

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2017

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	QUARTER ENDED		CUMULATIVE
	31.03.2017	31.03.2016	9 MONTHS
	RM'000	RM'000	31.03.2017
			RM'000
Revenue	95,159	107,827	308,959
Cost of sales	(65,553)	(67,658)	(191,698)
Gross profit	29,606	40,169	117,261
Other income	2,336	3,382	8,668
Distribution costs	(3,308)	(3,331)	(9,431)
Administrative expenses	(20,754)	(22,141)	(63,303)
Other operating expenses	(17,925)	(20,594)	(52,196)
(Loss)/Profit from operations	(10,045)	(2,515)	999
Exceptional items (refer Note A4)	4,035	8,548	(21,763)
Finance cost	(11,185)	(12,797)	(33,579)
Share of results of associates	4,872	3,428	18,510
Loss before taxation	(12,323)	(3,336)	(35,833)
Tax expense	(1,760)	(2,427)	(7,210)
Loss for the financial period	(14,083)	(5,763)	(43,043)
Loss attributable to:-			
Equity holders of the Company	(16,235)	(6,056)	(46,893)
Non-controlling interests	2,152	293	3,850
Loss for the financial period	(14,083)	(5,763)	(43,043)
Loss per share attributable to equity holders of the Company:-	Sen	Sen	Sen
Basic / Diluted	(0.55)	(0.21)	(1.60)

Note :

There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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.

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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	QUARTER ENDED		CUMULATIVE
	31.03.2017	31.03.2016	9 MONTHS
	RM'000	RM'000	31.03.2017
			RM'000
Loss for the financial period	(14,083)	(5,763)	(43,043)
Other comprehensive income/(loss), net of tax:-			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign subsidiaries	(10,331)	(50,463)	62,290
Fair value of available-for-sale investments - Gain/(Loss) on fair value changes	1,165	(1,444)	(45)
Other comprehensive (loss)/income for the financial period	(9,166)	(51,907)	62,245
Total comprehensive (loss)/income for the financial period	(23,249)	(57,670)	19,202
Total comprehensive (loss)/income attributable to:-			
Equity holders of the Company	(22,535)	(51,293)	17,929
Non-controlling interests	(714)	(6,377)	1,273
Total comprehensive (loss)/income for the financial period	(23,249)	(57,670)	19,202

Note :

There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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 31 MARCH 2017

	31.03.2017	30.06.2016
	RM'000	RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	671,168	635,612
Investment properties	98,009	97,507
Investment in associates	469,408	436,781
Other investments	10,180	9,376
Land held for property development	35,263	35,263
Goodwill on consolidation	102,262	102,772
Deferred tax assets	974	2,235
	1,387,264	1,319,546
Current Assets		
Property development costs	89,079	86,453
Inventories	47,124	62,022
Trade and other receivables	185,203	160,949
Other investments	51	45
Current tax assets	15,701	16,206
Deposits, bank balances and cash	280,924	311,281
	618,082	636,956
Assets classified as disposal group held for sale	-	85,846
	618,082	722,802
TOTAL ASSETS	2,005,346	2,042,348
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	3,152,866	2,932,561
Reserves	(2,423,960)	(2,221,584)
	728,906	710,977
Non-Controlling Interests	222,766	224,360
Total Equity	951,672	935,337
Non-Current Liabilities	768,005	738,370
Current Liabilities		
Trade and other payables	124,966	141,751
Borrowings	159,063	201,876
Current tax liabilities	1,640	910
	285,669	344,537
Liabilities classified as disposal group held for sale	-	24,104
Total Liabilities	1,053,674	1,107,011
TOTAL EQUITY AND LIABILITIES	2,005,346	2,042,348
	RM	RM
Net assets per share attributable to equity holders of the Company	0.25	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.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

	Attributable to Equity Holders of the Company				Total RM'000	Non- Controlling Interests	Total Equity
	Share Capital RM'000	Non- Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000		RM'000	RM'000
CUMULATIVE 9 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	-	-	-	(46,893)	(46,893)	3,850	(43,043)
Fair value loss on available- for-sale financial assets, net of tax	-	(22)	-	-	(22)	(23)	(45)
Foreign currency translations, net of tax	-	64,844	-	-	64,844	(2,554)	62,290
Total comprehensive income/(loss)	-	64,822	-	(46,893)	17,929	1,273	19,202
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(2,867)	(2,867)
Adjustment for effects of Companies Act 2016 (Note 1)	220,305	(220,305)	-	-	-	(2,867)	(2,867)
At 31 March 2017	3,152,866	247,043	25,257	(2,696,260)	728,906	222,766	951,672
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 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

Note 1 :-

With the new Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM220,305,000, which is classified under non-distributable reserves in this report, has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Company may exercise its right to use the credit amount being transferred from share premium account within 24 months after commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

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 31 MARCH 2017

	CUMULATIVE 9 MONTHS 31.03.2017 RM'000
Cash Flows From Operating Activities	
Loss before taxation	(35,833)
Net adjustments	57,229
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Operating profit before working capital changes	21,396
Net change in working capital	6,820
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Cash generated from operations	28,216
Employee benefits paid	(63)
Interest paid	(1,136)
Interest received	2,622
Net tax paid	(4,696)
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Net cash generated from operating activities	24,943
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Cash Flows From Investing Activities	
Dividend received	27,562
Interest received	2,621
Proceeds from disposal of property, plant and equipment	20
Proceeds from disposal of other investments	224
Purchase of property, plant and equipment	(7,666)
Withdrawal of fixed deposits pledged with licensed financial institutions	377
	<hr/>
Net cash generated from investing activities	23,138
	<hr/>
Cash Flows From Financing Activities	
Dividend paid to non-controlling interests of a subsidiary	(2,867)
Interest paid	(32,443)
Net repayments of bank borrowings	(44,629)
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Net cash used in financing activities	(79,939)
	<hr/>
Effects of exchange rate changes	(4,802)
	<hr/>
Net decrease in cash and cash equivalents	(36,660)
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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	4,869
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As restated	252,785
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Cash and cash equivalents at 31 March 2017	216,125
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There are no comparative figures for the cumulative 9 months period ended 31 March 2017 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	<i>Leases</i>	1 January 2019
Amendments to FRS 2	<i>Classification and Measurement of Share Based Payment Transactions</i>	1 January 2018
Amendments to FRS 10 and FRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred until further notice
Amendments to FRS 107	<i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112	<i>Recognition of Deferred Tax Assets for 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 with Customers'</i>	1 January 2018
<i>Agriculture: Bearer Plants</i> (Amendments to MFRS 116 and MFRS)	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 31 March 2017 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:-

- The retailing operations in United Kingdom normally record better sales in the second 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;
- 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
- 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 cumulative 9 months financial period ended 31 March 2017.

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 cumulative 9 months financial period ended 31 March 2017 other than the exceptional items as follows:-

Exceptional items	QUARTER ENDED		CUMULATIVE
	31.03.2017	31.03.2016	9 MONTHS
	RM'000	RM'000	31.03.2017
Bad debts written off	-	(22)	-
Gain on disposal of other investments (non-current)	202	-	202
Impairment of goodwill on consolidation	-	-	(510)
Impairment on property, plant & equipment	-	-	(166)
Reversal of Impairment/(impairment) on receivables	576	10	(3,612)
Surplus on winding up of subsidiaries	45	-	45
Net gain/(loss) on foreign exchange	3,212	8,560	(17,722)
	<u>4,035</u>	<u>8,548</u>	<u>(21,763)</u>

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

Ordinary shares issued and full paid:-

	No. Of Shares	
	In '000	RM'000
At 1 July 2016	2,932,561	2,932,561
Adjustment for effects of Companies Act 2016 (refer Note 1 in page 4)	-	220,305
At 31 March 2017	<u>2,932,561</u>	<u>3,152,866</u>

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 cumulative 9 months financial period ended 31 March 2017.

A6 Dividends Paid

No dividend was paid by the Company during the cumulative 9 months financial period ended 31 March 2017 (31 March 2016 : Nil).

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A7 Operating Segments

The analysis of the Group's operations for the cumulative 9 months financial period ended 31 March 2017 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	486,482	-	486,482	(397,906)	88,576
Hotel	139,705	-	139,705	-	139,705
Food	54,547	-	54,547	-	54,547
Property	26,185	(54)	26,131	-	26,131
Financial Services	2,418	-	2,418	(2,418)	-
Others	76,255	(65,137)	11,118	(11,118)	-
Total	785,592	(65,191)	720,401	(411,442)	308,959

(b) Results

	(Loss)/ Profit from Operations RM'000	Exceptional Items RM'000	Finance Costs RM'000	Share of Associates' Results RM'000	(Loss)/Profi Before Taxation RM'000
Retailing	(16,245)	(3,059)	-	16,024	(3,280)
Hotel	18,049	-	(894)	-	17,155
Food	1,108	236	(18)	-	1,326
Property	5,540	-	(37)	-	5,503
Others	(7,453)	(18,940)	(32,630)	2,486	(56,537)
Total	999	(21,763)	(33,579)	18,510	(35,833)

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	289,177	241,434	530,611
Hotel	647,831	-	647,831
Food	166,705	-	166,705
Property	281,304	-	281,304
Others	134,246	227,974	362,220
	1,519,263	469,408	1,988,671
Unallocated Corporate Assets			16,675
Total Assets			2,005,346

A8 Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the end of the cumulative 9 months financial period ended 31 March 2017 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

- (a) 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 ("PMC"), which in turn a partly-owned subsidiary of Malayan United Industries Berhad ("the Company"), 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.
- (b) On 25 April 2017, PMCW Enterprises Sdn Bhd ("PMCW"), a wholly-owned subsidiary of PMC, which in turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).
- (c) On 25 April 2017, MUI dotcom Sdn Bhd, a wholly-owned subsidiary of the Company was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).

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- (d) On 26 April 2017, United Continental Properties Sdn. Berhad, a wholly-owned subsidiary of MUI Continental Berhad, which in turn a partly-owned subsidiary of the Company, was dissolved pursuant to Section 272(5) of the Companies Act, 1965 (now superseded by the Companies Act 2016).
- (e) On 16 May 2017, Tudor Gold Limited ("Tudor"), incorporated in United Kingdom ("UK") and a wholly-owned subsidiary of PMRI Investments (Singapore) Pte Ltd, which in turn a wholly-owned subsidiary of PMC, which in turn a partly-owned subsidiary of the Company, was dissolved by way of striking-off under Section 1000(3) of the UK Companies Act 2006.

The dissolution of the above subsidiaries will not have any material impact on the earnings and net assets of the Group for the financial year ending 30 June 2017.

Other than the above, there were no changes in the composition of the Group during the cumulative 9 months financial period ended 31 March 2017.

A10 Contingent Liabilities

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

A11 Capital Commitments

As at 31 March 2017, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Authorised but not contracted for	<u>231</u>
Contracted but not provided for	<u>1,127</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
	31.03.2017	31.03.2016	9 MONTHS
	RM'000	RM'000	31.03.2017
			RM'000
Revenue			
Retailing	29,614	34,133	88,576
Hotel	38,979	38,317	139,705
Food	16,340	15,957	54,547
Property	10,226	19,420	26,131
Others	-	-	-
	<u>95,159</u>	<u>107,827</u>	<u>308,959</u>
(Loss)/Profit before tax ("LBT / PBT")			
Retailing	(7,079) *	749 *	(3,280) *
Hotel	(496)	(2,084)	17,155
Food	1,134	131	1,326
Property	3,561	3,503	5,503
Financial Services	-	-	-
Others	(9,443)	(5,635)	(56,537)
	<u>(12,323)</u>	<u>(3,336)</u>	<u>(35,833)</u>

* Include estimated results of an associate

Quarter ended 31 March 2017 vs Quarter ended 31 March 2016

For the current quarter, the Group recorded lower revenue of RM95.2 million and higher loss before tax ("LBT") of RM12.3 million in the current quarter compared with revenue of RM107.8 million and LBT of RM3.3 million for the quarter ended 31 March 2016. The lower revenue in the current quarter was mainly attributed to lower revenue from property division and retailing division. The higher LBT in the current quarter was mainly attributed to the LBT from retailing division in Malaysia and lower unrealised foreign exchange translation gain of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

The retailing division in Malaysia recorded lower revenue of RM29.6 million and higher LBT of RM11.4 million for the current quarter compared with revenue of RM34.1 million and LBT of RM2.4 million in the previous period corresponding quarter. The lower revenue was mainly attributed to the weaker performance of the department stores and closure of certain non-performing specialty stores. The higher LBT was mainly attributed to provision of aging inventories of RM8.1 million.

The Group's hotel operations in Malaysia recorded lower revenue of RM8.7 million and lower PBT of RM1.7 million in the current quarter compared with revenue of RM10.0 million and PBT of RM2.6 million for the quarter ended 31 March 2016. The lower revenue and lower LBT were mainly attributed to decrease in hotel food and beverage revenue in the current quarter. In the UK, the Group's hotel operations recorded higher revenue of RM30.3 million and lower LBT of RM2.2 million in the current quarter compared with revenue of RM28.3 million and LBT of RM4.6 million for the quarter ended 31 March 2016 mainly attributed to increase in occupancy and average room rate.

The Group's food division recorded higher revenue of RM16.3 million and higher PBT of RM1.1 million in the current quarter compared with revenue of RM16.0 million and PBT of RM0.1 million in the previous period corresponding quarter. The higher revenue and higher PBT were mainly attributed to increase in export sales.

The Group's property division recorded lower revenue of RM10.2 million and PBT of RM3.6 million in the current quarter compared with revenue of RM19.4 million and PBT of RM3.5 million in the previous period corresponding quarter. The lower revenue was mainly due to cautious launch of new units of properties and lower revenue recognition based on lower percentage of completion of certain 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 higher LBT was mainly attributed to lower unrealised foreign exchange translation gain of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies.

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Cumulative 9 months financial period ended 31 March 2017

For the cumulative 9 months financial period ended 31 March 2017, the Group recorded revenue of RM309.0 million and LBT of RM35.8 million. The LBT in the cumulative 9 months financial period ended 31 March 2017 was mainly attributed to unrealised foreign exchange translation loss of intragroup balances arising from the depreciation of Ringgit Malaysia against major foreign currencies amounting to RM17.7 million, lower share of profit of an associate and LBT from retailing division in Malaysia.

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

For the current quarter, the Group recorded lower revenue of RM95.2 million and lower LBT of RM12.3 million compared with revenue of RM111.8 million and LBT of RM19.1 million in the preceding quarter. The higher revenue in the preceding quarter was mainly due to festive season sales. The lower LBT 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, higher PBT from food division and higher PBT from property division.

B3 Prospects for year 2017

The business environment in Malaysia for the first half of 2017 remains challenging with cautious consumer sentiment.

For the retailing division in Malaysia, the closure of certain non-performing specialty stores has helped reduce the operating losses. The various business improvement initiatives implemented in the past several months have shown encouraging results.

The property division launched a new phase of double storey terrace houses in the first quarter of 2017 and the response was encouraging. More new units in Bandar Springhill will be launched in the second half of 2017.

The consolidation of the manufacturing operations and distribution operations of the food division at one location, Seksyen 16 Shah Alam is expected to be completed by July 2017, which will result in cost savings and improvement in efficiency of operations.

The hotel division is expected to improve for the remaining months of 2017.

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)/profit before tax were the followings items:-

	QUARTER ENDED		CUMULATIVE
	31.03.2017	31.03.2016	9 MONTHS
	RM'000	RM'000	31.03.2017
Depreciation	(4,831)	(5,622)	(15,485)
Gain on disposal of property, plant and equipment	-	-	20
Interest income	1,289	2,635	5,242
Inventories written down	(8,680)	(1,793)	(8,791)
Property, plant and equipment written off	(35)	(61)	(36)

B6 Tax Expense

Tax expense comprises of:-

	QUARTER ENDED		CUMULATIVE
	31.03.2017	31.03.2016	9 MONTHS
	RM'000	RM'000	31.03.2017
Current tax expense - Malaysia	1,849	2,168	4,768
- Foreign	(390)	-	1,209
Deferred tax	39	-	1,318
	1,498	2,168	7,295
Under/(Over) provision in respect of prior years	262	259	(85)
	1,760	2,427	7,210

The tax provision of the Group for the financial period ended 31 March 2017 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

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.

B8 Group Borrowings

(a) Total Group borrowings as at 31 March 2017 were as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	669,735
- Unsecured	75,456
	<u>745,191</u>
<i>Short Term Borrowings</i>	
- Secured	93,241
- Unsecured	65,822
	<u>159,063</u>

(b) Foreign borrowing in Ringgit equivalent as at 31 March 2017 included in (a) above was as follows:-

Currency	RM'000
Pound Sterling	<u>496,156</u>

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 31 March 2017 is as follows:-

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

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

As at 31 December 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	<u>145,220</u>	<u>8,843</u>

B10 Fair Value Changes of Financial Liabilities

As at 31 March 2017, the Group did not have any financial liabilities measured at fair value through profit or loss except for derivative financial instrument mentioned in B9.

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B11 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 31.03.2017 RM'000	At 30.06.2016 RM'000 (Audited)
Total accumulated losses of the Group:-		
- Realised losses	(4,802,168)	(4,685,606)
- Unrealised losses	(1,282,005)	(1,083,566)
	<u>(6,084,173)</u>	<u>(5,769,172)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(54,854)	(54,584)
- Unrealised gains	786	786
	<u>(6,138,241)</u>	<u>(5,822,970)</u>
Consolidation adjustments	3,441,981	3,173,603
Total accumulated losses	<u>(2,696,260)</u>	<u>(2,649,367)</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 cumulative 9 months financial period ended 31 March 2017 (31 March 2016: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED		CUMULATIVE
	31.03.2017	31.03.2016	9 MONTHS 31.03.2017
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 attributable to equity holders of the Company (RM'000)	(16,235)	(6,056)	(46,893)
Basic loss per share (sen)	<u>(0.55)</u>	<u>(0.21)</u>	<u>(1.60)</u>
Diluted loss per share (sen)	<u>(0.55)</u>	<u>(0.21)</u>	<u>(1.60)</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 9 months financial period ended 31 March 2017 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
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 30 May 2017