

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT QUARTER ENDED 31 DECEMBER 2015

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	12 MONTHS
	RM'000	RM'000	31.12.2015
			RM'000
Revenue	142,903	130,397	474,998
Cost of sales	(98,877)	(72,252)	(273,814)
Gross profit	44,026	58,145	201,184
Other income	3,324	2,963	13,908
Distribution costs	(3,183)	(2,227)	(12,955)
Administrative expenses	(14,140)	(34,544)	(87,669)
Other operating expenses	(22,513)	(25,967)	(88,365)
Profit/(Loss) from operations	7,514	(1,630)	26,103
Exceptional items (refer Note A5)	622	(9,556)	(21,000)
Finance cost	(10,349)	(13,370)	(49,880)
Share of results of associates	17,771	19,727	36,125
Profit/(Loss) before taxation	15,558	(4,829)	(8,652)
Tax (expense)/income	(1,391)	2,852	(10,621)
Profit/(Loss) for the financial period	14,167	(1,977)	(19,273)
Profit/(Loss) attributable to:-			
Equity holders of the Company	12,456	1,351	(25,725)
Non-controlling interests	1,711	(3,328)	6,452
Profit/(Loss) for the financial period	14,167	(1,977)	(19,273)
Earnings/(Loss) per share attributable to equity holders of the Company:-	Sen	Sen	Sen
Basic / Diluted	0.42	0.05	(0.88)

Note :

Certain administrative expenses of the hotel operations in UK were reclassified to cost of sales in the current quarter to be consistent with prior years.

There are no comparative figures for the cumulative 12 months period ended 31 December 2015 due to the Company's change of financial year end to 30 June 2016.

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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Company No: 3809-W
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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2015

	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	12 MONTHS
	RM'000	RM'000	31.12.2015
			RM'000
Profit/(Loss) for the financial period	14,167	(1,977)	(19,273)
Other comprehensive (loss)/income, net of tax:-			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign subsidiaries	(27,376)	34,882	102,460
Fair value of available-for-sale investments - Gain/(Loss) on fair value changes	1,468	(1,447)	(1,439)
Share of other comprehensive loss of associates	-	(17,919)	-
	<u>(25,908)</u>	<u>15,516</u>	<u>101,021</u>
Other comprehensive (loss)/income for the financial period			
Total comprehensive (loss)/income for the financial period	<u>(11,741)</u>	<u>13,539</u>	<u>81,748</u>
Total comprehensive (loss)/income attributable to:-			
Equity holders of the Company	(9,055)	15,138	67,110
Non-controlling interests	(2,686)	(1,599)	14,638
	<u>(11,741)</u>	<u>13,539</u>	<u>81,748</u>
Total comprehensive (loss)/income for the financial period			

Note :

There are no comparative figures for the cumulative 12 months period ended 31 December 2015 due to the Company's change of financial year end to 30 June 2016.

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 31 DECEMBER 2015

	31.12.2015	31.12.2014
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	720,612	630,779
Investment properties	86,081	54,098
Investment in associates	478,523	405,594
Other investments	11,297	12,718
Land held for property development	35,263	35,263
Goodwill on consolidation	184,835	181,340
Deferred tax assets	2,253	2,263
	1,518,864	1,322,055
Current Assets		
Property development costs	86,199	82,071
Inventories	70,938	89,126
Trade and other receivables	151,340	172,660
Other investments	375	343
Current tax assets	15,123	12,568
Deposits, bank balances and cash	374,538	300,001
	698,513	656,769
Assets classified as disposal group held for sale	87,704	89,672
	786,217	746,441
TOTAL ASSETS	2,305,081	2,068,496
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,932,561	2,932,561
Reserves	(2,084,852)	(2,151,962)
	847,709	780,599
Non-Controlling Interests	246,832	233,285
Total Equity	1,094,541	1,013,884
Non-Current Liabilities	867,616	675,544
Current Liabilities		
Trade and other payables	139,925	133,811
Borrowings	175,522	216,588
Current tax liabilities	2,717	1,903
	318,164	352,302
Liabilities classified as disposal group held for sale	24,760	26,766
Total Liabilities	1,210,540	1,054,612
TOTAL EQUITY AND LIABILITIES	2,305,081	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 31 DECEMBER 2015

	Attributable to Equity Holders of the Company				Total RM'000	Non- Controlling Interests	Total Equity
	Share Capital RM'000	Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000		RM'000	RM'000
CUMULATIVE 12 MONTHS							
At 1 January 2015	2,932,561	343,397	25,257	(2,520,616)	780,599	233,285	1,013,884
(Loss)/Profit for the financial period	-	-	-	(25,725)	(25,725)	6,452	(19,273)
Fair value (loss)/gain on available- for-sale financial assets, net of tax	-	(1,124)	-	-	(1,124)	(315)	(1,439)
Foreign currency translations, net of tax	-	93,959	-	-	93,959	8,501	102,460
Total comprehensive income/(loss)	-	92,835	-	(25,725)	67,110	14,638	81,748
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(1,091)	(1,091)
	-	-	-	-	-	(1,091)	(1,091)
At 31 December 2015	2,932,561	436,232	25,257	(2,546,341)	847,709	246,832	1,094,541
At 1 January 2014	2,932,561	312,687	25,257	(2,492,832)	777,673	247,905	1,025,578
Loss for the financial year	-	-	-	(1,725)	(1,725)	(1,583)	(3,308)
Fair value gain on available-for-sale financial assets, net of tax	-	4,727	-	-	4,727	1,163	5,890
Foreign currency translations, net of tax	-	23,442	-	-	23,442	(708)	22,734
Share of other comprehensive loss of associates, net of tax	-	2,541	-	(20,460)	(17,919)	-	(17,919)
Total comprehensive income/(loss)	-	30,710	-	(22,185)	8,525	(1,128)	7,397
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 31 December 2014	2,932,561	343,397	25,257	(2,520,616)	780,599	233,285	1,013,884

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 31 DECEMBER 2015

	CUMULATIVE 12 MONTHS	
	31.12.2015 RM'000	31.12.2014 RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(8,652)	2,373
Net adjustments	46,521	49,335
	37,869	51,708
Operating profit before working capital changes	37,869	51,708
Net change in working capital	31,127	(2,300)
	68,996	49,408
Cash generated from operations	68,996	49,408
Employee benefits paid	(197)	(48)
Interest paid	(405)	(955)
Interest received	5,253	1,019
Net tax paid	(12,574)	(16,216)
	61,073	33,208
Cash Flows From Investing Activities		
Dividend received	30,665	41,403
Interest received	5,294	7,950
Proceeds from disposal of property, plant and equipment	28	5
Proceeds from disposal of other investments	-	219
Purchase of additional interests in subsidiaries	(26,298)	(13,356)
Purchase of property, plant and equipment	(30,713)	(26,265)
Placements of fixed deposits pledged with licensed financial institutions	(20,539)	1,348
	(41,563)	11,304
Cash Flows From Financing Activities		
Dividend paid to non-controlling interests of a subsidiary	(1,088)	(5,735)
Interest paid	(49,475)	(48,745)
Net drawdowns / (repayments) of bank borrowings	85,759	(70,138)
	35,196	(124,618)
Effects of exchange rate changes	(25,331)	(9,455)
Net increase/(decrease) in cash and cash equivalents	29,375	(89,561)
Cash and cash equivalents at 1 January		
As previously reported	262,313	344,014
Effects of exchange rate changes on cash and cash equivalents	12,964	7,860
As restated	275,277	351,874
Cash and cash equivalents at 31 December	304,652	262,313

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 31 December 2015 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	12 MONTHS
	RM'000	RM'000	31.12.2015 RM'000
Assets distribution from an associate	-	-	465
Bad debts (written off)/recovered	(29)	630	(29)
Impairment on property, plant & equipment	-	(152)	(317)
Provision for legal suit settlement	-	(1,130)	-
Reversal of Impairment/(Impairment) on receivables	421	(1,133)	438
Net gain/(loss) on foreign exchange	230	(7,771)	(21,557)
	622	(9,556)	(21,000)

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 31 December 2015.

A7 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 December 2015 (31 December 2014 : Nil).

A8 Operating Segments

The analysis of the Group's operations for the financial period ended 31 December 2015 is as follows:-

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Share of Associates' Revenue RM'000	Net Revenue RM'000
Retailing	712,156 *	-	712,156	(563,410)	148,746
Hotel	205,787	-	205,787	-	205,787
Food & Confectionery	71,680	-	71,680	-	71,680
Financial Services	10,235	-	10,235	(10,235)	-
Property	48,857	(72)	48,785	-	48,785
Others	57,015	(43,397)	13,618	(13,618)	-
Total	1,105,730	(43,469)	1,062,261	(587,263)	474,998

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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	(12,843)	14	-	33,549	20,720 *
Hotel	35,050	19	(1,319)	-	33,750
Food & Confectionery	928	(147)	(28)	-	753
Financial Services	-	-	-	-	-
Property	9,784	-	(2,585)	-	7,199
Others	(6,816)	(20,886)	(45,948)	2,576	(71,074)
Total	26,103	(21,000)	(49,880)	36,125	(8,652)

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	293,828	235,225	529,053
Hotel	745,739	-	745,739
Food & Confectionery	193,713	-	193,713
Financial Services	-	-	-
Property	275,403	-	275,403
Others	212,795	243,298	456,093
	1,721,478	478,523	2,200,001
Assets classified as disposal group held for sale:-			
Hotel	27,764	-	27,764
Others	59,452	479	59,931
	87,216	479	87,695
	1,808,694	479,002	2,287,696
Unallocated Corporate Assets:-			
Others			17,376
Assets classified as disposal group held for sale			9
Total Assets			2,305,081

* Include 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 31 December 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 31 December 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") (a subsidiary of Pan Malaysia Capital Berhad which is in turn the associated company of the Group), rejected PM Securities' application for change of controlling shareholder. On 18 December 2015, PM Securities submitted an application for change of new controlling shareholder. PM Securities is awaiting the outcome of the application. In the meantime, the cut-off date to fulfill the condition precedent in the Share Sale Agreement has been mutually extended to 11 March 2016.

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:-

	31.12.2015	31.12.2014
	RM'000	RM'000
Assets		
Property, plant and equipment	31,150	32,055
Investment in associates	479	105
Other investment	872	872
Inventories	167	148
Trade and other receivables	52,859	51,911
Current tax assets	9	8
Deposits, bank balances and cash	2,168	4,573
Assets classified as disposal group held for sale	<u>87,704</u>	<u>89,672</u>
Liabilities		
Borrowings	18,350	19,646
Deferred tax liabilities	1,878	1,878
Trade and other payables	4,077	5,085
Employee benefits	447	144
Current tax liabilities	8	13
Liabilities classified as disposal group held for sale	<u>24,760</u>	<u>26,766</u>

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

B1 Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	12 MONTHS 31.12.2015
	RM'000	RM'000	RM'000
Revenue			
Retailing	41,120	50,722	148,746
Hotel	57,862	53,064	205,787
Food & Confectionery	23,889	22,370	71,680
Property	20,032	4,240	48,785
Others	-	1	-
	<u>142,903</u>	<u>130,397</u>	<u>474,998</u>
Profit/(Loss) before tax ("PBT / LBT")			
Retailing	13,748 *	17,186 *	20,720 *
Hotel	7,426	6,866	33,750
Food & Confectionery	1,454	(89)	753
Financial Services	-	-	-
Property	2,752	(2,509)	7,199
Others	(9,822)	(26,283)	(71,074)
	<u>15,558</u>	<u>(4,829)</u>	<u>(8,652)</u>

* Include estimated results of an associate

Quarter ended 31 December 2015 vs. Quarter ended 31 December 2014

For the current quarter, the Group recorded higher revenue of RM142.9 million and Profit before tax ("PBT") of RM15.6 million compared with revenue of RM130.4 million and Loss before tax ("LBT") of RM4.8 million for the previous year corresponding quarter. The higher revenue in the current quarter was mainly attributed to higher revenue from hotel, food & confectionery and property divisions. The PBT in the current quarter was mainly attributed to higher PBT from hotel, food & confectionery and property divisions. Unrealised foreign exchange translation gain of intragroup balances arising from the strengthening of Ringgit Malaysia against major foreign currencies also contributed to the PBT in the current quarter, compared with unrealised foreign exchange translation loss in the previous year corresponding quarter.

For the retailing division in Malaysia, Metrojaya Berhad ("Metrojaya") recorded lower revenue and higher LBT. The lower revenue and higher LBT was mainly attributed to the decrease in revenue by departmental stores and certain specialty stores. The slower 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 lower revenue in the current quarter compared with the previous year corresponding quarter. The lower revenue was mainly due to decrease in hotel occupancy rate and average room rate in the current quarter. Despite lower revenue, the Group's hotel operations in Malaysia were able to maintain its PBT level compared with the previous year corresponding 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 due 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 has discontinued recognising share of further results from the associate in the financial services division as the share of the associate's previous losses exceeds the Group's interest in the associate.

The Group's food & confectionery division recorded higher revenue and PBT for the current quarter compared with the previous year corresponding quarter. This is mainly attributed to increase in domestic sales.

The Group's property division recorded higher revenue and PBT in the current quarter. The higher revenue was mainly attributed to higher revenue recognition based on higher construction progress of projects in Bandar Springhill. LBT in the previous year corresponding quarter was due to audit adjustment to recognise additional property development costs.

The lower LBT for the Group's others segment was mainly attributed to unrealised foreign exchange translation gain of intragroup balances arising from the strengthening of Ringgit Malaysia against major foreign currencies. The higher LBT for the previous year corresponding quarter was mainly attributed to unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies and impairment on convertible bond.

Cumulative 12 months ended 31 December 2015

For the current financial period, the Group recorded revenue of RM475.0 million and LBT of RM8.7 million. The LBT in the current financial period was mainly attributed to LBT from retailing division in Malaysia and unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

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

For the current quarter, the Group recorded revenue of RM142.9 million and PBT of RM15.6 million compared with a revenue of RM118.0 million and LBT of RM14.9 million in the preceding quarter. The higher revenue in current quarter was mainly attributed to higher revenue from retailing, food & confectionary and property divisions. The PBT in the current quarter was mainly attributed to unrealised foreign exchange translation gain of intragroup balances arising from the strengthening of Ringgit Malaysia against major foreign currencies, compared with unrealised foreign exchange translation loss in the preceding quarter.

B3 Prospects for year 2016

In view of the uncertainties of the domestic and global economies, the Group is cautious on the outlook of its various businesses in 2016. The Group will continue to assess potential investment opportunities to enhance its shareholders value.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Profit/(Loss) before tax

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

	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	12 MONTHS 31.12.2015
	RM'000	RM'000	RM'000
Depreciation	(6,302)	(7,159)	(21,655)
Fair value gain on investments (current)	-	435	-
Gross dividends received	-	1	-
Loss on disposal of property, plant and equipment	(32)	(1)	(17)
Interest income	2,904	2,887	10,546
Inventories (written down)/written back	558	(1,599)	101
Impairment on convertible bond	-	(4,944)	-
Property, plant and equipment written off	(57)	(902)	(150)

B6 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	31.12.2015
	RM'000	RM'000	RM'000
Current tax expense - Malaysia	297	913	6,930
- Foreign	1,085	301	2,391
Deferred tax	60	521	72
	1,442	1,735	9,393
(Over)/Under provision in respect of prior years	(51)	(4,587)	1,228
	1,391	(2,852)	10,621

The tax provision of the Group for the financial period ended 31 December 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.

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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") (a subsidiary of Pan Malaysia Capital Berhad which is in turn the associated company of the Group), rejected PM Securities' application for change of controlling shareholder. On 18 December 2015, PM Securities submitted an application for change of new controlling shareholder. PM Securities is awaiting the outcome of the application. In the meantime, the cut-off date to fulfill the condition precedent in the Share Sale Agreement has been mutually extended to 11 March 2016.

(c) On 27 November 2015, KAF Investment Bank Berhad had, on behalf of the Board of Directors of Pan Malaysia Corporation Berhad ("PMC"), a partly-owned subsidiary of the Company, announced the following proposals:-

- i) proposed reduction of the issued and paid-up share capital of PMC pursuant to Section 64 of the Companies Act, 1965 ("Act") involving the cancellation of RM0.30 of the par value of each existing ordinary share of RM0.50 each held in PMC ("Proposed Par Value Reduction");
- ii) proposed reduction of RM438.3 million from the share premium reserve of PMC pursuant to Sections 60(2) and 64 of the Act ("Proposed Share Premium Reduction");
- iii) proposed capital distribution to the shareholders of PMC involving a cash distribution of RM0.08 for each ordinary share in PMC pursuant to the Proposed Share Premium Reduction; and
- iv) proposed amendments to certain clauses of the Memorandum & Articles of Association of PMC to facilitate the implementation of the Proposed Par Value Reduction ("Proposed M&A Amendments"),

An extraordinary general meeting to seek the approval of the shareholders of PMC for the Proposals will be held on 3 March 2016.

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

B8 Group Borrowings

(a) Total Group borrowings as at 31 December 2015 were as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	802,634
- Unsecured	69,220
	<u>871,854</u>
Less: Classified as held for sale	<u>(18,350)</u>
	<u>853,504</u>
<i>Short Term Borrowings</i>	
- Secured	74,570
- Unsecured	101,399
	<u>175,969</u>
Less: Classified as held for sale	<u>(447)</u>
	<u>175,522</u>

(b) Foreign borrowings in Ringgit equivalent as at 31 December 2015 included in (a) above were as follows:-

Currency	RM'000
Pound Sterling	<u>572,830</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.

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B10 Fair Value Changes of Financial Liabilities

As at 31 December 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 31.12.2015 RM'000	At 31.12.2014 RM'000 (Audited)
Total accumulated losses of the Group:-		
- Realised losses	(6,964,490)	(6,958,019)
- Unrealised (losses)/gains	(13,907)	23,945
	<u>(6,978,397)</u>	<u>(6,934,074)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(54,375)	(54,749)
- Unrealised gains	786	785
	<u>(7,031,986)</u>	<u>(6,988,038)</u>
Consolidation adjustments	4,485,645	4,467,422
Total accumulated losses	<u>(2,546,341)</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 31 December 2015 (31 December 2014: Nil).

B14 Basic Earnings/(Loss) Per Share

	QUARTER ENDED		CUMULATIVE
	31.12.2015	31.12.2014	12 MONTHS 31.12.2015
Weighted average number of ordinary shares in issue ('000)	<u>2,932,561</u>	<u>2,932,561</u>	<u>2,932,561</u>
Profit/(Loss) for the financial period/year attributable to equity holders of the Company (RM'000)	12,456	1,351	(25,725)
Basic earnings/(loss) per share (sen)	<u>0.42</u>	<u>0.05</u>	<u>(0.88)</u>
Diluted earnings/(loss) per share (sen)	<u>0.42</u>	<u>0.05</u>	<u>(0.88)</u>

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

B15 Comparative Figures

There are no comparative figures for the cumulative 12 months period ended 31 December 2015 due to the Company's change of financial year end to 30 June 2016. The Interim Financial Report for the quarter ended 31 December 2014 marked as "Appendix 1" is appended for reference.

B16 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: 25 February 2016