

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT QUARTER ENDED 30 SEPTEMBER 2016

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

	QUARTER ENDED		CUMULATIVE
	30.09.2016	30.09.2015	3 MONTHS
	RM'000	RM'000	RM'000
Revenue	102,033	117,965	102,033
Cost of sales	(59,230)	(56,624)	(59,230)
Gross profit	42,803	61,341	42,803
Other income	3,586	4,028	3,586
Distribution costs	(3,133)	(3,790)	(3,133)
Administrative expenses	(20,635)	(30,164)	(20,635)
Other operating expenses	(18,776)	(22,983)	(18,776)
Profit from operations	3,845	8,432	3,845
Exceptional items (refer Note A4)	(3,911)	(14,195)	(3,911)
Finance cost	(10,951)	(13,221)	(10,951)
Share of results of associates	6,606	6,896	6,606
Loss before taxation	(4,411)	(12,088)	(4,411)
Tax expense	(2,457)	(4,280)	(2,457)
Loss for the financial period	(6,868)	(16,368)	(6,868)
(Loss)/Profit attributable to:-			
Equity holders of the Company	(8,637)	(19,053)	(8,637)
Non-controlling interests	1,769	2,685	1,769
Loss for the financial period	(6,868)	(16,368)	(6,868)
Loss per share attributable to equity holders of the Company:-	Sen	Sen	Sen
Basic / Diluted	(0.29)	(0.65)	(0.29)

Note :

There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 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 30 SEPTEMBER 2016

	QUARTER ENDED		CUMULATIVE
	30.09.2016	30.09.2015	3 MONTHS
	RM'000	RM'000	30.09.2016
			RM'000
Loss for the financial period	(6,868)	(16,368)	(6,868)
Other comprehensive (loss)/income, net of tax:-			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign subsidiaries	16,134	92,954	16,134
Fair value of available-for-sale investments - (Loss)/Gain on fair value changes	(1,478)	183	(1,478)
Other comprehensive income for the financial period	14,656	93,137	14,656
Total comprehensive income for the financial period	7,788	76,769	7,788
Total comprehensive income/(loss) attributable to:-			
Equity holders of the Company	5,613	65,143	5,613
Non-controlling interests	2,175	11,626	2,175
Total comprehensive income for the financial period	7,788	76,769	7,788

Note :

There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 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 2016

	30.09.2016	30.06.2016
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	661,985	635,612
Investment properties	97,617	97,507
Investment in associates	441,877	436,781
Other investments	9,396	9,376
Land held for property development	35,263	35,263
Goodwill on consolidation	102,262	102,772
Deferred tax assets	976	2,235
	1,349,376	1,319,546
Current Assets		
Property development costs	86,078	86,453
Inventories	67,577	62,022
Trade and other receivables	211,449	160,949
Other investments	47	45
Current tax assets	15,565	16,206
Deposits, bank balances and cash	302,800	311,281
	683,516	636,956
Assets classified as disposal group held for sale	-	85,846
	683,516	722,802
	2,032,892	2,042,348
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,932,561	2,932,561
Reserves	(2,215,971)	(2,221,584)
	716,590	710,977
Non-Controlling Interests	223,668	224,360
Total Equity	940,258	935,337
Non-Current Liabilities	756,444	738,370
Current Liabilities		
Trade and other payables	143,390	141,751
Borrowings	192,137	201,876
Current tax liabilities	663	910
	336,190	344,537
Liabilities classified as disposal group held for sale	-	24,104
Total Liabilities	1,092,634	1,107,011
TOTAL EQUITY AND LIABILITIES	2,032,892	2,042,348
	RM	RM
Net assets per share attributable to equity holders of the Company	0.24	0.24

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016**

	Attributable to Equity Holders of the Company				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non- Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000			
CUMULATIVE 3 MONTHS							
At 1 July 2016	2,932,561	402,526	25,257	(2,649,367)	710,977	224,360	935,337
Loss for the financial period	-	-	-	(8,637)	(8,637)	1,769	(6,868)
Fair value loss on available- for-sale financial assets, net of tax	-	(1,224)	-	-	(1,224)	(254)	(1,478)
Foreign currency translations, net of tax	-	15,474	-	-	15,474	660	16,134
Total comprehensive income/(loss)	-	14,250	-	(8,637)	5,613	2,175	7,788
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(2,867)	(2,867)
	-	-	-	-	-	(2,867)	(2,867)
At 30 September 2016	2,932,561	416,776	25,257	(2,658,004)	716,590	223,668	940,258
CUMULATIVE 18 MONTHS							
At 1 January 2015	2,932,561	343,397	25,257	(2,517,114)	784,101	235,139	1,019,240
(Loss)/Profit for the financial year	-	-	-	(136,537)	(136,537)	13,457	(123,080)
Fair value loss on available-for-sale financial assets, net of tax	-	(1,667)	-	-	(1,667)	(348)	(2,015)
Foreign currency translations, net of tax	-	63,738	-	-	63,738	340	64,078
Capital reserves of winding up a subsidiary derecognised	-	300	-	-	300	-	300
Realisation of reserves on dissolution of an associate	-	(4,284)	-	4,284	-	-	-
Share of other comprehensive loss of associates, net of tax	-	1,042	-	-	1,042	-	1,042
Total comprehensive income/(loss)	-	59,129	-	(132,253)	(73,124)	13,449	(59,675)
Transaction with owners:-							
Acquisition of additional interests in subsidiaries	-	-	-	-	-	(19,614)	(19,614)
Dividend paid to non-controlling shareholders	-	-	-	-	-	(4,614)	(4,614)
	-	-	-	-	-	(24,228)	(24,228)
At 30 June 2016	2,932,561	402,526	25,257	(2,649,367)	710,977	224,360	935,337

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 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 30 SEPTEMBER 2016

	CUMULATIVE 3 MONTHS 30.09.2016 RM'000
Cash Flows From Operating Activities	
Loss before taxation	(4,411)
Net adjustments	11,793
	<hr/>
Operating profit before working capital changes	7,382
Net change in working capital	(5,974)
	<hr/>
Cash generated from operations	1,408
Employee benefits paid	(3)
Interest paid	(32)
Interest received	1,221
Net tax paid	(792)
	<hr/>
Net cash generated from operating activities	1,802
	<hr/>
Cash Flows From Investing Activities	
Dividend received	13,447
Interest received	1,495
Purchase of property, plant and equipment	(1,419)
Withdrawal of fixed deposits pledged with licensed financial institutions	29
	<hr/>
Net cash generated from investing activities	13,552
	<hr/>
Cash Flows From Financing Activities	
Dividend paid to non-controlling interests of subsidiaries	(2,867)
Interest paid	(10,919)
Net proceed from bank borrowings	(9,589)
	<hr/>
Net cash used in financing activities	(23,375)
	<hr/>
Effects of exchange rate changes	(2,308)
	<hr/>
Net decrease in cash and cash equivalents	(10,329)
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Cash and cash equivalents at 30 June 2016	
As previously reported	247,916
Effects of exchange rate changes on cash and cash equivalents	848
	<hr/>
As restated	248,764
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Cash and cash equivalents at 30 September 2016	238,435
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There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 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 period ended 30 June 2016. 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 period ended 30 June 2016.

The significant accounting policies adopted are consistent with those of the audited financial statements for the period ended 30 June 2016 except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Annual improvements to Financial Reporting Standards which are applicable for the Group's financial year beginning on or after 1 January 2016:-

FRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to FRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to FRS 10, FRS 12 and FRS 128	<i>Investment Entities - Applying the Consolidation Exception</i>
Amendments to FRS 101	<i>Disclosure Initiative</i>
Amendments to FRS 116 and FRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to FRS 127	<i>Equity Method in Separate Financial Statements</i>
Annual Improvements to FRSs 2012 - 2014 Cycle	

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

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

<u>FRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>
FRS 16	1 January 2019
Amendments to FRS 2	
	<i>Leases</i>
	<i>Classification and Measurement of</i>
	<i>Share Based Payment Transactions</i>
Amendments to FRS 10 and FRS 128	1 January 2018
	<i>Sale or Contribution of Assets between an</i>
	<i>Investor and its Associate or Joint Venture</i>
Amendments to FRS 107	Deferred until further notice
	<i>Disclosure Initiative</i>
Amendments to FRS 112	1 January 2017
	<i>Recognition of Deferred Tax Assets for</i>
	<i>Unrealised Losses</i>
	1 January 2017

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued 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 to the following dates :

MFRS	Annual periods beginning on or after:
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 15 <i>Effective Date of MFRS 15</i>	1 January 2018
Amendments to MFRS 15 <i>Clarifications to MFRS 15 'Revenue from Contracts with Customers'</i>	1 January 2018
<i>Agriculture: Bearer Plants</i> (Amendments to MFRS 116 and MFRS 141)	1 January 2018

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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 2019. 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 period ended 30 September 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 2019.

A2 Seasonal or Cyclical Factors

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

- (a) The retailing operations in United Kingdom normally record better sales in the fourth quarter of the financial period 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 operations in Malaysia, Singapore and Hong Kong normally record better sales during the various festive seasons.

A3 Changes in estimates

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

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the financial period ended 30 September 2016 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE
	30.09.2016	30.09.2015	3 MONTHS
	RM'000	RM'000	RM'000
Assets distribution from an associate	-	465	-
Impairment of goodwill on consolidation	(510)	-	(510)
Impairment on property, plant & equipment	(166)	(2)	(166)
(Impairment)/Reversal of Impairment on receivables	(310)	8	(310)
Net loss on foreign exchange	(2,925)	(14,666)	(2,925)
	<u>(3,911)</u>	<u>(14,195)</u>	<u>(3,911)</u>

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2016.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2016 (30 September 2015 : Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 September 2016 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	150,961 *	-	150,961	(125,705)	25,256
Hotel	52,345	-	52,345	-	52,345
Food	17,333	-	17,333	-	17,333
Property	7,117	(18)	7,099	-	7,099
Financial Services	1,323	-	1,323	(1,323)	-
Others	5,819	(3,151)	2,668	(2,668)	-
Total	<u>234,898</u>	<u>(3,169)</u>	<u>231,729</u>	<u>(129,696)</u>	<u>102,033</u>

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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	(Loss)/Profit Before Taxation RM'000
Retailing	(6,024)	(870)	-	6,351	(543) *
Hotel	10,527	-	(305)	-	10,222
Food	(561)	417	(6)	-	(150)
Property	1,426	-	(13)	-	1,413
Financial Services	-	-	-	-	-
Others	(1,523)	(3,458)	(10,627)	255	(15,353)
Total	3,845	(3,911)	(10,951)	6,606	(4,411)

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	319,235	221,329	540,564
Hotel	665,032	-	665,032
Food	163,672	-	163,672
Property	274,836	-	274,836
Financial Services	-	-	-
Others	151,699	220,548	372,247
	1,574,474	441,877	2,016,351
Unallocated Corporate Assets			16,541
Total Assets			2,032,892

* Include estimated results of an associate

A8 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 2016 that have not been reflected in the financial statements for the said period as at the date of this report.

A9 Changes in the Composition of the Group

On 15 September 2016, Acmes Investment Limited ("Acmes"), a wholly-owned subsidiary of Jaguh Padu Sdn Bhd incorporated in Hong Kong, which is in turn a wholly-owned subsidiary of Pan Malaysia Corporation Berhad was deregistered and dissolved on 9 September 2016 following an earlier application by Acmes to the Companies Registry in Hong Kong for its deregistration in accordance with the Companies Ordinance.

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 September 2016.

A10 Contingent Liabilities

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

A11 Capital Commitments

As at the date of this report, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Contracted but not provided for	1,796
Authorised but not contracted for	1,764
	<u>3,560</u>

A12 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 13 September 2016, Dato' Dr Yu Kuan Chon and the Group had mutually agreed to terminate the Share Sale Agreement due to the Condition Precedent not being fulfilled by the last extended Cut-Off Date of 12 September 2016 ("Termination"). Upon Termination, the Share Sale Agreement shall be of no further effect and the parties shall be released from all further obligation to each other. The Termination is not expected to have any material effect on the earnings, net assets and gearing of the Group for the financial year ending 30 June 2017.

Upon Termination, the assets and liabilities of PMH ceased to be classified as disposal group held for sale.

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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
	30.09.2016	30.09.2015	3 MONTHS 30.09.2016
	RM'000	RM'000	RM'000
Revenue			
Retailing	25,256	33,824	25,256
Hotel	52,345	57,215	52,345
Food	17,333	15,994	17,333
Property	7,099	10,932	7,099
Others	-	-	-
	<u>102,033</u>	<u>117,965</u>	<u>102,033</u>
(Loss)/Profit before tax ("LBT / PBT")			
Retailing	(543) *	37 *	(543) *
Hotel	10,222	14,048	10,222
Food	(150)	(298)	(150)
Property	1,413	2,013	1,413
Financial Services	-	294	-
Others	(15,353)	(28,182)	(15,353)
	<u>(4,411)</u>	<u>(12,088)</u>	<u>(4,411)</u>

* Include estimated results of an associate

Quarter ended 30 September 2016 vs Quarter ended 30 September 2015

For the current quarter, the Group recorded revenue of RM102.0 million and loss before tax ("LBT") of RM4.4 million compared with revenue of RM118.0 million and LBT of RM12.1 million for the quarter ended 30 September 2015. The lower revenue in the current quarter was mainly attributed to lower revenue from retailing division, hotel division and property division. The lower LBT in the current quarter was mainly attributed to lower unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies and lower finance cost incurred.

The retailing division recorded lower revenue of RM25.3 million and higher LBT of RM6.9 million for the current quarter compared with revenue of RM33.8 million and LBT of RM5.8 million in the previous period corresponding quarter. The higher LBT was mainly attributed to LBT incurred by departmental stores and certain specialty stores of retailing division in Malaysia. The challenging domestic economy and cautious consumer spending have contributed to the loss.

The Group's hotel operations in Malaysia recorded the same level of revenue and lower profit before tax ("PBT") in the current quarter compared with the quarter ended 30 September 2015. This was mainly due to higher operating expenses in the current quarter. In the UK, the Group's hotel operations recorded lower revenue and lower PBT in the current quarter compared with the quarter ended 30 September 2015 mainly attributed to the stronger Ringgit Malaysia against Pound Sterling exchange rate.

The Group's food division recorded higher revenue of RM17.3 million and LBT of RM0.2 million in the current quarter compared with revenue of RM16.0 million and LBT of RM0.3 million in the previous period corresponding quarter. The higher revenue was mainly due to increase in domestic sales.

The Group's property division recorded lower revenue and lower PBT in the current quarter. The lower revenue and lower PBT in the current quarter were mainly attributed to lower revenue recognition based on lower percentage of completion of current projects in Bandar Springhill.

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 "others" segment mainly comprises interest income, expenses and finance cost of investment holding and dormant subsidiaries. For the current quarter, the lower LBT was mainly attributed to lower unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies and lower finance cost incurred.

Cumulative 3 months period ended 30 September 2016

For the current financial period, the Group recorded revenue of RM102.0 million and LBT of RM4.4 million. The LBT in the current financial period was mainly attributed to LBT from retailing division 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 RM102.0 million and lower LBT of RM4.4 million compared with a revenue of RM103.4 million and LBT of RM99.7 million in the preceding quarter. The higher LBT in the preceding quarter was mainly attributed to non-cash impairment of goodwill on consolidation in respect of the retailing division, fair value loss on interest rate swap and lower share of profit of an associate.

B3 Prospects for year 2016/2017

Cautious business sentiments and consumer spending are expected to continue into the first half of 2017.

Against the backdrop of the above, the Group will be adopting a prudent yet progressive approach in developing strategies and managing its various businesses locally and abroad.

The Group will endeavour to streamline its portfolio of assets and businesses to further enhance its financial position. In view of the continued challenging local and global economic environments, the Group is cautious on the outlook of its various businesses for the financial year ending 30 June 2017.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Loss before tax

Included in the loss before tax were the followings items:-

	QUARTER ENDED		CUMULATIVE
	30.09.2016	30.09.2015	3 MONTHS 30.09.2016
	RM'000	RM'000	RM'000
Depreciation	(5,764)	(5,480)	(5,764)
Fair value gain on investments (current)	-	22	-
Loss on disposal of property, plant and equipment	-	(1)	-
Interest income	2,716	4,227	2,716
Inventories written back/(written off)	368	(25)	368
Property, plant and equipment written off	(43)	(23)	(43)

B6 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED		CUMULATIVE
	30.09.2016	30.09.2015	3 MONTHS 30.09.2016
	RM'000	RM'000	RM'000
Current tax expense - Malaysia	1,487	2,137	1,487
- Foreign	36	762	36
Deferred tax	1,279	12	1,279
	2,802	2,911	2,802
(Over)/Under provision in respect of prior years	(345)	1,369	(345)
	2,457	4,280	2,457

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

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 13 September 2016, Dato' Dr Yu Kuan Chon and the Group had mutually agreed to terminate the Share Sale Agreement due to the Condition Precedent not being fulfilled by the last extended Cut-Off Date of 12 September 2016 ("Termination"). Upon Termination, the Share Sale Agreement shall be of no further effect and the parties shall be released from all further obligation to each other. The Termination is not expected to have any material effect on the earnings, net assets and gearing of the Group for the financial year ending 30 June 2017.

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 2016 were as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	658,201
- Unsecured	75,456
	733,657
 <i>Short Term Borrowings</i>	
- Secured	120,353
- Unsecured	71,784
	192,137

(b) Foreign borrowing in Ringgit equivalent as at 30 September 2016 included in (a) above was as follows:-

Currency	RM'000
Pound Sterling	483,675

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

B9 Derivative Financial Instruments

Interest rate swap contract

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

The outstanding interest rate swap contract as at 30 September 2016 is as follows:-

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

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

As at 30 September 2016, the notional amount, fair value and maturity tenor of the interest rate swap contract are as follows:-

	<u>Notional Amount</u>	<u>Fair Value Liabilities</u>
	RM'000	RM'000
<u>Non-current liabilities</u>		
More than 3 years	141,299	8,604

B10 Fair Value Changes of Financial Liabilities

As at 30 September 2016, the Group did not have any financial liabilities measured at fair value through profit or loss except for derivative financial instrument mentioned in B9.

B11 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 30.09.2016	At 30.06.2016
	RM'000	RM'000
		(Audited)
Total accumulated losses of the Group:-		
- Realised losses	(4,807,646)	(4,685,606)
- Unrealised losses	(1,265,867)	(1,083,566)
	(6,073,513)	(5,769,172)
Total share of accumulated losses from associates:-		
- Realised losses	(54,708)	(54,584)
- Unrealised gains	786	786
	(53,922)	(53,798)
	(6,127,435)	(5,822,970)
Consolidation adjustments	3,469,431	3,173,603
Total accumulated losses	(2,658,004)	(2,649,367)

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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 2016 (30 September 2015: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED		CUMULATIVE
	30.09.2016	30.09.2015	3 MONTHS 30.09.2016
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	2,932,561
Loss for the financial period attributable to equity holders of the Company (RM'000)	(8,637)	(19,053)	(8,637)
Basic loss per share (sen)	(0.29)	(0.65)	(0.29)
Diluted loss per share (sen)	(0.29)	(0.65)	(0.29)

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 3 months financial period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

B16 Auditors' Report

The auditors' report on the financial statements for the financial period ended 30 June 2016 was not qualified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Chin Suan Yong
Joint Company Secretaries

Date: 29 November 2016