215	50,983	147,925	136,151
Food & Confectionery	15,994	15,680	47,791	45,676
Property	10,932	6,025	28,753	25,229
Others	-	3	-	5
	117,965	119,754	332,095	350,270
Profit/(Loss) before tax ("PBT / LBT")				
Retailing	37 *	9,335 *	6,972 *	18,960 *
Hotel	14,048	10,988	26,324	24,914
Food & Confectionery	(298)	(331)	(701)	471
Financial Services	294	-	538	-
Property	1,381	(1,365)	4,447	4,774
Others	(30,321)	(18,366)	(61,789)	(41,917)
	(14,859)	261	(24,209)	7,202

* Includes estimated results of an associate

Third Quarter ended 30 September 2015 vs. Third Quarter ended 30 September 2014

For the current quarter, the Group recorded lower revenue of RM118.0 million and LBT of RM14.9 million compared with revenue of RM119.8 million and PBT of RM0.3 million for the previous year corresponding quarter. The lower revenue in the current quarter was mainly attributed to lower revenue from retailing division. The LBT in the current quarter was mainly attributed to lower PBT from retailing and higher unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

For the retailing division in Malaysia, Metrojaya Berhad ("Metrojaya") recorded lower revenue and LBT. The lower revenue and LBT was mainly attributed to the decrease in revenue by departmental stores and specialty stores. The uncertainty of the domestic economy and the Goods and Services Tax ("GST") implemented on 1 April 2015 have contributed to the decrease in revenue as consumers are more cautious with their spending.

The Group's hotel operations in Malaysia recorded marginal increase in revenue and PBT in the current quarter compared with the previous year corresponding quarter. The marginal increase in revenue and PBT was mainly due to increase in hotel occupancy rate in the current quarter. In the UK, the Group's hotel operations recorded higher revenue and PBT in the current quarter compared with the previous year corresponding quarter mainly attributed to the weaker Ringgit Malaysia / Pound Sterling exchange rate used in the translation of the statement of profit or loss and other comprehensive income in the current quarter.

The Group's universal stockbroking business under the financial services division recorded PBT in the current quarter compared with LBT in the previous year corresponding quarter. The PBT in current quarter was mainly attributed to decrease in operating expenses.

The Group's food & confectionery division recorded about the same level of revenue and LBT for the current quarter compared with the previous year corresponding quarter.

The Group's property division recorded higher revenue and PBT in the current quarter compared with the lower revenue and LBT for the previous year corresponding quarter. The increase in revenue was mainly attributed to higher revenue recognition based on higher construction progress of the current project in Bandar Springhill. LBT in the previous year corresponding quarter was mainly attributed to provision for legal suit settlement.

The higher LBT for the Group's others segment was mainly attributed to higher finance cost and higher unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

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Cumulative 9 months ended 30 September 2015 vs. Cumulative 9 months ended 30 September 2014

For the current financial period, the Group recorded revenue of RM332.1 million and loss before tax ("LBT") of RM24.2 million compared with revenue of RM350.3 million and profit before tax ("PBT") of RM7.2 million for the previous year corresponding financial period. The lower revenue in the current financial period was mainly attributed to lower revenue from retailing division. The LBT in the current financial period was mainly attributed to lower PBT from retailing and substantial unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies recorded by the Group.

The retailing division recorded lower revenue and PBT in the current financial period compared with the previous year corresponding financial period. For the retailing division in Malaysia, Metrojaya Berhad ("Metrojaya") recorded lower revenue and LBT, mainly attributed to the decrease in revenue by departmental stores and specialty stores. The uncertainty of the domestic economy and the Goods and Services Tax ("GST") implemented on 1 April 2015 have contributed to the decrease in revenue as consumers are more cautious with their spending. In the UK retailing division, Laura Ashley Holdings plc ("Laura Ashley") reported that like-for-like sales was up 5.7% for the five weeks to 5 September 2015.

Although hotel division recorded higher revenue and PBT for the current financial period compared with the previous year corresponding financial period, the Group's hotel operations in Malaysia recorded a lower revenue and PBT. The lower revenue and PBT was mainly due to lower hotel occupancy rate in the current financial period. In the UK, the Group's hotel operations recorded higher revenue and PBT in the current financial period compared with the previous year corresponding financial period. The higher revenue and PBT in the current financial period was mainly attributed to the higher hotel occupancy rate.

The Group's universal stockbroking business under the financial services division recorded PBT in the current financial period compared with LBT for the previous year corresponding financial period. LBT in previous year corresponding financial period was mainly attributed to the impairment of receivables.

The Group's food & confectionery division recorded higher revenue for the current financial period compared with the previous year corresponding financial period. Despite higher revenue in the current financial period, the Group's food & confectionery division recorded LBT for the current financial period due to higher operating expenses.

The Group's property division recorded higher revenue and marginal decrease in PBT in the current financial period compared with the previous year corresponding financial period. The increase in revenue was mainly due to higher sales of completed projects.

The higher LBT for the Group's others segment was mainly attributed to substantial unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

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

For the current quarter, the Group recorded revenue of RM118.0 million and LBT of RM14.9 million compared with a revenue of RM107.4 million and PBT of RM0.8 million in the preceding quarter. The higher revenue in current quarter was mainly attributed to higher revenue from retailing, hotels and property division. Despite higher revenue, the Group recorded LBT in the current quarter which was mainly attributed to higher finance costs and higher unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

B3 Prospects

In view of the uncertainties of the domestic and global economies and the effects of GST implementation in April 2015, the Group is cautious on the outlook of its various businesses. The Group will continue to assess potential investment opportunities to enhance its shareholders value.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 (Loss)/Profit before tax

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

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Depreciation	(5,480)	(5,885)	(15,353)	(16,910)
Fair value gain/(loss) on investments (current)	22	(250)	-	(981)
Gross dividends received	-	4	-	4
(Loss)/Gain on disposal of property, plant and equipment	(1)	-	15	6
Loss on disposal of other investments (current)	-	-	-	(15)
Interest income	4,227	1,717	7,642	6,788
Inventories written down	(25)	(860)	(457)	(1,271)
Property, plant and equipment written off	(23)	(106)	(93)	(349)

B6 Tax Expense

Tax expense comprises of:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense - Malaysia	2,137	1,905	6,633	8,509
- Foreign	762	1,621	1,306	2,422
Deferred tax	12	-	12	(1,284)
	<u>2,911</u>	<u>3,526</u>	<u>7,951</u>	<u>9,647</u>
Under/(Over) provision in respect of prior years	1,369	(410)	1,279	(1,114)
	<u>4,280</u>	<u>3,116</u>	<u>9,230</u>	<u>8,533</u>

The tax provision of the Group for the financial period ended 30 September 2015 was higher than the statutory rate of tax applicable mainly due to losses by certain subsidiaries where no group relief on losses were available.

B7 Status of Corporate Proposals

- (a) On 30 June 2014, Corus Hotels Sdn Bhd, a wholly-owned subsidiary of Malayan United Industries Berhad ("MUI" or "Company"), had entered into a shares sale agreement with Pan Malaysian Industries Berhad to acquire 385,000 ordinary shares of RM1.00 each representing the entire issued and paid up share capital of Two Holdings Sdn Bhd for a purchase consideration of RM26.3 million ("Proposed Acquisition"). The Proposed Acquisition was completed on 6 February 2015.
- (b) Pan Malaysia Holdings Berhad ("PMH") was informed by RHB Investment Bank Berhad on behalf of Dato' Dr Yu Kuan Chon that Dato' Dr Yu Kuan Chon had on 12 December 2014 entered into a Share Sale Agreement to acquire 642,700,783 PMH Shares from the Group for a total cash consideration of RM77,124,094 ("Proposed Disposal"). Upon completion of the Proposed Disposal, the aggregate interests of Dato' Yu Kuan Chon and the persons acting in-concert with him will increase from 49,506,900 PMH Shares, representing approximately 5.330%, to 692,207,683 PMH Shares, representing approximately 74.522% of the issued and paid-up share capital of PMH.

On 11 May 2015, the Securities Commission Malaysia ("SC") had vide its letter dated 7 May 2015 addressed to PM Securities Sdn Bhd ("PM Securities"), rejected PM Securities' application for change of controlling shareholder. On 20 May 2015, PM Securities had given a notice to the SC of its intention to appeal against the SC's decision in rejecting PM Securities' application for change of controlling shareholders. PM Securities is awaiting the outcome of its appeal to SC. In the meantime, the cut-off date to fulfill the condition precedent in the Share Sale Agreement has been mutually extended to 11 December 2015.

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

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B8 Group Borrowings

(a) Total Group borrowings as at 30 September 2015 were as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	828,714
- Unsecured	69,220
	<u>897,934</u>
Less: Classified as held for sale	<u>(18,797)</u>
	<u>879,137</u>
<i>Short Term Borrowings</i>	
- Secured	82,820
- Unsecured	102,399
	<u>185,219</u>
Less: Classified as held for sale	<u>(215)</u>
	<u>185,004</u>

(b) Foreign borrowings in Ringgit equivalent as at 30 September 2015 included in (a) above were as follows:-

Currency	RM'000
Pound Sterling	<u>607,031</u>

The foreign borrowings above were taken by the foreign subsidiaries of the Group.

B9 Derivative Financial Instruments

There were no derivative financial instruments as at the date of this report.

B10 Fair Value Changes of Financial Liabilities

As at 30 September 2015, the Group did not have any financial liabilities measured at fair value through profit or loss.

B11 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 30.09.2015	At 31.12.2014
	RM'000	RM'000
		(Audited)
Total accumulated losses of the Group:-		
- Realised losses	(6,991,111)	(6,958,019)
- Unrealised (losses)/gains	(2,466)	23,945
	<u>(6,993,577)</u>	<u>(6,934,074)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(54,343)	(54,749)
- Unrealised gains	786	785
	<u>(7,047,134)</u>	<u>(6,988,038)</u>
Consolidation adjustments	4,488,337	4,467,422
Total accumulated losses	<u>(2,558,797)</u>	<u>(2,520,616)</u>

B12 Material Litigation

There was no material litigation involving the Group as at the date of this report.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2015 (30 September 2014: Nil).

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B14 Basic Loss Per Share

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	2,932,561	2,932,561
Loss for the financial period/year attributable to equity holders of the Company (RM'000)	(21,824)	(2,309)	(38,181)	(3,076)
Basic loss per share (sen)	(0.74)	(0.08)	(1.30)	(0.10)
Diluted loss per share (sen)	(0.74)	(0.08)	(1.30)	(0.10)

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

B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not qualified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Chin Suan Yong
Joint Company Secretaries

Date: 24 November 2015