

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT QUARTER ENDED 31 MARCH 2016

(The figures are unaudited)

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	QUARTER ENDED		CUMULATIVE
	31.03.2016	31.03.2015	15 MONTHS
	RM'000	RM'000	31.03.2016
			RM'000
Revenue	107,827	106,676	582,825
Cost of sales	(67,658)	(61,394)	(341,472)
Gross profit	40,169	45,282	241,353
Other income	3,382	4,534	17,290
Distribution costs	(3,331)	(2,840)	(16,286)
Administrative expenses	(22,141)	(19,909)	(109,810)
Other operating expenses	(20,594)	(21,655)	(108,959)
(Loss)/Profit from operations	(2,515)	5,412	23,588
Exceptional items (refer Note A5)	8,548	(8,087)	(12,452)
Finance cost	(12,797)	(11,796)	(62,677)
Share of results of associates	3,428	4,326	39,553
Loss before taxation	(3,336)	(10,145)	(11,988)
Tax expense	(2,427)	(3,278)	(13,048)
Loss for the financial period	(5,763)	(13,423)	(25,036)
(Loss)/Profit attributable to:-			
Equity holders of the Company	(6,056)	(14,400)	(31,781)
Non-controlling interests	293	977	6,745
Loss for the financial period	(5,763)	(13,423)	(25,036)
Loss per share attributable to equity holders of the Company:-	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic / Diluted	(0.21)	(0.49)	(1.08)

Note :

There are no comparative figures for the cumulative 15 months period ended 31 March 2016 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.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
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## CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 March 2016

	QUARTER ENDED		CUMULATIVE
	31.03.2016	31.03.2015	15 MONTHS
	RM'000	RM'000	31.03.2016
			RM'000
Loss for the financial period	(5,763)	(13,423)	(25,036)
Other comprehensive (loss)/income, net of tax:-			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign subsidiaries	(50,463)	23,938	51,997
Fair value of available-for-sale investments - Loss on fair value changes	(1,444)	(3,299)	(2,885)
Other comprehensive (loss)/income for the financial period	(51,907)	20,639	49,112
Total comprehensive (loss)/income for the financial period	(57,670)	7,216	24,076
Total comprehensive (loss)/income attributable to:-			
Equity holders of the Company	(51,293)	6,960	15,817
Non-controlling interests	(6,377)	256	8,259
Total comprehensive (loss)/income for the financial period	(57,670)	7,216	24,076

Note :

There are no comparative figures for the cumulative 15 months period ended 31 March 2016 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  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	31.03.2016	31.12.2014
	RM'000	RM'000
		(Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	656,223	630,779
Investment properties	89,614	54,098
Investment in associates	451,198	405,594
Other investments	9,854	12,718
Land held for property development	35,263	35,263
Goodwill on consolidation	181,340	181,340
Deferred tax assets	2,237	2,263
	1,425,729	1,322,055
<b>Current Assets</b>		
Property development costs	86,333	82,071
Inventories	65,034	89,126
Trade and other receivables	149,228	172,660
Other investments	45	343
Current tax assets	14,947	12,568
Deposits, bank balances and cash	334,799	300,001
	650,386	656,769
Assets classified as disposal group held for sale	86,794	89,672
	737,180	746,441
<b>TOTAL ASSETS</b>	2,162,909	2,068,496
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	2,932,561	2,932,561
Reserves	(2,136,145)	(2,151,962)
	796,416	780,599
<b>Non-Controlling Interests</b>	240,524	233,285
<b>Total Equity</b>	1,036,940	1,013,884
<b>Non-Current Liabilities</b>	803,949	675,544
<b>Current Liabilities</b>		
Trade and other payables	126,731	133,811
Borrowings	168,216	216,588
Current tax liabilities	2,761	1,903
	297,708	352,302
Liabilities classified as disposal group held for sale	24,312	26,766
<b>Total Liabilities</b>	1,125,969	1,054,612
<b>TOTAL EQUITY AND LIABILITIES</b>	2,162,909	2,068,496
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.27	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.

**MALAYAN UNITED INDUSTRIES BERHAD**

Company No: 3809-W  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
	Share Capital RM'000	Non-Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
<b>CUMULATIVE 15 MONTHS</b>							
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	-	-	-	(31,781)	(31,781)	6,745	(25,036)
Fair value loss on available-for-sale financial assets, net of tax	-	(2,335)	-	-	(2,335)	(550)	(2,885)
Foreign currency translations, net of tax	-	49,933	-	-	49,933	2,064	51,997
Total comprehensive income/(loss)	-	47,598	-	(31,781)	15,817	8,259	24,076
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(1,020)	(1,020)
	-	-	-	-	-	(1,020)	(1,020)
At 31 March 2016	2,932,561	390,995	25,257	(2,552,397)	796,416	240,524	1,036,940
<b>CUMULATIVE 12 MONTHS</b>							
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 STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	<b>CUMULATIVE 15 MONTHS 31.03.2016 RM'000</b>
Cash Flows From Operating Activities	
Loss before taxation	(11,988)
Net adjustments	50,807
	<hr/>
Operating profit before working capital changes	38,819
Net change in working capital	25,505
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Cash generated from operations	64,324
Employee benefits paid	(203)
Interest paid	(455)
Interest received	6,501
Net tax paid	(14,504)
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Net cash generated from operating activities	55,663
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Cash Flows From Investing Activities	
Dividend received	31,066
Interest received	6,681
Proceeds from disposal of property, plant and equipment	28
Purchase of additional interests in subsidiaries	(26,298)
Purchase of property, plant and equipment	(35,484)
Placements of fixed deposits pledged with licensed financial institutions	(18,075)
	<hr/>
Net cash used in investing activities	(42,082)
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Cash Flows From Financing Activities	
Dividend paid to non-controlling interests of a subsidiary	(1,020)
Interest paid	(62,222)
Net drawdowns of bank borrowings	81,250
	<hr/>
Net cash from financing activities	18,008
	<hr/>
Effects of exchange rate changes	(30,113)
	<hr/>
Net increase in cash and cash equivalents	1,476
	<hr/>
Cash and cash equivalents at 1 January 2015	
As previously reported	262,313
Effects of exchange rate changes on cash and cash equivalents	8,987
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As restated	271,300
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Cash and cash equivalents at 31 March 2016	272,776
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There are no comparative figures for the cumulative 15 months period ended 31 March 2016 due to the Company's change of financial year end to 30 June 2016.

The Condensed Consolidated Statement 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 March 2016 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE
	31.03.2016	31.03.2015	15 MONTHS
	RM'000	RM'000	31.03.2016
Assets distribution from an associate	-	-	465
Bad debts (written off)/recovered	(22)	-	264
Impairment on property, plant & equipment	-	(315)	(315)
Reversal of Impairment/(Impairment) on receivables	10	(76)	133
Net gain/(loss) on foreign exchange	8,560	(7,696)	(12,999)
	8,548	(8,087)	(12,452)

### 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 March 2016.

### A7 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2016 (31 March 2015 : Nil).

### A8 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2016 is as follows:-

#### (a) Revenue

	External Customers	Inter- segment	Total Revenue	Share of Associates' Revenue	Net Revenue
	RM'000	RM'000	RM'000	RM'000	RM'000
Retailing	886,911 *	-	886,911	(704,032)	182,879
Hotel	244,104	-	244,104	-	244,104
Food	87,637	-	87,637	-	87,637
Financial Services	12,424	-	12,424	(12,424)	-
Property	68,295	(90)	68,205	-	68,205
Others	60,483	(43,816)	16,667	(16,667)	-
Total	1,359,854	(43,906)	1,315,948	(733,123)	582,825

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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	(15,220)	10	-	36,679	21,469 *
Hotel	33,278	28	(1,640)	-	31,666
Food	987	(69)	(34)	-	884
Financial Services	-	-	-	-	-
Property	13,299	-	(3,201)	-	10,098
Others	(8,756)	(12,421)	(57,802)	2,874	(76,105)
<b>Total</b>	<b>23,588</b>	<b>(12,452)</b>	<b>(62,677)</b>	<b>39,553</b>	<b>(11,988)</b>

### (c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	274,196	209,534	483,730
Hotel	653,660	-	653,660
Food	188,838	-	188,838
Financial Services	-	-	-
Property	282,937	-	282,937
Others	208,102	241,664	449,766
	<b>1,607,733</b>	<b>451,198</b>	<b>2,058,931</b>
<b>Assets classified as disposal group held for sale:-</b>			
Hotel	27,330	-	27,330
Others	59,190	267	59,457
	<b>86,520</b>	<b>267</b>	<b>86,787</b>
	<b>1,694,253</b>	<b>451,465</b>	<b>2,145,718</b>
<b>Unallocated Corporate Assets:-</b>			
Others			17,184
Assets classified as disposal group held for sale			7
<b>Total Assets</b>			<b>2,162,909</b>

\* 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 March 2016 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

- (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 ("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	35,679
Cash and cash equivalent	2
Trade and other payables	(8,827)
Deferred tax liability	(554)
Total purchase consideration satisfied by cash and cash equivalent	26,300
Less : Cash and cash equivalent of THSB	(2)
Cash outflow on acquisition	<b>26,298</b>

- (b) During the current quarter, the following dormant/inactive subsidiaries were placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965 ("Winding-Up"):-

- (i) Wholly-owned subsidiaries of the Company
- MUI dotCom Sdn Bhd
  - MUI Sdn Bhd
  - Ming Court Inn (Penang) Sdn Bhd
  - Sergap Makmur Sdn Bhd
  - Prizewood Sdn Bhd



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- (ii) Wholly-owned subsidiaries of MUI Properties Berhad
  - Delray Sdn Bhd
  - Polacre Sdn Bhd
  - Resort & Leisure Homes Sdn Bhd
- (iii) Wholly-owned subsidiaries of Pan Malaysia Corporation Berhad
  - Bidou Holdings Sdn Bhd
  - Clacton Holdings Sdn Bhd
  - Delight Consolidation Sdn Bhd
  - Lembaran Megah Sdn Bhd
  - PMCW Enterprises Sdn Bhd
  - PMCW Holdings Sdn Bhd
  - Mikonwadi Sdn Bhd
- (iv) Wholly-owned subsidiary of MUI Continental Berhad
  - United Continental Properties Sdn. Berhad

The Winding-up of subsidiaries is part of the Group's continuing rationalisation effort to improve efficiency within the Group and to save future costs associated with maintaining these subsidiaries.

The Winding-up of the above subsidiaries will not have any material financial or operational effect on the Group for the current financial year ending 30 June 2016.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 March 2016.

### 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").

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 Securitites' 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 June 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:-

	31.03.2016	31.12.2014
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	30,891	32,055
Investment in associates	267	105
Other investment	872	872
Inventories	204	148
Trade and other receivables	52,592	51,911
Current tax assets	6	8
Deposits, bank balances and cash	1,962	4,573
Assets classified as disposal group held for sale	86,794	89,672
	<b>31.03.2016</b>	<b>31.12.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Liabilities</b>		
Borrowings	18,348	19,646
Deferred tax liabilities	1,878	1,878
Trade and other payables	3,849	5,085
Employee benefits	229	144
Current tax liabilities	8	13
Liabilities classified as disposal group held for sale	24,312	26,766

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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
	31.03.2016	31.03.2015	15 MONTHS 31.03.2016
	RM'000	RM'000	RM'000
<b>Revenue</b>			
Retailing	34,133	44,235	182,879
Hotel	38,317	38,728	244,104
Food	15,957	15,581	87,637
Property	19,420	8,132	68,205
Others	-	-	-
	<u>107,827</u>	<u>106,676</u>	<u>582,825</u>
<b>Profit/(Loss) before tax ("PBT / LBT")</b>			
Retailing	749 *	5,986 *	21,469 *
Hotel	(2,084)	1,987	31,666
Food	131	(730)	884
Financial Services	-	-	-
Property	2,899	2,112	10,098
Others	(5,031)	(19,500)	(76,105)
	<u>(3,336)</u>	<u>(10,145)</u>	<u>(11,988)</u>

\* Include estimated results of an associate

#### Quarter ended 31 March 2016 vs. Quarter ended 31 March 2015

For the current quarter, the Group recorded slightly higher revenue of RM107.8 million and lower loss before tax ("LBT") of RM3.3 million compared with revenue of RM106.7 million and LBT of RM10.1 million for the quarter ended 31 March 2015. The higher revenue in the current quarter was mainly attributed to higher revenue from property division. The lower LBT in the current quarter was mainly attributed to the unrealised foreign exchange translation gain of intragroup balances arising from the strengthening of Ringgit Malaysia against major foreign currencies recorded by the Group.

For the retailing division in Malaysia, Metrojaya Berhad ("Metrojaya") recorded lower revenue and LBT in the current quarter. The lower revenue and LBT was mainly attributed to the decrease in revenue by departmental stores and certain specialty stores. The challenging domestic economy and cautious consumer spending have contributed to the decrease in revenue.

The Group's hotel operations in Malaysia recorded lower revenue and lower profit before tax ("PBT") in the current quarter compared with the quarter ended 31 March 2015. This was mainly due to decrease in average room rate and lower occupancy in the current quarter. In the UK, the Group's hotel operations recorded lower revenue and higher LBT in the current quarter compared with the quarter ended 31 March 2015 mainly due to lower occupancy.

The Group has discontinued recognising share of further results from the associate in the financial services division as the total share of the associate's losses exceeds the Group's interest in the associate.

The Group's food division recorded slightly higher revenue for the current quarter compared with the quarter ended 31 March 2015. PBT recorded in the current quarter was mainly attributed to lower raw material prices.

The Group's property division recorded higher revenue and higher PBT in the current quarter. The higher revenue and PBT was mainly attributed to higher revenue recognition based on higher construction progress of property development projects in Bandar Springhill.

The Group's "others" segment mainly comprises interest income, expenses and finance cost of investment holding and dormant subsidiaries. For the current quarter, the decrease in the amount was mainly attributed to unrealized foreign exchange translation gain of intragroup balances arising from the strengthening of Ringgit Malaysia against major foreign currencies.

#### Cumulative 15 months ended 31 March 2016

For the current financial period, the Group recorded revenue of RM582.8 million and LBT of RM12.0 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 RM107.8 million and LBT of RM3.3 million compared with a revenue of RM142.9 million and PBT of RM15.6 million in the preceding quarter. The lower revenue in current quarter was mainly attributed to lower revenue from retailing, food, hotel and property divisions. The LBT in the current quarter was mainly attributed to lower share of profit of associates.

### B3 Prospects for year 2016

The effects of the challenging economic environment globally and domestically will continue to put pressure on the Group's performance. In view of this, the Group is cautious on the outlook of its various businesses especially retailing division in Malaysia for the remaining period of year 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 Loss before tax

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

	QUARTER ENDED		CUMULATIVE
	31.03.2016	31.03.2015	15 MONTHS
	RM'000	RM'000	31.03.2016 RM'000
Depreciation	(5,622)	(4,981)	(27,277)
Fair value loss on investments (current)	-	(23)	-
Gain/(Loss) on disposal of property, plant and equipment	-	11	(17)
Interest income	2,635	1,696	13,181
Inventories written down	(330)	(555)	(229)
Impairment on convertible bond	(316)	-	(316)
Property, plant and equipment written off	(61)	(35)	(211)

### B6 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED		CUMULATIVE
	31.03.2016	31.03.2015	15 MONTHS
	RM'000	RM'000	31.03.2016 RM'000
Current tax expense - Malaysia	2,168	3,115	9,098
- Foreign	-	27	2,391
Deferred tax	-	-	72
	2,168	3,142	11,561
Under provision in respect of prior years	259	136	1,487
	2,427	3,278	13,048

The tax provision of the Group for the financial period ended 31 March 2016 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").

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 fulfil the condition precedent in the Share Sale Agreement has been mutually extended to 11 June 2016.

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- (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:-
- 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");
  - 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");
  - 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
  - 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"),

(hereinafter collectively referred to as the "Proposals")

On 3 March 2016, all the special resolutions for the Proposals as set out in the Notice of Extraordinary General Meeting ("EGM") of PMC dated 5 February 2016 and tabled at the EGM were approved by the shareholders.

On 13 April 2016, PMC announced that the High Court of Malaya has granted an order confirming the Par Value Reduction, Share Premium Reduction and Capital Distribution pursuant to Section 64 of the Companies Act, 1965 ("Court Order").

On 29 April 2016, PMC announced that the entitlement date for the Capital Distribution has been fixed on 16 May 2016.

On 16 May 2016, an office copy of the Court Order has been lodged with the Companies Commission of Malaysia for the Par Value Reduction, Share Premium Reduction and Capital Distribution to take effect accordingly.

The payment for the Capital Distribution was made on 26 May 2016, and therefore the Capital Distribution was completed on 26 May 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 March 2016 were as follows:-

	<b>RM'000</b>
<i>Long Term Borrowings</i>	
- Secured	740,060
- Unsecured	68,220
	<u>808,280</u>
Less: Classified as held for sale	<u>(18,348)</u>
	<u>789,932</u>
<i>Short Term Borrowings</i>	
- Secured	68,546
- Unsecured	99,899
	<u>168,445</u>
Less: Classified as held for sale	<u>(229)</u>
	<u>168,216</u>

- (b) Foreign borrowings in Ringgit equivalent as at 31 March 2016 included in (a) above were as follows:-

<b>Currency</b>	<b>RM'000</b>
Pound Sterling	<u>506,111</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 31 March 2016, the Group did not have any financial liabilities measured at fair value through profit or loss.

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## B11 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 31.03.2016 RM'000	At 31.12.2014 RM'000 (Audited)
Total accumulated losses of the Group:-		
- Realised losses	(5,898,008)	(6,958,019)
- Unrealised (losses)/gains	(1,128,882)	23,945
	<u>(7,026,890)</u>	<u>(6,934,074)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(49,311)	(54,749)
- Unrealised gains	786	785
	<u>(7,075,415)</u>	<u>(6,988,038)</u>
Consolidation adjustments	4,523,018	4,467,422
Total accumulated losses	<u>(2,552,397)</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 March 2016 (31 March 2015: Nil).

## B14 Basic Loss Per Share

	QUARTER ENDED		CUMULATIVE
	31.03.2016	31.03.2015	15 MONTHS 31.03.2016
Weighted average number of ordinary shares in issue ('000)	<u>2,932,561</u>	<u>2,932,561</u>	<u>2,932,561</u>
Loss for the financial period/year attributable to equity holders of the Company (RM'000)	(6,056)	(14,400)	(31,781)
Basic loss per share (sen)	<u>(0.21)</u>	<u>(0.49)</u>	<u>(1.08)</u>
Diluted loss per share (sen)	<u>(0.21)</u>	<u>(0.49)</u>	<u>(1.08)</u>

Diluted 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 15 months period ended 31 March 2016 due to the Company's change of financial year end to 30 June 2016.

## 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: 31 May 2016