

# MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT THIRD QUARTER ENDED 30 SEPTEMBER 2013

(The figures are unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Revenue	162,952	174,793	470,248	472,331
Cost of sales	(100,548)	(110,638)	(307,125)	(300,388)
Gross profit	62,404	64,155	163,123	171,943
Other income	3,254	4,524	10,627	10,261
Distribution costs	(3,313)	(3,855)	(10,520)	(10,508)
Administrative expenses	(24,255)	(18,417)	(58,991)	(58,068)
Other operating expenses	(20,964)	(24,983)	(66,463)	(68,879)
Profit from operations	17,126	21,424	37,776	44,749
Exceptional items (refer Note A4)	20,520	(39,721)	32,164	(38,243)
Finance cost	(13,160)	(14,409)	(38,783)	(44,179)
Share of results of associates	4,560	4,162	10,192	12,524
Profit/(Loss) before taxation	29,046	(28,544)	41,349	(25,149)
Tax expense	(5,890)	(6,025)	(10,367)	(12,235)
Profit/(Loss) for the financial period	23,156	(34,569)	30,982	(37,384)
<b>Discontinued operation</b>				
Profit before taxation	-	167,800	-	176,348
Tax income/(expense)	-	296	-	(1,962)
Profit from discontinued operation, net of tax	-	168,096	-	174,386
Profit for the financial period	23,156	133,527	30,982	137,002
Profit/(Loss) attributable to:-				
Equity holders of the Company	15,917	51,970	17,306	49,362
Non-controlling interests	7,239	81,557	13,676	87,640
Profit for the financial period	23,156	133,527	30,982	137,002
Earnings/(Loss) per share attributable to equity holders of the Company:-				
	Sen	Sen	Sen	Sen
<b>Continuing operations</b>				
Basic	0.54	(6.40)	0.59	(6.74)
Fully diluted	0.54	(6.40)	0.59	(6.74)
<b>Discontinued operation</b>				
Basic	-	4.02	-	4.37
Fully diluted	-	3.02	-	3.24

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

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

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	23,156	133,527	30,982	137,002
Other comprehensive income/(loss), net of tax:-				
Foreign currency translation differences for foreign subsidiaries	28,842	(12,469)	32,995	(9,063)
Fair value of available-for-sale investments				
- Gain/(Loss) on fair value changes	1,155	(143)	(1,342)	(1,491)
- Transfer to profit or loss upon disposal	-	(4,464)	(4,939)	(7,817)
Other comprehensive income/(loss) for the financial period	29,997	(17,076)	26,714	(18,371)
Total comprehensive income for the financial period	53,153	116,451	57,696	118,631
Total comprehensive income attributable to:-				
Equity holders of the Company	41,945	37,816	42,741	34,991
Non-controlling interests	11,208	78,635	14,955	83,640
Total comprehensive income for the financial period	53,153	116,451	57,696	118,631

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 30 SEPTEMBER 2013

	30.09.2013	31.12.2012
	RM'000	RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	622,878	623,373
Investment properties	78,818	79,443
Investment in associates	413,168	401,387
Other investments	12,228	33,755
Land held for property development	35,263	35,263
Goodwill on consolidation	181,340	181,340
Deferred tax assets	1,823	1,879
	1,345,518	1,356,440
<b>Current Assets</b>		
Property development costs	80,780	84,763
Inventories	99,248	99,363
Trade and other receivables	239,532	229,371
Held-to-maturity investments	-	10,021
Other investments	168	4,038
Current tax assets	5,386	2,787
Deposits, bank balances and cash	408,422	417,753
	833,536	848,096
Non-current assets held for sale	-	4,500
	833,536	852,596
<b>TOTAL ASSETS</b>	2,179,054	2,209,036
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share capital	2,932,561	2,932,561
Reserves	(2,151,811)	(2,207,825)
	780,750	724,736
<b>Non-Controlling Interests</b>	247,027	299,185
<b>Total Equity</b>	1,027,777	1,023,921
<b>Non-Current Liabilities</b>	665,499	681,763
<b>Current Liabilities</b>		
Trade and other payables	133,720	140,187
Borrowings	349,012	357,131
Current tax liabilities	3,046	6,034
	485,778	503,352
<b>Total Liabilities</b>	1,151,277	1,185,115
<b>TOTAL EQUITY AND LIABILITIES</b>	2,179,054	2,209,036
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to equity holders of the Company	0.27	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  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity	
	Share Capital RM'000	Non-Distributable ICULS# RM'000	Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
<b>CUMULATIVE 9 MONTHS</b>								
At 1 January 2013	2,932,561	-	274,565	25,257	(2,507,647)	724,736	299,185	1,023,921
Total comprehensive income for the financial period	-	-	25,435	-	17,306	42,741	14,955	57,696
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 September 2013	2,932,561	-	300,000	25,257	(2,477,068)	780,750	247,027	1,027,777
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	-	-	(14,371)	-	49,362	34,991	83,640	118,631
Conversion of ICULS to ordinary shares	178,495	(178,495)	-	-	-	-	-	-
Amortisation of discount on ICULS	-	13,517	-	-	(13,517)	-	-	-
Amortisation of A3 ICULS	-	28,533	-	-	(28,533)	-	-	-
Repurchase of shares by a subsidiary	-	-	-	-	-	-	(18)	(18)
Effect of change in equity in a subsidiary	-	-	-	-	51	51	(51)	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,586)	(1,586)
	178,495	(136,445)	-	-	(41,999)	51	(1,655)	(1,604)
At 30 September 2012	2,208,268	714,482	271,036	25,257	(2,479,154)	739,889	390,718	1,130,607

# 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 SEPTEMBER 2013

	CUMULATIVE 9 MONTHS	
	30.09.2013 RM'000	30.09.2012 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation		
- Continuing operations	41,349	(25,149)
- Discontinued operation	-	176,348
	41,349	151,199
Net adjustments	7,449	(92,224)
	48,798	58,975
Operating profit before working capital changes		
Net change in working capital	(13,971)	(13,642)
	34,827	45,333
Cash generated from operations		
Employee benefits paid	(181)	(552)
Interest paid	(1,211)	(2,223)
Interest received	756	2,431
Net tax paid	(16,078)	(19,125)
	18,113	25,864
<b>Cash Flows From Investing Activities</b>		
Dividends received	18,381	15,827
Interest received	5,325	9,604
Proceeds from disposal of property, plant and equipment	38,207	133
Proceeds from disposal of development property	11,560	-
Proceeds from disposal of non-current assets held for sale	-	32,443
Proceeds from disposal of other investments	23,470	79,684
Proceeds from maturity of investments in government bonds and securities	10,134	9,816
Purchase of additional interests in subsidiary	(5,580)	-
Purchase of additional interests in an associate	-	(1,885)
Purchase of investments	(30)	(10,020)
Purchase of property, plant and equipment	(6,581)	(5,377)
Net cash outflow on disposal of discontinued operation	-	(73,724)
	94,886	56,501
<b>Cash Flows From Financing Activities</b>		
Capital repayment to non-controlling interests of subsidiary	(48,260)	-
Dividends paid to non-controlling interests of subsidiaries	-	(1,586)
Interest paid	(37,572)	(41,956)
Net repayments of bank borrowings	(38,037)	(62,339)
Share repurchased by a subsidiary	-	(18)
	(123,869)	(105,899)
Net cash used in financing activities		
Effects of exchange rate changes	(1,325)	984
	(12,195)	(22,550)
Net decrease in cash and cash equivalents		
Cash and cash equivalents at 1 January		
As previously reported	369,871	507,897
Effects of exchange rate changes on cash and cash equivalents	8,141	(1,238)
As restated	378,012	506,659
Cash and cash equivalents at 30 September	365,817	484,109

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:-

- (a) 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;
- (b) The hotel operations in United Kingdom normally will experience low trading after Christmas, New Year and Easter due to the after effects of the holiday seasons. Additionally, winter periods will also experience a decline in trading; and
- (c) The food 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 September 2013 other than the exceptional items as follows:-

Exceptional items	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Gain/(Loss) on disposal of investments (non-current)	346	(2,602)	5,002	(2,602)
Gain on disposal of a leasehold property	21,527	-	21,527	-
Impairment on goodwill	-	(39,068)	-	(39,068)
Impairment on investments	-	-	-	(22)
(Impairment)/Reversal of impairment on receivables	(169)	139	(169)	555
(Loss)/Gain on foreign exchange	(1,176)	1,810	(166)	2,894
(Loss)/Gain on disposal of a development property	(8)	-	5,970	-
	20,520	(39,721)	32,164	(38,243)
<b>Discontinued operation</b>				
Gain on disposal of discontinued operation	-	167,589	-	167,589
Loss on foreign exchange	-	-	-	(27)
Impairment on receivables	-	(2,534)	-	(2,839)
	-	165,055	-	164,723
	20,520	125,334	32,164	126,480

### A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2013.

### A6 Dividend Paid

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

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## A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 September 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
<b>Continuing Operations:-</b>					
Retailing	578,995 *	-	578,995	(312,387) *	266,608
Hotels	121,752	(15)	121,737	-	121,737
Foods & Confectionery	54,637	-	54,637	-	54,637
Financial Services	7,275	-	7,275	(7,275)	-
Property	27,247	-	27,247	-	27,247
Others	8,609	(522)	8,087	(8,068)	19
	798,515	(537)	797,978	(327,730)	470,248
<b>Discontinued Operation:-</b>					
Financial Services	-	-	-	-	-
Total	798,515	(537)	797,978	(327,730)	470,248

### (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
<b>Continuing Operations:-</b>					
Retailing	14,994	-	-	8,764 *	23,758
Hotels	22,869	(33)	(926)	-	21,910
Foods & Confectionery	1,501	21,184	(23)	-	22,662
Financial Services	-	-	-	57	57
Property	6,296	5,970	(96)	-	12,170
Others	(7,884)	5,043	(37,738)	1,371	(39,208)
	37,776	32,164	(38,783)	10,192	41,349
<b>Discontinued Operation:-</b>					
Financial Services	-	-	-	-	-
Total	37,776	32,164	(38,783)	10,192	41,349

### (c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	334,790	163,499	498,289
Hotels	462,369	-	462,369
Foods & Confectionery	206,743	-	206,743
Financial Services	-	6,825	6,825
Property	218,205	-	218,205
Others	536,570	242,844	779,414
	1,758,677	413,168	2,171,845
<b>Discontinued Operation:-</b>			
Financial Services	-	-	-
	1,758,677	413,168	2,171,845
<b>Unallocated Corporate Assets</b>			7,209
<b>Total Assets</b>			2,179,054

\* 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 September 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 September 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 9 MONTHS	
	30.09.2013	30.09.2012
	RM'000	RM'000
Revenue	-	162,678
Other income	-	2,038
Expenses	-	(153,091)
Profit from operations	-	11,625
Exceptional items (Refer note A4)	-	164,723
Profit before taxation	-	176,348
Tax expense	-	(1,962)
Profit for the financial period	-	174,386

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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 September 2013, the Group recorded revenue of RM470.2 million and profit before tax ("PBT") of RM41.3 million from continuing operations compared with revenue of RM472.3 million and loss before tax of RM25.1 million from continuing operations for the same period last year. The lower revenue for the current period under review was mainly from hotels and food & confectionary divisions. Despite lower revenue, 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") reported that trading for the 26 weeks ended 27 July 2013 down by 2.2% like for like, reflecting continued underperformance of the fashion category. In Malaysia, Metrojaya recorded revenue of RM266.6 million and PBT of RM12.8 million compared to RM264.1 million and RM13.6 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. PBT remained consistent compared with the same period last year.

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 and coupled with higher operating expenses, the hotel operations in Malaysia recorded lower PBT. In UK, the hotels recorded lower revenue in the current period under review compared with the same period last year mainly due to the prolonged winter in Q1 2013, even though revenue picked up in Q2 & Q3 2013. The UK hotels recorded lower PBT mainly due to lower revenue and higher 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 profit from universal stockbroking business in the current period under review mainly due to increased brokerage income and margin income.

Lower revenue was recorded in the current period under review by the food & confectionery business mainly due to lower sales from OEM customers and export. PBT for the current period under review increased due to an exceptional gain of RM21.6 million arising from a disposal of leasehold land and building.

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 38.1% from 40.5% 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 revenue of RM162.9 million and PBT of RM29.0 million from continuing operations for the current quarter compared with revenue of RM152.6 million and PBT of RM16.2 million from continuing operations in the preceding quarter. The higher revenue recorded in the current quarter was mainly contributed by retailing, hotels and food & confectionery divisions. The Group recorded higher PBT by RM12.8 million from continuing operations in the current quarter compared with the preceding quarter. This is due to higher revenue and exceptional gain from a disposal of leasehold land and building 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:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Depreciation	(6,260)	(5,346)	(16,851)	(17,614)
Fair value loss on investments (current)	(37)	(3,033)	(435)	(7,436)
Gross dividends received	20	1,430	22	1,923
Gain on disposal of Property, plant and equipment	5	98	43	105
Gain on disposal of other investments (current)	-	2,625	-	8,229
Interest income	2,021	2,334	6,082	5,677
Inventories written down	(220)	(168)	(1,096)	(1,197)
Property, plant and equipment written off	(5)	(45)	(19)	(164)
<hr/>				
<b>Discontinued operation</b>				
Depreciation	-	(84)	-	(330)
Gross dividends received	-	226	-	1,784
Interest income	-	327	-	6,358

## B6 Tax Expense

Tax expense comprises:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Current tax expense - Malaysia	3,631	4,024	10,258	10,602
- Foreign	1,037	1,888	1,753	2,599
Deferred tax	(2)	(24)	(84)	(17)
	<hr/>	<hr/>	<hr/>	<hr/>
	4,666	5,888	11,927	13,184
Over provision in respect of prior years	1,224	137	(1,560)	(949)
	<hr/>	<hr/>	<hr/>	<hr/>
	5,890	6,025	10,367	12,235
<hr/>				
<b>Discontinued operation</b>				
Current tax expense - Malaysia	-	(1,078)	-	2,281
Deferred tax	-	782	-	(319)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(296)	-	1,962
	<hr/>	<hr/>	<hr/>	<hr/>
	5,890	5,729	10,367	14,197

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

# MALAYAN UNITED INDUSTRIES BERHAD

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## B8 Group Borrowings

(a) Total Group borrowings as at 30 September 2013 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	560,774
- Unsecured	84,650
	<u>645,424</u>
<i>Short Term Borrowings</i>	
- Secured	169,319
- Unsecured	179,693
	<u>349,012</u>

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

Currency	RM'000
Sterling Pounds	<u>319,778</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 September 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 30.09.2013 RM'000	At 31.12.2012 RM'000 (Audited)
Total accumulated losses of the Group:-		
- Realised losses	(2,464,585)	(2,483,210)
- Unrealised losses	1,416	(577)
	<u>(2,463,169)</u>	<u>(2,483,787)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(13,899)	(23,860)
Total accumulated losses	<u>(2,477,068)</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 September 2013 (30 September 2012: Nil).

# MALAYAN UNITED INDUSTRIES BERHAD

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## B14 Basic earnings/(loss) Per Share

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,184,370	2,932,561	2,081,681
Effect of dilution :- Irredeemable convertible unsecured loan stocks	-	724,293	-	724,293
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>2,932,561</u>	<u>2,908,663</u>	<u>2,932,561</u>	<u>2,805,974</u>
(a) Continuing Operations				
Profit/(Loss) for the financial year attributable to equity holders of the Company (RM'000)	15,917	(139,733)	17,306	(140,409)
Basic earnings/(loss) per share (sen)	<u>0.54</u>	<u>(6.40)</u>	<u>0.59</u>	<u>(6.74)</u>
Diluted earnings/(loss) per share (sen)	<u>0.54</u>	<u>(6.40)</u>	<u>0.59</u>	<u>(6.74)</u>
(a) Discontinued Operation				
Profit for the financial year attributable to equity holders of the Company (RM'000)	-	87,763	-	91,047
Basic earnings per share (sen)	<u>-</u>	<u>4.02</u>	<u>-</u>	<u>4.37</u>
Diluted earnings per share (sen)	<u>-</u>	<u>3.02</u>	<u>-</u>	<u>3.24</u>

For current period under review, diluted earnings per ordinary share is the same as basic earnings per ordinary share as there were no dilutive potential ordinary shares.

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: 25 November 2013**