

**MALAYAN UNITED INDUSTRIES BERHAD**

Company No: 3809-W  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FIRST QUARTER ENDED 31 MARCH 2011**

(The figures are unaudited)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	229,651	245,252	229,651	245,252
Cost of sales	(169,856)	(180,746)	(169,856)	(180,746)
Gross profit	59,795	64,506	59,795	64,506
Other income	5,045	4,294	5,045	4,294
Distribution costs	(2,707)	(4,967)	(2,707)	(4,967)
Administrative expenses	(18,937)	(19,497)	(18,937)	(19,497)
Other operating expenses	(27,351)	(27,932)	(27,351)	(27,932)
Profit from operations	15,845	16,404	15,845	16,404
Exceptional items (refer Note A4)	8,177	3,423	8,177	3,423
Finance cost	(14,810)	(13,125)	(14,810)	(13,125)
Share of results of associates	432	643	432	643
Profit before taxation	9,644	7,345	9,644	7,345
Tax expense	(5,171)	(6,229)	(5,171)	(6,229)
Profit for the financial period	4,473	1,116	4,473	1,116
Profit/(Loss) attributable to:				
Equity holders of the Company	672	(1,009)	672	(1,009)
Minority interests	3,801	2,125	3,801	2,125
Profit for the financial period	4,473	1,116	4,473	1,116
Earnings/(Loss) per share attributable to equity holders of the Company:-	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic	0.03	(0.05)	0.03	(0.05)
Fully diluted	0.02	N/A	0.02	N/A

N/A - Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**MALAYAN UNITED INDUSTRIES BERHAD**

Company No: 3809-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	4,473	1,116	4,473	1,116
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign subsidiaries	(1,894)	(36,111)	(1,894)	(36,111)
Fair value of available-for-sale investments	346	511	346	511
Share of other comprehensive loss of associates	-	(926)	-	(926)
Other comprehensive loss for the financial period	(1,548)	(36,526)	(1,548)	(36,526)
Total comprehensive income/(loss) for the financial period	2,925	(35,410)	2,925	(35,410)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(713)	(35,487)	(713)	(35,487)
Minority interests	3,638	77	3,638	77
Total comprehensive income/(loss) for the financial period	2,925	(35,410)	2,925	(35,410)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**MALAYAN UNITED INDUSTRIES BERHAD**

Company No: 3809-W  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 MARCH 2011

	<b>31.03.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b> <b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	675,019	672,231
Investment properties	102,364	103,599
Investments in associates	425,347	429,862
Other investments	81,832	79,666
Land held for property development	35,263	35,263
Goodwill on consolidation	220,896	220,896
Deferred tax assets	2,041	735
Other receivable	54,334	54,334
	<b>1,597,096</b>	<b>1,596,586</b>
<b>Current Assets</b>		
Property development costs	75,656	75,264
Inventories	98,598	104,461
Trade and other receivables	244,956	218,919
Held-to-maturity investments	40,353	40,134
Other investments	56,544	50,162
Tax recoverable	3,562	2,545
Deposits, bank balances and cash	500,066	506,543
	<b>1,019,735</b>	<b>998,028</b>
<b>TOTAL ASSETS</b>	<b>2,616,831</b>	<b>2,594,614</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	2,029,773	2,029,773
ICULS#	812,031	799,066
Reserves	(2,172,486)	(2,158,808)
	<b>669,318</b>	<b>670,031</b>
<b>Minority Interest</b>	<b>308,195</b>	<b>304,557</b>
<b>Total Equity</b>	<b>977,513</b>	<b>974,588</b>
<b>Non-Current Liabilities</b>	<b>668,542</b>	<b>662,993</b>
<b>Current Liabilities</b>		
Trade and other payables	201,976	203,612
Provisions	138,627	133,614
Borrowings	550,117	543,506
Tax liabilities	7,821	10,198
Reserves for unearned premium	72,235	66,103
	<b>970,776</b>	<b>957,033</b>
<b>Total Liabilities</b>	<b>1,639,318</b>	<b>1,620,026</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,616,831</b>	<b>2,594,614</b>
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.33	0.33

# ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks stated net of discount and Class A3, 2 ½-year Irredeemable Convertible Unsecured Loan Stocks

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

CUMULATIVE 3 MONTHS	Attributable to Equity Holders of the Company					Minority Interests	Total Equity	
	Share Capital RM'000	ICULS <sup>#</sup> RM'000	Non-Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	
At 1 January 2011	2,029,773	799,066	268,171	25,257	(2,452,236)	670,031	304,557	974,588
Total comprehensive (loss)/income for the financial year	-	-	(1,385)	-	672	(713)	3,638	2,925
Amortisation of discount on ICULS	-	4,240	-	-	(4,240)	-	-	-
Amortisation of A3 ICULS	-	8,725	-	-	(8,725)	-	-	-
At 31 March 2011	2,029,773	812,031	266,786	25,257	(2,464,529)	669,318	308,195	977,513
At 1 January 2010	1,940,532	830,757	338,639	25,257	(2,434,206)	700,979	305,192	1,006,171
Total comprehensive income/(loss) for the financial year	-	-	(34,478)	-	(1,009)	(35,487)	77	(35,410)
Conversion of Class A1 ICULS to ordinary shares	78,617	(78,617)	-	-	-	-	-	-
Discount on Class A1 ICULS upon issuance debited to accumulated losses upon conversion	-	-	-	-	-	-	-	-
	-	13,365	-	-	(13,365)	-	-	-
At 31 March 2010	2,019,149	765,505	304,161	25,257	(2,448,580)	665,492	305,269	970,761

# ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks stated net of discount and Class A3, 2 ½-year Irredeemable Convertible Unsecured Loan Stocks.

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 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 STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	9,644	7,345
Net adjustments	13,321	18,904
	<hr/>	<hr/>
Operating profit before working capital changes	22,965	26,249
Net change in working capital	(15,772)	(27,374)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	7,193	(1,125)
<b>Cash Flows From Investing Activities</b>		
Dividends received	260	338
Interest received	3,179	1,835
Proceeds from disposal of property, plant and equipment	22	43
Proceeds from disposal of investments	1,919	4,121
Purchase of investments	(9,929)	(3,760)
Purchase of property, plant and equipment	(1,643)	(4,801)
	<hr/>	<hr/>
Net cash used in investing activities	(6,192)	(2,224)
<b>Cash Flows From Financing Activities</b>		
Interest paid	(14,182)	(12,482)
Net repayments of bank borrowings	(214)	(21,292)
	<hr/>	<hr/>
Net cash used in financing activities	(14,396)	(33,774)
Effects of exchange rate changes	4,219	161
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(9,176)	(36,962)
<b>Cash and cash equivalents at 1 January</b>		
As previously reported	457,858	431,408
Effects of exchange rate changes on cash and cash equivalents	(2,342)	(6,495)
	<hr/>	<hr/>
As restated	455,516	424,913
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	<b>446,340</b>	<b>387,951</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
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## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1 Basis of preparation

The interim financial statements have been prepared under the historical cost convention.

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 2010. 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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010 except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded derivatives

Improvements to FRSs issued in 2010 in respect of various FRSs.

Other than the disclosures under the amendments to FRS 7, the adoption of the above FRSs, Amendments to FRSs and IC Interpretation did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

### 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 fourth quarter of the financial year due to the Christmas season. Similarly, the retail 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 and confectionery 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 year.

## MALAYAN UNITED INDUSTRIES BERHAD

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### 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 31 March 2011 other than the exceptional items as follows:-

Exceptional items	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant & equipment	14	43	14	43
(Loss)/Gain on foreign exchange	(1,020)	4,241	(1,020)	4,241
Inventories (written down) / writeback	(441)	299	(441)	299
Settlement under a compromise in respect of an Executive Share Option Scheme of a subsidiary		(1,060)		(1,060)
Writeback of allowance / (allowance) for doubtful debts	9,624	(104)	9,624	(104)
Writeback of allowance for diminution in value	-	4	-	4
	<u>8,177</u>	<u>3,423</u>	<u>8,177</u>	<u>3,423</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 31 March 2011.

### A6 Dividend Paid

No dividend was paid by the Company during the financial period ended 31 March 2011 (31 March 2010 : Nil).

### A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2011 is as follows:-

	Retailing	Hotels	Food & Confectionery	Financial Services	Property	Travel & Tourism	Investment Holding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>								
Gross revenue	168,844*	33,562	16,566	81,055	8,950	940	3,423	313,340
Inter-segment revenue	-	(40)	-	(918)	-	(12)	(220)	(1,190)
Net	<u>168,844</u>	<u>33,522</u>	<u>16,566</u>	<u>80,137</u>	<u>8,950</u>	<u>928</u>	<u>3,203</u>	<u>312,150</u>
Less: Group's share of associates' revenue								(82,499)
								<u>229,651</u>
<b>RESULTS</b>								
Segment results	5,614	735	(392)	4,815	2,922	(71)	(1,120)	12,503
Interest income	222	12	31	2,480	130	4	463	3,342
Exceptional items	4	-	(53)	(243)	-	-	8,469	8,177
Finance cost	(223)	(513)	(7)	-	(65)	(5)	(13,997)	(14,810)
Share of results of associates	781*	-	-	181	-	-	(530)	432
Profit/(Loss) before taxation	<u>6,398</u>	<u>234</u>	<u>(421)</u>	<u>7,233</u>	<u>2,987</u>	<u>(72)</u>	<u>(6,715)</u>	<u>9,644</u>
<b>ASSETS</b>								
Segment assets	366,564	462,059	165,162	446,679	210,108	841	534,468	2,185,881
Investments in associates	143,527	-	-	49,994	-	-	231,826	425,347
Unallocated corporate assets								<u>5,603</u>
								<u>2,616,831</u>

\* Includes estimated results in an associate

## MALAYAN UNITED INDUSTRIES BERHAD

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### 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 31 March 2011 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

There were no changes in the composition of the Group during the financial period ended 31 March 2011.

### A10 Contingent Liabilities

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

### A11 Capital Commitments

As at 31 March 2011, the Group has commitments in respect of capital expenditure as follows:-

	<b>RM'000</b>
Contracted but not provided for	1,025
Authorised but not contracted for	127
	<u>1,152</u>



# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
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## B. NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

### B1 Review of Performance of the Company and its Principal Subsidiaries

For the 3 months ended 31 March 2010, the Group recorded revenue of RM229.6 million and profit before tax ("PBT") of RM9.6 million compared with revenue of RM245.2 million and PBT of RM7.3 million for the same period last year. The increased in PBT was mainly due to higher net exceptional gain recorded during the financial period under review.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") reported higher PBT of £24.1 million (RM120.4 million) for its financial year ended 29 January 2011 compared with £11.0 million (RM60.6 million) in the previous year. This represented a 119% improvement. Total group sales increased by 6.2% to £285.0 million (RM1.4 billion) compared to previous year of £268.4 million (RM1.3 billion). Improved sales were recorded across the e-commerce, retail stores and the franchise business channels. Total internet sales grew by 45% to £32.0 million (RM159.8 million) whilst UK store sales were up 2.5% to £218.8 million (RM1.1 billion). For the 8 weeks to 26 March 2011, like-for-like UK retail sales have decreased by 4.2%, attributed mainly to a general weakening in the consumer economy. In Malaysia, Metrojaya achieved better performance with a 2% increased in profit in the current period under review compared with the same period last year.

The Group's hotel operations in Malaysia continued to perform well with higher operating profit. However, hotels in UK continued to operate under challenging environment.

Under the financial services division, the insurance operation registered a satisfactory performance in its underwriting operations, but recorded lower earnings from its investment activities for the period. The universal broking operation remained challenging. However, it has shown some improvements in its performance.

The food & confectionery business operated under challenging conditions in view of higher raw material costs. Nevertheless, the operations will continue with its competitive strategy of developing further its own brands to enhance its market position and to improve the productivity as well as margin.

The property development operations achieved higher revenue and profitability due to higher contribution from Bandar Springhill development project. The development of a university campus as well as an international school have progressed further and has helped accelerate the township development.

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

The Group recorded revenue of RM229.6 million and PBT of RM9.6 million for the current quarter compared with revenue of RM240.0 million and PBT of RM12.0 million in the preceding quarter. The higher revenue and PBT in the preceding quarter was mainly due to the traditional festive and holiday sales during the said quarter.

### B3 Prospects for the year 2011

With the prospect of a generally better domestic business environment, the Group expects the performance of its various business operations to improve in the remaining periods of the financial year. In the UK, trading conditions are expected to remain challenging.

The Group will continue with the streamlining and rationalisation exercises to further reduce the overall gearing and to strengthen its financial position.

### B4 Variance of Actual Profit from Forecast Profit

Not applicable.

### B5 Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Current taxation - Malaysia	5,262	6,076	5,262	6,076
Deferred taxation	86	200	86	200
	<hr/>	<hr/>	<hr/>	<hr/>
	5,348	6,276	5,348	6,276
Over provision in respect of prior years	(177)	(47)	(177)	(47)
	<hr/>	<hr/>	<hr/>	<hr/>
	5,171	6,229	5,171	6,229

The tax provision of the Group for the financial period ended 31 March 2011 is higher than the statutory rate of tax applicable mainly due to losses by certain subsidiaries where no group relief on losses are available.

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## B6 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the financial period ended 31 March 2011 other than as disclosed in Note A4.

## B7 Quoted Securities

(a) Total purchases and disposals of quoted securities of the Group for the financial period ended 31 March 2011, other than those of the insurance subsidiary, are as follows:-

	RM'000
(i) Total purchases	1,990
(ii) Total disposals	-
Total gain on disposals (net)	<u>-</u>

(b) Total investments in quoted securities by the Group as at 31 March 2011, other than those by the insurance subsidiary, are as follows:-

	RM'000
At cost	160,119
Less: Allowance for diminution in value	<u>79,690</u>
At book value	<u>80,429</u>
Market value	<u>80,429</u>

## B8 Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

## B9 Group Borrowings

(a) Total Group borrowings as at 31 March 2011 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	622,539
- Unsecured	<u>25,700</u>
	<u>648,239</u>
<i>Short Term Borrowings</i>	
- Secured	155,090
- Unsecured	<u>395,027</u>
	<u>550,117</u>

(b) Foreign borrowings in Ringgit equivalent as at 31 March 2011 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	<u>392,734</u>

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

## B10 Derivative Financial Instruments

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

## B11 Fair Value Changes Of Financial Liabilities

As at 31 March 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

## B12 Realised and Unrealised Profits/(Losses)

The accumulated losses of the Group comprised the following:-

	At 31.03.2011	At 31.12.2010
	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries:-		
Realised losses	(2,463,047)	(2,406,669)
Unrealised profits/(losses)	<u>20,318</u>	<u>(23,335)</u>
	<u>(2,442,729)</u>	<u>(2,430,004)</u>
Total accumulated losses of associates:-		
Realised losses	(21,800)	(22,232)
Total accumulated losses	<u>(2,464,529)</u>	<u>(2,452,236)</u>

# MALAYAN UNITED INDUSTRIES BERHAD

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## B13 Material Litigation

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

## B14 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2011 (31 March 2010: Nil).

## B15 Basic earnings/(loss) Per Share

(a) Earnings/(loss) per share

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit for the financial period attributable to equity holders of the Company (RM'000)	672	(1,009)	672	(1,009)
Weighted average number of ordinary shares in issue ('000)	2,029,773	1,940,532	2,029,773	1,940,532
Earnings/(loss) per share (sen)	0.03	(0.05)	0.03	(0.05)

(b) Diluted earnings per share

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit for the financial period attributable to equity holders of the Company (RM'000)	672	(1,009)	672	(1,009)
Number of ordinary shares in issue ('000)	2,029,773	1,940,532	2,029,773	1,940,532
Effect of dilution :- Irredeemable convertible unsecured loan stocks	902,788	887,324	902,788	887,324
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,932,561	2,827,856	2,932,561	2,827,856
Diluted loss per share (sen)	0.02	*	0.02	*

\* The diluted earnings per share is not disclosed as it is antidilutive.

## B16 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

On behalf of the Board  
MALAYAN UNITED INDUSTRIES BERHAD

Leong Park Yip  
Company Secretary

Date: 27 May 2011