

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT SECOND QUARTER ENDED 30 JUNE 2013

(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	152,593	151,560	307,296	297,538
Cost of sales	(102,394)	(95,083)	(206,577)	(189,750)
Gross profit	50,199	56,477	100,719	107,788
Other income	3,674	2,856	7,373	5,737
Distribution costs	(3,614)	(3,713)	(7,207)	(6,653)
Administrative expenses	(15,772)	(21,108)	(34,736)	(39,651)
Other operating expenses	(22,955)	(21,817)	(45,499)	(43,896)
Profit from operations	11,532	12,695	20,650	23,325
Exceptional items (refer Note A4)	12,691	(644)	11,644	1,478
Finance cost	(12,906)	(15,056)	(25,623)	(29,770)
Share of results of associates	4,894	5,784	5,632	8,362
Profit before taxation	16,211	2,779	12,303	3,395
Tax expense	(610)	(3,495)	(4,477)	(6,210)
Profit/(Loss) for the financial period	15,601	(716)	7,826	(2,815)
Discontinued operation				
Profit before taxation	-	3,424	-	8,548
Tax expense	-	(893)	-	(2,258)
Profit from discontinued operation, net of tax	-	2,531	-	6,290
Profit for the financial period	15,601	1,815	7,826	3,475
Profit/(Loss) attributable to:-				
Equity holders of the Company	10,414	(842)	1,389	(2,608)
Non-controlling interests	5,187	2,657	6,437	6,083
Profit for the financial period	15,601	1,815	7,826	3,475
Earnings/(Loss) per share attributable to equity holders of the Company:-				
	Sen	Sen	Sen	Sen
Continuing operations				
Basic	0.36	(0.10)	0.05	(0.26)
Fully diluted	0.36	(0.10)	0.05	(0.26)
Discontinued operation				
Basic	-	0.06	-	0.13
Fully diluted	-	0.04	-	0.09

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
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	15,601	1,815	7,826	3,475
Other comprehensive income/(loss), net of tax:-				
Foreign currency translation differences for foreign subsidiaries	10,494	16,180	4,153	3,406
Fair value of available-for-sale investments - Loss on fair value changes	(4,434)	(500)	(7,436)	(4,701)
Other comprehensive income/(loss) for the financial period	6,060	15,680	(3,283)	(1,295)
Total comprehensive income for the financial period	21,661	17,495	4,543	2,180
Total comprehensive income/(loss) attributable to:-				
Equity holders of the Company	17,050	14,426	796	(2,825)
Non-controlling interests	4,611	3,069	3,747	5,005
Total comprehensive income for the financial period	21,661	17,495	4,543	2,180

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
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	30.06.2013	31.12.2012
	RM'000	RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	607,108	623,373
Investment properties	78,787	79,443
Investment in associates	409,223	401,387
Other investments	11,056	33,755
Land held for property development	35,263	35,263
Goodwill on consolidation	181,340	181,340
Deferred tax assets	1,801	1,879
	1,324,578	1,356,440
Current Assets		
Property development costs	80,782	84,763
Inventories	104,260	99,363
Trade and other receivables	250,143	229,371
Held-to-maturity investments	-	10,021
Other investments	205	4,038
Current tax assets	6,742	2,787
Deposits, bank balances and cash	345,347	417,753
	787,479	848,096
Non-current assets held for sale	-	4,500
	787,479	852,596
TOTAL ASSETS	2,112,057	2,209,036
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,932,561	2,932,561
Reserves	(2,193,756)	(2,207,825)
	738,805	724,736
Non-Controlling Interests	235,819	299,185
Total Equity	974,624	1,023,921
Non-Current Liabilities	659,233	681,763
Current Liabilities		
Trade and other payables	129,136	140,187
Borrowings	342,827	357,131
Current tax liabilities	6,237	6,034
	478,200	503,352
Total Liabilities	1,137,433	1,185,115
TOTAL EQUITY AND LIABILITIES	2,112,057	2,209,036
	RM	RM
Net assets per share attributable to equity holders of the Company	0.25	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

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

CUMULATIVE 6 MONTHS	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity	
	Share Capital	ICULS [#]	Non-Distributable Reserves	Distributable Reserves	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	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 income/(loss) for the financial period	-	-	(593)	-	1,389	796	3,747	4,543
Effect of change in equity in a subsidiary	-	-	-	-	13,273	13,273	(18,853)	(5,580)
Effect of capital reduction by a subsidiary	-	-	-	-	-	-	(48,260)	(48,260)
	-	-	-	-	13,273	13,273	(67,113)	(53,840)
At 30 June 2013	2,932,561	-	273,972	25,257	(2,492,985)	738,805	235,819	974,624
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	-	-	(217)	-	(2,608)	(2,825)	5,005	2,180
Amortisation of discount on ICULS	-	8,480	-	-	(8,480)	-	-	-
Amortisation of A3 ICULS	-	17,451	-	-	(17,451)	-	-	-
	-	25,931	-	-	(25,931)	-	-	-
At 30 June 2012	2,029,773	876,858	285,190	25,257	(2,515,056)	702,022	313,738	1,015,760

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.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013

	CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation		
- Continuing operations	12,303	3,395
- Discontinued operation	-	8,548
	<hr/>	<hr/>
	12,303	11,943
Net adjustments	18,585	39,965
	<hr/>	<hr/>
Operating profit before working capital changes	30,888	51,908
Net change in working capital	(33,780)	54,328
	<hr/>	<hr/>
Cash (used in)/generated from operations	(2,892)	106,236
Employee benefits paid	(134)	(489)
Interest paid	(935)	(1,343)
Interest received	337	1,581
Net tax paid	(8,268)	(12,019)
	<hr/>	<hr/>
Net cash (used in)/generated from operating activities	(11,892)	93,966
Cash Flows From Investing Activities		
Dividends received	6,062	1,973
Interest received	3,724	7,793
Proceeds from disposal of property, plant and equipment	61	9
Proceeds from disposal of development property	11,568	-
Proceeds from disposal of other investments	22,815	35,616
Proceeds from maturity of investments in government bonds and securities	10,134	4,966
Purchase of additional interests in subsidiary	(5,580)	-
Purchase of additional interests in an associate	-	(1,603)
Purchase of investments	(67)	(9,227)
Purchase of property, plant and equipment	(4,884)	(3,039)
	<hr/>	<hr/>
Net cash generated from investing activities	43,833	36,488
Cash Flows From Financing Activities		
Capital repayment to non-controlling interests of subsidiary	(48,260)	-
Interest paid	(24,688)	(28,427)
Net repayments of bank borrowings	(22,861)	(60,045)
	<hr/>	<hr/>
Net cash used in financing activities	(95,809)	(88,472)
Effects of exchange rate changes	(2,447)	(453)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(66,315)	41,529
Cash and cash equivalents at 1 January		
As previously reported	369,871	507,897
Effects of exchange rate changes on cash and cash equivalents	1,833	1,012
As restated	<hr/>	<hr/>
	371,704	508,909
Cash and cash equivalents at 30 June	<hr/>	<hr/>
	305,389	550,438

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.

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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 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 7 August 2013 decided that Transitioning Entities will be given an option 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 2015.

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 2015. 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.

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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 2015.

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 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 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 30 June 2013 other than the exceptional items as follows:-

Exceptional items	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Gain/(loss) on foreign exchange	2,077	(320)	1,010	1,062
Gain on disposal of investments (non-current)	4,636	-	4,656	-
Gain on disposal of development property	5,978	-	5,978	-
(Impairment)/Reversal of impairment on receivables	-	(324)	-	416
	<u>12,691</u>	<u>(644)</u>	<u>11,644</u>	<u>1,478</u>
Discontinued operation				
Loss on foreign exchange	-	(18)	-	(26)
Impairment on receivables	-	(222)	-	(306)
	<u>-</u>	<u>(240)</u>	<u>-</u>	<u>(332)</u>
	<u>12,691</u>	<u>(884)</u>	<u>11,644</u>	<u>1,146</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 June 2013.

A6 Dividend Paid

No dividend was paid by the Company during the financial period ended 30 June 2013 (30 June 2012 : Nil).

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A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 June 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	337,940 *	-	337,940	(162,357) *	175,583
Hotels	75,741	(50)	75,691	-	75,691
Foods & Confectionery	36,437	-	36,437	-	36,437
Financial Services	4,504	-	4,504	(4,504)	-
Property	19,570	-	19,570	-	19,570
Others	5,373	(345)	5,028	(5,013)	15
	479,565	(395)	479,170	(171,874)	307,296
Discontinued Operation:-					
Financial Services	-	-	-	-	-
Total	479,565	(395)	479,170	(171,874)	307,296

(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	8,435	-	(1,440)	5,074 *	12,069
Hotels	12,591	-	(616)	-	11,975
Foods & Confectionery	967	48	(15)	-	1,000
Financial Services	-	-	-	(250)	(250)
Property	4,402	5,978	-	-	10,380
Others	(5,745)	5,618	(23,552)	808	(22,871)
	20,650	11,644	(25,623)	5,632	12,303
Discontinued Operation:-					
Financial Services	-	-	-	-	-
Total	20,650	11,644	(25,623)	5,632	12,303

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	340,087	165,701	505,788
Hotels	417,767	-	417,767
Foods & Confectionery	180,781	-	180,781
Financial Services	-	6,518	6,518
Property	209,671	-	209,671
Others	545,985	237,004	782,989
	1,694,291	409,223	2,103,514
Discontinued Operation:-			
Financial Services	-	-	-
	1,694,291	409,223	2,103,514
Unallocated Corporate Assets			8,543
Total Assets			2,112,057

* Includes estimated results of an associate

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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 30 June 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 30 June 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 6 MONTHS	
	30.06.2013	30.06.2012
	RM'000	RM'000
Revenue	-	132,839
Other income	-	1,606
Expenses	-	(125,565)
Profit from operations	-	8,880
Exceptional items	-	(332)
Profit before taxation	-	8,548
Tax expense	-	(2,258)
Profit for the financial period	-	6,290

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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 financial period ended 30 June 2013, the Group recorded revenue of RM307.3 million and profit before tax ("PBT") of RM12.3 million from continuing operations compared with revenue of RM297.5 million and PBT of RM3.4 million from continuing operations for the same period last year. The higher revenue for the current period under review was mainly from retailing, food & confectionary and property development. The PBT for the current period under review increased due to exceptional gains and lower finance costs.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") achieved strong performance and like-for-like growth in its home furnishings business for the first 18 weeks of the financial year ending 25 January 2014. In Malaysia, Metrojaya recorded higher revenue of RM175.6 million and PBT of RM7.0 million compared to RM165.8 million and RM6.9 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 certain specialty stores.

The hotel operations in Malaysia achieved higher average room rate but lower occupancy rate, thus lowering the overall revenue. This is due to the market repositioning after the completion of the refurbishment. As a result of lower revenue, PBT decreased from RM9.5 million to RM7.0 million. In UK, the hotels recorded lower revenue due to the prolonged winter in Q1 2013, even though revenue picked up in Q2 2013. However, PBT increased due to lower operating expenses.

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 is higher in the current period under review mainly due to its lower debt recovery.

Higher revenue was recorded in the current period under review by the food & confectionery business mainly due to higher sales of Crispy and Tango products in the domestic market. PBT for the current period under review increased due to higher revenue and profit margin compared with the same period last year.

The property development recorded higher revenue and PBT for the current period under review. These mainly contributed by higher property sales of the property development projects in Bandar Springhill and gain on disposal of a development land in Port Dickson. However, the gross profit margin for the current period under review has declined to 35.7% from 36.1% 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 RM152.6 million and PBT of RM16.2 million from continuing operations for the current quarter compared with revenue of RM154.7 million and loss before tax ("LBT") of RM3.9 million from continuing operations in the preceding quarter. The lower revenue recorded in the current quarter mainly due to the seasonal or cyclical factor of the Group operations whereby second quarter normally is the low season for certain operations in the Group. Despite the lower revenue, the Group recorded PBT of RM16.2 million from continuing operations for the current quarter compared with LBT of RM3.9 million from continuing operations in the preceding quarter. This due to higher exceptional gains recorded by the Group in the current quarter.

B3 Prospects for the year 2013

The global economy is expected to be moderate in 2013 and the Malaysian economy is envisaged to record growth of between 4.5% and 5.0%.

The Group is cautiously optimistic of its performance 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.

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B5 Profit before tax

Included in the profit before tax are the followings items:-

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Interest income	1,749	1,722	4,061	3,343
Depreciation	(5,268)	(6,637)	(10,591)	(12,268)
Fair value loss on investments (current)	-	(6)	(465)	(22)
Gross dividends received	69	10	69	493
Gain on disposal of Property, plant and equipment	8	42	38	7
Inventories written down	(586)	(152)	(876)	(1,029)
Property, plant and equipment written off	(2)	(69)	(14)	(119)
Discontinued operation				
Interest income	-	3,153	-	6,031
Depreciation	-	(124)	-	(246)
Fair value gain on investments (current)	-	(5,953)	-	(4,403)
Gross dividends received	-	834	-	1,558
Gain on disposal of other investments (current)	-	4,790	-	5,604

B6 Tax Expense

Tax expense comprises:-

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Current tax expense - Malaysia	2,756	3,274	6,627	6,578
- Foreign	716	711	716	711
Deferred tax (income)/expense	(1)	(77)	(82)	7
	3,471	3,908	7,261	7,296
Over provision in respect of prior years	(2,861)	(413)	(2,784)	(1,086)
	610	3,495	4,477	6,210
Discontinued operation				
Current tax expense - Malaysia	-	2,382	-	3,359
Deferred tax expense	-	(1,489)	-	(1,101)
	-	893	-	2,258
	610	4,388	4,477	8,468

The tax provision of the Group for the financial period ended 30 June 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 approximately 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 ("Disposal").

The Disposal was completed on 31 July 2013.

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 June 2013 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	546,925
- Unsecured	93,040
	<u>639,965</u>
<i>Short Term Borrowings</i>	
- Secured	163,266
- Unsecured	179,561
	<u>342,827</u>

(b) Foreign borrowings in Ringgit equivalent as at 30 June 2013 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	<u>294,758</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 30 June 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 30.06.2013	At 31.12.2012
	RM'000	RM'000
		(Audited)
Total accumulated losses of the Group:-		
- Realised losses	(2,464,115)	(2,483,210)
- Unrealised losses	(10,602)	(577)
	<u>(2,474,717)</u>	<u>(2,483,787)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(18,268)	(23,860)
Total accumulated losses	<u>(2,492,985)</u>	<u>(2,507,647)</u>

B12 Material Litigation

MUI Carolina Corporation, a wholly-owned subsidiary of MUI Properties Berhad ("the subsidiary") has been named as defendant in a lawsuits arising from alleged deficiencies and deferred maintenance issues at the Kensington Place condominium complex ("condominium"). The plaintiffs, comprising individual condominium owners are suing the subsidiary to recover maintenance and repair costs, which are disputed. The subsidiary is defending the case. 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 30 June 2013 (30 June 2012: Nil).

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B14 Basic earnings/(loss) Per Share

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2013	30.06.2012	30.06.2013	30.06.2012
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				
Profit/(Loss) for the financial year attributable to equity holders of the Company (RM'000)	10,414	(2,025)	1,389	(5,299)
Basic earnings/(loss) per share (sen)	<u>0.36</u>	<u>(0.10)</u>	<u>0.05</u>	<u>(0.26)</u>
Diluted earnings/(loss) per share (sen)	<u>0.36</u>	<u>(0.10)</u>	<u>0.05</u>	<u>(0.26)</u>
(a) Discontinued Operation				
Profit for the financial year attributable to equity holders of the Company (RM'000)	-	1,183	-	2,691
Basic earnings per share (sen)	<u>-</u>	<u>0.06</u>	<u>-</u>	<u>0.13</u>
Diluted earnings per share (sen)	<u>-</u>	<u>0.04</u>	<u>-</u>	<u>0.09</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: 28 August 2013