

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 30 JUNE 2014**

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	144,765	152,593	290,424	307,296
Cost of sales	(91,280)	(102,394)	(194,861)	(206,577)
Gross profit	53,485	50,199	95,563	100,719
Other income	3,638	3,674	7,476	7,373
Distribution costs	(2,544)	(3,614)	(5,305)	(7,207)
Administrative expenses	(22,081)	(15,772)	(37,884)	(34,736)
Other operating expenses	(21,297)	(22,955)	(42,141)	(45,499)
Profit from operations	11,201	11,532	17,709	20,650
Exceptional items (refer Note A4)	1,265	12,691	3,326	11,644
Finance cost	(12,267)	(12,906)	(24,307)	(25,623)
Share of results of associates	6,636	4,894	10,213	5,632
Profit before taxation	6,835	16,211	6,941	12,303
Tax expense	(3,724)	(610)	(5,417)	(4,477)
Profit for the financial period	3,111	15,601	1,524	7,826
Profit/(Loss) attributable to:-				
Equity holders of the Company	2,150	10,414	(767)	1,389
Non-controlling interests	961	5,187	2,291	6,437
Profit for the financial period	3,111	15,601	1,524	7,826
Earnings/(Loss) per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic	0.07	0.36	(0.03)	0.05
Fully diluted	0.07	0.36	(0.03)	0.05

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	3,111	15,601	1,524	7,826
Other comprehensive loss, net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	(3,746)	10,494	(12,887)	4,153
Fair value of available-for-sale investments - Gain/(loss) on fair value changes	1,934	(4,434)	1,893	(7,436)
Other comprehensive (loss)/income for the financial period	<u>(1,812)</u>	<u>6,060</u>	<u>(10,994)</u>	<u>(3,283)</u>
Total comprehensive income/(loss) for the financial period	<u>1,299</u>	<u>21,661</u>	<u>(9,470)</u>	<u>4,543</u>
Total comprehensive (loss)/income attributable to:-				
Equity holders of the Company	(347)	17,050	(10,714)	796
Non-controlling interests	<u>1,646</u>	<u>4,611</u>	<u>1,244</u>	<u>3,747</u>
Total comprehensive income/(loss) for the financial period	<u>1,299</u>	<u>21,661</u>	<u>(9,470)</u>	<u>4,543</u>

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013 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 2014

	30.06.2014	31.12.2013
	RM'000	RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	642,184	635,169
Investment properties	78,809	78,566
Investment in associates	385,552	412,322
Other investments	8,470	7,742
Land held for property development	35,263	35,263
Goodwill on consolidation	181,340	181,340
Deferred tax assets	2,756	2,459
	<u>1,334,374</u>	<u>1,352,861</u>
Current Assets		
Property development costs	81,210	82,077
Inventories	92,242	90,404
Trade and other receivables	219,815	216,272
Other investments	4,455	5,454
Current tax assets	8,065	5,842
Deposits, bank balances and cash	305,881	389,616
	<u>711,668</u>	<u>789,665</u>
TOTAL ASSETS	<u>2,046,042</u>	<u>2,142,526</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,932,561	2,932,561
Reserves	(2,170,611)	(2,154,298)
	<u>761,950</u>	<u>778,263</u>
Non-Controlling Interests	<u>241,744</u>	<u>248,257</u>
Total Equity	<u>1,003,694</u>	<u>1,026,520</u>
Non-Current Liabilities	<u>672,827</u>	<u>640,995</u>
Current Liabilities		
Trade and other payables	128,562	124,020
Borrowings	236,986	347,060
Current tax liabilities	3,973	3,931
	<u>369,521</u>	<u>475,011</u>
Total Liabilities	<u>1,042,348</u>	<u>1,116,006</u>
TOTAL EQUITY AND LIABILITIES	<u>2,046,042</u>	<u>2,142,526</u>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.26	0.27

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	Attributable to Equity Holders of the Company				Total	Non-	Total
	Share	Distributable	Distributable	Accumulated		Controlling	Equity
CUMULATIVE 6 MONTHS	Capital	Reserves	Reserves	Losses		Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	2,932,561	312,687	25,257	(2,492,242)	778,263	248,257	1,026,520
(Loss)/Profit for the financial period	-	-	-	(767)	(767)	2,291	1,524
Fair value gain on available-	-	-	-	-	-	-	-
for-sale financial assets, net of tax	-	1,514	-	-	1,514	379	1,893
Foreign currency translations, net of tax	-	(11,461)	-	-	(11,461)	(1,426)	(12,887)
Total comprehensive (loss)/income	-	(9,947)	-	(767)	(10,714)	1,244	(9,470)
Transaction with owners:-							
Acquisition of additional interests in a	-	-	-	(5,599)	(5,599)	(7,757)	(13,356)
Subsidiary	-	-	-	(5,599)	(5,599)	(7,757)	(13,356)
At 30 June 2014	2,932,561	302,740	25,257	(2,498,608)	761,950	241,744	1,003,694
At 1 January 2013	2,932,561	274,565	25,257	(2,507,647)	724,736	299,185	1,023,921
Profit for the financial period	-	-	-	1,389	1,389	6,437	7,826
Fair value loss on available-for-sale	-	-	-	-	-	-	-
financial assets, net of tax	-	(6,310)	-	-	(6,310)	(1,126)	(7,436)
Foreign currency translations, net of tax	-	5,717	-	-	5,717	(1,564)	4,153
Total comprehensive (loss)/income	-	(593)	-	1,389	796	3,747	4,543
Transaction with owners:-							
Acquisition of additional interests in a	-	-	-	13,273	13,273	(18,853)	(5,580)
subsidiary	-	-	-	-	-	(48,260)	(48,260)
Capital reduction by a subsidiary	-	-	-	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

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 2013 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 2014

	CUMULATIVE 6 MONTHS	
	30.06.2014 RM'000	30.06.2013 RM'000
Cash Flows From Operating Activities		
Profit before taxation	6,941	12,303
Net adjustments	19,508	18,585
	26,449	30,888
Operating profit before working capital changes	26,449	30,888
Net change in working capital	(2,410)	(33,780)
	24,039	(2,892)
Cash generated from/(used in) operations	24,039	(2,892)
Employee benefits paid	(23)	(134)
Interest paid	(441)	(935)
Interest received	497	337
Net tax paid	(8,888)	(8,268)
	15,184	(11,892)
Cash Flows From Investing Activities		
Dividend received	27,860	6,062
Interest received	4,574	3,724
Proceeds from disposal of property, plant and equipment	6	61
Proceeds from disposal of development property	-	11,568
Proceeds from disposal of other investments	219	22,815
Proceeds from disposal of shares in a subsidiary	-	(5,580)
Proceeds from maturity of investments in government bonds and securities	-	10,134
Purchase of additional interests in subsidiary	(13,355)	-
Purchase of investments	-	(67)
Purchase of property, plant and equipment	(13,343)	(4,884)
Placements of fixed deposits pledged with licensed financial institutions	9	-
	5,970	43,833
Cash Flows From Financing Activities		
Capital repayment to non-controlling interests of subsidiary	-	(48,260)
Interest paid	(23,867)	(24,688)
Net repayments of bank borrowings	(75,880)	(22,861)
	(99,747)	(95,809)
Effects of exchange rate changes	316	(2,447)
Net decrease in cash and cash equivalents	(78,277)	(66,315)
Cash and cash equivalents at 1 January		
As previously reported	344,014	366,037
Effects of exchange rate changes on cash and cash equivalents	(3,170)	1,833
As restated	340,844	367,870
Cash and cash equivalents at 30 June	262,567	301,555

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013 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 2013. 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 2013.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the following Amendments to Financial Reporting Standards ("FRSs") and Issue Committee ("IC") Interpretations which are applicable for the Group's financial period beginning 1 January 2014:-

Amendments to FRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to FRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to FRS 127	<i>Separate Financial Statements : Investment Entities</i>
Amendments to FRS 132	<i>Financial Instruments: Presentation - offsetting Financial Assets and Financial Liabilities</i>
Amendments to FRS 136	<i>Impairment of Assets - Recoverable Amount Disclosure for Non-Financial Assets</i>
Amendments to FRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

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

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("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 2014 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 2014 other than the exceptional items as follows:-

Exceptional items	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Gain on disposal of other investments (non-current)	24	4,636	24	4,656
Gain on foreign exchange	1,821	2,077	3,789	1,010
Gain on disposal of development property	-	5,978	-	5,978
Impairment on receivables	(1,480)	-	(1,387)	-
Reversal of impairment on property, plant & equipment	900	-	900	-
	1,265	12,691	3,326	11,644

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 2014.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 June 2014 (30 June 2013 : Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 30 June 2014 were as follows:-

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Share of Associates' Revenue RM'000	Net Revenue RM'000
Retailing	375,348 *	-	375,348	(219,294) *	156,054
Hotels	85,166	-	85,166	-	85,166
Foods & Confectionery	29,996	-	29,996	-	29,996
Financial Services	-	-	-	-	-
Property	19,204	-	19,204	-	19,204
Others	5,139	(218)	4,921	(4,917)	4
Total	514,853	(218)	514,635	(224,211)	290,424

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(b) Results

	Profit from Operations	Exceptional Items	Finance Costs	Share of Associates' Results	Profit/(Loss) Before Taxation
	RM'000	RM'000	RM'000	RM'000	RM'000
Retailing	963	(682)	-	9,344 *	9,625
Hotels	14,568	9	(651)	-	13,926
Foods & Confectionery	758	54	(10)	-	802
Financial Services	-	-	-	-	-
Property	6,180	-	(41)	-	6,139
Others	(4,760)	3,945	(23,605)	869	(23,551)
Total	17,709	3,326	(24,307)	10,213	6,941

(c) Assets

	Segment Assets	Investment In Associates	Total
	RM'000	RM'000	RM'000
Retailing	319,939	147,047	466,986
Hotels	480,845	-	480,845
Foods & Confectionery	184,303	-	184,303
Financial Services	-	-	-
Property	220,718	-	220,718
Others	443,864	238,505	682,369
	1,649,669	385,552	2,035,221
Unallocated Corporate Assets			10,821
Total Assets			2,046,042

* Includes estimated results of an associate

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 2014 that have not been reflected in the financial statements for the said period as at the date of this report.

A9 Changes in the Composition of the Group

(a) On 21 March 2014, the Company acquired the entire issued and paid-up share capital of Corus Hotels Sdn Bhd ("CHSB") comprising 2 ordinary shares of RM1.00 each at a total consideration of RM2.00 ("Acquisition"). Upon the completion of the Acquisition, CHSB has become a wholly-owned subsidiary of the Company. The Acquisition is not expected to have any material effect on the earnings, net assets and gearing of the Company for the financial year ending 31 December 2014.

(b) On 26 May 2014, Ample Line Sdn Bhd, a wholly-owned subsidiary of the Company, has completed the acquisition of additional 4,617,000 ordinary shares of RM1.00 each representing approximately 3.70% equity interest in Metrojaya Berhad at a total purchase consideration of RM13.2 million. This increase the Group equity interest in Metrojaya Berhad to 98.22%. The acquisition do not have any material effect on the earnings, net assets and gearing of the Group for the financial year ending 31 December 2014.

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 June 2014.

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.

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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 under review, the Group recorded revenue of RM290.4 million and profit before tax ("PBT") of RM6.9 million compared with revenue of RM307.3 million and PBT of RM12.3 million for the same period last financial year.

In retailing division, Laura Ashley Holdings plc ("Laura Ashley") reported that total retail sales fell by 0.9% year-on-year for the first 19 weeks of the current financial year to 31 January 2015. However, like-for-like sales increased by 0.7% during the same period. Metrojaya recorded lower revenue and PBT in the current financial period under review compared with the same period last financial year. The lower revenue and PBT in the current financial period under review was mainly due to weaker performance in departmental stores and certain specialty stores.

The Group's overall hotel operations in Malaysia recorded increase in revenue and PBT in the current financial period under review compared with the same period last financial year. The increase is due to higher occupancy rate of the Corus Hotel Kuala Lumpur. In the UK, hotel operations recorded higher revenue and PBT in the current financial period under review compared with the same period last financial year.

Under the financial services division, the Group's universal stock broking business recorded loss profit tax ("LBT") in the current financial period under review compared with the same period last financial year was mainly due to its higher allowance for doubtful debt.

In the food & confectionery division, lower revenue was recorded for the current financial period under review. This was mainly due to lower domestic sales. Despite lower revenue, PBT for the current financial period under review increased mainly due to lower expenses incurred.

The property development division recorded lower PBT for the current financial period under review compared with the same period last financial year. Higher PBT in the same period last financial year was mainly due to the gain on disposal of a development land. This gross profit margin increased from 36% in the same period last financial year to 48% in the current financial period under review. The higher gross profit margin is attributed to the higher gross profit margin from both property development and sale of palm oil fruits. The gross profit margin from property development increased from 31% in the same period last financial year to 40% in the current financial period under review whilst gross profit margin from sale of palm oil fruits increased from 58% in the same period last financial year to 67% in the current financial period under review.

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

The Group recorded marginally lower revenue of RM144.8 million and higher PBT of RM6.8 million for the current quarter compared with revenue of RM145.7 million and PBT of RM0.1 million in the preceding quarter. The higher PBT in the current quarter was mainly due to lower expenses and share of higher profit in associates.

B3 Prospects for the year 2014

According to Bank Negara Malaysia, Malaysia gross domestic product is projected to grow between 4.5% and 5.5% in 2014.

The Group will continue to develop and optimise its existing business including the expansion of its retail brands into more countries. The Group will also continue to assess potential investment opportunities to enhance its shareholders value.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 Profit before tax

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

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Depreciation	(5,509)	(5,268)	(11,025)	(10,591)
Fair value loss on investments (current)	(731)	(465)	(731)	(465)
Gross dividends received	-	69	-	69
Gain on disposal of property, plant and equipment	6	8	6	38
Loss on disposal of other investments (current)	-	-	(15)	-
Interest income	2,510	1,749	5,071	4,061
Inventories written down	(49)	(586)	(411)	(876)
Property, plant and equipment written off	-	(2)	(243)	(14)

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B6 Tax Expense

Tax expense comprises of:-

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Current tax expense - Malaysia	2,776	2,756	6,604	6,627
- Foreign	766	716	801	716
Deferred tax	-	(1)	(1,284)	(82)
	<u>3,542</u>	<u>3,471</u>	<u>6,121</u>	<u>7,261</u>
Under/(Over) provision in respect of prior years	182	(2,861)	(704)	(2,784)
	<u>3,724</u>	<u>610</u>	<u>5,417</u>	<u>4,477</u>

The tax provision of the Group for the financial period ended 30 June 2014 was higher than the statutory rate of tax applicable mainly due to losses by certain subsidiaries where no group relief on losses were available.

B7 Status of Corporate Proposals

On 30 June 2014, Corus Hotels Sdn Bhd, a wholly-owned subsidiary of Malayan United Industries Berhad ("MUI" or "Company"), had entered into a shares sale agreement with Pan Malaysian Industries Berhad to acquire 385,000 ordinary shares of RM1.00 each representing the entire issued and paid up share capital of Two Holdings Sdn Bhd for a purchase consideration of RM26.3 million ("Proposed Acquisition"). Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the fourth quarter of 2014.

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

B8 Group Borrowings

(a) Total Group borrowings as at 30 June 2014 were as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	559,276
- Unsecured	<u>97,220</u>
	<u>656,496</u>
<i>Short Term Borrowings</i>	
- Secured	114,070
- Unsecured	<u>122,916</u>
	<u>236,986</u>

(b) Foreign borrowings in Ringgit equivalent as at 30 June 2014 included in (a) above were as follows:-

Currency	RM'000
Sterling Pounds	<u>248,069</u>

The foreign borrowings above were 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 2014, the Group did not have any financial liabilities measured at fair value through profit or loss.

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B11 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 30.06.2014 RM'000	At 31.12.2013 RM'000 (Audited)
Total accumulated losses of the Group:-		
- Realised losses	(4,711,561)	(4,721,103)
- Unrealised gains	32,527	15,356
	<u>(4,679,034)</u>	<u>(4,705,747)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(270,216)	(252,571)
	<u>(4,949,250)</u>	<u>(4,958,318)</u>
Consolidation adjustments	2,450,642	2,466,076
Total accumulated losses	<u>(2,498,608)</u>	<u>(2,492,242)</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 2014 (30 June 2013: Nil).

B14 Basic Earnings/(loss) Per Share

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	2,932,561	2,932,561
Profit/(Loss) for the financial period attributable to equity holders of the Company (RM'000)	2,150	10,414	(767)	1,389
Basic earnings/(loss) per share (sen)	0.07	0.36	(0.03)	0.05
Diluted earnings/(loss) per share (sen)	0.07	0.36	(0.03)	0.05

Diluted earnings/(loss) per ordinary share is the same as basic earnings per ordinary share as there were no dilutive potential ordinary shares.

B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2013 was not qualified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Soo-Hoo Siew Hoon
Lee Chik Siong
Joint Company Secretaries

Date: 27 August 2014