

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FIRST QUARTER ENDED 31 MARCH 2013

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	154,703	145,978	154,703	145,978
Cost of sales	(104,183)	(94,667)	(104,183)	(94,667)
Gross profit	50,520	51,311	50,520	51,311
Other income	3,699	2,881	3,699	2,881
Distribution costs	(3,593)	(2,940)	(3,593)	(2,940)
Administrative expenses	(18,964)	(18,543)	(18,964)	(18,543)
Other operating expenses	(22,544)	(22,079)	(22,544)	(22,079)
Profit from operations	9,118	10,630	9,118	10,630
Exceptional items (refer Note A4)	(1,047)	2,122	(1,047)	2,122
Finance cost	(12,717)	(14,714)	(12,717)	(14,714)
Share of results of associates	738	2,578	738	2,578
(Loss)/Profit before taxation	(3,908)	616	(3,908)	616
Tax expense	(3,867)	(2,715)	(3,867)	(2,715)
Loss for the financial period	(7,775)	(2,099)	(7,775)	(2,099)
Discontinued operation				
Profit before taxation	-	5,124	-	5,124
Tax expense	-	(1,365)	-	(1,365)
Profit from discontinued operation, net of tax	-	3,759	-	3,759
(Loss)/Profit for the financial period	(7,775)	1,660	(7,775)	1,660
(Loss)/Profit attributable to:-				
Equity holders of the Company	(9,025)	(1,766)	(9,025)	(1,766)
Non-controlling interests	1,250	3,426	1,250	3,426
(Loss)/Profit for the financial period	(7,775)	1,660	(7,775)	1,660
(Loss)/Earnings per share attributable to equity holders of the Company:-				
	Sen	Sen	Sen	Sen
Continuing operations				
Basic	(0.31)	(0.16)	(0.31)	(0.16)
Fully diluted	-	(0.16)	-	(0.16)
Discontinued operation				
Basic	-	0.07	-	0.07
Fully diluted	-	0.05	-	0.05

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(7,775)	1,660	(7,775)	1,660
Other comprehensive loss, net of tax:-				
Foreign currency translation differences for foreign subsidiaries	(6,341)	(12,774)	(6,341)	(12,774)
Fair value of available-for-sale investments - Loss on fair value changes	(3,003)	(4,201)	(3,003)	(4,201)
Other comprehensive loss for the financial period	(9,344)	(16,975)	(9,344)	(16,975)
Total comprehensive loss for the financial period	(17,119)	(15,315)	(17,119)	(15,315)
Total comprehensive (loss)/income attributable to:-				
Equity holders of the Company	(16,254)	(17,250)	(16,254)	(17,250)
Non-controlling interests	(865)	1,935	(865)	1,935
Total comprehensive loss for the financial period	(17,119)	(15,315)	(17,119)	(15,315)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	31.03.2013	31.12.2012
	RM'000	RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	597,618	623,373
Investment properties	79,014	79,443
Investment in associates	403,465	401,387
Other investments	30,712	33,755
Land held for property development	35,263	35,263
Goodwill on consolidation	181,340	181,340
Deferred tax assets	1,851	1,879
	1,329,263	1,356,440
Current Assets		
Property development costs	83,561	84,763
Inventories	100,720	99,363
Trade and other receivables	234,457	229,371
Held-to-maturity investments	10,134	10,021
Other investments	3,573	4,038
Current tax assets	3,551	2,787
Deposits, bank balances and cash	374,639	417,753
	810,635	848,096
Non-current assets held for sale	4,500	4,500
	815,135	852,596
TOTAL ASSETS	2,144,398	2,209,036
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,932,561	2,932,561
Reserves	(2,224,080)	(2,207,825)
	708,481	724,736
Non-Controlling Interests	298,321	299,185
Total Equity	1,006,802	1,023,921
Non-Current Liabilities	653,973	681,763
Current Liabilities		
Trade and other payables	124,182	140,187
Borrowings	354,128	357,131
Current tax liabilities	5,313	6,034
	483,623	503,352
Total Liabilities	1,137,596	1,185,115
TOTAL EQUITY AND LIABILITIES	2,144,398	2,209,036
	RM	RM
Net assets per share attributable to equity holders of the Company	0.24	0.25

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

CUMULATIVE 3 MONTHS	Attributable to Equity Holders of the Company					Total RM'000	Non- Controlling Interests	Total Equity
	Share Capital RM'000	ICULS [#] RM'000	Non- Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000		RM'000	RM'000
At 1 January 2013	2,932,561	-	274,565	25,257	(2,507,647)	724,736	299,185	1,023,921
Total comprehensive loss for the financial period	-	-	(7,230)	-	(9,025)	(16,255)	(864)	(17,119)
At 31 March 2013	2,932,561	-	267,335	25,257	(2,516,672)	708,481	298,321	1,006,802
At 1 January 2012	2,029,773	850,927	285,407	25,257	(2,486,517)	704,847	308,733	1,013,580
Total comprehensive (loss)/income for the financial period	-	-	(15,484)	-	(1,766)	(17,250)	1,935	(15,315)
Amortisation of discount on ICULS	-	4,240	-	-	(4,240)	-	-	-
Amortisation of A3 ICULS	-	8,725	-	-	(8,725)	-	-	-
	-	12,965	-	-	(12,965)	-	-	-
At 31 March 2012	2,029,773	863,892	269,923	25,257	(2,501,248)	687,597	310,668	998,265

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 Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

	CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation		616
- Continuing operations	(3,908)	5,124
- Discontinued operation	-	-
	<u>(3,908)</u>	<u>5,740</u>
Net adjustments	14,546	9,381
Operating profit before working capital changes	10,638	15,121
Net change in working capital	(20,641)	(12,096)
Cash (used in)/generated from operations	(10,003)	3,025
Employee benefits paid	(37)	(16)
Interest paid	(504)	(487)
Interest received	269	782
Net tax paid	(5,373)	(5,311)
Net cash used in operating activities	<u>(15,648)</u>	<u>(2,007)</u>
Cash Flows From Investing Activities		
Dividends received	-	1,202
Interest received	2,041	3,717
Proceeds from disposal of property, plant and equipment	50	1
Proceeds from disposal of other investments	176	5,282
Purchase of additional interests in an associate	-	(1,603)
Purchase of investments	-	(8,470)
Purchase of property, plant and equipment	(2,360)	(1,297)
Net cash used in investing activities	<u>(93)</u>	<u>(1,168)</u>
Cash Flows From Financing Activities		
Interest paid	(12,214)	(14,226)
Net repayments of bank borrowings	(18,358)	(2,132)
Net cash used in financing activities	<u>(30,572)</u>	<u>(16,358)</u>
Effects of exchange rate changes	6,590	1,677
Net decrease in cash and cash equivalents	<u>(39,723)</u>	<u>(17,856)</u>
Cash and cash equivalents at 1 January		
As previously reported	369,871	507,897
Effects of exchange rate changes on cash and cash equivalents	(1,094)	(2,259)
As restated	<u>368,777</u>	<u>505,638</u>
Cash and cash equivalents at 31 March	<u>329,054</u>	<u>487,782</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

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 year ended 31 December 2012. 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 2012.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 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 2013:-

MFRS 3	<i>Business Combinations</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Consolidated and Separate Financial Statements (revised)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (revised)</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS - Government Loans</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joints Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

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

Malaysia Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards ("MASB") issues a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. The MASB has on 30 June 2012 decided that Transitioning Entities will be given an option of another one year to continue with the existing FRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 31 December 2013. 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.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2012 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 31 December 2014.

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 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 31 March 2013 other than the exceptional items as follows:-

Exceptional items	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Loss on disposal of property, plant & equipment	-	(35)	-	(35)
(Loss)/Gain on foreign exchange	(1,067)	1,433	(1,067)	1,433
Gain on disposal of non-current investments	20	-	20	-
Impairment on investments	-	(16)	-	(16)
Reversal of impairment on receivables	-	740	-	740
	<u>(1,047)</u>	<u>2,122</u>	<u>(1,047)</u>	<u>2,122</u>
Discontinued operation				
Loss on foreign exchange	-	(8)	-	(8)
Impairment on receivables	-	(84)	-	(84)
	<u>-</u>	<u>(92)</u>	<u>-</u>	<u>(92)</u>
	<u>(1,047)</u>	<u>2,030</u>	<u>(1,047)</u>	<u>2,030</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 2013.

A6 Dividend Paid

No dividend was paid by the Company during the financial period ended 31 March 2013 (31 March 2012 : Nil).

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2013 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
Continuing Operations:-					
Retailing	175,347 *	-	175,347	(81,773) *	93,574
Hotels	33,173	(24)	33,149	-	33,149
Foods & Confectionery	19,108	-	19,108	-	19,108
Financial Services	1,228	-	1,228	(1,228)	-
Property	8,866	-	8,866	-	8,866
Others	2,344	(174)	2,170	(2,164)	6
	240,066	(198)	239,868	(85,165)	154,703
Discontinued Operation:-					
Financial Services	-	-	-	-	-
Total	240,066	(198)	239,868	(85,165)	154,703

(b) Results

	Profit from Operations RM'000	Exceptional Items RM'000	Finance Costs RM'000	Share of Associates' Results RM'000	Profit/(Loss) Before Taxation RM'000
Continuing Operations:-					
Retailing	5,772	(1)	(719)	852 *	5,904
Hotels	2,645	-	(309)	-	2,336
Foods & Confectionery	1,359	(267)	(7)	-	1,085
Financial Services	-	-	-	(318)	(318)
Property	1,974	-	(25)	-	1,949
Others	(2,632)	(779)	(11,657)	204	(14,864)
	9,118	(1,047)	(12,717)	738	(3,908)
Discontinued Operation:-					
Financial Services	-	-	-	-	-
Total	9,118	(1,047)	(12,717)	738	(3,908)

(c) Assets

	Segment Assets RM'000	Non-current Assets Held For Sale RM'000	Investment In Associates RM'000	Total RM'000
Retailing	333,602	4,500	159,188	497,290
Hotels	395,725	-	-	395,725
Foods & Confectionery	180,363	-	-	180,363
Financial Services	-	-	6,451	6,451
Property	218,404	-	-	218,404
Others	602,937	-	237,826	840,763
	1,731,031	4,500	403,465	2,138,996
Discontinued Operation:-				
Financial Services	-	-	-	-
	1,731,031	4,500	403,465	2,138,996
Unallocated Corporate Assets				5,402
Total Assets				2,144,398

* Includes estimated results of an associate

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

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 2013 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 2013.

A10 Contingent Liabilities

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

A11 Capital Commitments

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

A12 Discontinued Operation

On 10 April 2012, MUI Continental Berhad (formerly known as MUI Continental Insurance Berhad) ("MCI"), a subsidiary, made an application to Bank Negara Malaysia ("BNM") for its approval in respect of the disposal of MCI's insurance assets and liabilities to Tokio Marine Insurans (Malaysia) Berhad ("TMIM"), for a premium of RM180,228,000 in accordance with the terms and conditions set out in the agreement for the sale and purchase ("the disposal"). The value of the insurance assets to be transferred to TMIM shall be equal to the value of the insurance liabilities assumed by TMIM at the transfer date. The disposal was approved by BNM vide its letter dated 8 May 2012. On 22 May 2012, the Company announced that MCI entered into an agreement for the sale and purchase of assets and liabilities with TMIM. The disposal was approved by the Shareholders of MUI at the extraordinary general meeting held on 27 June 2012. On 17 August 2012, MCI extracted the sealed Court Order obtained on 14 August 2012 confirming the disposal. In accordance with the said Court Order, the transfer date of the disposal was 1 September 2012.

In view of the disposal for the financial year ended 31 December 2012, the operation of the insurance business was reclassified as discontinued operation as follows:

	CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012
	RM'000	RM'000
Revenue	-	63,709
Other income	-	758
Expenses	-	(59,251)
Profit from operations	-	5,216
Exceptional items	-	(92)
Profit before taxation	-	5,124
Tax expense	-	(1,365)
Profit for the financial period	-	3,759

MALAYAN UNITED INDUSTRIES BERHAD

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(Incorporated in Malaysia)

B. NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance of the Company and its Principal Subsidiaries

For the financial period ended 31 March 2013, the Group recorded revenue of RM154.7 million and loss before tax ("LBT") of RM3.9 million from continuing operations compared with revenue of RM146.0 million and profit before tax ("PBT") of RM0.6 million from continuing operations for the same period last year. The higher revenue for the current period under review mainly due to increase in revenue from retailing, food & confectionary and property development. The LBT for the current period under review was mainly lower revenue from hotel business, lower dividend income, lower share of associates' profit and exceptional loss recorded by the Group. The LBT was partly mitigated by lower interest expense incurred by the Group.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") reported that for the first two months of its current financial year, Laura Ashley achieved like-for-like sales growth of 2.7%. Laura Ashley is confident that this growth can be maintained. In Malaysia, Metrojaya recorded higher revenue of RM93.6 million and PBT of RM5.1 million compared to RM85.8 million and RM4.3 million respectively for the same period last year. The higher revenue in the current period under review was mainly from the newly opened department store in Kuching and improved revenue from Kota Kinabalu. The higher PBT in the current period under review mainly contributed by improved revenue from department stores and certain specialty stores.

The Group's hotel operations in Malaysia recorded a reduction in both revenue and PBT for the current period under review compared with the same period last year. This is mainly due to lower occupancy rate recorded by the hotels in Malaysia. In UK, the hotels recorded LBT mainly due to economic slow down in UK.

Under the financial services division, the Group has disposed of the insurance business in third quarter of the financial year 2012. The Group's share of loss from universal stockbroking business recorded in the current period under review mainly due to its lower brokerage income.

Higher revenue was recorded in the current period under review by the food & confectionery business mainly due to higher sales of products in the domestic market. Higher domestic demand was recorded for Crispy and Tango products as a result of more aggressive promotional activities. Despite high revenue, PBT for the current period under review remained the same as previous year. This is due to increase of selling and distribution as well as legal expenses.

The property development recorded higher revenue and PBT for the current period under review. However, the gross profit margin for the current period under review has declined to 36.7% from 41.9% in the same period last year mainly due to the lower average CPO price resulting in lower income from the sale of oil palm fruits.

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

The Group recorded lower revenue of RM154.7 million and LBT of RM3.9 million from continuing operations for the current quarter compared with revenue of RM184.1 million and LBT of RM25.8 million from continuing operations in the preceding quarter. The lower revenue recorded in the current quarter is in tandem with the cyclical factor of the Group operations. The lower LBT in the current quarter was mainly due to lower contribution from the Group variance business activities. The preceding quarter results also included higher share of loss from universal stockbroking business.

B3 Prospects for the year 2013

With modest growth expected in the US and improving economic performance in Asia, the Malaysian economy is envisaged to record growth in 2013 of between 5.0% and 6.0%, according to Bank Negara Malaysia projections.

The Group expects its overall performance to improve in 2013 and will continue to explore corporate opportunities that will strengthen its financial position.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

B5 (Loss)/Profit before tax

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

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Interest income	2,312	1,621	2,312	1,621
Depreciation	(5,323)	(5,631)	(5,323)	(5,631)
Fair value loss on investments (current)	(465)	(16)	(465)	(16)
Gross dividends received	-	483	-	483
Gain on disposal of Property, plant and equipment	30	-	30	-
Inventories written down	(290)	(877)	(290)	(877)
Property, plant and equipment written off	(12)	(50)	(12)	(50)
Discontinued operation				
Interest income	-	2,878	-	2,878
Depreciation	-	(122)	-	(122)
Fair value gain on investments (current)	-	1,550	-	1,550
Gross dividends received	-	724	-	724
Gain on disposal of other investments (current)	-	814	-	814

B6 Tax Expense

Tax expense comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Current tax expense - Malaysia	3,871	3,304	3,871	3,304
Deferred tax (income)/expense	(81)	84	(81)	84
	3,790	3,388	3,790	3,388
Under/(Over) provision in respect of prior years	77	(673)	77	(673)
	3,867	2,715	3,867	2,715
Discontinued operation				
Current tax expense - Malaysia	-	977	-	977
Deferred tax expense	-	388	-	388
	-	1,365	-	1,365
	3,867	4,080	3,867	4,080

The tax provision of the Group for the financial period ended 31 March 2013 is higher than the statutory rate of tax applicable mainly due to losses by certain subsidiaries where no group relief on losses are available.

B7 Status of Corporate Proposals

On 04 February 2013 Pan Malaysia Corporation Berhad announced that its indirect wholly-owned subsidiary, Network Foods International Ltd ("NFIL"), a company incorporated in the Republic of Singapore, had on 1 February 2013 granted an option to purchase ("Option") to Sing Long Foodstuff Trading Co. Pte Ltd ("Sing Long"), a company incorporated in the Republic of Singapore, for Sing Long to acquire the leasehold land together with a warehouse and office erected thereon known as 12 Woodlands Link, Singapore ("Properties") for a total cash consideration of S\$15.4 million (equivalent to approximates RM38.18 million) ("Purchase Consideration"). The Purchase Consideration payable by Sing Long is exclusive of Goods and Services Tax.

Sing Long had on 15 February 2013 accepted the option to purchase.

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

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

B8 Group Borrowings

(a) Total Group borrowings as at 31 March 2013 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	541,624
- Unsecured	93,040
	<u>634,664</u>
<i>Short Term Borrowings</i>	
- Secured	165,747
- Unsecured	188,381
	<u>354,128</u>

(b) Foreign borrowings in Ringgit equivalent as at 31 March 2013 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	<u>288,344</u>

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

B9 Derivative Financial Instruments

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

B10 Fair Value Changes Of Financial Liabilities

As at 31 March 2013, the Group does not have any financial liabilities measured at fair value through profit or loss.

B11 Realised and Unrealised Losses

The accumulated losses of the Group may be analysed as follows:-

	At 31.03.2013	At 31.12.2012
	RM'000	RM'000
		(Audited)
Total accumulated losses of the Group:-		
- Realised losses	(2,483,417)	(2,483,210)
- Unrealised losses	(10,074)	(577)
	<u>(2,493,491)</u>	<u>(2,483,787)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(23,181)	(23,860)
Total accumulated losses	<u>(2,516,672)</u>	<u>(2,507,647)</u>

B12 Material Litigation

MUI Carolina Corporation, a wholly-owned subsidiary of MUI Properties Berhad ("the subsidiary") and Kensington Place Owners Association, Inc. ("KPOA") have been named as defendants in a lawsuits arising from alleged deficiencies and deferred maintenance issues at the Kensington Place condominium complex. The plaintiffs are suing the subsidiary and KPOA to recover maintenance and repair costs, which are disputed. A corresponding claim has been asserted against the subsidiary by KPOA. The subsidiary has denied the alleged damages and is pursuing numerous defenses. On 1 April 2011, the cross-claim asserted against the subsidiary by KPOA was dismissed by the Court and is currently on appeal. Due to the uncertainties in the litigation process it is not possible for management and its counsel to calculate a reliable estimate of the outcome of this matter.

Other than the above, there was no material litigation involving the Group as at the date of this report.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2013 (31 March 2012: Nil).

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

B14 Basic (loss)/earnings Per Share

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,029,773	2,932,561	2,029,773
Effect of dilution :- Irredeemable convertible unsecured loan stocks	-	902,788	-	902,788
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>2,932,561</u>	<u>2,932,561</u>	<u>2,932,561</u>	<u>2,932,561</u>
(a) Continuing Operations				
Loss for the financial year attributable to equity holders of the Company (RM'000)	(9,025)	(3,274)	(9,025)	(3,274)
Basic loss per share (sen)	<u>(0.31)</u>	<u>(0.16)</u>	<u>(0.31)</u>	<u>(0.16)</u>
Diluted loss per share (sen)	<u>-</u>	<u>(0.16)</u>	<u>-</u>	<u>(0.16)</u>
(a) Discontinued Operation				
Profit for the financial year attributable to equity holders of the Company (RM'000)	-	1,508	-	1,508
Basic earnings per share (sen)	<u>-</u>	<u>0.07</u>	<u>-</u>	<u>0.07</u>
Diluted earnings per share (sen)	<u>-</u>	<u>0.05</u>	<u>-</u>	<u>0.05</u>

For the previous period under review, diluted loss per ordinary share is the same as basic loss per ordinary share as there are anti dilutive.

B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not qualified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Soo-Hoo Siew Hoon
Ho Chun Fuat
Joint Company Secretaries

Date: 31 May 2013