

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT THIRD QUARTER ENDED 30 SEPTEMBER 2014

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	150,761	162,952	441,185	470,248
Cost of sales	(97,764)	(100,548)	(292,625)	(307,125)
Gross profit	52,997	62,404	148,560	163,123
Other income	2,650	3,254	10,126	10,627
Distribution costs	(3,206)	(3,313)	(8,511)	(10,520)
Administrative expenses	(21,487)	(24,255)	(59,371)	(58,991)
Other operating expenses	(18,934)	(20,964)	(61,075)	(66,463)
Profit from operations	12,020	17,126	29,729	37,776
Exceptional items (refer Note A4)	(6,996)	20,520	(3,670)	32,164
Finance cost	(12,023)	(13,160)	(36,330)	(38,783)
Share of results of associates	7,260	4,560	17,473	10,192
Profit before taxation	261	29,046	7,202	41,349
Tax expense	(3,116)	(5,890)	(8,533)	(10,367)
(Loss)/Profit for the financial period	(2,855)	23,156	(1,331)	30,982
(Loss)/Profit attributable to:-				
Equity holders of the Company	(2,309)	15,917	(3,076)	17,306
Non-controlling interests	(546)	7,239	1,745	13,676
(Loss)/Profit for the financial period	(2,855)	23,156	(1,331)	30,982
(Loss)/Earnings per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic	(0.08)	0.54	(0.10)	0.59
Fully diluted	(0.08)	0.54	(0.10)	0.59

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

Company No: 3809-W
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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the financial period	(2,855)	23,156	(1,331)	30,982
Other comprehensive loss, net of tax:-				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign subsidiaries	740	28,842	(12,148)	32,996
Fair value of available-for-sale investments				
- Gain/(loss) on fair value changes	5,444	1,155	7,337	(1,343)
- Transfer to profit or loss upon disposal	-	-	-	(4,939)
Other comprehensive income/(loss) for the financial period	6,184	29,997	(4,811)	26,714
Total comprehensive income/(loss) for the financial period	3,329	53,153	(6,142)	57,696
Total comprehensive income/(loss) attributable to:-				
Equity holders of the Company	4,101	41,945	(6,613)	42,741
Non-controlling interests	(772)	11,208	471	14,955
Total comprehensive income/(loss) for the financial period	3,329	53,153	(6,142)	57,696

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 BERHADCompany No: 3809-W
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2014

	30.09.2014	31.12.2013
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	628,208	635,169
Investment properties	78,674	78,566
Investment in associates	395,186	412,322
Other investments	15,023	7,742
Land held for property development	35,263	35,263
Goodwill on consolidation	181,340	181,340
Deferred tax assets	2,730	2,459
	<u>1,336,424</u>	<u>1,352,861</u>
Current Assets		
Property development costs	80,688	82,077
Inventories	93,765	90,404
Trade and other receivables	205,107	216,272
Other investments	4,280	5,454
Current tax assets	9,704	5,842
Deposits, bank balances and cash	275,103	389,616
	<u>668,647</u>	<u>789,665</u>
TOTAL ASSETS	<u>2,005,071</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	(2,166,510)	(2,154,298)
	<u>766,051</u>	<u>778,263</u>
Non-Controlling Interests	235,236	248,257
Total Equity	<u>1,001,287</u>	<u>1,026,520</u>
Non-Current Liabilities	669,806	640,995
Current Liabilities		
Trade and other payables	120,991	124,020
Borrowings	209,942	347,060
Current tax liabilities	3,045	3,931
	<u>333,978</u>	<u>475,011</u>
Total Liabilities	<u>1,003,784</u>	<u>1,116,006</u>
TOTAL EQUITY AND LIABILITIES	<u>2,005,071</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 SEPTEMBER 2014

	Attributable to Equity Holders of the Company				Total	Non-	Total
	Share Capital	Distributable Reserves	Distributable Reserves	Accumulated Losses		Controlling Interests	Equity
CUMULATIVE 9 MONTHS	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	-	-	-	(3,076)	(3,076)	1,745	(1,331)
Fair value gain on available-for-sale financial assets, net of tax	-	5,953	-	-	5,953	1,384	7,337
Foreign currency translations, net of tax	-	(9,490)	-	-	(9,490)	(2,658)	(12,148)
Total comprehensive (loss)/income	-	(3,537)	-	(3,076)	(6,613)	471	(6,142)
Transaction with owners:-							
Dividend paid to non-controlling shareholders	-	-	-	-	-	(5,735)	(5,735)
Acquisition of additional interests in a Subsidiary	-	-	-	(5,599)	(5,599)	(7,757)	(13,356)
	-	-	-	(5,599)	(5,599)	(13,492)	(19,091)
At 30 September 2014	2,932,561	309,150	25,257	(2,500,917)	766,051	235,236	1,001,287
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	-	-	-	17,306	17,306	13,676	30,982
Fair value loss on available-for-sale financial assets, net of tax	-	(5,575)	-	-	(5,575)	(707)	(6,282)
Foreign currency translations, net of tax	-	31,010	-	-	31,010	1,986	32,996
Total comprehensive income	-	25,435	-	17,306	42,741	14,955	57,696
Transaction with owners:-							
Acquisition of additional interests in a subsidiary	-	-	-	13,273	13,273	(18,853)	(5,580)
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

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 SEPTEMBER 2014

	CUMULATIVE 9 MONTHS	
	30.09.2014 RM'000	30.09.2013 RM'000
Cash Flows From Operating Activities		
Profit before taxation	7,202	41,349
Net adjustments	35,887	7,449
	43,089	48,798
Operating profit before working capital changes		
Net change in working capital	(18)	(13,971)
	43,071	34,827
Cash generated from operations		
Employee benefits paid	(30)	(181)
Interest paid	(650)	(1,211)
Interest received	787	756
Net tax paid	(14,539)	(16,078)
	28,639	18,113
Cash Flows From Investing Activities		
Dividend received	27,664	18,381
Interest received	6,001	5,325
Proceeds from disposal of property, plant and equipment	6	38,207
Proceeds from disposal of development property	-	11,560
Proceeds from disposal of other investments	219	23,470
Proceeds from maturity of investments in government bonds and securities	-	10,134
Purchase of additional interests in subsidiary	(13,355)	(5,580)
Purchase of investments	-	(30)
Purchase of property, plant and equipment	(18,699)	(6,581)
Withdrawal of fixed deposits pledged with licensed financial institutions	12	-
	1,848	94,886
Cash Flows From Financing Activities		
Capital repayment to non-controlling interests of subsidiary	-	(48,260)
Dividend paid to non-controlling interests of a subsidiary	(5,735)	-
Interest paid	(35,681)	(37,572)
Net repayments of bank borrowings	(98,323)	(38,037)
	(139,739)	(123,869)
Net cash used in financing activities		
Effects of exchange rate changes	170	(1,325)
	(109,082)	(12,195)
Net decrease in cash and cash equivalents		
Cash and cash equivalents at 1 January		
As previously reported	344,014	366,037
Effects of exchange rate changes on cash and cash equivalents	(1,832)	8,142
As restated	342,182	374,179
Cash and cash equivalents at 30 September	233,100	361,984

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. However, the MASB further deferred the effective date of the adoption of the following MFRSs Framework by Transitioning Entities from 1 January 2013 to the following dates :

MFRS	Annual periods beginning on or after:
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
<i>Agriculture: Bearer Plants</i> (Amendments to MFRS 116 and MFRS 141)	1 January 2016

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 2017. 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.

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 2017.

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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 2014 other than the exceptional items as follows:-

Exceptional items	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of other investments (non-current)	-	346	24	5,002
Gain on disposal of a leasehold property	-	21,527	-	21,527
(Impairment)/Reversal of impairment on property, plant & equipment	(2)	-	898	-
(Loss)/Gain on disposal of development property	-	(8)	-	5,970
(Loss)/Gain on foreign exchange	(3,777)	(1,176)	12	(166)
Provision for legal claim	(3,245)		(3,245)	
Reversal of impairment/(Impairment) on receivables	28	(169)	(1,359)	(169)
	(6,996)	20,520	(3,670)	32,164

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 2014.

A6 Dividends Paid

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

A7 Operating Segments

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

(a) Revenue

	External Customers	Inter-segment	Total Revenue	Share of Associates' Revenue	Net Revenue
	RM'000	RM'000	RM'000	RM'000	RM'000
Retailing	607,051 *	-	607,051	(372,927) *	234,124
Hotels	136,151	-	136,151	-	136,151
Foods & Confectionery	45,676	-	45,676	-	45,676
Financial Services	-	-	-	-	-
Property	25,230	-	25,230	-	25,230
Others	12,851	(4,900)	7,951	(7,947)	4
Total	826,959	(4,900)	822,059	(380,874)	441,185

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(b) Results

	Profit/ (Loss) from Operations RM'000	Exceptional Items RM'000	Finance Costs RM'000	Share of Associates' Results RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	3,623	(725)	-	16,062 *	18,960
Hotels	25,882	22	(990)	-	24,914
Foods & Confectionery	831	(337)	(23)	-	471
Financial Services	-	-	-	-	-
Property	8,060	(3,245)	(41)	-	4,774
Others	(8,667)	615	(35,276)	1,411	(41,917)
Total	29,729	(3,670)	(36,330)	17,473	7,202

(c) Assets

	Segment Assets RM'000	Investment In Associates RM'000	Total RM'000
Retailing	308,707	158,655	467,362
Hotels	469,662	-	469,662
Foods & Confectionery	184,268	-	184,268
Financial Services	-	-	-
Property	222,548	-	222,548
Others	412,266	236,531	648,797
	1,597,451	395,186	1,992,637
Unallocated Corporate Assets			12,434
Total Assets			2,005,071

* 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 September 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 September 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 lower revenue of RM441.2 million and lower profit before tax ("PBT") of RM7.2 million compared with revenue of RM470.2 million and PBT of RM41.3 million for the corresponding period last financial year.

In the UK retailing division, Laura Ashley Holdings plc ("Laura Ashley") reported that trading for the five weeks from 27 July 2014 to 30 August 2014 is up 8% on a like-for-like basis, taking the cumulative like-for-like performance for the year to +2.3%. For the retail division in Malaysia, Metrojaya recorded lower revenue and PBT in the current financial period under review compared with the corresponding period last financial year. The lower revenue and PBT was mainly attributed to the weaker performance in departmental stores and certain specialty stores.

The Group's hotel operations in Malaysia recorded marginal increase in revenue for the financial period under review compared with the corresponding period last financial year. This was mainly attributed to the higher occupancy rate at Corus Hotel Kuala Lumpur. Whilst revenue increased marginally, PBT was lower in the current financial period under review due to higher expenses incurred. In the UK, the Group's hotel operations recorded higher revenue and PBT in the current financial period under review compared with the corresponding period last financial year. The higher revenue and PBT was mainly attributed to the increase in the hotel occupancy rate.

The Group's universal stock broking business under the financial services division recorded loss before tax ("LBT") for the financial period under review compared with the corresponding period last financial year. LBT in financial period under review is mainly attributed to the higher impairment on receivables.

In the food & confectionery division, the lower revenue and PBT for the financial period under review compared with the corresponding period last financial year, was attributed to lower domestic sales.

The property division recorded lower PBT for the current financial period under review compared with the same period last financial year. Lower PBT for the current financial period under review was mainly due to provision for legal settlement in the US and the one-off gain on disposal of development land in Port Dickson in the corresponding period last financial year. However, the property development project in Bandar Springhill performed better in the current financial period under review compared with corresponding period last financial year. The gross profit margin increased from 38% in the same period last financial year to 49% in the current financial period under review. The higher gross profit margin was attributed to the higher gross profit margin achieved in both property development and sale of palm oil fruits. The gross profit margin from property development increased from 33% 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 62% in the same period last financial year to 73% in the current financial period under review.

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

For the current quarter, the Group recorded higher revenue of RM150.8 million but lower PBT of RM0.3 million compared with a lower revenue of RM144.8 million and higher PBT of RM6.8 million in the preceding quarter. Higher revenue in the current quarter was attributed to higher revenue from the retailing, hotels and foods & confectionery divisions. The lower PBT in the current quarter was mainly attributed to the higher exceptional loss arising from foreign currency translations and provision for legal claim.

B3 Prospects for the year 2014

In view of weaker performance amidst the challenging environment in which it operates, the Group is cautiously optimistic of the performance for the financial year ending 31 December 2014. The Group will continue to assess potential investment opportunities to enhance its shareholders value.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 Profit before tax

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

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Depreciation	(5,885)	(6,260)	(16,910)	(16,851)
Fair value loss on investments (current)	(250)	(37)	(981)	(435)
Gross dividends received	4	20	4	22
Gain on disposal of property, plant and equipment	-	5	6	43
Loss on disposal of other investments (current)	-	-	(15)	-
Interest income	1,717	2,021	6,788	6,082
Inventories written down	(860)	(220)	(1,271)	(1,096)
Property, plant and equipment written off	(106)	(5)	(349)	(19)

B6 Tax Expense

Tax expense comprises of:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Current tax expense - Malaysia	1,905	3,631	8,509	10,258
- Foreign	1,621	1,037	2,422	1,753
Deferred tax	-	(2)	(1,284)	(84)
	<u>3,526</u>	<u>4,666</u>	<u>9,647</u>	<u>11,927</u>
(Over)/Under provision in respect of prior years	(410)	1,224	(1,114)	(1,560)
	<u>3,116</u>	<u>5,890</u>	<u>8,533</u>	<u>10,367</u>

The tax provision of the Group for the financial period ended 30 September 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 September 2014 were as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	556,248
- Unsecured	97,220
	<u>653,468</u>
<i>Short Term Borrowings</i>	
- Secured	106,463
- Unsecured	103,479
	<u>209,942</u>

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

Currency	RM'000
Sterling Pounds	<u>242,229</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.

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Company No: 3809-W
(Incorporated in Malaysia)

B10 Fair Value Changes of Financial Liabilities

As at 30 September 2014, the Group did not have any financial liabilities measured at fair value through profit or loss.

B11 Realised and Unrealised Losses

The accumulated losses of the Group were as follows:-

	At 30.09.2014 RM'000	At 31.12.2013 RM'000 (Audited)
Total accumulated losses of the Group:-		
- Realised losses	(4,723,676)	(4,721,103)
- Unrealised gains	26,590	15,356
	<u>(4,697,086)</u>	<u>(4,705,747)</u>
Total share of accumulated losses from associates:-		
- Realised losses	(262,755)	(252,571)
	<u>(4,959,841)</u>	<u>(4,958,318)</u>
Consolidation adjustments	2,458,924	2,466,076
Total accumulated losses	<u>(2,500,917)</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 law suit in United States of America, arising from alleged deficiencies and deferred maintenance issues at the Kensington Place condominium complex ("Condominium"). The plaintiffs who comprised of 22 individual owners of the Condominium sued the subsidiary to recover the maintenance and repair costs. On 21 October 2014, a settlement sum of US\$1.0 million was agreed between the parties and the terms of settlement are being finalised. RM3.25 million was provided for the proposed settlement in the financial period ended 30 September 2014.

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 2014 (30 September 2013: Nil).

B14 Basic Earnings/(loss) Per Share

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	2,932,561	2,932,561
(Loss)/Profit for the financial period attributable to equity holders of the Company (RM'000)	(2,309)	15,917	(3,076)	17,306
Basic (loss)/earnings per share (sen)	<u>(0.08)</u>	<u>0.54</u>	<u>(0.10)</u>	<u>0.59</u>
Diluted (loss)/earnings per share (sen)	<u>(0.08)</u>	<u>0.54</u>	<u>(0.10)</u>	<u>0.59</u>

Diluted (loss)/earnings per ordinary share is the same as basic (loss)/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 Siang
Joint Company Secretaries

Date: 25 November 2014