



Malayan United Industries Berhad

Company No: 3809 - W



LAPORAN TAHUNAN 2007 ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Seventh Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 26 June 2008 at 4.00 p.m. for the following purposes:-

As Ordinary Business

1. To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 31 December 2007.
2. To approve Directors' fees of RM324,000. **(Resolution 1)**
3. To consider and, if thought fit, pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965:-
 - (i) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Datuk Yong Ming Sang be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 2)**
 - (ii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dr Ngui Chon Hee be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 3)**
 - (iii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Paduka Nik Hashim Nik Yusoff be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 4)**
4. To re-elect Mr Khet Kok Yin who is retiring in accordance with Article 109 of the Company's Articles of Association. **(Resolution 5)**
5. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business

To consider and, if thought fit, pass the following resolutions:-

6. Ordinary Resolution
 - Proposed authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being." **(Resolution 7)**



7. Ordinary Resolution

- Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad

“THAT, subject to the Companies Act, 1965 and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company to purchase and/or hold such amount of ordinary shares of RM1.00 each in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) provided that the aggregate number of ordinary shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the issued and paid-up share capital of the Company at the time of purchase provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders’ mandate for share buy-back which was obtained at the Annual General Meeting held on 27 June 2007, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being;

AND THAT the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the Company’s share premium account. Based on the audited financial statements for the financial year ended 31 December 2007, the Company’s share premium account stood at RM220,305,408;

AND THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution, and will, subject to renewal thereat, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution or the expiry of the period within which the next Annual General Meeting is required by law to be held (unless earlier revoked or varied by ordinary resolution in a general meeting of shareholders of the Company), whichever occurs first and in any event, in accordance with the provisions of Bursa Securities Listing Requirements and/or any other relevant authorities;

AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to:-

- (a) cancel the shares so purchased; or
- (b) retain the shares so purchased as treasury shares; or
- (c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
- (d) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them;

AND THAT the Directors be and are hereby authorised to do all such acts and things (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation with full powers to assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company’s Memorandum and Articles of Association and the requirements of Bursa Securities and all other governmental/regulatory authorities.”

(Resolution 8)

8. Special Resolution

- Proposed amendments to the Articles of Association of the Company

“THAT the Articles of Association of the Company be and are hereby amended in the manner as set out in Appendix 1 despatched together with the Company’s 2007 Annual Report.”

(Resolution 9)



NOTICE OF MEETING (Cont'd)

9. To transact any other business of which due notice shall have been received.

By order of the Board

Leong Park Yip
Company Secretary

Kuala Lumpur
4 June 2008

Notes:

- 1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Companies Commission of Malaysia in the particular case or a person approved by the Directors prior to the appointment.*
- 2. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- 3. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
- 4. The Form of Proxy must be deposited at the registered office of the Company at 5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

Explanatory Notes On Special Business

1. The Ordinary Resolution proposed under item 6, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.
2. The Ordinary Resolution proposed under item 7, if passed, will empower the Directors of the Company to purchase Malayan United Industries Berhad shares through Bursa Securities up to ten per centum (10%) of the issued and paid-up share capital of the Company.
3. The Special Resolution proposed under item 8, if passed, will bring the Articles of Association of the Company in line with the Listing Requirements of Bursa Securities.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-appointment/re-election are:-
 - (a) Datuk Yong Ming Sang – Retiring pursuant to Section 129 of the Companies Act, 1965
 - (b) Dr Ngui Chon Hee – Retiring pursuant to Section 129 of the Companies Act, 1965
 - (c) Dato' Paduka Nik Hashim Nik Yusoff – Retiring pursuant to Section 129 of the Companies Act, 1965
 - (d) Mr Khet Kok Yin – Retiring pursuant to Article 109 of the Company's Articles of Association
2. Further details on the Directors standing for re-appointment/re-election are set out on pages 7 and 8 of this Annual Report. The securities holdings of Datuk Yong Ming Sang in the Company are set out in the Analysis of Shareholdings which appear on page 46 of this Annual Report. The securities holdings of Dr Ngui Chon Hee are set out in the Analysis of Shareholdings and Analysis of Irredeemable Convertible Unsecured Loan Stocks Holdings which appear on pages 46, 49 and 51 of this Annual Report.
3. Details of Attendance of Directors at Board Meetings.

There were four (4) Board Meetings held during the financial year ended 31 December 2007. Details of attendance of the Directors are set out in the Profile of Directors appearing on pages 7 to 9 of the Annual Report.
4. The Thirty-Seventh Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 26 June 2008 at 4.00 p.m..



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

CORPORATE INFORMATION

Board of Directors

Tan Sri Dato' Khoo Kay Peng, P.S.M., D.P.M.J., K.M.N., J.P., HonD Litt, Hon LLD, *Chairman & Chief Executive*
Datuk Yong Ming Sang, P.J.N.
Dr Ngui Chon Hee, J.S.M., K.M.N., S.M.T.
Ang Guan Seng
Dato' Paduka Nik Hashim Nik Yusoff, D.J.M.K.
Khet Kok Yin
Tan Sri Dato' Paduka Dr Mazlan bin Ahmad, P.S.M., P.J.N., D.S.P.J., D.P.M.P., D.S.D.K., J.M.N.
Dato' Dr Tan Kee Kwong, D.M.P.N.
Mohamad Faiz bin Abdul Hamid (*Alternate to Datuk Yong Ming Sang*)

Secretary

Leong Park Yip

Auditors

BDO Binder *Chartered Accountants*

Principal Bankers

Affin Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad

Registrar

Pan Malaysia Management Sdn Bhd
5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur
Tel. No. 21487696 Fax. No. 21442118

Registered Office

5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur
Tel. No. 21177388 Fax. No. 21445209 Website : www.muiglobal.com



PROFILE OF DIRECTORS

Tan Sri Dato' Khoo Kay Peng

Age 69. Chairman and Chief Executive of Malayan United Industries Berhad. Appointed as Director on 18 January 1971 and has been Chairman since 1987. Was conferred an Honorary Doctor of Letters by the Curtin University of Technology, Perth, Australia in 1993 and Honorary Doctor of Law by Northwest University, Kirkland, Seattle, USA in 2000. In 1985, was awarded the Manager of the Year by the Harvard Business School Alumni Club of Malaysia and was also honoured with the Entrepreneur of the Year Award by the Asian Institute of Management Graduates' Association of Malaysia and the Association of Banks, Malaysia. Was the Chairman of the then Tourist Development Corporation (now known as the Malaysian Tourism Promotion Board), Vice Chairman of Malayan Banking Berhad (Maybank) and a trustee of the National Welfare Foundation. Currently, also the Chairman and Chief Executive of MUI Properties Berhad. He is also the Chairman of Morning Star Resources Limited, Hong Kong, Laura Ashley Holdings plc and Corus Hotels Limited (formerly known as Corus Hotels plc), United Kingdom. Also sits on the Boards of Pan Malaysian Industries Berhad, Metrojaya Berhad, MUI Continental Insurance Berhad, SCMP Group Limited (South China Morning Post) and The Bank of East Asia Limited, Hong Kong. He is presently a board member of Northwest University, a Council Member of the Malaysian-British Business Council, the Malaysia-China Business Council and the Asia Business Council. A deemed substantial shareholder of Malayan United Industries Berhad and the brother-in-law of Dr Ngui Chon Hee, who is a Non-Executive Director of Malayan United Industries Berhad. Attended all the four (4) Board Meetings held during the financial year.

Datuk Yong Ming Sang

Age 77. Independent Non-Executive Director. Appointed as Director on 24 June 1980. Chairman of the Audit Committee and Remuneration Committee. Also member of the Nomination Committee. He is a Fellow of the Royal Institution of Chartered Surveyors (United Kingdom) and of the Institution of Surveyors (Malaysia). Prior to joining the corporate sector in 1978, practised as a Chartered Quantity Surveying Consultant in a quantity surveying firm of Messrs Yong Dan Mohamad Faiz of which he was the founder member. His corporate sector experience ranges from financial services, media, manufacturing, hotel, property development, airline industry to tourism. Also serves as a Director of MUI Properties Berhad and Pan Malaysia Holdings Berhad. He had previously served as the Chairman of Star Publications (Malaysia) Berhad, Chairman of Bandar Raya Developments Berhad, Director of Malaysian Airline System Berhad, the national airline, the then Tourist Development Corporation (now known as the Malaysian Tourism Promotion Board), Keretapi Tanah Melayu and the National Art Gallery, Malaysia. He is a member of the Advisory Council of Corporate Malaysia Roundtable. Attended three (3) Board Meetings held during the financial year.

Dr Ngui Chon Hee

Age 74. Non-Independent Non-Executive Director. Appointed as Director on 21 November 1988 and resigned on 4 June 2004. Was re-appointed on 13 July 2005. A retired dental surgeon. Holds a Bachelor of Dental Surgery from the University of Singapore. Also, a Fellow in Dental Surgery of the Royal College of Surgeons of England. Had served in the Malaysian Health Service as a dental officer and retired as Senior Dental Consultant. Currently, he sits on the Boards of Pan Malaysian Industries Berhad, Metrojaya Berhad, Pan Malaysia Corporation Berhad and MUI Continental Insurance Berhad. Is the brother-in-law of Tan Sri Dato' Khoo Kay Peng, who is the Chairman and Chief Executive of Malayan United Industries Berhad. Attended two (2) Board Meetings held during the financial year.



PROFILE OF DIRECTORS (Cont'd)

Ang Guan Seng

Age 69. Independent Non-Executive Director. Appointed as Director on 18 August 1989. Chairman of the Nomination Committee and member of the Remuneration Committee. He completed his 'O' Level education in Trinity Grammar School Kew, Melbourne, Australia in 1959. Has extensive experience and knowledge in commerce industry, housing, building and trading. He was a Director of Petaling Garden Berhad. He also sits on the Board of PPB Group Berhad. Attended all the four (4) Board Meetings held during the financial year.

Dato' Paduka Nik Hashim Nik Yusoff

Age 70. Independent Non-Executive Director. Appointed as Director on 25 July 1991. Member of the Nomination Committee. Holds a Bachelor of Arts (Honours) degree from Melbourne University, Australia and Master in Public Administration from Harvard University. Formerly, the Executive Director and Managing Director of MUI Bank Berhad (now known as Hong Leong Bank Berhad). Following the acquisition of MUI Bank Berhad by the Hong Leong Group in 1994, he was appointed as Advisor and continued to be on the Board of Hong Leong Bank Berhad until December 1995. Was a Director of Rashid Hussain Berhad, UBG Enterprise Berhad and CMS Trust Management Berhad. He also sits on the Boards of Genting Berhad and UBG Berhad (formerly known as Utama Banking Group Berhad). Attended all the four (4) Board Meetings held during the financial year.

Khet Kok Yin

Age 61. Non-Independent Non-Executive Director. Appointed as Director on 25 July 1991 and resigned on 4 June 2004. Was re-appointed as Director on 3 March 2005. Holds a Bachelor of Economics (Honours) from University of Malaya. Member of the Audit Committee. Currently, he sits on the Boards of Pan Malaysian Industries Berhad, Pan Malaysia Holdings Berhad, Pan Malaysia Capital Berhad, Pan Malaysia Corporation Berhad, MUI Properties Berhad and Metrojaya Berhad. He had previously served as Joint Managing Director of MUI Bank Berhad (now known as Hong Leong Bank Berhad), Managing Director of Metrojaya Berhad, Pan Malaysian Industries Berhad, Pan Malaysia Holdings Berhad and Pan Malaysia Capital Berhad, Chief Executive Officer of Pan Malaysia Corporation Berhad, Director of MUI Continental Insurance Berhad, Managing Director of Morning Star Securities Limited, Hong Kong and President of the North American operations of The MUI Group in the United States of America. Attended all the four (4) Board Meetings held during the financial year.

Tan Sri Dato' Paduka Dr Mazlan bin Ahmad

Age 64. Independent Non-Executive Director. Appointed as Director on 3 January 2007. Member of the Remuneration Committee. Holds a Bachelor of Arts (Honours) in History from University of Malaya, Master of Public Administration from University of Pittsburgh and PhD in Public Administration from University of Southern California, Los Angeles, USA. He also attended The Executive Development Programme (Philippines Executive Academy), and The Advanced Management Programme (Harvard Business School). He began his career in the Administrative and Diplomatic Service of the Malaysian Government in August 1966. During the course of his 33 years in Public Service, he had served as INTAN Director, Secretary General of the Ministry of Justice, Secretary General of the Ministry of Information, Deputy Secretary General of the Ministry of Finance and Mayor of Kuala Lumpur. He retired from the Malaysian Civil Service as Director General of the Public Service Department in December 1998. He was then appointed and served for 6 years as Chairman of the Education Service Commission until January 2005. Currently, he sits on the Boards of MUI Continental Insurance Berhad and DNP Holdings Berhad. He is also a Chairman of University Kebangsaan Malaysia. Attended all the four (4) Board Meetings held during the financial year.



Dato' Dr Tan Kee Kwong

Age 61. Independent Non-Executive Director. Appointed as Director on 3 January 2007. Member of the Audit Committee. He graduated with a Bachelor of Medicine and Bachelor of Surgery from the Faculty of Medicine, University of Malaya in 1973. He joined the Government service as a medical officer in 1974 until 1977. Between 1977 and 1980, he worked as a medical officer with the British National Health Service. From 1981 to 1983, he was a volunteer rural health officer in Southern Sudan, Africa. In 1985, he commenced private medical general practice until 1999, when he was made a Deputy Minister in the Ministry of Land and Cooperative Development, a post he held until 2004. He had previously served as a Member of Parliament for Segambut, Kuala Lumpur from 1995 until 2008. He is currently also the Chairman of the Board of Governors of Sekolah Menengah Laki-Laki Methodist, Sentul; Chairman of Pusat Bantuan Sentul; Adviser to the Young Malaysian Movement; Chairman of the Management Committee of Wesley Methodist School and Chairman of the Board of Management of Methodist College Kuala Lumpur. He also sits on the Board of TMC Life Sciences Berhad. Attended all the four (4) Board Meetings held during the financial year.

Mohamad Faiz bin Abdul Hamid

(Alternate Director to Datuk Yong Ming Sang)

Age 68. Appointed as alternate Director on 24 June 1980. He is a Fellow of the Royal Institution of Chartered Surveyors, England and the Institution of Surveyors, Malaysia since 1981. Was the Past President of the Institution of Surveyors, Malaysia. Has been a consultant quantity surveyor since 1968. Currently, he sits on the Boards of Press Metal Berhad and PMB Technology Berhad.

Note:-

Save as disclosed, none of the Directors and alternate Director has any family relationship with any Director and/or major shareholder of the Company. None of the Directors and alternate Director has any conflict of interest with the Company nor have they been convicted of any offences within the past ten (10) years.

All the Directors are Malaysians.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors is committed to the principles of corporate governance in the Malaysian Code of Corporate Governance (the “Code”).

The Board of Directors will continuously evaluate the status of the Group’s corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the Principles and Best Practices of the Code.

Set out below is the description on the manner in which the Company has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code.

1. Directors

1.1 The Board

An effective Board leads and controls the Group. The Board is responsible for the overall performance of the Company and focuses mainly on strategies, performance, standards of conduct and critical business issues.

The Board meets at least four (4) times a year, with additional meetings convened as necessary. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda reaches the Board at least two (2) to three (3) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Four (4) Directors’ meetings were held during the financial year ended 31 December 2007. Details of the attendance of the Directors are disclosed on pages 7 to 9 of the Annual Report.

1.2 Board Balance

The Board currently consist of eight (8) Directors:-

- One (1) Chairman and Chief Executive
- Five (5) Independent Non-Executive Directors
- Two (2) Non-Independent Non-Executive Directors

There is an alternate Director on the Board.



The Chairman functions both as Chairman of the Board and Chief Executive. The Board is mindful of the combined roles but is comfortable that there is no concern as all related party transactions are dealt with in accordance with the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements. All major matters and issues are referred to the Board for consideration and approval. The roles and contributions of independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group's businesses. A brief description of the background of each Director is presented on pages 7 to 9 of the Annual Report.

The Board complies with Bursa Securities Listing Requirements that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent Directors.

Datuk Yong Ming Sang has been identified as the senior independent non-executive Director to whom concerns regarding the Company may be conveyed.

The Board has established Board committees, which operate within defined terms of reference. These committees are: -

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 31 December 2007 is set out on pages 20 to 22 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out in section 1.4 and section 2 respectively of this statement.

1.3 Supply of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties, which is not only quantitative but also any other information deemed suitable.

Board papers are distributed to Board members at least seven (7) days prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

In addition to Group performances that are discussed at the meeting, there is a schedule of matters reserved specifically for the Board's decision.

All Directors have access to the advice and service of the Company Secretary and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1.4 Appointments to the Board

The members of the Nomination Committee are as follows:-

Chairman	Ang Guan Seng	– Independent Non-Executive Director
Members	Datuk Yong Ming Sang	– Independent Non-Executive Director
	Dato' Paduka Nik Hashim Nik Yusoff	– Independent Non-Executive Director

The duties and functions of the Nomination Committee are:-

- identifying and recommending new nominees for the Board and Board Committees
- annually assesses the effectiveness of the Board as a whole, the Board Committees and contribution of each Director on an on-going basis
- annually reviews the mix of skills, experience and other qualities, including core competencies of non-executive Directors
- annually reviews the Board structure, size and composition

The decision as to who shall be nominated shall be the responsibility of the full Board after considering the recommendations of the Nomination Committee.

The Directors have direct access to the services of the Company Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Bursa Securities Listing Requirements and other regulatory requirements.

1.5 Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. An in-house seminar on The Amendments of the Companies Act, 1965 and A Discussion on Key Obligation Requirements for Companies Listed on Bursa Malaysia was organised for members of the Board in August 2007. During the year, all Directors attended training that aid in the discharge of their duties as Directors.

There is a familiarisation programme in place for new Board members, which include visits to the Group's businesses, and meetings with senior management as appropriate, to facilitate their understanding of the Group.

1.6 Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment. The Articles of Association of the Company also provide that, subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election. Under the existing terms of his appointment as Chief Executive of the Company, Tan Sri Dato' Khoo Kay Peng does not retire from office.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.



2. Directors' Remuneration

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to govern the Group effectively. In the case of executive Directors, their remuneration are structured to link rewards to corporate and individual performance. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibility undertaken by them.

The members of the Remuneration Committee are as follows:-

Chairman	Datuk Yong Ming Sang	– Independent Non-Executive Director
Members	Tan Sri Dato' Paduka Dr Mazlan bin Ahmad	– Independent Non-Executive Director
	Ang Guan Seng	– Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of executive Directors is a matter for the Board as a whole and individual executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of non-executive Directors. The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole.

For the financial year ended 31 December 2007, the aggregate of remuneration received by Directors of the Company from the Company and the subsidiary companies categorised into appropriate components are as follows:-

	<i>Salaries RM'000</i>	<i>Fees RM'000</i>	<i>Benefits- in-kind RM'000</i>	<i>Others RM'000</i>	<i>Total RM'000</i>
Executive Director					
Receivable from					
- Company	285	–	4	–	289
- Subsidiary companies	798	150	27	1,255	2,230
	1,083	150	31	1,255	2,519
Non-Executive Directors					
Receivable from					
- Company	–	–	–	10	10
- Subsidiary companies	–	24	–	15	39
	–	24	–	25	49
	1,083	174	31	1,280	2,568

The number of Directors of the Company whose remuneration during the year falls within the respective bands are as follows:-

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	–	4
RM2,500,001 to RM2,550,000	1	–



STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

3. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly financial results provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by accessing Bursa Securities' website.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meeting, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session.

4. Accountability and Audit

4.1 Financial Reporting

In presenting the annual and quarterly reports, the Directors aim to present a balanced and comprehensive assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring accuracy, adequacy and completeness of information for disclosure.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 121 of the Annual Report and the Statement explaining the Directors' responsibility for preparing the annual audited financial statements pursuant to paragraph 15.27(a) of Bursa Securities Listing Requirements is set out on page 15 of the Annual Report.

4.2 Internal Control

The Directors acknowledge their responsibilities for the internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognises that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimising and managing them. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Group's assets.

4.3 Relationship with the Auditors

The Company's external auditors, Messrs BDO Binder have continued to report to members of the Company on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee on pages 20 to 22 of the Annual Report.



DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year and of the results and cash flows of the Company and of the Group for that period.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that applicable approved Financial Reporting Standards in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act, 1965.



STATEMENT ON INTERNAL CONTROL

Responsibility

The Board of Directors (“Board”) is responsible for the Group’s system of internal control and for reviewing its adequacy and integrity. The system includes financial, operational and compliance controls and risk management. The system is designed to identify and manage risks in the pursuit of the Group’s business objectives as well as to safeguard shareholders’ investments and the Group’s assets. The system serves to provide reasonable but not absolute assurance against the risk of material loss. The concept of reasonable assurance recognises that the cost of control procedures is not to exceed the expected benefits.

Risk Management

The Group has in place an enterprise-wide risk management (ERM) framework and process which was implemented in 2002. Within the ERM framework, operating companies have Risk Management Committees whose members represent key areas in operations. These committees are guided by documented terms of reference and meetings are held regularly to deliberate on risk and control issues. Risks and control measures are documented and compiled to represent the risk profile of the operating company. Key risks of operating companies are consolidated to form the risk profile of the Group. Risks and control measures are periodically communicated to the relevant personnel within the Group and to the Audit Committee. Risk profiles are reviewed and updated on a periodic basis.

During the financial year under review, the Group has continued with its ERM efforts. The risk profile of the Group was reviewed and updated to reflect current conditions. The updated risk profile was documented and presented to the Audit Committee for their review and acceptance.

Hence, in accordance with the *Statement on Internal Control: Guidance for Directors of PLCs*, the Group has in place an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives and this process has operated during the financial year under review and up to the date of approval of the annual report.

Control Structure and Environment

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group’s business operations. The salient features of the Group’s internal control system include:

- a management structure with clearly defined lines of responsibility and authority limits
- written company values, code of conduct, policies and procedures
- monthly reporting of actual results which are reviewed against budget, with major variances being followed up and management action taken, where necessary
- an internal audit function that provides independent assurance on the effectiveness of the Group’s system of internal control and advice on areas which require further improvement
- an Audit Committee comprising non-executive members of the Board with the majority being independent directors

The Board, with the assistance of the internal audit team and external professional consultants (whenever deemed necessary), continuously reviews the adequacy and integrity of the Group’s system of internal control and management information systems, and compliance with laws, regulations, rules, directives and guidelines.

Internal audit reports are tabled at Audit Committee meetings which are held at least once in every quarter. Control deficiencies and issues highlighted are addressed or rectified by management. There were no control deficiencies noted during the financial year under review which has a material impact on the Group’s financial performance or operations.

The Group’s system of internal control mainly applies to its operating companies and does not cover associated companies, inactive companies and dormant companies.

The Board is of the view that the monitoring arrangements in place provide reasonable assurance that the structure of controls and operations is adequate and appropriate to the Company’s and Group’s situation.

This statement was made in accordance with a resolution of the Board.



CORPORATE SOCIAL RESPONSIBILITY

The MUI Group has always supported the principles and practice of corporate social responsibility (CSR). Our commitment to CSR initiatives is in effect a natural response to our belief that every organisation has a duty to act responsibly for the good of its employees, the community in which it operates and the society at large. The Group's CSR involvement is briefly described here under the following broad headings:

Community

Through its various operating companies, the Group has initiated, organised and participated in many charitable and social projects. For charitable causes, the Group regularly makes donations in cash and in kind, organises fundraising efforts and also participates in both Government and non-government projects. Most of these projects in 2007 were aimed at bringing benefits to the orphans, the homeless, the destitute, the handicapped, single mothers and organisations that provide succour to the sick.

For the financial year 2007, the Group continued to actively support the Malaysian performing arts, education and other social institutions. It has made cash and land donations to various education institutions and the building of a community hall.

Workplace

Mindful of employee welfare, the Group maintains practices that comply with accepted standards on safety and health in the workplace. This ongoing responsibility is entrusted to various committees, each headed by a senior management personnel. Key personnel attend various training programmes that cover topics such as occupational safety & health, hygiene & sanitation, first aid and fire-fighting procedures.





CORPORATE SOCIAL RESPONSIBILITY (Cont'd)

Customers

One of the underlying principles of the Group's business philosophy is its sense of fair deal in all its business practices. In that respect, the Group strives to deliver products and services that meet the criteria of value, safety and quality for customers and clients.

Environment

Conscious of the importance of proper care for environment, the Group supports efforts that help maintain a cleaner environment in day-to-day operations. Procedures that ensure sound environmental practices are encouraged in its hotels, manufacturing plant and property development project. In UK, its associated company, Laura Ashley, continued to support the 'Plantlife' programme to protect wild plants in 2007.

Corporate Governance

The MUI Group is committed to sound business practices and good corporate governance. It has not wavered from its long-held corporate philosophy defined by three key concepts: Strong, Efficient and Trustworthy.

This philosophy provides an important framework within which its various boards of directors, management teams and employees pursue the strategic objectives of their respective companies.





OTHER INFORMATION

1. MATERIAL CONTRACTS

There are no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2007 or entered into since the end of the previous year except as disclosed in the financial statements.

2. SANCTIONS AND/OR PENALTIES IMPOSED

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory body.

3. NON-AUDIT FEES

During the financial year ended 31 December 2007, non-audit fees paid to the external auditors by the Company and its subsidiary companies amounted to RM1,482,000 (2006: RM1,920,000).

4. REVALUATION POLICY

The Group has not adopted a policy of regular revaluation on landed properties.



REPORT OF THE AUDIT COMMITTEE

MEMBERS

<i>Name</i>	<i>Designation</i>
Datuk Yong Ming Sang - <i>Chairman</i>	<i>Independent Non-Executive Director</i>
Dato' Dr Tan Kee Kwong	<i>Independent Non-Executive Director</i>
Khet Kok Yin	<i>Non-Independent Non-Executive Director</i>

TERMS OF REFERENCE

1. Constitution

The Audit Committee was established on 5 July 1994. The Board of Directors shall ensure that the composition of the Audit Committee comply with Bursa Securities Listing Requirements as well as other regulatory requirements.

2. Authority

- The Audit Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.
- The Audit Committee shall have unlimited access to all information and documents relevant to its activities as well as to the internal and external auditors and senior management of the Group.
- The Audit Committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

3. Functions

The functions of the Audit Committee shall be:-

- to report to the Board of Directors after reviewing the following:-
 - (a) the audit plan with the external auditors;
 - (b) the evaluation of the system of internal controls with the external auditors;
 - (c) the audit report with the external auditors;
 - (d) the assistance and co-operation given by the employees of the Company to the external auditors;
 - (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audits, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events;
 - (iii) significant adjustments arising from the audit;
 - (iv) the going concern assumption; and
 - (v) compliance with accounting standards and other legal requirements;
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - (i) any letter of resignation from the external auditors;
 - (j) whether there is any reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;



- to recommend the nomination of a person or persons as external auditors;
 - to consider the external auditors' fee and any questions of dismissal;
 - to discuss problems and reservations arising out of external or internal audits and any matters which the auditors may wish to bring up (in the absence of the Executive Directors and employees of the Group whenever deemed necessary);
 - to review the external auditors' management letter and management's response;
 - to consider the major findings of internal investigations and management's response;
 - to review any appraisal or assessment of the performance of members of the internal audit function; and
 - to inform itself of any appointments or resignations of internal audit staff members and provide resigning staff member an opportunity to submit his reasons for resigning;
- together with such other functions as may be agreed to by the Audit Committee and the Board of Directors.

4. Meetings

During the financial year ended 31 December 2007, six (6) Audit Committee Meetings were held. Mr Khet Kok Yin attended all the six (6) meetings of the Audit Committee. Datuk Yong Ming Sang and Dato' Dr Tan Kee Kwong attended five (5) meetings of the Audit Committee.

In addition to the Committee members, the Chief Financial Officer and Head of Internal Audit are invited for attendance at each meeting. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

5. Summary Of Activities Of The Audit Committee During The Financial Year Ended 31 December 2007

The Audit Committee reviewed and deliberated two (2) audit reports on assignments conducted by the Internal Audit. The Audit Committee also appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

In addition, the unaudited quarterly interim financial reports and the audited financial statements of the Company and the Group were reviewed by the Audit Committee together with the Chief Financial Officer, prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with.

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Company and its subsidiaries and discussed applicable accounting and auditing standards that may have significant implication on the Group's financial statements. The Audit Committee also reviewed related party transactions carried out by the Group.

The Audit Committee reviewed and approved the Internal Audit Plan for the calendar year 2008. In its review of the Internal Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group.



REPORT OF THE AUDIT COMMITTEE (Cont'd)

6. Internal Audit Function

The internal audit function is performed in-house by the Group Internal Audit Department and is independent of the activities audited. The function is performed with impartiality, proficiency and due professional care. The Internal Audit Department reports directly to the Audit Committee Chairman, and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed. Its activities include:

- reviewing the effectiveness of risk management and internal control
- appraising the adequacy and integrity of internal controls and management information systems
- ascertaining the effectiveness of management in identifying principal risks and to manage such risks through appropriate systems of internal control
- recommending improvements to existing systems of internal control
- ascertaining the level of compliance with the Group's plans, policies, procedures and adherence to laws and regulations
- appraising the effectiveness of administrative controls applied and the reliability and integrity of data that are produced within the Group
- ascertaining the adequacy of controls for safeguarding the Group's assets from losses of all kinds
- performing follow-up reviews of previous audit reports to ensure appropriate actions are implemented to address control issues highlighted, and
- conducting special reviews or investigations requested by management or by the Audit Committee

The Internal Audit carries out audit assignments based on an audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken were presented to the Audit Committee and forwarded to the management concerned for attention and necessary action.



The MUI Group

Senior Management

Tan Sri Dato' Khoo Kay Peng
Group Chief Executive

Dato' Rastam bin Abdul Hadi
Group Advisor

Lillian Tan Lian Tee
Chief Executive Officer
Laura Ashley Holdings plc, United Kingdom

Hj Ramli bin Hj Mahmudin
Chief Executive Officer
PM Securities Sdn Bhd

Woon See Soon
Head, Corporate Finance
PM Securities Sdn Bhd

Robert Heng Fook Hee
Chief Executive Officer
Metrojaya Berhad

Lai Chee Leong
Group Chief Financial Officer

Lawrence Chai
President
Laura Ashley Inc, United States of America

George Tang
Executive Director
MUI Properties Berhad
Corus Hotels Group
Group Corporate Communications

Wong Kim Teck
Chief Executive Officer
MUI Continental Insurance Berhad

Chan Choung Yau
Senior Vice President
Office of Group Chief Executive
Executive Director
Pan Malaysia Corporation Berhad

Pel Loh
Senior Vice President
Corus Hotels Malaysia

Jit Singh a/l Santok Singh
Senior Vice President
Group IT Services

David R. Cook
Finance Director
Laura Ashley Holdings plc, United Kingdom

Rebecca Navarednam
Chief Financial Officer
Laura Ashley Holdings plc, United Kingdom

Dato' Choong Kok Min
Executive Director
Pan Malaysia Holdings Berhad

G. Peter Kirschner
Executive Director
Corus Hotels Limited, United Kingdom

Noorjehan Rahima bt Abdul Jumat
Director/Head of Dealing
PM Securities Sdn Bhd



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present herewith the Annual Report and financial statements of the Company and the Group for the financial year ended 31 December 2007.

ECONOMIC REVIEW

After experiencing strong expansion in the first three quarters of the year, the growth of global economy moderated in the fourth quarter of 2007, reflecting the economic uncertainties triggered by the US sub-prime mortgage crisis and rising fuel costs. On average, world economy grew by 4.7% in 2007 compared with 4.9% recorded in the previous year. The robust growth was helped by continuing rapid expansion of emerging economies such as China and India.

Reflecting the continuing growth of world economy in 2007, the Malaysian economy recorded a remarkable growth rate of 6.3% in real Gross Domestic Product compared with 5.9% in the previous year. The economic growth was attributable to strong domestic demand in both

the private and the public sectors. On the supply side, output growth is supported by expansion in all sectors of the economy.

Malaysia recorded a surplus in overall balance of payments of RM45.3 billion in 2007, reflecting higher repatriation of export earnings and larger inflows of foreign direct investment and portfolio investment. The international reserves of Bank Negara Malaysia rose to RM335.7 billion (US\$101.3 billion) as at 31 December 2007 which is 6.2 times the short-term external debt and is sufficient to finance 8.4 months of retained imports.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2007, the Group returned to profitability, posting a net profit of RM26.1 million compared with a net loss of RM237.2 million in the previous year. This profit was achieved on a 4.6% growth in the Group's revenue to RM778.2 million for the financial year compared with RM744.0 million in



From home furnishings, decorations, lightings to fashions, Laura Ashley is the name for inspiring elegance



the previous year. The improved financial results were attributable to better performances by all the Group's business segments and a substantial reduction in interest costs.

As at 31 December 2007, the Group's total assets and shareholders' funds stood at RM3.2 billion and RM821.1 million respectively.

CORPORATE DEVELOPMENTS

A. Acquisition of Metrojaya Berhad

On 14 August 2007, the Company, through its wholly-owned subsidiary Libertyray (M) Sdn Bhd ("LMSB"), acquired 113,751,983 ordinary shares of RM1.00 each representing 91.06% equity of Metrojaya Berhad ("Metrojaya") from Pan Malaysian Industries Berhad ("PMI"). The acquisition at a total purchase consideration of RM273.0 million was approved by the shareholders of both the Company and PMI at their respective extraordinary general meetings on 3 August 2007. All necessary approvals for this transaction had been obtained from relevant authorities by both companies.

In compliance with the Malaysian Code on Take-Overs and Mergers, LMSB made a mandatory unconditional offer for the remaining shares in Metrojaya at an offer price of RM2.40 per share. At the close of the offer on 19 October 2007, acceptances for shares representing 2.17% equity of Metrojaya were received.

Subsequent to the take-over offer, LMSB acquired additional shares representing another 1.28% equity of Metrojaya.

Currently, LMSB owns 118,067,133 shares or 94.51% of Metrojaya. This acquisition allowed the Group to further strengthen retailing as one of its core businesses via a direct controlling stake in Metrojaya.

B. Capital Reconstruction of MUI Properties Berhad

A capital reconstruction exercise was undertaken by MUI Properties Berhad ("MPB") in accordance with the provisions of the Companies Act, 1965. Essentially, this exercise was to improve the capital structure of MPB and it involved the cancellation of RM0.30 from the par value of RM0.50 of each ordinary share of MPB in issue and also the reduction of its share premium.

The capital reconstruction, proposed on 3 August 2007, was effected on 26 December 2007. With the completion of the capital reconstruction, the par value of each ordinary share of MPB was reduced from RM0.50 to RM0.20 and its share capital reduced from RM382.0 million to RM152.8 million accordingly. In addition, the accumulated losses of MPB were fully set-off, thereby facilitating the payment of dividends by MPB.

C. Disposal of Assets

The Group's ongoing rationalisation exercise continued to progress well with the successful disposal of another two hotels in the United Kingdom and other investments. Proceeds from these disposals of about RM125.3 million were mainly used to repay bank borrowings and for working capital of the Group. Since 2003 when the rationalisation exercise began, the Group has successfully raised approximately RM3.0 billion and reduced its bank borrowings to about RM1.7 billion as at 31 December 2007.

(i) MUI Properties Berhad

On 14 September 2007, MPB entered into an agreement with PMI to sell to PMI its entire equity in its wholly-owned subsidiary, Two Holdings Sdn Bhd ("Two Holdings"), for a cash consideration of RM9.3 million. The main asset of Two Holdings is a vacant piece of



freehold land situated in Jalan Mayang, Kuala Lumpur, held for future development. The proposal is pending completion and is subject to approval to be obtained by PMI from its shareholders. PMI had earlier on 28 April 2008 obtained the approval of the Securities Commission for the proposal. The proposed disposal will enable MPB to realise a capital gain from its investment in Two Holdings.

(ii) Pan Malaysia Holdings Berhad

Also on 14 September 2007, Pan Malaysia Holdings Berhad (“PM Holdings”) entered into an agreement with PMI to sell to PMI the office building known as Menara PMI located in Jalan Changkat Ceylon, Kuala Lumpur, for a cash consideration of RM39.0 million.

The proposal is pending completion and is subject to approvals to be obtained from the respective shareholders of PM Holdings and PMI. PMI had earlier on 28 April 2008 obtained the approval of the Securities Commission for the proposal.

The proposed disposal will enable PM Holdings to raise proceeds which it intends to utilise substantially for the retirement of bank borrowings. This will effectively reduce its gearing level and enhance the financial position of PM Holdings.

D. Transformation of PM Securities Sdn Bhd to an Investment Bank

During the financial year under review, PM Securities Sdn Bhd (“PM Securities”), a 99.99%-owned subsidiary of Pan Malaysia Capital Berhad (“PM Capital”), continued to work towards achieving the status of an investment bank. The eventual transformation of PM Securities will greatly expand its operations and growth opportunities.

E. Appointment of Voluntary Administrators by Network Foods Limited

Network Foods Limited (“NFL”) in Australia is a 92.92% subsidiary of Pan Malaysia Corporation Berhad (“PMC”). NFL had been making operating losses for several years. In view of the financial position of NFL, the Board of Directors of NFL placed NFL into voluntary administration on 7 May 2007. This prevented further deterioration to the financial position of NFL and minimised the effects on the Group in terms of losses and funding requirements. Following the administration, PMC together with the Administrators and other parties executed a deed of company arrangement agreeing to the settlement by PMC of its obligations in respect of NFL. The Administrators have since discontinued the operations of NFL.

REVIEW OF OPERATIONS

The Group’s diversified businesses and investments are organised around six distinct operations grouped under Retailing, Hotels, Food & Confectionery, Financial Services, Properties and Travel & Tourism. With corporate headquarters based in Malaysia, the Group’s international operations span the United Kingdom (“UK”), Continental Europe, the United States (“US”), China and the Asia Pacific region.

Retailing

In retailing, the Group operates two well-established businesses - Laura Ashley Holdings plc (“Laura Ashley”) which owns the internationally-renowned Laura Ashley brand, and Metrojaya, a leading Malaysian-based department and specialty store operator.

The Group owns 34.82% of Laura Ashley as at 31 December 2007. Laura Ashley is a UK-based international retailer listed on the London Stock Exchange. The UK business comprises four main categories: Home Accessories, Furniture,



Summer collections by Laura Ashley

Decorating and Fashion. There are currently 208 stores in the UK, Republic of Ireland and France and another 204 franchised stores in 27 countries. Franchising continues to play an important part of the Laura Ashley operations while Licensing remains a key activity in North America. Mail order and E-commerce channels are also a vital and growing part of Laura Ashley's multi-channel retail strategy, which currently accounts for 11% of total UK retail sales with 529,000 registered E-commerce customers.

For its financial year ended 26 January 2008, Laura Ashley achieved a 62.3% increase in profit before tax of £19.8 million (RM136.3 million), its fifth consecutive year of profit growth. Total group sales grew by 5.6% to £237.6 million (RM1.6 billion), due primarily to increased UK sales in all categories and its expansion programme during the year. As a result of the profitability of its operations, Laura Ashley continued to generate strong cash flow. As at 26 January 2008, the company maintained a healthy cash position of £29.2 million (RM193.2 million) with no borrowings.

Laura Ashley made two interim dividend payments totalling 1.0 pence per share (20% of nominal value) on 12 October 2007 and on 15 February 2008. In view of improved profitability, the Board of Laura Ashley has recommended a final dividend of another 1.0 pence per share (20% of nominal value) bringing the total amount of dividend declared for the financial year to 2.0 pence per share (40% of nominal value). This represents a 100% increase in dividend payment compared to its previous financial year. Subject to shareholders' approval, the final dividend is payable on 6 June 2008.

Recently, Laura Ashley achieved the distinction of being awarded "Retailer of the Year" for the second consecutive year by readers of Homes & Gardens magazine in the UK. This award demonstrated Laura Ashley's commitment to design-led, innovative products and its emphasis on excellent customer service.

In North America, Laura Ashley (North America) Inc. continued to expand its licensing business. It is



a subsidiary of Regent Corporation, an associated company of the Group. During the financial year under review, the company was able to maintain its performance amidst concerns of a slowdown in the US economy. It reported a revenue of US\$11.1 million (RM38.3 million) and profit before tax of US\$5.4 million (RM18.6 million).

The Group's retailing business in Malaysia is spearheaded by Metrojaya, a leading retailer in Malaysia. Metrojaya became a subsidiary of the Group during the financial year. It continued its aggressive store expansion plans with the opening of 17 new stores during the nine-month period to 31 December 2007. In addition, Metrojaya secured the franchise of Laura Ashley for Malaysia and Singapore with three stores currently in operation. As of March 2008, Metrojaya operates 8 department stores and over 80 specialty stores under the names of Reject Shop, BB Maxx, East India Company, Somerset Bay, Cape Cod, Living Quarters and Laura Ashley. Its ninth department store is targeted for opening in Danga City Mall, Johor Bahru, in 2008. Plans are also underway for several more store openings in strategic locations across the country.

Metrojaya achieved an increase of 12.3% in revenue of RM313.2 million in the nine months ended 31 December 2007 compared with RM278.9 million for the same period in the previous year. The opening of new stores together with like-for-like growth contributed to the higher revenue. Metrojaya recorded an increase of 44.1% in operating profit of RM18.1 million for the nine months ended 31 December 2007 compared with RM12.6 million for the same period in the previous year.

Hotels

The hotel division performed profitably and continued to show growth. As part of the continuing rationalisation exercise, two UK hotels were disposed of during the year. As a result, the

Group now operates 13 hotels, 11 in the UK and 2 in Malaysia. For the financial year, the division recorded an overall operating profit of RM38.7 million, a significant increase of 302.7% over RM9.6 million recorded in 2006.

Trading conditions for hotels in the UK remained competitive, especially for provincial properties. Corus hotel Hyde Park, the Group's flagship hotel in the UK, performed well, achieving an 11.0% growth in revenue and 20.0% growth in trading profit. As a result of hotel disposals, total revenue declined to £28.8 million (RM198.5 million) in 2007 from £41.9 million (RM283.4 million) in 2006. However, operating profit improved to £3.4 million (RM23.6 million) in 2007 compared with £0.4 million (RM2.9 million) in 2006.

Underpinned by the performance of Corus hotel Kuala Lumpur, the Malaysian hotel group continued to show impressive growth in profitability. Corus hotel Kuala Lumpur achieved yet another year of record results with an operating profit of RM11.0 million, representing an improvement of 16.8% over last year. This marked the fifth consecutive year of revenue and profit growth for the hotel. After turning around last year, Corus Paradise Resort in Port Dickson also recorded a higher profit in 2007.

Food & Confectionery

The Group's interest in food & confectionery business is held through its public-listed subsidiary, Pan Malaysia Corporation Berhad ("PMC"). With the discontinuation of NFL operations in Australia, the Group's operations in food & confectionery are now concentrated in Malaysia, Singapore and Hong Kong under PMC's subsidiary, Network Foods International Ltd ("NFIL") and its group of companies.

NFIL is involved in the manufacturing, distribution and marketing of food & confectionery in Malaysia through Network



Foods Industries Sdn Bhd (“NFI”) and Network Foods (Malaysia) Sdn Bhd (“NFM”). In Singapore the distribution and marketing activities are undertaken by Network Foods Distribution Pte Ltd (“NFD”) and in Hong Kong by Network Foods (Hong Kong) Ltd (“NFHK”).

NFI produces chocolate and confectionery products under established brands such as Kandos, Crispy, Soreign, Tango and Kiddies. It also manufactures the Van Houten range of chocolates under licence. During the year under review, NFI’s revenue increased by 14.6% to RM62.6 million. Export growth in 2007 to more than 50 countries and strong domestic demand contributed to the higher revenue. Despite higher prices of raw materials, fuel and other input costs, NFI recorded a better performance with a profit before tax of RM5.1 million in 2007, an increase of 48.3% over that of the previous year. The company is planning to expand the production capacity of its factory in Shah Alam to meet its growth demands.

NFM markets and distributes the products of the Group and other agency lines in Malaysia. In the

financial year under review, it recorded an 11.5% increase in revenue to RM58.9 million. The higher revenue together with a rationalisation of its product portfolio and a renewed focus in its marketing initiatives enabled NFM to achieve improvement in profitability.

NFD’s operations in Singapore remained relatively small but efforts are underway to grow the business there. Meanwhile NFHK’s performance in Hong Kong continued to be encouraging, posting a slightly higher revenue of HK\$24.5 million (RM10.8 million) and a profit before tax of HK\$3.6 million (RM1.6 million).

Financial Services

The financial services division of the Group consists of the universal broking business under PM Securities and the general insurance business under MUI Continental Insurance Berhad (“MCI”).

PM Securities, a 99.99%-owned subsidiary of Pan Malaysia Capital Berhad, is a Universal Broker. PM



Top left: Metrojaya’s flagship store in Mid Valley Megamall, Kuala Lumpur • Right: Summer collections by Somerset Bay
Bottom left: Refreshing styles by Emmanuel • Bottom right: Children’s fashions by East India Company



Securities has its principal office in Kuala Lumpur and operates nine branch offices in Seremban, Penang, Klang, Puchong, Damansara Utama, Johor Baru, Batu Pahat, Melaka and Jelebu. In tandem with the higher volume and value transacted on Bursa Securities, PM Securities achieved a better performance for the year ended 31 December 2007. For the year under review, PM Securities' revenue, substantially derived from brokerage income, reached RM68.0 million, an increase of 31.1% from the revenue of RM51.8 million in the previous year. PM Securities achieved a higher profit before tax of RM20.4 million for the year ended 31 December 2007 compared with RM12.3 million in the previous year. The improved profitability was contributed by higher revenue and debt recovery.

MCI, a 52.21% subsidiary of the Group, has 13 branch offices throughout Malaysia and offers a comprehensive range of products including fire, marine, health, engineering, motor, liability and other classes of insurance. For its financial year ended 31 December 2007, MCI reported a 26.3% increase in gross written premiums to

RM164.2 million. The company's profit before tax grew marginally to RM15.8 million from RM15.4 million in the previous year, reflecting an increasingly competitive market environment and higher claims.

Properties

The Group's activities in property operation are mainly in property development and investments through its listed subsidiary, MUI Properties Berhad.

The Group through its joint-venture subsidiary, West Synergy Sdn Bhd, is developing an integrated township in Port Dickson in the State of Negeri Sembilan. Covering an area of about 1,990 acres of prime freehold land, Bandar Springhill is among the largest township developments in the State. When fully developed, it will become a thriving community with a comprehensive range of over 15,000 residential homes, a commercial town centre, an industrial area, education institutions, health services and recreation amenities.



Left: One of Metrojaya's concept stores in Avenue K, 'ALL Homes by MJ' • Top right: Casual cool styles by Cape Cod
Bottom left: Floral fine bone china tea set by Living Quarters • Bottom right: Trendy fashion accessories by Metrojaya



The soft property market in Negeri Sembilan continued to affect sales in the first half of 2007. However, sales improved considerably in the second half of the year, partly due to the success of a marketing initiative directed at a particular target of home buyers. The revenue from these sales will be recognised progressively as the construction of the units progresses.

On 4 February 2008, West Synergy Sdn Bhd signed a Sale and Purchase Agreement with UCSI Education Sdn Bhd for the latter to establish an “Education Township” in Bandar Springhill. The signing ceremony was witnessed by the Deputy Prime Minister, Y.A.B. Datuk Seri Najib Tun Razak and the Menteri Besar of Negeri Sembilan, Y.A.B. Dato’ Seri Utama Mohamad Haji Hassan. This novel education establishment, to be developed on 160 acres of land, is expected to accelerate the development of Bandar Springhill in the coming years. The “Education Township” will incorporate the main campus of University College Sedaya International (UCSI), a state-of-the-art international school, a 500-bed medical facility, a management strategy research centre as well as an applied nursery for research.

Travel & Tourism

The travel & tourism operation of the Group is undertaken by Pan Malaysia Travel and Tours Sdn Bhd (“PMTT”), a licensed full-fledged travel agency operating airline ticketing and both out bound and inbound tours. During the year under review, the company implemented new strategic plans to widen its gross margins through more aggressive marketing and product sourcing. As a result, the profit before tax of PMTT improved by 8.3% in spite of reduced revenue following a planned rationalisation of its inbound travel business.

CORPORATE SOCIAL RESPONSIBILITY

The initiatives of corporate social responsibility (CSR) have always been an integral part of the Group’s social objectives. This year, we have included in our Annual Report a separate section that summarises the Group’s CSR activities.

PROSPECTS FOR 2008

With economic growth of advanced economies slowing down in the fourth quarter of 2007, global economy is projected to grow at a slower rate of 3.7% in 2008. The Malaysian economy in 2008 is expected to be supported by the resilient domestic demand and strong commodity prices and is forecasted to grow by 5.0% to 6.0% in 2008.

The Group will continue to place emphasis on achieving higher productivity and operational efficiency for all its divisions. Whilst the Group expects the performance of its various operating companies to improve, the Board remains cautious of the general trading environment in 2008.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my sincere appreciation to all the executives and staff of the Group for their hard work and commitment. I would also like to thank my fellow directors for their wise counsel and support. To our loyal shareholders, bankers and business associates, thank you for your continuing confidence in the Board and Management of The MUI Group.

In GOD We Trust

Tan Sri Dato’ Khoo Kay Peng
Chairman

2 May 2008



PENYATA PENERUS

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat dan Kumpulan bagi tahun kewangan berakhir pada 31 Disember 2007.

TINJAUAN EKONOMI

Sebagai rentetan dari pertumbuhan yang mantap sepanjang tiga suku tahun pertama 2007, pertumbuhan ekonomi dunia berada di tahap yang sederhana pada suku tahun keempat 2007, sekaligus mencerminkan ketidakpastian ekonomi yang tercetus akibat krisis gajil janji sub-prima AS dan kenaikan kos bahan bakar. Pada puratanya, ekonomi sedunia telah berkembang pada kadar 4.7% pada tahun 2007 berbanding 4.9% yang dicatat pada tahun sebelumnya. Pertumbuhan yang semakin meningkat naik ini telah didorong oleh kesinambungan dalam perkembangan hebat ekonomi yang semakin meningkat maju seperti China dan India.

Bagi mencerminkan kesinambungan dalam pertumbuhan ekonomi sedunia pada tahun 2007, ekonomi Malaysia telah mencatat kadar pertumbuhan yang memberangsangkan sebanyak 6.3% dalam Keluaran Dalam Negara Kasar berbanding 5.9% pada tahun sebelumnya. Pertumbuhan ekonomi tersebut telah didorong oleh permintaan yang semakin baik dalam sektor swasta mahupun sektor awam. Dari segi bekalan pula, pertumbuhan hasil keluaran telah disokong oleh perluasan dalam segenap sektor ekonomi.

Malaysia mencatat lebih dalam keseimbangan pembayaran menyeluruh RM45.3 bilion pada tahun 2007, sekaligus mencerminkan repatriasi yang lebih tinggi dalam hasil pendapatan eksport dan aliran masuk pelaburan asing langsung serta pelaburan portfolio. Rizab antarabangsa Bank Negara Malaysia telah meningkat ke tahap RM335.7 bilion. (US\$101.3 bilion) pada 31 Disember 2007 yang merupakan 6.2 kali ganda daripada hutang luar jangka pendek dan cukup untuk membiayai 8.4 bulan import tertahan.

PENCAPAIAN KEWANGAN

Bagi tahun kewangan berakhir pada 31 Disember 2007, Kumpulan MUI telah kembali pulih dengan

mencatat keuntungan bersih RM26.1 juta berbanding kerugian bersih RM237.2 juta pada tahun sebelumnya. Keuntungan ini telah dicatat berdasarkan pertumbuhan 4.6% dalam hasil pendapatan Kumpulan ke tahap RM778.2 juta berbanding RM744.0 juta pada tahun sebelumnya. Keputusan kewangan yang lebih memberangsangkan ini boleh dihubungkan dengan prestasi yang lebih baik oleh kesemua segmen perniagaan Kumpulan dan pengurangan besar dalam kos faedah.

Pada 31 Disember 2007, jumlah aset dan dana pemegang saham Kumpulan masing-masingnya berada di paras RM3.2 bilion dan RM821.1 juta.

PERKEMBANGAN KORPORAT

Pengambilalihan Metrojaya Berhad

Pada 14 Ogos 2007, Syarikat, melalui syarikat subsidiari milik-penuhnya iaitu Libertyray (M) Sdn Bhd ("LMSB"), telah mengambilalih 113,751,983 saham biasa bernilai RM1.00 sesaham mewakili 91.06% ekuiti Metrojaya Berhad ("Metrojaya") daripada Pan Malaysian Industries Berhad ("PMI"). Pengambilalihan dengan jumlah balasan pembelian RM273.0 juta ini telah di persetujui oleh para pemegang saham Syarikat dan juga PMI dalam mesyuarat agung luar biasa yang diadakan pada 3 Ogos 2007. Semua kelulusan yang perlu untuk urusan tersebut telah diperolehi oleh kedua-dua syarikat dari pihak berkuasa yang berkaitan.

Sebagai mematuhi Kanun Pengambilalihan dan Percantuman Malaysia, LMSB telah membuat satu tawaran tidak bersyarat mandatori bagi baki saham saham dalam Metrojaya pada harga tawaran RM2.40 sesaham. Pada penutupan tawaran pada 19 Oktober 2007, penyetujuteraan bagi saham-saham yang mewakili 2.17% ekuiti Metrojaya telah diterima.

Berikutan tawaran pengambilalihan tersebut, LMSB telah mengambilalih tambahan saham sebanyak 1.28% lagi ekuiti Metrojaya. Secara keseluruhannya, LMSB memiliki 118,067,133 unit saham atau 94.51% saham Metrojaya. Pengambilalihan ini membolehkan Kumpulan menguatkan lagi bidang peruncitan sebagai salah satu perniagaan terasnya melalui penguasaan pengawalan langsung dalam Metrojaya.



Popular specialty stores by Metrojaya

B. Pembinaan Semula Modal MUI Properties Berhad

Satu program pembinaan semula modal telah dilaksanakan oleh MUI Properties Berhad ("MPB") menurut peruntukan Akta Syarikat, 1965. Sesungguhnya, program tersebut bermatlamat untuk merangsang struktur modal MPB dan melibatkan pembatalan RM0.30 dari nilai par RM0.50 bagi setiap saham MPB dalam terbitan dan juga pengurangan premium sahamnya.

Pembinaan semula modal yang dicadangkan pada 3 Ogos 2007 itu, telah berkuatkuasa pada 26 Disember 2007. Berikutan penyempurnaan pembinaan semula modal itu, nilai par bagi setiap saham biasa MPB telah dikurangkan dari RM0.50 kepada RM0.20 dan modal sahamnya pula berkurangan dari RM382.0 juta ke RM152.8 juta. Selain itu, kerugian terkumpul MPB telah dihapuskan sepenuhnya, sekaligus membenarkan MPB membayar dividen.

C. Penjualan Aset

Program rasionalisasi yang sedang dilaksanakan oleh Kumpulan berjalan lancar pada tahun kewangan

dengan kejayaan menjual sebanyak dua buah lagi hotel di United Kingdom serta pelaburan lain. Perolehan dari penjualan ini yang berjumlah kira-kira RM125.3 juta telah digunakan sebahagian besarnya untuk membayar balik pinjaman bank dan sebagai modal kerja Kumpulan. Sejak bermulanya program rasionalisasi pada tahun 2003, Kumpulan telah berjaya meraih sejumlah kira-kira RM3.0 bilion dan mengurangkan pinjaman banknya kepada kira-kira RM1.7 bilion sehingga 31 Disember 2007.

(i) MUI Properties Berhad

Pada 14 September 2007, MPB telah memeterai satu perjanjian dengan PMI untuk menjual seluruh ekuitinya dalam syarikat subsidiari milik-penuhnya, Two Holdings Sdn Bhd ("Two Holdings"), dengan balasan tunai berjumlah RM9.3 juta. Aset utama Two Holdings ialah sebidang tanah kosong pegangan bebas yang terletak di Jalan Mayang, Kuala Lumpur, yang dipegang untuk pembangunan masa depan. Cadangan tersebut masih menunggu penyempurnaan dan tertakluk kepada kelulusan yang diperoleh oleh PMI daripada para pemegang sahamnya. PMI telah sebelum itu pada 28



April 2008 memperoleh kelulusan Suruhanjaya Sekuriti berhubung dengan cadangan tersebut. Cadangan penjualan itu akan membolehkan MPB memperolehi keuntungan modal dari pelaburannya dalam Two Holdings.

(ii) Pan Malaysia Holdings Berhad

Pada 14 September 2007, Pan Malaysia Holdings Berhad ("PM Holdings") telah memeterai satu perjanjian dengan PMI untuk menjual bangunan pejabat yang dikenali sebagai Menara PMI yang terletak di Jalan Changkat Ceylon, Kuala Lumpur, dengan balasan tunai RM39.0 juta.

Cadangan tersebut masih menunggu penyempurnaan dan tertakluk kepada kelulusan yang diperoleh daripada para pemegang saham masing-masingnya bagi PM Holdings dan PMI. PMI telah sebelum itu pada 28 April 2008 memperoleh kelulusan Suruhanjaya Sekuriti berhubung cadangan tersebut.

Cadangan tersebut akan membolehkan PM Holdings meraih hasil untuk digunakan terutamanya bagi pelunasan pinjaman bank. Ini akan mengurangkan nisbah penggiaran sambil menambah baik kedudukan kewangan PM Holdings.

D. Transformasi PM Securities Sdn Bhd kepada sebuah Bank Pelaburan

Pada tahun kewangan yang sedang ditinjau, PM Securities Sdn Bhd ("PM Securities"), sebuah syarikat subsidiari 99.99%-milik Pan Malaysia Capital Berhad ("PM Capital"), telah terus berusaha ke arah mencapai status sebuah bank pelaburan. Transformasi PM Securities bakal memberi sumbangan besar kepada perluasan operasi dan peluang pertumbuhan yang mantap bagi syarikat tersebut.

E. Lantikan Pentadbir Sukarela oleh Network Foods Limited

Network Foods Limited ("NFL") di Australia merupakan sebuah syarikat subsidiari milik Pan Malaysia Corporation Berhad ("PMC"). NFL yang mewakili sebanyak 92.92% ekuiti, telah mencatat

kerugian operasi selama beberapa tahun. Berdasarkan kedudukan kewangan NFL, Lembaga Pengarah NFL telah meletakkan NFL dalam pentadbiran sukarela pada 7 Mei 2007. Ini bagi mencegah kemerosotan berterusan dalam kedudukan kewangan NFL dan meminimumkan kesan-kesan terhadap Kumpulan dari segi kerugian dan keperluan pendanaan. Berikutan pentadbiran tersebut, PMC bersama-sama dengan pihak Pentadbir dan lain-lain pihak yang berkaitan telah melaksanakan satu surat ikatan perkiraan syarikat yang mempersetujui penyelesaian oleh PMC bagi obligasinya berhubung NFL. Sejak itu, pihak Pentadbir telah menghentikan operasi NFL.

TINJAUAN OPERASI

Perniagaan dan pelaburan Kumpulan yang pelbagai telah disusun atur kepada enam operasi yang berbeza yang tergolong di bawah Peruncitan, Hotel, Makanan & Konfeksi, Perkhidmatan Kewangan, Hartanah dan Pengembaraan & Pelancongan yang berpusat di Malaysia. Operasi antarabangsa Kumpulan mencakupi United Kingdom ("UK"), Benua Eropah, Amerika Syarikat ("AS"), China dan rantau Asia Pasifik.

Peruncitan

Dalam bidang peruncitan, Kumpulan menjalankan dua buah gedung perniagaan terkemuka - Laura Ashley Holdings plc ("Laura Ashley") yang memiliki jenama terkemuka antarabangsa iaitu Laura Ashley, dan Metrojaya, sebuah syarikat operasi gedung beli-belah dan barangan khas terkemuka Malaysia.

Pada 31 Disember 2007, Kumpulan menguasai 34.82% dalam Laura Ashley. Laura Ashley adalah sebuah gedung peruncitan yang berpangkalan di UK dan tersenarai di Bursa Saham London. Perniagaan UK merangkumi empat kategori utama: Aksesori Rumah, Perabot, Hiasan dan Fesyen. Kini terdapat 208 buah gedung di UK, Republik Ireland dan Perancis serta 204 buah gedung francais di 27 buah negara. Usaha-usaha francais terus merupakan satu bahagian penting bagi operasi Laura Ashley manakala kegiatan Pelesenan terus aktif di Amerika Utara. Pesanan melalui pos dan saluran E-dagang turut menjadi bahagian penting dalam memperkembangkan strategi peruncitan multi-



saluran Laura Ashley, yang kini mewakili 11% daripada jumlah jualan runcit UK dengan 529,000 pelanggan E-dagang berdaftar.

Bagi tahun kewangan berakhir 26 Januari 2008, Laura Ashley mencatat peningkatan 62.3% dalam keuntungan sebelum cukai sebanyak £19.8 juta (RM136.3 juta), yakni mencapai pertumbuhan tahun kelima berturut-turut. Bagi jumlah jualan kumpulan telah bertambah 5.6% ke tahap £237.0 juta (RM1.6 bilion), khususnya disebabkan peningkatan jualan UK dalam semua kategori dan program perluasan operasi yang dijalankan pada tahun kewangan. Hasil daripada keuntungan operasinya, Laura Ashley terus menjana aliran tunai yang kukuh. Pada 26 Januari 2008, Laura Ashley mengekalkan kedudukan tunai yang memberangsangkan sebanyak £29.2 juta (RM193.2 juta) tanpa sebarang pinjaman.

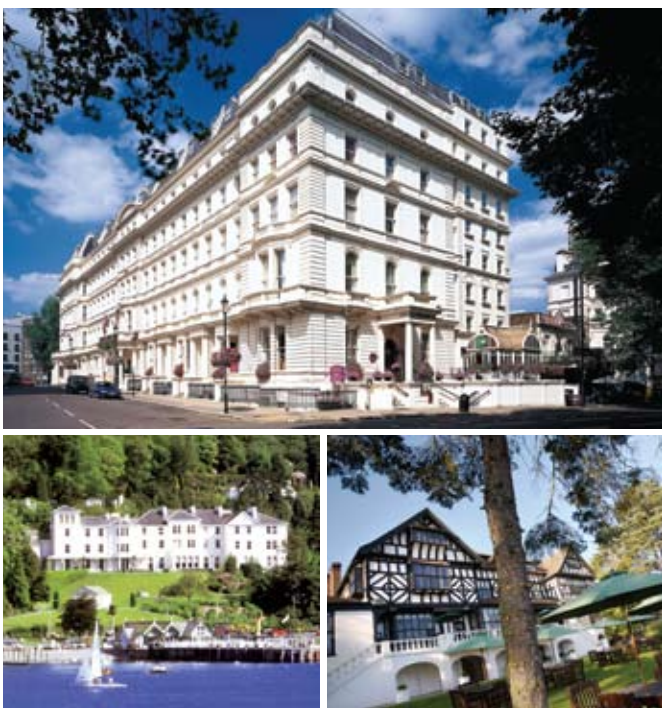
Laura Ashley telah membuat dua pembayaran dividen interim berjumlah 1.0 pence sesaham (20% dari nilai nominal) pada 12 Oktober 2007 dan 15 Februari 2008. Berkat tahap keuntungan yang lebih utuh, Lembaga Pengarah Laura Ashley telah mengumumkan tambahan dividen akhir sebanyak 1.0 pence sesaham (20% dari nilai nominal), menjadikan jumlah dividen yang diisytihar bagi tahun kewangan sebanyak 2.0 pence sesaham (40%

dari nilai nominal). Ini mewakili peningkatan 100% dalam pembayaran dividen interim berbanding pada tahun kewangan sebelumnya. Tertakluk kepada kelulusan pemegang saham, dividen akhir ini akan dibayar pada 6 Jun 2008.

Baru-baru ini, Laura Ashley telah berjaya meraih anugerah “Gedung Peruncitan Terunggul Tahun Ini” buat tahun kedua berturut-turut oleh para pembaca majalah Homes & Gardens di UK. Anugerah ini memaparkan komitmen Laura Ashley berhubung keterampilannya menghasilkan produk inovatif yang bertunjangkan rekabentuk dan penekanan yang diberi pada aspek khidmat pelanggan yang cemerlang.

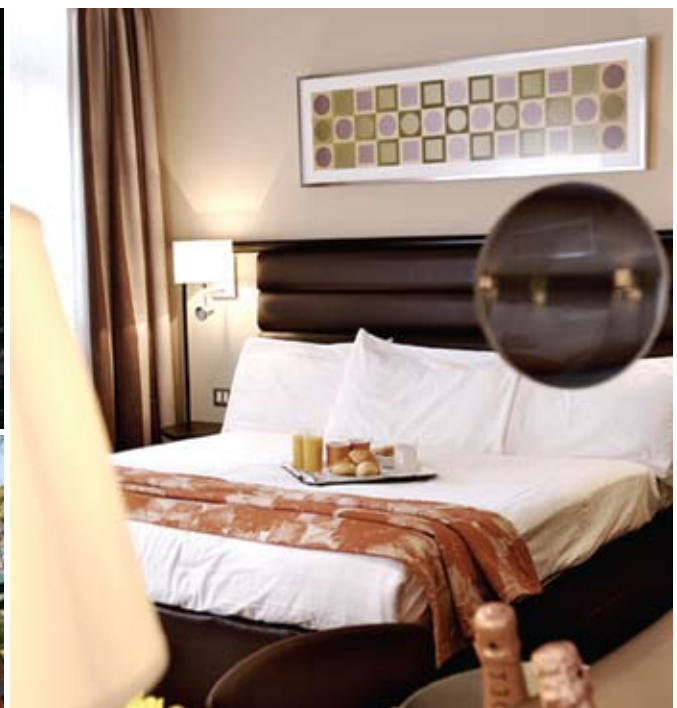
Di Amerika Utara, Laura Ashley (North America) Inc. terus memperluaskan perniagaan pelesenannya. Ianya merupakan sebuah syarikat subsidiari Regent Corporation, yang juga sebuah syarikat bersekutu Kumpulan. Pada tahun kewangan yang sedang ditinjau, syarikat berjaya mengekalkan prestasi meskipun wujudnya jangkaan kegawatan ekonomi AS. Syarikat melaporkan hasil pendapatan US\$11.1juta (RM38.3juta) dan keuntungan sebelum cukai sebanyak US\$5.4juta (RM18.6juta).

Perniagaan peruncitan Kumpulan di Malaysia



UK Hotels

Top left: Corus hotel Hyde Park, London • Right: Executive room, Corus hotel Hyde Park, London
Bottom left: The Belsfield Hotel, Lake Windermere • Bottom right: Corus hotel Elstree, Elstree





diterajui oleh Metrojaya, sebuah gedung peruncitan terkemuka di Malaysia. Metrojaya telah menjadi sebuah syarikat subsidiari bagi Kumpulan pada tahun kewangan. Syarikat telah meneruskan usaha-usaha perluasan gedung secara agresif dengan pembukaan 17 buah gedung baru dalam lingkungan tempoh sembilan bulan sehingga 31 Disember 2007. Selain itu, Metrojaya telah berjaya meraih francais Laura Ashley bagi Malaysia dan Singapura dengan tiga buah gedung yang kini sedang beroperasi. Pada Mac 2008, Metrojaya mengendalikan 8 buah gedung beli belah dan lebih daripada 80 buah gedung barangan khas di bawah nama Reject Shop, BB Maxx, East India Company, Somerset Bay, Cape Cod, Living Quarters dan Laura Ashley. Gedung beli-belahnya yang ke sembilan dijangka akan dibuka di Danga City Mall, Johor Bahru, pada tahun 2008. Terdapat juga rancangan untuk membuka beberapa buah lagi gedung di lokasi-lokasi strategik di seluruh negara.

Metrojaya melaporkan peningkatan 12.3% dalam hasil pendapatan sebanyak RM313.2 juta dalam tempoh sembilan bulan berakhir 31 Disember 2007 berbanding RM278.9 juta dalam tempoh yang sama pada tahun sebelumnya. Pembukaan gedung-gedung baru berserta pertumbuhan setimpal telah menyumbang ke arah hasil pendapatan yang lebih

baik. Meskipun menanggung perbelanjaan pra-operasi yang lebih tinggi berhubungkait dengan pembukaan gedung-gedung baru, Metrojaya mencatat peningkatan 44.1% dalam keuntungan operasi sebanyak RM18.1 juta bagi tempoh sembilan bulan berakhir 31 Disember 2007 berbanding RM12.6 juta dalam tempoh yang sama pada tahun sebelumnya.

Hotel

Bahagian perniagaan perhotelan telah mencatat prestasi yang memberangsangkan dan terus memaparkan pertumbuhan. Sebagai sebahagian daripada program rasionalisasi, dua buah hotel di UK telah dijual pada tahun kewangan. Justeru, Kumpulan kini mengoperasi 13 buah hotel, iaitu 11 buah di UK dan 2 buah di Malaysia. Bagi tahun kewangan, bahagian ini mencatat keuntungan operasi keseluruhan sebanyak RM38.7 juta, suatu peningkatan besar sebanyak 302.7% berbanding RM9.6 juta yang dicatat pada tahun 2006. Suasana perniagaan hotel di UK berada dalam persaingan hebat khususnya bagi harta tanah jajahan. Corus Hotel Hyde Park, yakni hotel mercutanda Kumpulan di UK, mencatat prestasi yang baik, dengan mencapai pertumbuhan 11.0% dalam hasil pendapatan dan 20.0% dalam keuntungan dagangan.



Left: Corus hotel Hyde Park entrance • Top right: Swimming pool, The Belsfield Hotel
Bottom left: Dining hall, Corus hotel Hyde Park • Bottom right: Dining hall, The Belsfield Hotel



Akibat penjualan hotel, jumlah hasil pendapatan telah susut ke angka £28.8 juta (RM198.5 juta) pada tahun 2007 daripada £41.9 juta (RM283.4 juta) pada tahun 2006. Walau bagaimanapun, keuntungan operasi telah bertambah baik ke tahap £3.4 juta (RM23.6 juta) pada tahun 2007 berbanding £0.4 juta (RM2.9 juta) pada tahun 2006.

Bertatahkan prestasi gemilang Corus hotel Kuala Lumpur, kumpulan hotel Malaysia tersebut telah terus menunjukkan pertumbuhan yang memberangsangkan. Corus hotel Kuala Lumpur telah menyaksikan satu lagi tahun yang menampilkan keputusan cemerlang dengan keuntungan operasi RM11.0 juta, mewakili penambahbaikan 16.8% berbanding tahun lepas. Ini juga menandakan tahun kelima berturut-turut pertumbuhan yang berterusan dalam jumlah pendapatan dan keuntungan bagi hotel. Setelah pulih pada tahun lepas, Corus Paradise Resort di Port Dickson juga mencatat keuntungan yang lebih tinggi pada tahun 2007.

Makanan & Konfeksi

Kepentingan Kumpulan dalam perniagaan makanan dan konfeksi adalah dipegang menerusi syarikat subsidiarinya yang tersenarai, iaitu Pan Malaysia Corporation Berhad ("PMC"). Berikutan penghentian operasi NFL di Australia, operasi makanan & konfeksi Kumpulan kini tertumpu di Malaysia, Singapura dan Hong Kong di bawah syarikat subsidiari PMC iaitu Network Foods International Ltd ("NFIL"), dan ekuiti 92.9% dalam Network Foods Limited ("NFL"), dan kumpulan syarikatnya.

NFIL terlibat dalam pembuatan, pengedaran dan pemasaran barangan makanan & konfeksi di Malaysia menerusi Network Foods Industries Sdn Bhd ("NFI") dan Network Foods (Malaysia) Sdn Bhd ("NFM"). Di Singapura, kegiatan pengedaran dan pemasaran dikendalikan oleh Network Foods Distribution Pte Ltd ("NFD") dan di Hong Kong pula oleh Network Foods (Hong Kong) Ltd ("NFHK").

NFI mengeluarkan coklat dan produk konfeksi di bawah jenama-jenama terkemuka seperti Kandos, Crispy, Soreign, Tango dan Kiddies. Syarikat juga mengeluarkan rangkaian coklat Van Houten secara sah. Pada tahun kewangan yang sedang ditinjau,

hasil pendapatan NFI telah meningkat sebanyak 14.6% ke tahap RM62.6 juta. Pertumbuhan jumlah eksport pada tahun 2007 mencakupi lebih daripada 50 buah negara dan permintaan domestik yang kukuh telah menghasilkan jumlah hasil pendapatan yang lebih tinggi. Meskipun berlaku peningkatan dalam harga bahan mentah, bahan bakar dan lain-lain kos input, NFI mencatat prestasi yang lebih baik dengan keuntungan sebelum cukai berjumlah RM5.1 juta 2007, suatu peningkatan 48.3% berbanding pencapaian tahun sebelumnya. Syarikat bercadang untuk memperluaskan kapasiti pengeluarannya di kilangnya yang terletak di Shah Alam demi memenuhi permintaan pertumbuhannya.

NFM memasar dan mengedar produk Kumpulan serta produk lain-lain agensi di Malaysia. Pada tahun kewangan yang sedang ditinjau, NFM mencatat peningkatan 11.5% dalam jumlah dagangan kepada RM58.9 juta. Keuntungan yang tinggi berserta dengan portfolio barangan yang rasionalisasi dan matlamat yang diperbaharui di dalam inisiatif pemasaran, membantu NFM mencapai peningkatan dalam keuntungan.

Operasi NFD di Singapura ternyata kecil tetapi pelbagai usaha sedang dijalankan untuk memperkembangkan perniagaan di sana. Sementara itu, prestasi NFHK di Hong Kong telah terus mencatat prestasi yang menggalakkan dengan pencapaian hasil pendapatan yang lebih tinggi sedikit sebanyak HK\$24.5 juta (RM10.8 juta) dan keuntungan sebelum cukai HK\$3.6 juta (RM1.6 juta).

Perkhidmatan Kewangan

Operasi perkhidmatan kewangan Kumpulan adalah terdiri daripada perniagaan pembrokeran universal di bawah PM Securities dan perniagaan insurans am di bawah MUI Continental Insurance Berhad ("MCI").

PM Securities, sebuah syarikat subsidiari 99.99% milik Pan Malaysia Capital Berhad, ialah satu firma Broker Universal. PM Securities mempunyai ibu pejabat di Kuala Lumpur dan mengoperasi sembilan buah cawangan di Seremban, Pulau Pinang, Klang, Puchong, Damansara Utama, Johor Bahru, Batu Pahat, Melaka dan Jelevu. Sejajar dengan jumlah hasil dan nilai urusaniaga yang lebih tinggi di



Bursa Securities, PM Securities telah mencapai prestasi yang lebih baik pada tahun kewangan berakhir 31 Disember 2007. Bagi tahun yang sedang ditinjau, hasil pendapatan PM Securities telah diterbitkan terutamanya dari pendapatan pembrokeran, yang mencapai RM68.0 juta, purata 31.1% dari jumlah hasil pendapatan RM51.8 juta pada tahun sebelumnya. PM Securities mencatat jumlah keuntungan sebelum cukai yang lebih tinggi sebanyak RM20.4 juta bagi tahun berakhir 31 Disember 2007 berbanding RM12.3 juta pada tahun sebelumnya. Tahap keuntungan yang lebih baik telah disumbang oleh hasil pendapatan dan pemulihan hutang yang lebih tinggi.

MCI, sebuah syarikat subsidiari Kumpulan yang memilik 52.21%, mempunyai sebanyak 13 pejabat cawangan di seluruh Malaysia dan menawarkan pelbagai produk termasuk insurans kebakaran, marin, kesihatan, kejuruteraan, kenderaan bermotor, liabiliti dan lain-lain kelas insurans. Bagi tahun kewangan berakhir 31 Disember 2007, MCI telah melaporkan peningkatan 26.3% dalam premium tertulis kasar ke tahap RM164.2 juta. Keuntungan sebelum cukai Kumpulan mencatat pertumbuhan berjidar ke angka RM15.8 juta dari RM15.4 juta pada tahun sebelumnya, sekaligus memaparkan suasana pasaran yang semakin sengit serta jumlah tuntutan yang lebih tinggi.

Hartanah

Kegiatan Kumpulan dalam operasi hartanah adalah terutamanya dalam pelaburan hartanah dan pelaburan melalui syarikat subsidiarinya yang tersenarai iaitu MUI Properties Berhad.

Melalui syarikat subsidiari usahasamanya iaitu West Synergy Sdn Bhd, Kumpulan sedang membangunkan sebuah perbandaran bersepadu di Port Dickson, Negeri Sembilan. Meliputi tapak tanah pegangan bebas seluas kira-kira 1,990 ekar, Bandar Springhill adalah antara pembangunan perbandaran terbesar di negeri tersebut. Apabila siap sepenuhnya kelak, perbandaran tersebut akan menjadi sebagai sebuah komuniti yang berkembang maju dengan rangkaian pelbagai kediaman sebanyak 15,000 buah, sebuah pusat bandar komersial, sebuah kawasan perindustrian, institusi-institusi pendidikan, perkhidmatan kesihatan dan kemudahan rekreasi. Pasaran hartanah yang lembap di Negeri Sembilan telah terus menjejaskan jualan di

separuh tahun pertama 2007. Walaubagaimanapun, jumlah jualan telah bertambah cergas di separuh tahun kedua, sebahagiannya disebabkan oleh kejayaan satu inisiatif pemasaran yang ditujukan kepada satu sasaran pembeli rumah yang tertentu. Hasil pendapatan dari jualan ini akan diiktiraf secara beransur-ansur sambil pembinaan unit-unit hartanah tersebut berjalan.

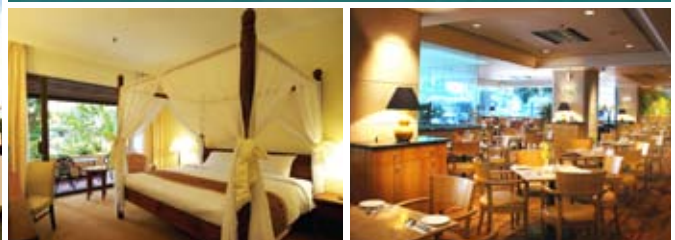
Pada 4 Febuari 2008, West Synergy Sdn Bhd telah menandatangani suatu perjanjian jual beli dengan UCSI Education Sdn Bhd untuk UCSI menubuhkan sebuah “Perbandaran Pendidikan” di Bandar Springhill. Majlis menandatangani itu telah disaksikan oleh Timbalan Perdana Menteri Malaysia, Y.A.B. Datuk Seri Najib Tun Razak dan Menteri Besar Negeri Sembilan, Y.A.B. Dato’ Seri Utama Mohamad Haji Hassan. Dengan penubuhan pendekatan baru pendidikan ini, yang akan dibangunkan di tapak tanah seluas 160 ekar, bakal menjana pembangunan pesat di Bandar Springhill pada tahun mendatang. “Perbandaran Pendidikan” ini akan merangkumi kampus utama University College Sedaya International (UCSI), sebuah sekolah antarabangsa canggih, sebuah kemudahan perubatan 500-katil, sebuah pusat penyelidikan strategi pengurusan serta sebuah pusat nurseri tanaman untuk penyelidikan.

Pengembaraan & Pelancongan

Operasi pengembaraan & pelancongan Kumpulan adalah dikendalikan oleh Pan Malaysia Travel and Tours Sdn Bhd (“PMTT”), sebuah agensi pelancongan berlesen sepenuhnya yang mempunyai operasi penjualan tiket penerbangan dan program pelancongan masuk dan keluar negara. Pada tahun yang sedang ditinjau, syarikat telah melaksanakan rancangan-rancangan strategik baru untuk memperluaskan jidar kasarnya menerusi pemasaran dan persumberan produk yang agresif. Ekoran itu, keuntungan sebelum cukai PMTT telah menyaksikan peningkatan 8.3% meskipun berlaku susutan dalam hasil pendapatan dari rasionalisasi terancang perniagaan pengembaraan masuk-negara.

TANGGUNGJAWAB KEMASYARAKATAN KORPORAT

Inisiatif-inisiatif kemasyarakatan korporat (CSR) telah sentiasa menjadi sebahagian integral dari objektif kemasyarakatan Kumpulan. Pada tahun ini,



Left: Corus hotel Kuala Lumpur, Malaysia • Bottom left: Paradise Cabana suite, Corus hotel Kuala Lumpur
Top right: Corus Paradise Resort Port Dickson, Negeri Sembilan • Bottom right: Dickson Coffee House, Corus Paradise Resort Port Dickson

satu seksyen berasingan yang meringkaskan kegiatan-kegiatan CSR Kumpulan telah dirangkumkan dalam Laporan Tahunan.

PROSPEK BAGI TAHUN 2008

Berikutan pertumbuhan ekonomi negara-negara maju yang bertambah lembap di suku tahun keempat 2007, ekonomi sedunia diunjurkan berkembang pada kadar yang lebih perlahan iaitu 3.7% pada tahun 2008. Pada tahun 2008, ekonomi Malaysia dijangka akan disokong oleh permintaan domestik yang mantap dan harga komoditi yang kukuh serta diramal berkembang pada kadar 5.0% hingga 6.0%.

Kumpulan akan terus memberi penekanan kepada usaha mencapai tahap produktiviti dan kecekapan operasi yang lebih tinggi bagi semua bahagian perniagaannya. Meskipun Kumpulan menjangkakan prestasi pelbagai syarikat operasinya bertambah baik, namun Lembaga Pengarah tetap bersikap berwaspada berhubung suasana perniagaan am pada tahun 2008.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, izinkan saya untuk merakamkan setinggi-tinggi penghargaan kepada pasukan Pengurusan dan kakitangan Kumpulan di atas sumbangan, dedikasi dan komitmen yang tidak berbelah bahagi kepada Kumpulan. Saya juga ingin berterima kasih kepada rakan-rakan seperjuangan saya dalam Lembaga Pengarah di atas sokongan padu mereka. Terima kasih juga saya tuju kepada para pemegang saham, jurubank dan sekutu perniagaan di atas keyakinan mereka yang berkesinambungan kepada Lembaga Pengarah dan Pengurusan Kumpulan MUI.

Kepada TUHAN Kita Bertawakal

Tan Sri Dato' Khoo Kay Peng
Pengerusi

2 Mei 2008



主席献词

我很高兴代表董事部同人，向各位呈达本公司和集团截至2007年12月31日财务年的年报及财务表。

经济评论

全球经济在2007年首三个季度经过强劲的扩展后，在第四季度减速，反映了美国次贷危机和燃油价格暴涨所引发的不稳定局面。世界经济在2007年平均增长4.7%，而上一年的则是4.9%。新兴经济体如中国和印度的持续快速成长，对全球经济的强劲成长带来了推波助澜的作用。

马来西亚经济的实际国内总产值在2007年取得不俗的6.3%增率，而上一年的则是5.9%。这反映世界经济的持续成长。大马经济的成长是由于私人及公共领域的国内需求皆强劲所致。在供应方面，经济各领域的扩展扶持了产量的成长。

在2007年，大马的整体收支平衡出现453亿令吉的顺差。这折射了更多出口收益的回流以及外国直接投资及证券投资的流入。截至2007年12月31日，大马国家银行的国际储备金增至3357亿令吉（1013亿美元），相等于短期外债的6.2倍，以及足以应付8.4个月的持续进口。

财务表现

截至2007年12月31日财务年，集团反亏为盈，取得净盈利2610万令吉，而上一年的则蒙受净亏损2亿3720万令吉。集团收益在去年增加4.6%至7亿7820万令吉，而上一年的则是7亿4400万令吉。财务成绩的改善是由于集团各营业部门的表现提升以及利息开支大幅度削减之故。

截至2007年12月31日，集团总资产及股东基金分别达32亿令吉和8亿2110万令吉。

企业发展

A. 收购美罗有限公司

2007年8月14日，本公司通过独资子公司 Libertyray (马) 私人有限公司 (“LMSB”)，以总价格2亿7300万令吉向泛马工业有限公司 (“泛马工业”) 收购美罗有限公司 (“美罗”) 113,751,983股每股面值1.00令吉的普通股。此股份相等于美罗的91.06%股权。此收购于2007年8月3日召开的本公司与泛马工业特别大会上，获股东批准。此两家公司皆已获得有关当局批准此收购交易。

根据马来西亚并购法典，LMSB以献购价格每股2.40令吉发出无条件献购，以收购剩余的美罗股份。收购献议于2007年10月19日截止时，LMSB共收到接纳献购的美罗股份相等于美罗的2.17%股权。

在收购献议后，LMSB收购另外相等于美罗1.28%股权的股份。

LMSB目前持有118,067,133股或94.51%的美罗股权。此项收购使集团对美罗持有直接的控制股权，而进一步加强旗下的零售业务，使之成为集团的核心业务之一。

B. 马联置业有限公司资本重组

马联置业有限公司 (“马联置业”) 根据1965年公司法条文进行资本重组计划。基本上，此计划的目的在于改善马联置业的资本结构。在此计划下，马联置业把已发行的每股普通股份的0.50令吉面值削减0.30令吉，以及减少股份溢价。

资本重组计划在2007年8月3日提出，而在2007年12月26日落实。在资本重组计划完成后，马联置业的每股普通股面值从0.50令吉减至0.20令吉，而公司股本从3亿8200万令吉减至1亿5280令吉。此外，马联置业的累积亏损也全部抵销，使到马联置业有能力派发股息。



C. 出售资产

集团成功脱售在英国的两家酒店及其他投资，使到集团持续的合理化计划继续顺利进行。出售上述投资的收入共1亿2530万令吉主要用来偿还银行贷款及作为集团的周转资金。自从集团在2003年开始合理化计划以来，集团成功筹集了约30亿令吉，以及在2007年12月31日时，把银行贷款减至约17亿令吉。

(i) 马联置业有限公司

2007年9月14日，马联置业与泛马工业签署合约，以现金930万令吉把独资子公司 Two Holdings 私人有限公司（“Two Holdings”）的部股权出售予泛马工业。Two Holdings 的主要资产是一块位于吉隆坡 Jalan Mayang 作为未来发展用途的永久拥有权空地。此建议有待完成，并须获得泛马工业股东的批准。泛马工业于2008年4月28日获得证券委员会批准此建议。此建议落实后将使马联置业从 Two Holdings 的投资获取资本盈余。

(ii) 泛马控股有限公司

2007年9月14日，泛马控股有限公司（“泛马控股”）与泛马工业签署合约，以现金3900万令吉，把位于吉隆坡 Jalan Changkat Ceylon 的办公大楼《泛马工业大厦》出售给泛马工业。

上述建议有待完成以及须由泛马控股和泛马工业股东通过。泛马工业经于2008年4月28日获得证券委员会批准此建议。

泛马控股将把大部份从上述建议中的脱售所筹集资金用来摊还银行贷款，以降低该公司的举债水平和改善其财务状况。

D. PM证券私人有限公司转变成投资银行

在检讨中的财务年内，泛马资本有限公司持有99.99%股权的子公司PM证券私人有限公司（“PM证券”）继续致力于争取成为投资银行的地位。PM证券最终成为投资银行，将大大扩展其运作及成长的机会。



Top left & bottom left: Exclusive homes amidst lush surroundings in Vila Sri Ukay, Kuala Lumpur
Right & bottom right: Bandar Springhill, one of the larger planned townships in Negeri Sembilan



E. Network Foods Limited 委任自愿管理人

泛马企业有限公司(“泛马企业”)在澳洲持有92.92%股权的子公司 Network Foods Limited(“NFL”)过去几年来蒙受亏损。鉴于NFL的财务状况,NFL董事部于2007年5月7日把NFL交由自愿管理,以防NFL的财务状况继续恶化,以及减少对集团亏损和资助需求方面的影响。在实行自愿管理后,泛马企业与管理人及其他各造签订公司债务安排契约,同意由泛马企业偿付对NFL的责任。管理人经已结束NFL的业务。

业务评论

集团的多样化业务及投资分成六大部门,即零售、酒店、食品及糖果、财务服务、房地产、以及旅游业。集团的公司总部设在马来西亚,国际业务遍及英国、欧洲大陆、美国、中国及亚太地区。

零售业

集团在零售业上经营两大业务,即拥有国际知名 Laura Ashley 品牌的 Laura Ashley 控股有限公司

司(“Laura Ashley”)以及设在马来西亚的主要百货商店及专卖店经营商美罗有限公司。

截至2007年12月31日,集团持有34.82%的Laura Ashley股权。Laura Ashley 是一家总部设在英国及在伦敦股市上市的国际零售商。该公司的英国业务包含四大类,即家庭用品、家具、装饰及服装。该公司目前在英国、爱尔兰共和国及法国设有208间商店,另外在27国设有204间加盟店。加盟业务是Laura Ashley业务的重要部份而特许权业务则是在北美的主要业务。邮购及电子商务管道也是Laura Ashley逐渐成长的多管道零售策略的重要一环,占该公司在英国总零售额的11%,其注册的电子商务顾客共达529,000名。

在截至2008年1月26日的财务年内,Laura Ashley的扣税前盈利增加62.3%至1980万英镑(1亿3630万令吉),取得连续五年增加。集团总销售额增加5.6%至2亿3760万英镑(16亿令吉)。这主要是各类产品在英国的销量增加以及在本财务年内推行的扩充计划。由于营业盈利的增加 Laura Ashley 继续保持强劲现金流入状况。



Left & bottom left: Public gallery of PM Securities in Menara PMI, Kuala Lumpur
Top right & bottom right: Customer service, MUI Continental Insurance



截至2008年1月26日，公司拥有现金共达2920万英镑（1亿9320万令吉）並沒有借貸。

Laura Ashley 于2007年10月12日及2008年2月15日先后派发两次中期股息，共计每股1.0便士（20%面值）。鑑于盈利增加，Laura Ashley 董事部建议再派发终期股息每股1.0便士（20%面值）。因此，该公司为上述财务年所派发的股息共达每股2.0便士（40%面值）。此股息比上个财务年所派发的股息增加100%。若经股东批准，上述终期股息将于2008年6月6日派发。

最近，Laura Ashley 连续第二年获得英国 Homes & Gardens 杂志的读者评选为“本年度最佳零售商”殊荣。此奖项展示了Laura Ashley对于推出以设计为导向的创新产品及重视卓越顾客服务的承诺。

在北美洲方面，Laura Ashley（北美）公司继续扩展其特许权业务。此公司是集团联号 Regent Corporation 的子公司。在检讨中的财务年内，虽然人们担心美国经济放慢，但是该公司仍然保持过去的业绩，取得收入共1110万美元（3830万令吉）以及扣税前盈利540万美元（1860万令吉）。

集团在马来西亚的零售业务以美罗作为旗舰。作为马来西亚首要零售商的美罗在2007年财务年内成为集团的子公司。该公司继续积极落实分店扩充计划，在截至2007年12月31日的9个月内开设了17所新店。此外，美罗也争取到 Laura Ashley 在马来西亚及新加坡的加盟权，目前已有三间商店营业。截至2008年3月，美罗共经营8间百货商店和80间以 Reject Shop、BBMaxx、East India Company、Somerset Bay、Cape Cod、Living Quarters 及 Laura Ashley 等品牌经营的专卖店。美罗的第9间百货商店预定2008年在新山的 Danga City Mall 商场开张营业。该公司也计划在全国的策略性地点开设另多数间分店。

在截至2007年12月31日的9个月期间，美罗的收入增加12.3%，达到3亿1320万令吉，而上一一年同期的收入是2亿7890万令吉。新分店的设立和同比销售的增加，使到公司销售额提高。在截至2007年12月31日的9个月

期间，美罗的营业盈利增加44.1%至1810万令吉，而上一一年同期的盈利为1260万令吉。

酒店业

酒店部在2007年财务赚取盈利和继续成长。配合集团持续的合理化计划下，集团在本财务年内脱售了在英国的两家酒店。因此，集团目前共经营13间酒店，其中11间在英国，其余2间在马来西亚。在检讨中的财务年内，酒店部共赚取盈利3870万令吉，比2006年的盈利960万令吉剧增了302.7%。

英国酒店业的营业情况依然甚极竞争，尤其是郊外的酒店。集团在美国的旗舰酒店 Corus hotel Hyde Park 业绩可观，收入增长11.0%，贸易盈利则上扬20.0%。由于集团出售酒店，以致酒店业总收入从2006年的4190万英镑（2亿8340万令吉）降至2007年的2880万英镑（1亿9850万令吉）。不过营业盈利则从2006年的40万英镑（290万令吉）增至2007年的340万英镑（2360万令吉）。

在吉隆坡 Corus 酒店的可观业绩带动下，集团在马来西亚的酒店业务继续展示骄人的盈利成长。吉隆坡 Corus 酒店的业绩再创新猷，取得营业盈利共1100万令吉，较2006年的盈利增加16.8%。这也是该酒店的收入及盈利连续五年增长。波德申的 Corus Paradise Resort 去年转亏为盈后，于2007年的盈利有所提高。

食品及糖果业

集团的食物及糖果业务由公司上市子公司泛马企业有限公司（“泛马企业”）负责。随著NFL结束在澳洲的业务后，集团的食物和糖果业务目前集中在马、新、港等地，并通过泛马企业的子公司 Network Foods International 有限公司（“NFL”）及其属下公司经营。

NFIL在马来西亚通过 Network Foods Industries 私人有限公司（“NFI”）和 Network Foods（马来西亚）私人有限公司（“NFM”）从事食物和糖果的制造、分



销及营销业务。在新加坡方面的分销及营销业务则由 Network Foods Distribution 私人有限公司 (“NFD”) 进行，而在香港则由 Network Foods (香港) 有限公司 (“NFHK”) 进行。

NFI 生产各种著名品牌的巧克力及糖果产品如 Kandos、Crispy、Soreign、Tango 及 Kiddies。该公司也获得许可制造 Van Houten 系列巧克力。在检讨中财务年内，NFI 的收入增加14.6%至6260万令吉。2007年对超过50个国家的出口增加以及强大的国内需求，使公司收入提高。儘管原料、燃油及其他投入的成本调高，NFI 在2007年的表现转佳，共创扣税前盈利510万令吉，比上一年增加了48.3%。该公司正计划扩大沙亚南工厂的产能，以应付需求的增加。

NFM 在马来西亚销售及分销集团的产品及代理产品。在检讨中的财务年内，该公司的收入增加11.5%至5890万令吉。收入的增加和产品组合的合理化计划，以及公司重新强调营销工作，使 NFM 的盈利提升。

NFD 在新加坡的业务保持相对的小规模，不过公司正在设法扩大在该国的业务。另一方面 NFHK 在香港的业绩继续令人鼓舞，收入略增至港币2450万元(1080万令吉)以及扣税前盈利达到港币360万元(160万令吉)。

财务服务业

集团的财务服务部包含由PM证券进行的全方位证券经纪业务，以及由马联大洲保险有限公司 (“马联大洲保险”) 从事的普通保险业。

由泛马资本有限公司持有99.99%的PM证券是一家全方位经纪公司。PM证券的总部设在吉隆坡，并有9间分行分别设在芙蓉、檳城、巴生、蒲种、万达镇、新山、峇株巴轄、马六甲及日叻务。由于马来西亚证券交易所的交投及交易价值增加，PM证券在截至2007年12月31日的业绩有所提升。在检讨中的财务年内，以经纪收入为主的PM证券收入达到6800万令吉，比上一年的5180万令吉增加了31.1%。截至2007年12月31日，PM

证券的扣税前盈利增加至2040万令吉，而上一年是1230万令吉。公司盈利的增加主要是收入及收回债款的提高。

集团拥有52.21%股权的子公司马联大洲保险在全马设有13间分行办事，提供齐全的普通保险服务，包括火险、水险、保健险、工程险、车险、责任险及其他类别的保险。截至2007年12月31日财务年，马联大洲保险的总保费收入增至1亿6420万令吉，扣税前盈利则从往年的1540万令吉略增至1580万令吉，这反映市场的竞争日增以及理赔的增加。

房地产

集团在房地产业务上的主要活动是通过马联置业有限公司进行房地产发展和投资。

集团通过联营子公司 West Synergy 私人有限公司，在森美兰州的波德申开发综合新镇。此面积广达约1,990亩首选永久拥有权土地的新镇《春泉镇》是森州最大的新镇发展之一。在全面开发后，春泉镇将成为一个欣欣向荣的社区，建有各类房屋15,000间、一个商业中心、工业区、教育机构、卫生服务及休闲设施。

森州疲弱的房地产市场继续影响2007年上半年的房地产销量。然而销量在2007年下半年大幅度增加，原因之一是公司成功推行针对某个目标房屋购买者的行销策略。上述销售收入将依照房屋单位的放施工进度而逐渐确认。

2008年2月4日，West Synergy 私人有限公司与 UCSI 教育私人有限公司在副首相 YAB Datuk Seri Najib Tun Razak 及森美兰州的州务大臣 YAB Dato' Seri Utama Mohamad Haji Hassan 见证下签署合约。UCSI 教育私人有限公司将在春泉镇建立一个“教育镇”。这个占地160亩的教育镇预料将加速春泉镇以后的发展。这教育镇包括思特雅国际大学学院(UCSI)的校园、一所尖端的国际学府、一个有500个床位的医药中心、一个管理策略研究中心以及实用植物育苗中心。



Top left: Pan Malaysia Travel & Tours, Menara PMI, Kuala Lumpur Bottom left: Network Foods Malaysia, Shah Alam
Bottom right: Range of products by Network Foods Group • Right: Network Foods Industries warehouse, Shah Alam

旅游业

集团的旅游业务由泛马旅游私人有限公司（“泛马旅游”）负责进行。泛马旅游是一家有执照的全方面旅行社，经营机票预订和国内及国外旅行团业务。在检讨中的财务年内，公司推行新的策略计划以通过更积极的营销及物色新产品而增加毛利率。因此，虽然由于国外旅游业务的合理化计划，使到收入减少，但泛马旅游在2007年的扣税前盈利却提高了8.3%。

企业社会责任

集团在企业社会责任方面的主动向来是集团社会目标的一个主要部份。今年，我们在年报中加入了个别的部份，以描述集团的企业社会责任活动。

2008年展望

由于先进经济体的经济成长在2007年第四季度放慢，根预测全球经济在2008年的增率将放慢至3.7%。预

料大马经济在2008年在甚具弹力的国内需求及坚稳的原产品价格扶持下，会取得5.0%至6.0%的成长率。

集团将继续把重点放在提高旗下所有部门的生产力及运作效率上。虽然集团预期各营运部门的业绩会有所提升，但董事部依然对2008年的整体营业环境保持谨慎的看法。

致谢

我谨代表董事部同人，对集团执行人员和全体员工对集团的贡献、付出及忠于职守，致予诚恳的谢忱。我也由衷感谢董事部的同事给予我的金玉良言和鼎力支持。我也要谢谢全体忠诚的股东、银行界及同业对马联工业集团董事部和管理层的持续信任。

我们信赖主

丹斯里拿督邱继炳

主席

2008年5月2日



ANALYSIS OF SHAREHOLDINGS

As at 25 April 2008

Class of Share : Ordinary share of RM1 each
Voting Rights : 1 vote per ordinary share

Substantial Shareholders as per Register of Substantial Shareholders

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
1. Pan Malaysian Industries Berhad	199,490,000	10.28	704,002,500	36.28
2. KKP Holdings Sdn Bhd	-	-	913,752,500	47.09
3. Soo Lay Holdings Sdn Bhd	-	-	913,752,500	47.09
4. Tan Sri Dato' Khoo Kay Peng	-	-	913,752,500	47.09
5. Serveast Trading Sdn Bhd	260,022,400	13.40	-	-
6. Scopebright (M) Sdn Bhd	264,291,000	13.62	-	-

Directors' Shareholdings In The Company And Related Corporations as per Register of Directors' Shareholdings

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Ordinary shares of RM1 each in Malayan United Industries Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	913,752,500	47.09
Datuk Yong Ming Sang	1,981,800	0.10	549,640	0.03
Tan Sri Dato' Paduka Dr Mazlan bin Ahmad	100,000	0.01	-	-
Ang Guan Seng	-	-	68,353,800	3.52
Ordinary shares of 20 sen each in MUI Properties Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	550,862,661	74.35
Dr Ngui Chon Hee	30,000	negligible	84,000	0.01
Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	428,544,500	60.07
Ordinary shares of 10 sen each in Pan Malaysia Holdings Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	638,572,986	68.75
Ordinary shares of RM1 each in MUI Continental Insurance Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	52,226,568	52.21
Ordinary shares of RM1 each in Metrojaya Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	118,067,133	94.51



Distribution of Shareholders

Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	115	0.25	3,298	0.00
100 - 1,000 shares	6,126	13.39	5,977,762	0.31
1,001 - 10,000 shares	28,961	63.31	137,599,074	7.09
10,001 - 100,000 shares	9,604	20.99	297,355,683	15.32
100,001 to less than 5% of issued shares	938	2.05	775,792,561	39.98
5% and above of issued shares	3	0.01	723,803,400	37.30
Total	45,747	100.00	1,940,531,778	100.00

Thirty (30) Largest Registered Shareholders

Name	No. of Shares	%
1. Scopebright (M) Sdn Bhd	264,291,000	13.62
2. Serveast Trading Sdn Bhd	260,022,400	13.40
3. Pan Malaysian Industries Berhad	199,490,000	10.28
4. Plenary Investments Pte Ltd	67,038,800	3.45
5. Permodalan Nasional Berhad	64,000,000	3.30
6. Mayban Nominees (Asing) Sdn Bhd	52,910,400	2.73
- The Bank Of East Asia Limited, Hong Kong for Noble Faith Foundation Inc		
7. Rigap Prima Sdn Bhd	46,000,000	2.37
8. Peak Meadow Sdn Bhd	45,846,100	2.36
9. Good Proffer Sdn Bhd	34,940,000	1.80
10. Nada Saujana Sdn Bhd	22,830,000	1.18
11. Kiwiton Sdn Bhd	20,000,000	1.03
12. RC Nominees (Tempatan) Sdn Bhd	19,370,000	1.00
- Hope Foundation		
13. PM Nominees (Tempatan) Sdn Bhd	11,550,000	0.60
- Morning Star Securities Limited for Hope Foundation		
14. PM Nominees (Asing) Sdn Bhd	10,260,000	0.53
- Morning Star Securities Limited for Swift Progress Investments Limited		
15. UOBM Nominees (Asing) Sdn Bhd	10,000,000	0.52
- Securities Account for Prime View International Limited		
16. CIMSEC Nominees (Asing) Sdn Bhd	9,175,093	0.47
- For CIMB-GK Securities Pte Ltd		
17. Lembaga Tabung Angkatan Tentera	8,739,900	0.45
18. UOBM Nominees (Tempatan) Sdn Bhd	8,500,000	0.44
- Securities Account for Hope Foundation		
19. PM Nominees (Asing) Sdn Bhd	8,040,000	0.41
- Morning Star Securities Limited for Prime View International Limited		
20. Kenanga Nominees (Tempatan) Sdn Bhd	8,000,800	0.41
- Securities Account for Hah Tiing Siu		
21. HLG Nominee (Asing) Sdn Bhd	7,464,160	0.38
- For UOB Kay Hian Pte Ltd		
22. True Benefits Sdn Bhd	7,432,000	0.38
23. Milikita Sdn Bhd	5,279,000	0.27
24. PM Nominees (Asing) Sdn Bhd	4,704,000	0.24
- Morning Star Securities Limited for Noble Faith Foundation Inc		



ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 25 April 2008

25.	Ke-Zan Nominees (Asing) Sdn Bhd	4,674,000	0.24
	- Kim Eng Securities Pte Ltd for Glen Holdings (Pte) Ltd		
26.	Johor Corporation	4,370,000	0.23
27.	Citigroup Nominees (Asing) Sdn Bhd	3,062,000	0.16
	- UBS AG Singapore for Jarmata Profits Limited		
28.	AMSEC Nominees (Tempatan) Sdn Bhd	3,000,000	0.15
	- For Gnanalingam a/l Gunanath Lingam		
29.	Amanah Ikhtiar Malaysia	3,000,000	0.15
30.	Wong Yoon Chyuan	2,656,000	0.14
Total		<u>1,216,645,653</u>	<u>62.69</u>



ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS HOLDINGS

As at 25 April 2008

- Class of Securities : Class A1, 8-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS")
- Nominal value : RM443,662,030
of ICULS issued
and outstanding
- Conversion Price : RM1 nominal value of ICULS for every one (1) new fully paid-up ordinary share in the Company, subject to any adjustment as may be made pursuant to the Trust Deed executed by the Company. The minimum value for conversion required is RM100 nominal value of ICULS.
- Conversion Period : The Class A1 ICULS holders may exercise their rights to convert their ICULS into new ordinary shares in the Company during the first conversion period which is the period of six (6) months from the expiry of the fifth year of the date of issue (i.e. 30 December 2009 to 30 June 2010). Any Class A1 ICULS not converted then shall be convertible into new ordinary shares in the Company during the second conversion period which is the period of the last six (6) months of the eighth year from the date of issue (i.e. 27 June 2012 to 27 December 2012).
- Voting Rights at : On a show of hands, one (1) vote per ICULS holder
Meeting of ICULS : On a poll, one (1) vote for every RM1 nominal value of ICULS held by the holder
Holders

Directors' Interests In Class A1 ICULS as per Register of Directors' Shareholdings

	Direct Interest		Deemed Interest	
	Nominal value of ICULS (RM)	%	Nominal value of ICULS (RM)	%
Tan Sri Dato' Khoo Kay Peng	-	-	166,739,917	37.58
Dr Ngui Chon Hee	13,013	negligible	36,436	0.01

Distribution of Class A1 ICULS Holdings

Holdings	No. of Holders		Nominal value of ICULS (RM)	
		%		%
Less than 100	2,650	15.49	74,277	0.02
100 - 1,000	3,745	21.90	2,483,590	0.56
1,001 - 10,000	8,689	50.80	30,184,867	6.80
10,001 - 100,000	1,806	10.56	46,399,474	10.46
100,001 to less than 5% of issued ICULS	210	1.23	123,818,761	27.91
5% and above of issued ICULS	3	0.02	240,701,061	54.25
Total	17,103	100.00	443,662,030	100.00



ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS HOLDINGS (Cont'd)

As at 25 April 2008

Thirty (30) Largest Registered Class A1 ICULS Holders

<i>Name</i>	<i>Nominal value of ICULS (RM)</i>	<i>%</i>
1. Bonham Industries Limited	142,957,000	32.22
2. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	61,485,682	13.86
3. HLG Nominee (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	36,258,379	8.17
4. Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Liew Jun Kuan	17,947,800	4.05
5. Pan Malaysia Corporation Berhad	11,008,550	2.48
6. Apprex (M) Sdn Bhd	5,953,983	1.34
7. Bahtera Muhibbah Sdn Bhd	3,983,212	0.90
8. Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
9. MUI Properties Berhad	3,783,671	0.85
10. Cheah See Han	3,428,375	0.77
11. Kim Hin Joo Private Limited	3,157,415	0.71
12. UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	3,036,381	0.68
13. United Pace Sdn Bhd	2,535,311	0.57
14. Mayban Nominees (Tempatan) Sdn Bhd - Securities Account for Koperasi Polis Diraja Malaysia Bhd	2,168,843	0.49
15. Lim Kian Siong	1,775,396	0.40
16. Soh Teck Toh	1,709,400	0.38
17. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	1,526,067	0.34
18. Jomuda Sdn Bhd	1,518,190	0.34
19. CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	1,419,049	0.32
20. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	1,390,604	0.31
21. Zulkifli bin Hussain	1,268,618	0.29
22. Shoptra Jaya (M) Sdn Bhd	1,232,273	0.28
23. Universiti Malaya	1,229,575	0.28
24. Lim Choon Cheng	1,015,219	0.23
25. Golden Brook Sdn Bhd	1,000,053	0.23
26. Chen Tsu Peh @ Chin Fui	1,000,000	0.23
27. Youn-Yeaw & Brothers Sdn Bhd	1,000,000	0.23
28. AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account for Lee Sheng Chow	974,354	0.22
29. Zulkifli bin Hussain	854,731	0.19
30. Liew Jun Kuan	827,700	0.19
Total	321,293,770	72.42



- Class of Securities : Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS")
- Nominal value of ICULS issued and outstanding : RM443,662,030
- Conversion Price : RM1 nominal value of ICULS for every one (1) new fully paid-up ordinary share in the Company, subject to any adjustment as may be made pursuant to the Trust Deed executed by the Company. The minimum value for conversion required is RM100 nominal value of ICULS.
- Conversion Period : The Class A2 ICULS holders may exercise their rights to convert their ICULS into new ordinary shares in the Company at any time during the last six (6) months of the eighth year from the date of issue (i.e. 27 June 2012 to 27 December 2012).
- Voting Rights at Meeting of ICULS Holders : On a show of hands, one (1) vote per ICULS holder
On a poll, one (1) vote for every RM1 nominal value of ICULS held by the holder

Directors' Interests In Class A2 ICULS
as per Register of Directors' Shareholdings

	Direct Interest		Deemed Interest	
	Nominal value of ICULS (RM)	%	Nominal value of ICULS (RM)	%
Tan Sri Dato' Khoo Kay Peng	-	-	202,222,917	45.58
Dr Ngui Chon Hee	13,013	negligible	36,436	0.01

Distribution of Class A2 ICULS Holdings

Holdings	No. of Holders	%	Nominal value of ICULS (RM)	%
Less than 100	2,607	15.12	73,199	0.02
100 - 1,000	3,750	21.75	2,488,346	0.56
1,001 - 10,000	8,778	50.92	30,611,013	6.90
10,001 - 100,000	1,891	10.97	49,134,033	11.07
100,001 to less than 5% of issued ICULS	211	1.23	115,924,657	26.13
5% and above of issued ICULS	2	0.01	245,430,782	55.32
Total	17,239	100.00	443,662,030	100.00



ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS HOLDINGS (Cont'd)

As at 25 April 2008

Thirty (30) Largest Registered Class A2 ICULS Holders

<i>Name</i>	<i>Nominal value of ICULS (RM)</i>	<i>%</i>
1. Bonham Industries Limited	183,440,000	41.35
2. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	61,990,782	13.97
3. Pan Malaysia Corporation Berhad	11,008,550	2.48
4. HLG Nominee (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	6,564,968	1.48
5. Appreplex (M) Sdn Bhd	5,953,983	1.34
6. Bahtera Muhibbah Sdn Bhd	3,983,212	0.90
7. Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
8. MUI Properties Berhad	3,783,671	0.85
9. Kim Hin Joo Private Limited	3,157,415	0.71
10. UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	3,036,381	0.68
11. Lim Kian Siong	2,825,396	0.64
12. Public Nominees (Tempatan) Sdn Bhd - Securities Account for Lee Yu Yong @ Lee Yuen Ying	2,536,866	0.57
13. United Pace Sdn Bhd	2,535,311	0.57
14. Mayban Nominees (Tempatan) Sdn Bhd - Securities Account for Koperasi Polis Diraja Malaysia Bhd	2,168,843	0.49
15. Lee Hong Choon & Sons Sdn Bhd	2,000,000	0.45
16. Public Nominees (Tempatan) Sdn Bhd - Securities Account for Wong Soo Chai @ Wong Chick Wai	1,807,100	0.41
17. Youn-Wen & Brothers Sdn Bhd	1,700,000	0.38
18. CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	1,553,287	0.35
19. Tan Lee Hwa	1,550,000	0.35
20. Shoptra Jaya (M) Sdn Bhd	1,542,173	0.35
21. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	1,526,067	0.34
22. Jomuda Sdn Bhd	1,518,190	0.34
23. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	1,439,604	0.32
24. Zulkifli bin Hussain	1,268,618	0.29
25. Universiti Malaya	1,229,575	0.28
26. Zulkifli bin Hussain	1,060,431	0.24
27. Lim Choon Cheng	1,015,219	0.23
28. Ong Hock Siong @ Benny Ong Hock Siong	1,000,000	0.23
29. ABB Nominee (Tempatan) Sdn Bhd - Securities Account for Babena Sdn Bhd	769,421	0.17
30. Mah Siew Seong	767,099	0.17
Total	318,580,101	71.80



GROUP FINANCIAL HIGHLIGHTS FIVE-YEAR SUMMARY

As at 31 December	2007 RM'000	2006 RM'000 (Restated)	2005 RM'000	2004 RM'000	2003 RM'000
ASSETS					
Property, Plant & Equipment and Land Held for Property Development	899,234	866,505	565,765	2,948,873	3,037,105
Investment Properties	101,613	32,441	32,629	-	141,000
Prepaid Land Lease Payments	29,948	15,967	-	-	-
Associated Companies, Joint Venture and Investments	585,390	598,769	804,903	1,081,185	1,181,577
Intangibles & Goodwill	218,155	79,307	37,144	120,673	604,291
Deferred Tax Assets	4,603	4,779	6,853	8,715	15,456
Current Assets	1,285,537	1,190,071	1,368,329	1,729,636	2,012,707
Non-Current Assets Held for Sale	43,377	145,647	1,428,123	-	-
Total Assets	3,167,857	2,933,486	4,243,746	5,889,082	6,992,136
EQUITY AND LIABILITIES					
Share Capital	1,940,532	1,940,532	1,940,532	1,940,532	1,940,532
ICULS *	736,479	736,479	736,479	-	-
Reserves	(1,855,864)	(1,825,278)	(1,809,627)	(1,254,759)	(892,714)
	821,147	851,733	867,384	685,773	1,047,818
Minority Interest	301,314	279,844	444,622	1,384,033	1,593,042
Total Equity	1,122,461	1,131,577	1,312,006	2,069,806	2,640,860
Non-Current Liabilities	793,121	494,359	236,850	2,362,500	2,591,594
Current Liabilities	1,252,275	1,307,550	2,694,890	1,456,776	1,759,682
Total Equity and Liabilities	3,167,857	2,933,486	4,243,746	5,889,082	6,992,136
Financial year ended 31 December					
	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
Revenue	778,241 #	743,962 #	1,222,091	1,462,746	1,393,946
Profit from Operations before Exceptional Items	85,716	44,889	77,616	105,511	152,970
Exceptional items	(1,838)+	(178,664)+	(240,268)+	(294,546)+	(111,954)+
Profit / (Loss) before Taxation	28,763 #	(246,694)#	(412,405)	(387,123)	(160,394)
Profit / (Loss) for the Financial Year	26,064	(237,236)	(355,126)	(365,375)	(168,936)
Profit / (Loss) attributable to Equity Holders of the Company	10,356	(217,883)	(371,150)	(405,474)	(174,043)

* ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks issued by the Company.

+ Include the recognition of impairment of assets in compliance with FRS 136/MASB 23 "Impairment of Assets".

Include discontinued operation disclosed separately in income statement.

In the above summary, 2007, 2006 and 2005 figures reflect the results and state of affairs of the Group reported in accordance with FRSs effective / relevant in the respective financial year. It is not practicable to restate previous years figures according to FRSs.



DIRECTORS' REPORT

The Directors present herewith their report and audited financial statements of the Group and of the Company for the financial year ended 31 December 2007.

Principal Activities

The Company is an investment holding company. The principal activities of its subsidiary and associated companies are retailing, hotels, food & confectionery, financial services, property and travel & tourism.

There have been no significant changes in the Group's activities during the financial year.

Financial Results

	<i>Group RM'000</i>	<i>Company RM'000</i>
Profit for the financial year :-		
- from continuing operations	23,215	20,310
- from discontinued operation	2,849	-
Profit for the financial year	<u>26,064</u>	<u>20,310</u>
Attributable to:-		
Equity holders of the Company	10,356	20,310
Minority interest	15,708	-
	<u>26,064</u>	<u>20,310</u>

Reserves And Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the financial year ended 31 December 2007.

Option Granted Over Unissued Shares

No option were granted to any person to take up unissued shares of the Company during the financial year.

Issue of Shares and Debentures

The Company has not issued any new shares or debentures during the financial year.

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are: -

Tan Sri Dato' Khoo Kay Peng (Chairman & Chief Executive)
Datuk Yong Ming Sang
Ang Guan Seng
Dato' Paduka Nik Hashim Nik Yusoff
Dr Ngui Chon Hee
Khet Kok Yin
Tan Sri Dato' Paduka Dr Mazlan bin Ahmad
Dato' Dr Tan Kee Kwong
Mohamad Faiz bin Abdul Hamid (alternate to Datuk Yong Ming Sang)



None of the Directors who held office at the end of the financial year had, according to the Register of Directors' Shareholdings, any interest in the shares and / or securities issued by the Company and its related corporations except as stated below: -

**Ordinary shares of RM1 each in
Malayan United Industries Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	903,492,500	41,740,000	(40,500,000)
Datuk Yong Ming Sang Direct	1,981,800	-	-
Indirect	549,640	-	-
Ang Guan Seng Indirect	68,353,800	-	-
Tan Sri Dato' Paduka Dr Mazlan bin Ahmad Direct	100,000*	-	-

*At date of appointment on 3.1.2007

**Ordinary shares of 20 sen each in
MUI Properties Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	550,862,661	-	-
Dr Ngui Chon Hee Direct	30,000	-	-
Indirect	84,000	-	-

**Ordinary shares of 50 sen each in
Pan Malaysia Corporation Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	428,544,500	-	-

**Ordinary shares of 10 sen each in
Pan Malaysia Holdings Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	638,572,986	25,999,810	(25,999,810)

**Ordinary shares of RM1 each in
MUI Continental Insurance Berhad**

	<i>Number of shares</i>		
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	52,226,568	-	-

**Ordinary shares of RM1 each in
Metrojaya Berhad**

	<i>Number of shares</i>		
	<i>Balance at 14.8.2007 #</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	113,751,983	3,691,650	-

The date Metrojaya Berhad became a subsidiary of the Company



***Class A1 Irredeemable Convertible
Unsecured Loan Stocks in
Malayan United Industries Berhad***

	<i>Nominal value (RM)</i>			<i>Balance at 31.12.2007</i>
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>	
Tan Sri Dato' Khoo Kay Peng				
Deemed	127,842,529	66,200,000	(27,302,612)	166,739,917
Dr Ngui Chon Hee				
Direct	13,013	-	-	13,013
Indirect	36,436	-	-	36,436

***Class A2 Irredeemable Convertible
Unsecured Loan Stocks in
Malayan United Industries Berhad***

	<i>Nominal value (RM)</i>			<i>Balance at 31.12.2007</i>
	<i>Balance at 1.1.2007</i>	<i>Bought</i>	<i>Sold</i>	
Tan Sri Dato' Khoo Kay Peng				
Deemed	159,525,529	70,000,000	(27,302,612)	202,222,917
Dr Ngui Chon Hee				
Direct	13,013	-	-	13,013
Indirect	36,436	-	-	36,436

By virtue of his deemed interests in the shares of the Company, Tan Sri Dato' Khoo Kay Peng is deemed to have an interest in the shares of all the other subsidiary companies of the Company to the extent that the Company has an interest.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than those directors having interest in the Class A1 and Class A2 Irredeemable Convertible Unsecured Loan Stocks of the Company as disclosed above.

Other Statutory Information

(a) In the opinion of the Directors: -

- (i) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 7 to the financial statements;
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made; and
- (iii) no contingent liability or other liability has become enforceable or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.



- (b) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps: -
- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (c) At the date of this report, the Directors are not aware of any circumstances which would render: -
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (d) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (e) At the date of this report there does not exist: -
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year to secure the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group or of the Company which would render any amount stated in the financial statements misleading.

Significant Corporate Developments

The significant corporate developments are disclosed in Note 37 to the financial statements.

Auditors

The auditors, BDO Binder, have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board in accordance with a resolution by the Directors

Dato' Paduka Nik Hashim Nik Yusoff

Khet Kok Yin

28 April 2008



INCOME STATEMENTS

For the financial year ended 31 December 2007

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i> <i>(Restated)</i>	<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>
Continuing Operations					
Revenue	6	763,586	626,886	1,184	1,468
Cost of sales		(556,128)	(452,654)	-	-
Gross profit		207,458	174,232	1,184	1,468
Other income		31,353	46,956	1	-
Distribution costs		(15,667)	(18,455)	-	-
Administrative expenses		(85,144)	(125,021)	(1,388)	(1,582)
Other expenses		(52,284)	(10,584)	-	-
Profit / (Loss) from operations before exceptional items		85,716	67,128	(203)	(114)
Exceptional items	7	(1,838)	(170,310)	21,664	10,762
Profit / (Loss) from operations after exceptional items		83,878	(103,182)	21,461	10,648
Finance costs		(98,998)	(129,680)	(1,145)	(1,459)
Share of results of associated companies		41,034	18,394	-	-
Profit / (Loss) before taxation	8	25,914	(214,468)	20,316	9,189
Tax (expense) / income	9	(2,699)	10,302	(6)	7
Profit / (Loss) for the financial year from continuing operations		23,215	(204,166)	20,310	9,196
Discontinued Operation					
Profit / (Loss) for the financial year from discontinued operation	14(e)	2,849	(33,070)	-	-
Profit / (Loss) for the financial year		26,064	(237,236)	20,310	9,196
Attributable to:-					
Equity holders of the Company		10,356	(217,883)	20,310	9,196
Minority interest		15,708	(19,353)	-	-
		26,064	(237,236)	20,310	9,196
Earnings / (Loss) Per Share attributable to equity holders of the Company: -					
		Sen	Sen		
Basic					
- from continuing operations		0.45	(10.24)		
- from discontinued operation		0.09	(0.99)		
	10	0.54	(11.23)		
Diluted					
- from continuing operations		0.31	N/A		
- from discontinued operation		0.06	N/A		
	10	0.37	N/A		

N/A : Not applicable

The attached notes form an integral part of these financial statements.



BALANCE SHEETS

As at 31 December 2007

		Group		Company	
	Note	2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000
			<i>(Restated)</i>		
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	863,971	830,347	-	-
Investment properties	12	101,613	32,441	-	-
Prepaid land lease payments	13	29,948	15,967	-	-
Subsidiary companies	14	-	-	796,740	786,911
Associated companies	15	292,280	311,331	-	-
Investments	16	293,110	287,438	-	-
Land held for property development	17	35,263	36,158	-	-
Goodwill on consolidation	18	218,155	79,307	-	-
Deferred tax assets	30	4,603	4,779	-	-
		1,838,943	1,597,768	796,740	786,911
CURRENT ASSETS					
Property development costs	17	73,187	77,839	-	-
Inventories	19	96,762	65,610	-	-
Trade and other receivables	20	332,590	339,982	1,351,474	1,340,941
Government securities and bonds	21	27,514	27,727	-	-
Short term investments	22	27,503	24,661	-	-
Tax recoverable		4,167	6,455	-	-
Deposits, bank balances and cash	23	723,814	647,797	125	185
		1,285,537	1,190,071	1,351,599	1,341,126
Non-current assets held for sale	24	43,377	145,647	-	-
		1,328,914	1,335,718	1,351,599	1,341,126
TOTAL ASSETS		3,167,857	2,933,486	2,148,339	2,128,037
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	25	1,940,532	1,940,532	1,940,532	1,940,532
ICULS *	26	736,479	736,479	736,479	736,479
Reserves	27	(1,855,864)	(1,825,278)	(565,257)	(585,567)
		821,147	851,733	2,111,754	2,091,444
MINORITY INTEREST		301,314	279,844	-	-
TOTAL EQUITY		1,122,461	1,131,577	2,111,754	2,091,444
NON-CURRENT LIABILITIES					
Borrowings	28	772,011	460,490	-	-
Employee benefits	29	3,782	3,780	-	-
Deferred tax liabilities	30	17,328	30,089	-	-
		793,121	494,359	-	-
CURRENT LIABILITIES					
Trade and other payables	31	229,674	160,624	191	195
Provisions	32	68,260	67,000	-	-
Borrowings	28	900,234	1,020,856	20,000	20,000
Tax liabilities		21,339	31,935	16,394	16,398
Reserves for unearned premium		32,768	27,135	-	-
		1,252,275	1,307,550	36,585	36,593
TOTAL LIABILITIES		2,045,396	1,801,909	36,585	36,593
TOTAL EQUITY AND LIABILITIES		3,167,857	2,933,486	2,148,339	2,128,037

* ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks issued by the Company
The attached notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2007



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

Group	Attributable to Equity Holders of the Company										Interest	Equity
	Non-Distributable					Distributable						
	Share Capital RM'000	ICULS # RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Capital Reserve RM'000	General Reserve RM'000	Accumulated Losses RM'000	Total RM'000			
2006												
At 1 January 2006	1,940,532	736,479	220,305	18,268	188,297	6,428	25,257	(2,268,182)	867,384	444,622	1,312,006	
Effect of adopting FRS 3	-	-	-	-	-	-	-	116,320	116,320	-	116,320	
	1,940,532	736,479	220,305	18,268	188,297	6,428	25,257	(2,151,862)	983,704	444,622	1,428,326	
Group's share of post-acquisition reserves of associated companies	-	-	-	-	(8,651)	(84)	-	(2,319)	(11,054)	-	(11,054)	
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	-	(15,590)	-	-	-	(15,590)	(6,237)	(21,827)	
Changes in tax rate (Note 30(d))	-	-	-	241	-	-	-	-	241	-	241	
Profit / (Loss) recognised directly in equity	-	-	-	241	(24,241)	(84)	-	(2,319)	(26,403)	(6,237)	(32,640)	
Loss for the financial year	-	-	-	-	-	-	-	(217,883)	(217,883)	(19,353)	(237,236)	
Total recognised income and expenses	-	-	-	241	(24,241)	(84)	-	(220,202)	(244,286)	(25,590)	(269,876)	
Changes in share of results by minority shareholders	-	-	-	-	-	-	-	(13,345)	(13,345)	13,345	-	
Changes in stake of a former associated company	-	-	-	-	-	-	-	125,660	125,660	(125,660)	-	
Share buyback by subsidiary companies	-	-	-	-	-	-	-	-	-	(4,728)	(4,728)	
Acquisition of additional interest in subsidiary companies	-	-	-	-	-	-	-	-	-	-	(19,564)	
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(2,581)	(2,581)	
At 31 December 2006	1,940,532	736,479	220,305	18,509	164,056	6,344	25,257	(2,259,749)	851,733	279,844	1,131,577	



Group	Attributable to Equity Holders of the Company										Interest	Equity
	Non-Distributable					Distributable						
	Share Capital RM'000	ICULS # RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Capital Reserve RM'000	General Reserve RM'000	Accumulated Losses RM'000	Total RM'000			
2007												
At 1 January 2007	1,940,532	736,479	220,305	18,509	164,056	6,344	25,257	(2,259,749)	851,733	279,844	1,131,577	
Group's share of post-acquisition reserves of associated companies	-	-	-	-	(13,006)	60	-	(6,711)	(19,657)	-	(19,657)	
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	-	(22,080)	-	-	-	(22,080)	1,231	(20,849)	
Changes in tax rate (Note 30(d))	-	-	-	695	-	-	-	-	695	-	695	
Exemption of Real Property Gain Tax (Note 30(e))	-	-	-	100	-	-	-	-	100	-	100	
Profit / (Loss) recognised directly in equity	-	-	-	795	(35,086)	60	-	(6,711)	(40,942)	1,231	(39,711)	
Profit for the financial year	-	-	-	-	-	-	-	10,356	10,356	15,708	26,064	
Total recognised income and expenses	-	-	-	795	(35,086)	60	-	3,645	(30,586)	16,939	(13,647)	
Acquisition of a subsidiary company (Note 14(c))	-	-	-	-	-	-	-	-	-	7,989	7,989	
Deconsolidation of a subsidiary company (Note 14(e))	-	-	-	-	-	-	-	-	-	(318)	(318)	
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(3,140)	(3,140)	
At 31 December 2007	1,940,532	736,479	220,305	19,304	128,970	6,404	25,257	(2,256,104)	821,147	301,314	1,122,461	

ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks issued by the Company.



STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For the financial year ended 31 December 2007

Company

	<i>Share Capital RM'000</i>	<i>ICULS # RM'000</i>	<i>Non-Distributable</i>		<i>Accumulated Losses RM'000</i>	<i>Total RM'000</i>
			<i>Share Premium RM'000</i>	<i>Revaluation Reserves RM'000</i>		
2006						
At 1 January 2006	1,940,532	736,479	220,305	26,264	(841,332)	2,082,248
Profit for the financial year	-	-	-	-	9,196	9,196
At 31 December 2006	1,940,532	736,479	220,305	26,264	(832,136)	2,091,444
2007						
At 1 January 2007	1,940,532	736,479	220,305	26,264	(832,136)	2,091,444
Profit for the financial year	-	-	-	-	20,310	20,310
At 31 December 2007	1,940,532	736,479	220,305	26,264	(811,826)	2,111,754

ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks issued by the Company.

The attached notes form an integral part of these financial statements.



CASH FLOW STATEMENTS

For the financial year ended 31 December 2007

		<i>Group</i>	<i>Company</i>		
	<i>Note</i>	2007 <i>RM'000</i>	2006 <i>RM'000</i>	2007 <i>RM'000</i>	2006 <i>RM'000</i>
Cash Flows From Operating Activities					
Profit / (Loss) before taxation					
- from continuing operations		25,914	(214,468)	20,316	9,189
- from discontinued operation		2,849	(32,226)	-	-
		28,763	(246,694)	20,316	9,189
Adjustments for: -					
Exceptional items <i>[See (b) below]</i>		(13,691)	204,938	(21,664)	(10,762)
Amortisation of premiums on government securities and bonds		152	332	-	-
Allowance for diminution in value of short term investments written back		(2,350)	(4,265)	-	-
Depreciation and amortisation					
- property, plant and equipment	11	27,882	24,616	-	-
- investment properties	12	359	53	-	-
- prepaid land lease payments	13	327	240	-	-
Dividend income		(1,356)	(10,769)	(39)	(40)
Gain on disposal of plant and equipment		(74)	(42)	-	-
Gain on disposal of short term investments		(3,130)	(2,454)	-	-
Interest expense		99,518	131,313	1,145	1,459
Interest income		(28,747)	(51,561)	(1,145)	(1,428)
Plant and equipment written off	11	446	242	-	-
Provision for employee benefits	29	735	2,632	-	-
Reserves for unearned premiums		5,633	429	-	-
Share of results of associated companies		(41,034)	(18,394)	-	-
Operating profit / (loss) before working capital changes		73,433	30,616	(1,387)	(1,582)
Decrease in inventories		13,067	23,267	-	-
Decrease / (Increase) in receivables		26,813	(4,286)	(4)	432
Decrease / (Increase) in property development costs		4,644	(4,489)	-	-
Increase in short term investments		(17,035)	(23,335)	-	-
Increase / (Decrease) in payables		13,946	(50,188)	(4)	95
Cash from / (used in) operations		114,868	(28,415)	(1,395)	(1,055)
Employee benefits paid	29	(838)	(2,164)	-	-
Interest paid		(7,629)	(9,434)	(1,145)	(1,459)
Interest received		6,902	17,392	1,145	1,428
Tax refund		4,077	17,700	-	-
Tax paid		(25,580)	(27,844)	-	(117)
Net cash from / (used in) operating activities		91,800	(32,765)	(1,395)	(1,203)



CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2007

	<i>Note</i>	Group 2007 RM'000	2006 RM'000	Company 2007 RM'000	2006 RM'000
Cash Flows From Investing Activities					
Acquisition of a subsidiary company, net of cash acquired	14(c)	(262,330)	-	-	-
Advances to subsidiary companies		-	-	(38,123)	(30,786)
Cost incurred on non-current assets held for sale		(1,656)	(3,123)	-	-
Dividends received		27,339	19,260	29	29
Interest received		21,845	34,169	-	-
Net bank balances disposed on disposal of a subsidiary company [See (c) below]		-	(403)	-	-
Net cash inflow from deconsolidation of a subsidiary company	14(e)	6,450	-	-	-
Purchase of additional shares in a subsidiary company		(4,700)	(21,124)	-	(1,700)
Purchase of government bonds and securities		(480)	(10,759)	-	-
Purchase of long term investments		-	(297)	-	-
Purchase of property, plant and equipment	11	(24,840)	(14,335)	-	-
Purchase of investment properties	12	(25,128)	(885)	-	-
Proceeds from disposal of shares in associated companies		-	11,835	-	-
Proceeds from disposal of other investments		54,017	151,829	-	-
Proceeds from disposal of government bonds and securities		540	8,426	-	-
Proceeds from disposal of: -					
- property, plant and equipment		283	10,453	-	-
- investment properties		650	-	-	-
- non-current assets held for sale		70,389	1,030,935	-	-
Repayments from subsidiary companies		-	-	39,438	68,631
Net cash (used in) / from investing activities		(137,621)	1,215,981	1,344	36,174
Cash Flows From Financing Activities					
Dividends paid to minority shareholders of subsidiary companies		(3,140)	(2,581)	-	-
Interest paid		(91,889)	(121,879)	-	-
Proceeds from drawdown of bank borrowings		390,239	709,259	-	35,000
Repayment of bank borrowings		(122,665)	(1,812,666)	-	(70,000)
Share buyback by subsidiary companies		-	(2,950)	-	-
Withdrawal of pledged deposits with licensed companies as sinking funds		-	34,647	-	-
Net cash from / (used in) financing activities		172,545	(1,196,170)	-	(35,000)
Effects of exchange rate changes		6,367	(8,528)	(9)	(10)
Net increase / (decrease) in cash and cash equivalents		133,091	(21,482)	(60)	(39)



	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Cash and cash equivalents as at 1 January: -				
As previously reported	533,275	552,482	185	224
Effect of exchange rate changes on cash and cash equivalents	(6,607)	2,275	-	-
As restated	526,668	554,757	185	224
Cash and cash equivalents as at 31 December	659,759	533,275	125	185
<i>[See (a) below]</i>				

(a) Cash and cash equivalents consist of the following: -

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Deposits, bank balances and cash	723,814	647,797	125	185
Bank overdrafts	(64,055)	(114,522)	-	-
	659,759	533,275	125	185

(b) Exceptional items as presented in the cash flow statements comprise: -

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Impairment of assets				
- goodwill	(21,568)	(79,947)	-	-
- investment properties	(10,000)	-	-	-
- property, plant and equipment	-	(38,515)	-	-
- investments in associated companies	-	(3,918)	-	-
- investments in subsidiary companies	-	-	-	(15,920)
	(31,568)	(122,380)	-	(15,920)
Bad debts written off	(669)	(93)	-	(1,644)
Gain on disposal of investments in subsidiary companies	-	6,217	-	-
Gain / (Loss) on disposal of long term investments	12,180	(15,187)	-	-
Gain / (Loss) on disposal of: -				
- investment properties	435	-	-	-
- non-current assets held for sale	(851)	23,751	-	-
- properties	-	5,752	-	-
Gain / (Loss) on foreign exchange (unrealised)	8,834	(6,352)	(9)	(10)
Inventories written down	(5,581)	(1,388)	-	-
Loss on disposal of shares in an associated company	-	(5,646)	-	-
Negative goodwill recognised	-	6,028	-	-
Provision for contingent liabilities for discontinued operation	(2,659)	(9,438)	-	-



CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2007

(b) Exceptional items as presented in the cash flow statements comprise: - (cont'd)

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Reversal of impairment on: -				
- property, plant and equipments	3,931	-	-	-
- non-current assets held for sale	8,716	7,288	-	-
- investments in subsidiary companies	-	-	9,829	-
Surplus / (Deficit) arising from deconsolidation of subsidiary companies due to: -				
- discontinued operations (<i>Note 14 (e)</i>)	13,143	-	-	-
- winding-up (<i>Note 14 (f)</i>)	(288)	-	-	-
Writeback of / (Allowance for) diminution in value of long term investments	7,109	(12,976)	-	-
Writeback of / (Allowance for) doubtful debts	959	(80,514)	-	-
Writeback of allowance for doubtful debts on amounts owing by subsidiary companies	-	-	11,844	28,336
	13,691	(204,938)	21,664	10,762

(c) The effects of the disposal of a subsidiary company during the financial year ended 31 December 2006 are analysed as follows: -

	Group
	2006
	RM'000
Assets and liabilities disposed	
Property, plant and equipment	184
Trade and other receivables	580
Bank balances	403
Trade and other payables	(7,384)
Net assets disposed	(6,217)
Gain on disposal of a subsidiary company	6,217
Net proceeds received	-
Less : Bank balances disposed of	(403)
Net bank balances disposed of upon disposal of a subsidiary company	(403)

The attached notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2007

1. Principal Activities And General Information

The principal activity of the Company is investment holding whilst that of its subsidiary and associated companies are primarily engaged in retailing, hotels, food & confectionery, financial services, property and travel & tourism. There have been no significant changes in the Group's principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office of the Company is at 5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur, Malaysia.

The Financial Statements are presented in Ringgit Malaysia, which is also the functional currency of the Company.

2. Authorisation Of Issue Of Financial Statements

The Financial Statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 28 April 2008.

3. Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its financial risks. The Board reviews and adopts policies for managing the financial risks and the Group's policy is generally not to engage in speculative transactions.

The main areas of the financial risks faced by the Group and the policy in respect of the major areas of treasury activities are set out as follows: -

(a) Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of its normal operations, both external and intra-Group where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of overseas operating subsidiary companies to transaction risk by matching local currency income against local currency costs.

(b) Interest Rate Risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

(c) Credit Risk

This is the risk that a counter party is unable to pay its debts or meet its obligations. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Term and call deposits and bank balances are held with financial institutions of good standing.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

3. Financial Risk Management Policies Cont'd

(c) Credit Risk (Cont'd)

The management believes that concentration of credit risk is limited due to the Group's large number of receivables who are dispersed over a broad spectrum of industries and business.

(d) Market Risk

The Group's principal exposure to market risk arises mainly from the changes in equity prices. Equity investments classified as current assets are available for sale and the Group manages disposal of its investments to optimise returns on realisation.

(e) Liquidity And Cash Flow Risks

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected borrowing needs are covered by committed facilities and also to ensure that the amount of debt maturing in any one year is within the Group's means to repay and refinance.

4. Significant Accounting Policies

(a) Basis Of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of land and buildings and investments in certain subsidiary companies) unless otherwise indicated in the accounting policies.

The preparation of financial statements in conformity with applicable approved Financial Reporting Standard ("FRS") in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) New FRS and amendments to FRS adopted

The accounting policies adopted by the Group and the Company are consistent with those used in the previous financial year except for the adoption of the following revised FRS which are relevant to the Group and the Company effective for financial period beginning 1 January 2007: -

FRS 117	Leases
Amendments to	Employee Benefits - Actuarial Gains and Losses, Group Plans and
FRS 119 ₂₀₀₄	Disclosures.
FRS 124	Related Party Disclosures

The adoption of revised FRS 124 does not have any significant financial impact on the Group whereas adoption of revised FRS 119₂₀₀₄ will only change the format and extent of disclosures presented in the financial statements.



(a) **Basis Of Preparation** (Cont'd)

The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment or investment properties and was stated at cost less accumulated depreciation and impairment losses, if any.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117 and the following comparative figures as at 31 December 2006 have been restated: -

	<i>As previously reported RM'000</i>	<i>Effect on adoption of FRS 117 RM'000</i>	<i>As restated RM'000</i>
At 31 December 2006			
Property, plant and equipment	845,292	(14,945)	830,347
Investment properties	33,463	(1,022)	32,441
Prepaid land lease payment	-	15,967	15,967

(ii) New FRS and amendments to FRS not adopted

In addition to the above FRS, the Malaysian Accounting Standards Board ("MASB") has issued a number of new and revised FRS which are relevant to the Group and the Company but are not early adopted, as follows: -

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 121	Amendments to FRS 121 Effect of changes in foreign exchange rates - net investment in a foreign operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
FRS 139	Financial instruments : Recognition and Measurements

The above new and revised standards are effective for accounting period beginning on or after 1 July 2007 (except for FRS 139 which the effective date has yet to be announced by MASB). The Group and the Company will adopt these standards (except for FRS 139) for financial periods beginning from 1 January 2008.

No material impact are expected on financial statements arising from adoption of these standards except for the followings: -

(i) FRS 139 Financial Instruments: Recognition and Measurements

This standard established principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(a) Basis Of Preparation (Cont'd)

(i) FRS 139 Financial Instruments: Recognition and Measurements (Cont'd)

By virtue of the exemption provided under paragraph 103AB of FRS 139, the impacts on the financial statements upon first adoption of this standard as required by the paragraph 30(b) of FRS 108 are not disclosed.

(ii) Amendment to FRS 121 Effect of changes in foreign exchange rates - net investment in a foreign operation.

This amendment results in exchange differences arising from monetary item that forms part of the Group's net investment in foreign operation to be recognised in equity irrespective of the currency denomination and of whether the monetary item results from a transaction with the Company or any of its subsidiary companies.

As it is not possible to reasonably estimate the exchange rates applicable to such monetary items for future periods, the Directors are therefore unable to determine if the initial adoption of this amendment will have a material impact on the consolidated financial statements for the financial year ending 31 December 2008.

(iii) Framework for the Preparation and Presentation of Financial Statements

MASB has also issued the Framework for the Preparation and Presentation of Financial Statements ("Framework"), which is effective for annual periods beginning on or after 1 July 2007. The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not an MASB approved accounting standard and hence does not define standards for any particular measurement or disclosure issue. The Group will apply this Framework for its annual period beginning 1 January 2008.

(iv) IC Interpretations

IC Interpretations effective for annual periods beginning on or after 1 July 2007: -

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Fund
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's and the Company's operations.



(b) Basis Of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies for the financial year ended 31 December 2007, with the exception of those subsidiary companies under members' / creditors' voluntary winding-up referred to in Note 14(f) to the financial statements. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

The results of subsidiary companies acquired or disposed of during the financial year are consolidated from the date on which control is transferred to the Group until the date that such control ceases.

Subsidiary companies are consolidated using the purchased method of accounting. Under this method, the cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary company acquired, the Group will: -

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

Where more than one exchange transaction is involved, any adjustment to the fair value of the subsidiary company's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

The gain or loss on disposal of a subsidiary company, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary company, is recognised in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred.

Minority interest is that portion of the profit or loss and net assets of subsidiary companies attributable to equity interests that are not owned, directly or indirectly through subsidiary companies, by the Group and the Company.

Where losses applicable to the minority in a subsidiary company exceed the minority's interest in the equity of that subsidiary company, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary company subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(b) Basis Of Consolidation (Cont'd)

Minority interest is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company, in the consolidated balance sheet within equity and in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

(c) Associated Companies

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Associated companies are companies in which the Group exercises significant influence over the financial and operating policies of the investee company.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associated company.

The results and reserves of the associated companies are based on the latest available audited or management financial statements. Where the dates of the financial statements are not co-terminous, the shares of results is arrived at using the latest audited financial statements which difference in year end is not more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

Upon disposal of an investment in associate company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(d) Ordinary Shares

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly to the issuance of shares are accounted for as a deduction from share premium. Otherwise, they are charged to the income statement. Dividends to shareholders are recognised in equity in the period in which they are declared.

(e) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary or associated company at the date of acquisition. Goodwill on acquisition of subsidiary companies is included in goodwill on consolidation and is measured at cost less accumulated impairment losses, if any. Separately recognised goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired and carried at cost less accumulated



(e) Goodwill (Cont'd)

impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

(f) Trade And Other Receivables

Trade and other receivables, including amounts owing by subsidiary companies, associated companies and related parties, are carried at anticipated realisable value. Bad debts are written off when known and specific allowance is made for those debts considered doubtful.

(g) Investments

Investments in subsidiary and associated companies held on a long term basis are stated at cost less impairment losses, if any, in the separate financial statements of the Company, except for certain investments in subsidiary companies which are stated at valuation, less impairment losses, if any.

Investments in other long term investments are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

Short term investments are stated at the lower of cost and market value.

Malaysian Government Securities and Bonds are stated at cost adjusted for amortisation of premiums or accretion of discounts to maturity date. Premiums and accretion of discounting are calculated on a straight line basis over the period from the date of acquisition to the date of maturity of securities.

(h) Investment Properties

Investment properties are land and buildings held by the Group for their investment potential and rental income and are stated at cost except for a freehold land which was revalued in 1982 based on independent professional valuation using open market value basis and retained on the basis of their previous valuation in accordance with the transitional provisions of FRS 116²⁰⁰⁴ - Property, Plant and Equipment applied by the Group when the standard was first adopted by the MASB in year 1998.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

The Directors periodically assess the carrying value of the Group's investment properties based upon the advice of professional valuers. Where an indication of impairment exists, the carrying value of an investment property is assessed and written down to its recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(i) Property, Plant and Equipment

The gross carrying amounts of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land and buildings which have been subsequently revalued, are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The Group does not adopt a policy of regular valuations. These revalued assets have been retained on the basis of their previous valuation in accordance with the transitional provisions of FRS 116²⁰⁰⁴ - Property, Plant and Equipment applied by the Group when the standard was first adopted by the MASB in year 1998. The transitional provisions will remain in force until and unless the Group adopts a revaluation policy in place of a cost policy where FRS 116 (which supersedes FRS 116²⁰⁰⁴) would require revaluations to be carried out at regular intervals.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Freehold land is not depreciated. All other property, plant and equipment are depreciated on a straight line basis to write off the costs of the assets over their estimated useful lives at the following annual rates: -

	%
Buildings	0.7 to 2.5
Plant & machinery	4 to 10
Motor vehicles	15 to 30
Furniture, fittings & equipment	5 to 33.3
Renovation	5 to 20

Depreciation on assets under construction commences when the assets are ready for their intended use.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.



(j) Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. In addition, the assets are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRS. Then, on initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, financial assets and inventories) are measured at the lower of carrying amount immediately prior to being classified as held for sale and fair value less costs to sell. Any differences are included in profit or loss. Any cumulative income or expense recognised directly in equity relating to non-current assets classified as held for sale is presented separately.

Following their classification as held for sale, non-current assets are not depreciated.

If the criteria in the classification as non-current assets held for sale is no longer met, the non-current asset ceased to be classified as held for sale and is measured at the lower of :

- (i) its carrying amount before the assets was classified as held for sale, adjusted for any depreciation that would have been recognised had the assets not been classified as held for sale; and
- (ii) its recoverable amount at the date of the subsequent decision not to sell.

(k) Liabilities

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

Borrowings are interests-bearing and are initially recognised at the amount of proceeds received, net of transaction costs. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method.

(l) Leases And Hire-Purchase Commitments

Assets acquired under finance leases and hire-purchase contracts which in substance transfer the risks and benefits of ownership of the assets to the Group have been capitalised under property, plant and equipment and the corresponding liabilities are taken up under lease and hire-purchase creditors respectively. The assets are depreciated on the same basis as that of the Group's other assets. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The finance charges are allocated to the income statement over the periods of lease and hire-purchase liabilities.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(l) Leases And Hire-Purchase Commitments (Cont'd)

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with the substance of the arrangement. If the lease payment cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

(m) General Insurance Underwriting Results

The general insurance underwriting results, other than those arising from inward treaty business, are determined for each class of business after taking into account inter alia reinsurances, commissions, unearned premiums and claims incurred.

(i) Premium Income

Premium is recognised in a financial period in respect of risks assumed during that particular financial period. Inward treaty reinsurance premiums are recognised on the basis of periodic advice received from ceding insurers while facultative reinsurance premiums are recognised on inception date.

(ii) Inward Treaty Business

Underwriting results relating to reinsurance inward treaty transactions, regardless of the underwriting years to which they pertain, are included in current operations to the extent that such transactions are reported by the brokers and reinsurers in their statements of accounts received by the Group as at the end of the financial year.

(iii) Provision for Outstanding Claims

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with the related expenses less recoveries to settle the present obligation at the balance sheet date.

Provision is also made for the cost of claims, together with related expenses incurred but not reported ("IBNR") at balance sheet date, using a mathematical method of estimation.



(m) General Insurance Underwriting Results (Cont'd)

Estimating the provision for outstanding claims, involves projection of the Company's future claims experience based on current claims experience. As with all projections, there are elements of uncertainty and thus the projected future claims experience may be different from its actual claims experience due to the level of uncertainty involved in projecting future claims experience based on past claims experience.

These uncertainties arise from changes in underlying risks, changes in spread of risks, claims settlement as well as uncertainties in the projection model and underlying assumptions.

(iv) Unearned Premium Reserve

The Unearned Premium Reserve ("UPR") represents the portion of the net premiums of insurance policies written that relates to the unexpired period of the policies at the end of the financial year.

In determining the UPR at balance sheet date, the methods that most accurately reflects the actual unearned premium are used and are as follows:

- 25% method for Malaysian marine and aviation cargo business.
- 1/24th method for all other classes of Malaysian general policies business.
- 1/8th method for all other classes of overseas inward treaty business.

The UPR calculation is adjusted for additional UPR as required under guidelines issued by Bank Negara Malaysia in respect of premiums ceded to overseas reinsurers.

(v) Acquisition Costs

The cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income. Acquisition costs or ceding income which are not recoverable or not payable in the event of a termination of the policy to which they relate, are not deferred but are recognised in the period in which they occur.

(n) Provisions

Provisions, other than provision for outstanding insurance claims, are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(o) Employee Benefits

(i) Short Term Benefits

Wages, salaries and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(o) Employee Benefits (Cont'd)

(i) Short Term Benefits (Cont'd)

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

(iii) Provision for Retirement Gratuities

The Group makes provisions for unfunded retirement gratuities for certain eligible employees. The retirement benefits are calculated based on the terms of employment contract.

(p) Income Taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, capital gain taxes and real property gains taxes payable on disposal of properties in Malaysia, prior to 1 April 2007, if any.

Taxes in the income statement comprises of the followings: -

(i) Current Tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted by the balance sheet date.

(ii) Deferred Tax

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principal, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.



(p) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and the deferred tax liabilities relate to the same taxation authority.

(q) Cash And Cash Equivalents

Cash and cash equivalents comprise bank balances and cash, deposits with financial institutions and other short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(r) Foreign Currencies

The separate financial statements of each of the Group's entities are measured using the currency of the primary environment in which the entity operates ("the functional currency"). The Group's and the Company's financial statements are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company.

In the Group financial statements, assets and liabilities of overseas subsidiary companies are translated at exchange rates ruling at the balance sheet date. Income statement items are translated at average exchange rates for the financial year. All exchange differences are dealt with through the exchange translation reserve account. Exchange differences recognised in the income statement of entities' in the Group separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operations concerned are classified to the exchange translation reserve.

Foreign currency transactions are accounted for at exchange rates ruling at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

(s) Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Revenue from sales of goods, oil palm fruits and rendering of services is recognised upon delivery of products and customer acceptance, if any, or performance of service, net of sales taxes and discounts.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(s) Revenue Recognition (Cont'd)

Revenue from hotels is recognised upon occupancy of rooms and delivery of food and beverages.

Interest income is recognised on an accrual basis.

Revenue from development properties is recognised on percentage of completion method in cases where the financial outcome of the development can be reliably estimated. Anticipated losses are provided for in full.

Property rental income is recognised on an accrual basis.

Dividends from subsidiary companies, associated companies and other investments are included in the income statements of the Group and the Company when the shareholder's right to receive payment is established.

(t) Land Held For Property Development And Property Development Costs

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less accumulated impairment loss, if any.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.



(u) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to its present location and condition. Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation.

Completed properties held for resale are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and comprises cost of land, construction and appropriate development overheads.

(v) Impairment Of Assets

Goodwill on consolidation is tested for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. The carrying amounts of the Group's and Company's assets, other than deferred tax assets, inventories, property development costs and financial assets (other than investments in subsidiary companies and associated companies), are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). If the recoverable amount of cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the cash-generating unit is reduced to its recoverable amount.

The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against revaluation for the same asset with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset.

Except for goodwill, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(w) Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS are regarded as equity instrument. ICULS are stated at the nominal value net of discount upon issuance. The discount on the ICULS under equity instrument will be debited to retained profits when the ICULS are converted into new ordinary shares of the Company.

(x) Borrowing Costs

Borrowing costs incurred to finance the acquisition or production of qualifying assets are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

4. Significant Accounting Policies (Cont'd)

(x) Borrowing Costs (Cont'd)

intended use. Borrowing costs incurred to finance property development activities are accounted for in a similar manner. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

(y) Financial Instruments

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Financial instruments recognised on the balance sheet

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and bank borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy associated with each item.

(ii) Financial instruments not recognised on the balance sheet

The Group is a party to put options arrangement in accordance with the scheme of arrangement by a subsidiary company as set out in the Note 34(b) to the financial statements. This instrument is not recognised in the financial statements on inception.

(z) Separate Financial Statements

The Group treats company financial statements as separate financial statements in accordance with FRS 127 Consolidated and Separate Financial Statements. Separate financial statements are those presented by a parent, an investor in an associated company or a venturer in a jointly controlled entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and the net assets of the investees.

(aa) Discontinued Operations

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary company acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative income statement is restated as if the operation had been discontinued from the start of the comparative period.



5. Significant Accounting Estimates And Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key Sources Of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(i) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amounts of the cash-generating units to which goodwill is allocated. Further details on the estimation of the recoverable amounts are disclosed in Note 18 to the financial statements.

(ii) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Investments in Associated Companies and Long Term Investments

The investments in associated companies and long term investments are reviewed for impairment when there is an indication of impairment. The recoverable amounts of investments in associated companies and long term investments are assessed by reference to market prices for quoted investments and net assets for unquoted investments.

(v) Provision for Outstanding Claims

Information on significant areas of estimation uncertainty and critical judgements in the making of the provision for outstanding claims are disclosed in Note 4(m)(iii).

(iv) Allowance for Doubtful Debts

The policy for assessing allowance for doubtful debts of the receivables of the Group is based on the ongoing evaluation of the collectability and aging analysis of the receivables and on the management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each receivables. If the financial conditions of the receivables have deteriorated, resulting in impairment of their ability to make payments, additional allowance may be required.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

5. Significant Accounting Estimates and Judgement (Cont'd)

(a) Key Sources Of Estimation Uncertainty (Cont'd)

(iv) Allowance for Doubtful Debts (Cont'd)

The Group has exposure to credit risks relating to recovery of trade and other receivables. Significant judgements are involved in estimating the allowance for doubtful debts. In determining the amounts of allowances for certain specific debts, the Directors have considered certain factors relating to the financial position of the receivables.

(b) Critical Judgement

(i) Non-Current Assets Held For Sale

Non-current assets held for sale are in respect of properties which are pending disposal and in line with the rationalisation plan of the Group. These assets are actively marketed for sale. The Group expects that the sale of the remaining properties to be completed within the next 12 months. However, the Group has continued to classify certain assets as non-current assets held for sale even though the sale has not been completed within one year as the delay is caused by circumstances beyond the Group's control and the Group remain committed to its plan to sell the asset.

(ii) Classification Between Investment Properties and Property, Plant and Equipment

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.



6. Revenue

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue comprises the following: -				
<i>Continuing Operations</i>				
Revenue from hotel operations	239,941	317,453	-	-
Sales of goods	320,033	109,161	-	-
Gross written insurance premium	161,563	127,249	-	-
Income recognised on property development	17,034	24,588	-	-
Income from sales of tickets and travel related services	13,981	24,375	-	-
Interest income	2,720	14,916	1,145	1,428
Dividend income	19	5,356	39	40
Property rental income	3,932	3,240	-	-
Sales of oil palm fruits	4,058	-	-	-
Others *	305	548	-	-
	763,586	626,886	1,184	1,468
<i>Discontinued Operation</i>				
Sales of goods (Note 14 (e))	14,655	117,076	-	-
	778,241	743,962	1,184	1,468

* Comprise mainly revenue from share registration and secretarial services, computer related services and equipment rental.

7. Exceptional Items

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Continuing Operations</i>					
Impairment of assets					
- goodwill	18	(21,568)	(78,311)	-	-
- investment properties	12	(10,000)	-	-	-
- property, plant and equipment	11	-	(38,515)	-	-
- investments in associated companies	15	-	(3,918)	-	-
- investments in subsidiary companies	14	-	-	-	(15,920)
		(31,568)	(120,744)	-	(15,920)
Bad debts written off		(669)	(93)	-	(1,644)
Deficit arising from deconsolidation of subsidiary companies	14(f)	(288)	-	-	-
Gain on disposal of investments in subsidiary company	14(d)	-	6,217	-	-
Gain / (Loss) in foreign exchange					
- unrealised		8,834	(6,373)	(9)	(10)
- realised		(7,369)	26,274	-	-
Gain / (Loss) on disposal of long term investments		12,180	(15,187)	-	-
Gain / (Loss) on disposal of: -					
- investment properties		435	-	-	-
- non-current assets held for sale		(851)	23,751	-	-
Inventories written down		(5,215)	-	-	-



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

7. Exceptional Items (Cont'd)

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>
<i>Continuing Operations</i> (Cont'd)					
Loss on disposal of shares in an associated company		-	(5,646)	-	-
Negative goodwill recognised		-	6,028	-	-
Reversal of impairment					
- property, plant and equipment	11	5,597	-	-	-
- non-current assets held for sale		8,716	7,288	-	-
- investments in subsidiary companies	14	-	-	9,829	-
Writeback of / (Allowance for) diminution in value of long term investments		7,109	(12,976)	-	-
Writeback of / (Allowance for) doubtful debts		1,251	(78,849)	-	-
Writeback of allowance for doubtful debts on amounts owing by subsidiary companies		-	-	11,844	28,336
		(1,838)	(170,310)	21,664	10,762
<i>Discontinued Operation</i>	14(e)				
Impairment of assets					
- goodwill		-	(1,636)	-	-
- property, plant and equipment		(1,666)	-	-	-
Allowance for doubtful debts		(292)	(1,665)	-	-
Gain on disposal of properties		-	5,752	-	-
Gain on foreign exchange (unrealised)		-	21	-	-
Inventories written down		(366)	(1,388)	-	-
Provision for contingent liabilities		(2,659)	(9,438)	-	-
		(4,983)	(8,354)	-	-
Surplus arising from deconsolidation of a subsidiary company		13,143	-	-	-
		8,160	(8,354)	-	-
Total exceptional items		6,322	(178,664)	21,664	10,762

8. Profit / (Loss) Before Taxation

Profit / (Loss) before taxation is stated after charging: -

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>
Auditors' remuneration					
- current		1,673	2,469	65	55
- under provision in prior years		67	95	10	4
Amortisation of premiums net of accretion of discounts on government securities and bonds		152	332	-	-



8. Profit / (Loss) Before Taxation (Cont'd)

Profit / (Loss) before taxation is stated after charging:- (Cont'd)

		<i>Group</i>		<i>Company</i>	
		<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>Note</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Depreciation / Amortisation					
- Property, plant and equipment	11	27,882	24,616	-	-
- Investment properties	12	359	53	-	-
- Prepaid land lease payments	13	327	240	-	-
Directors' remuneration:-					
Directors of the Company					
Receivable from the Company					
- fees		-	-	-	-
- other emoluments		295	252	295	252
Receivable from subsidiary companies					
- fees		174	275	-	-
- other emoluments		2,068	2,042	-	-
- defined contribution plan		-	32	-	-
Directors of subsidiary companies					
- fees		109	-	-	-
- other emoluments		3,704	4,955	-	-
Interest expense					
- bank overdrafts		7,629	9,434	-	-
- term loans		36,608	36,210	-	-
- other borrowings		55,281	85,669	1,145	1,459
Plant and equipment written off	11	446	242	-	-
Provision for employee benefits (net)	29	735	2,632	-	-
Rental of buildings		20,154	6,376	-	-
Rental of equipment		1,391	2,938	-	-
Staff costs					
- Defined contribution plan		4,514	5,035	-	-
- Salary, wages and other costs		119,214	146,281	-	-
and after crediting:-					
Allowance for diminution in value of short term investments written back		2,350	4,265	-	-
Gross dividends received from					
Subsidiary companies					
- unquoted		-	-	39	40
Other investments					
- quoted in Malaysia		1,307	1,287	-	-
- quoted overseas		5	9,482	-	-
- unquoted		45	-	-	-
Interest income received from					
- subsidiary companies		-	-	1,145	1,428
- fixed deposits		19,695	32,493	1	-
- others		9,052	19,068	-	-
Gain on disposal of short term investments		3,130	2,454	-	-
Gain on disposal of plant and equipment		74	42	-	-
Property rental income		6,082	4,226	-	-



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

8. Profit / (Loss) Before Taxation (Cont'd)

The estimated monetary value of benefits-in-kind received by the Directors of the Company, otherwise than in cash, from the Group and the Company amounted to RM31,000 and RM4,000 (2006 : RM54,000 and RM4,000) respectively.

The number of Directors of the Company whose remuneration during the financial year fell within the following bands is analysed as below: -

	<i>Number of Directors</i>	
	<i>2007</i>	<i>2006</i>
Executive		
RM2,250,001 to RM2,300,000	-	1
RM2,500,001 to RM2,550,000	<u>1</u>	<u>-</u>
Non-executive		
Below RM50,000	4	3
RM250,001 to RM300,000	<u>-</u>	<u>1</u>

9. Tax Expense / (Income)

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2006</i> <i>RM'000</i>
<i>Continuing Operations</i>					
Current taxation					
- Malaysia		10,573	5,630	2	-
- Foreign		3,641	22,761	-	-
Deferred tax	30	(11,822)	(38,947)	-	-
		<u>2,392</u>	<u>(10,556)</u>	<u>2</u>	<u>-</u>
Under / (Over) provision in respect of prior years		307	254	4	(7)
		<u>2,699</u>	<u>(10,302)</u>	<u>6</u>	<u>(7)</u>
<i>Discontinued Operation</i>	14(e)				
Deferred tax	30	-	842	-	-
Under provision in respect of prior years		-	2	-	-
		<u>-</u>	<u>844</u>	<u>-</u>	<u>-</u>
Total Tax Expense / (Income)		<u>2,699</u>	<u>(9,458)</u>	<u>6</u>	<u>(7)</u>

A reconciliation between the average effective tax rate and the applicable tax rate to the profit / (loss) before taxation of the Group and the Company is as follows: -

	<i>Group</i>		<i>Company</i>	
	<i>2007</i> <i>%</i>	<i>2006</i> <i>%</i>	<i>2007</i> <i>%</i>	<i>2006</i> <i>%</i>
Tax at applicable tax rate on profit / (loss) before taxation	27.00	(28.00)	27.00	28.00
Tax effects of:				
Different tax rates on subsidiary companies	(1.54)	(0.63)	-	-
Tax exempt income	(4.02)	(0.01)	-	-
Utilisation of current year's tax losses, capital allowances and reinvestment allowances	-	(1.53)	-	-
Movement in deferred tax assets not recognised during the financial year	0.19	(15.39)	-	-



9. Tax Expense / (Income) (Cont'd)

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Changes in tax rates for previously recognised deferred tax assets	(0.82)	-	-	-
Crystallisation of revaluation surplus on property, plant and equipment	(28.74)	-	-	-
Taxable income not recognised in income statement	11.38	-	-	-
Non-allowable expenses	141.43	48.66	1.81	1.72
Losses not available to set-off	-	0.24	-	0.03
Income not subject to tax	(136.56)	(7.27)	(28.80)	(29.75)
	8.32	(3.93)	0.01	-
Under / (Over) provision in respect of prior years	1.06	0.10	0.02	(0.08)
Average effective tax rate	9.38	(3.83)	0.03	(0.08)

10. Earnings / (Loss) Per Share

(a) Basic

Basic earnings / (loss) per ordinary share for the financial year is calculated by dividing the profit / (loss) for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Profit / (Loss) attributable to equity holders of the Company: -		
- from continuing operations	8,677	(198,673)
- from discontinued operation	1,679	(19,210)
	10,356	(217,883)
	<i>Unit</i>	<i>Unit</i>
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares in issue	1,940,532	1,940,532
	<i>Sen</i>	<i>Sen</i>
Basic earnings / (loss) per share: -		
- from continuing operations	0.45	(10.24)
- from discontinued operation	0.09	(0.99)
	0.54	(11.23)



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

10. Earnings / (Loss) Per Share (Cont'd)

(b) Diluted

Diluted earnings / (loss) per ordinary share for the financial year is calculated by dividing the profit / (loss) for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2007	2006
	RM'000	RM'000
Profit / (Loss) attributable to equity holders of the Company: -		
- from continuing operations	8,677	(198,673)
- from discontinued operation	1,679	(19,210)
	10,356	(217,883)
	Unit	Unit
	'000	'000
Weighted average number of ordinary shares in issue	1,940,532	1,940,532
Dilutive effect of ICULS	887,324	887,324
Adjusted weighted average number of ordinary shares	2,827,856	2,827,856
	Sen	Sen
Diluted earnings per share: -		
- from continuing operations	0.31	*
- from discontinued operation	0.06	*
	0.37	*

* The diluted loss per ordinary share in previous financial year is not disclosed as it is antidilutive.

11. Property, Plant And Equipment

Group

Cost or Valuation

Note	Freehold Land RM'000	Long Term Leasehold Land RM'000	Short Term Leasehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture Fittings & Equipment RM'000	Construction Work-In Progress RM'000	Renovation RM'000	Total 2007 RM'000	Total 2006 RM'000
At 1 January	363,069	17,977	1,218	597,475	48,677	10,214	99,392	1,685	16,675	1,156,382	813,670
As previously reported	-	(17,977)	(1,218)	-	-	-	-	-	-	(19,195)	(19,195)
Effect of adopting FRS 117	363,069	-	-	597,475	48,677	10,214	99,392	1,685	16,675	1,137,187	794,475
As restated	(13,876)	-	-	(18,448)	8	(220)	(4,001)	26	-	(36,511)	31,513
Exchange difference	-	-	-	(2,753)	(36)	4	1,738	-	1,047	-	-
Reclassifications	349,193	-	-	576,274	48,649	9,998	97,129	1,711	17,722	1,100,676	825,988
Transfer from / (to): -											
- Non-current Assets Held for Sale	2,600	-	-	(4,346)	-	-	28,538	-	-	26,792	308,783
- Investment Properties	-	-	-	(15,699)	-	-	-	-	-	(15,699)	-
Additions	-	-	-	2,703	662	2,490	13,096	-	5,889	24,840	14,335
Disposals	-	-	-	-	(1,388)	(814)	(4,208)	-	(3,296)	(9,706)	(9,151)
Written off	-	-	-	-	(82)	-	(690)	-	(10)	(782)	(1,801)
Acquisition / (Disposal) of a subsidiary company	-	-	-	21,185	1,562	1,013	49,418	-	63,252	136,430	(967)
Deconsolidation of a subsidiary company	-	-	-	-	(2,606)	(78)	(5,645)	-	-	(8,329)	-
At 31 December	351,793	-	-	580,117	46,797	12,609	177,638	1,711	83,557	1,254,222	1,137,187
Accumulated Depreciation											
At 1 January	-	1,668	212	80,627	41,578	9,192	88,769	-	15,578	237,624	232,758
As previously reported	-	(1,668)	(212)	-	-	-	-	-	-	(1,880)	(1,650)
Effect of adopting FRS 117	-	-	-	80,627	41,578	9,192	88,769	-	15,578	235,744	231,108
As restated	-	-	-	(1,669)	6	(163)	(2,968)	-	-	(4,794)	4,244
Exchange difference	-	-	-	(286)	41	-	760	-	(515)	-	-
Reclassifications	-	-	-	78,672	41,625	9,029	86,561	-	15,063	230,950	235,352
Transfer from / (to): -											
- Non-current Assets Held for Sale	-	-	-	(5,820)	-	-	13,226	-	-	7,406	(17,390)
- Investment Properties	-	-	-	(3,226)	-	-	-	-	-	(3,226)	-
Charge for the financial year	-	-	-	17,351	1,440	821	5,650	-	2,620	27,882	24,616
Disposals	-	-	-	-	(1,374)	(814)	(4,016)	-	(3,293)	(9,497)	(4,492)
Written off	-	-	-	-	(82)	-	(250)	-	(4)	(336)	(1,559)
Acquisition / (Disposal) of a subsidiary company	-	-	-	4,548	1,547	853	43,076	-	50,220	100,244	(783)
Deconsolidation of a subsidiary company	-	-	-	-	(2,226)	(78)	(4,147)	-	-	(6,451)	-
At 31 December	-	-	-	91,525	40,930	9,811	140,100	-	64,606	346,972	235,744
Accumulated Impairment											
At 1 January	7,242	2,373	-	63,854	-	-	-	-	-	73,469	51,296
As previously reported	-	(2,373)	-	-	-	-	-	-	-	(2,373)	(2,373)
Effect of adopting FRS 117	7,242	-	-	63,854	-	-	-	-	-	71,096	48,923
As restated	(76)	-	-	(217)	-	-	(125)	-	-	(418)	319
Exchange difference	-	-	-	(2,753)	-	-	2,753	-	-	-	-
Reclassifications	7,166	-	-	60,884	-	-	2,628	-	-	70,678	49,242
Transfer from / (to) Non-current Assets Held for Sale	-	-	-	(21,802)	-	-	-	-	-	(21,802)	(16,661)
Recognised / (Reversal) during the financial year	1,955	-	-	(8,012)	76	-	2,050	-	-	(3,931)	38,515
Deconsolidation of a subsidiary company	-	-	-	-	(76)	-	(1,590)	-	-	(1,666)	-
At 31 December	9,121	-	-	31,070	-	-	3,088	-	-	43,279	71,096
Net Book Value											
At 31 December 2007	342,672	-	-	457,522	5,867	2,798	34,450	1,711	18,951	863,971	-
At 31 December 2006	355,827	-	-	452,994	7,099	1,022	10,623	1,685	1,097	-	830,347





NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

11. Property, Plant And Equipment (Cont'd)

(a) Property, plant and equipment stated at valuation are as follows: -

	Group	
	2007	2006
	RM'000	RM'000
<i>Freehold land and buildings</i>		
Valuation in 1983	91,413	91,413
Valuation in 1986	16,960	16,960
	108,373	108,373

The valuations in 1983 were based on valuations by independent professional valuers whilst that in 1986 was based on valuation by the Directors then. All valuations were on the basis of open market. The valuations have not been updated as the Group has not adopted a policy of regular revaluation. The said assets are stated at their valuation less accumulated depreciation. The carrying amounts of the said assets that would have been carried at cost less accumulated depreciation cannot be determined from available records.

- (b) The impairment of the property, plant and equipment of the Group is recognised or reversed during the financial year to reflect its recoverable amount which is based on the estimated market value by reference to the open market value and offers received from third parties.
- (c) Certain land & buildings, furniture, fittings & equipment, and plant & machinery of the subsidiary companies with net book values totalling RM737,718,000 (2006 : RM811,464,000) are pledged to financial institutions for banking facilities granted to these subsidiary companies.
- (d) Property, plant and equipment of the Group with net book values totalling RM421,000 (2006 : RM564,000) have been acquired under hire-purchase and lease arrangements.

12. Investment Properties

		Group	
		2007	2006
	Note	RM'000	RM'000
Cost or Valuation			
At 1 January			
- at cost		32,732	33,095
- at valuation (1982)		150	150
As previously reported		32,882	33,245
Effect of adopting FRS117	4(a)(i)	-	(1,267)
As restated		32,882	31,978
Transfer from Property, Plant and Equipment	11	15,699	-
Exchange difference		(3)	19
Additions		25,128	885
Disposals		(215)	-
Acquisition of a subsidiary company	14(c)	45,720	-
At 31 December		119,211	32,882
Accumulated Depreciation			
At 1 January			
As previously reported		441	616
Effect of adopting FRS117	4(a)(i)	-	(230)
As restated		441	386
Transfer from Property, Plant and Equipment	11	3,226	-



12. Investment Properties (Cont'd)

		<i>Group</i>	
	<i>Note</i>	<i>2007</i>	<i>2006</i>
		<i>RM'000</i>	<i>RM'000</i>
Exchange difference		-	2
Charge for the financial year		359	53
Acquisition of a subsidiary company	14(c)	3,572	-
At 31 December		7,598	441
Accumulated Impairment			
At 1 January		-	-
Recognised during the financial year		10,000	-
At 31 December		10,000	-
Net Book Value			
At 31 December		101,613	32,441
Fair Value		110,927	35,205
Included in the above are:			
Buildings		53,263	1,677
Freehold land		37,740	30,744
Construction work-in-progress		10,610	20
		101,613	32,441

Investment properties comprise commercial properties leased to third parties under operating leases. Rental income and direct operating expenses arising from these investment properties are as follows: -

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Rental Income	1,647	264
Direct operating expenses	1,094	280

The investment property at valuation of RM150,000 is based on revaluation in 1982 by independent professional valuers on the basis of open market value. With the adoption of FRS 140, the freehold land has been reclassified from property, plant and equipment to investment properties.

13. Prepaid Land Lease Payments

		<i>Group</i>	
	<i>Note</i>	<i>2007</i>	<i>2006</i>
		<i>RM'000</i>	<i>RM'000</i>
Cost			
At 1 January			
As previously reported		20,463	-
Effect of adopting FRS117	4(a)	-	20,462
As restated		20,463	20,462
Exchange difference		1	1
Acquisition of a subsidiary company	14(c)	15,421	-
At 31 December		35,885	20,463
Accumulated Amortisation			
At 1 January			
As previously reported		2,123	-
Effect of adopting FRS117	4(a)	-	1,880
As restated		2,123	1,880
Exchange difference		(1)	3
Charge for the financial year		327	240
Acquisition of a subsidiary company	14(c)	1,115	-
At 31 December		3,564	2,123



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

13. Prepaid Land Lease Payments (Cont'd)

		<i>Group</i>	
	<i>Note</i>	<i>2007</i>	<i>2006</i>
		<i>RM'000</i>	<i>RM'000</i>
Accumulated Impairment			
At 1 January			
As previously reported	4(a)	2,373	-
Effect of adopting FRS117		-	2,373
At 31 December		2,373	2,373
Net Book Value			
At 31 December		29,948	15,967
Analysed as:			
Long term prepaid land lease payments		23,495	14,959
Short term prepaid land lease payments		6,453	1,008
		29,948	15,967

Prepaid land lease payment with an aggregate carrying value of RM5,771,000 (2006: RM5,842,000) are pledged as securities for borrowings.

14. Subsidiary Companies

	<i>Company</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Investments in subsidiary companies		
Quoted shares		
At cost	258,632	258,632
At Directors' valuation (1983)	46,396	46,396
	305,028	305,028
Unquoted shares		
At cost	694,074	694,074
At Directors' valuation: -		
-1983	38,718	38,718
-1987	6,900	6,900
	739,692	739,692
Total investments	1,044,720	1,044,720
Less: Impairment losses	(247,980)	(257,809)
	796,740	786,911
Market value of quoted shares	80,530	84,326

- (a) Certain investments in subsidiary companies are carried at revalued amounts based on valuations made by Directors then in 1983 and 1987. The valuation of the quoted investments in subsidiary companies were based on the market values of the shares in the relevant subsidiary companies at that point in time, whereas the valuations of the unquoted investments in subsidiary companies were based on the adjusted net tangible assets of the relevant subsidiary companies. The valuations have not been updated as the Company has not adopted a policy of regular revaluation. As FRS 125₂₀₀₄ Accounting For Investments became operative in Malaysia for financial statements covering period beginning on or after 1 January 1993, the investments in subsidiary companies are stated at its previous valuations less impairment losses, if any.



14. Subsidiary Companies (Cont'd)

(b) The impairment of certain investments in subsidiary companies is recognised to reflect their recoverable amounts which are based on the adjusted net assets of each subsidiary company which has declined due to losses incurred.

(c) Acquisition of a subsidiary company

During the financial year, Libertyray (M) Sdn Bhd, a wholly-owned subsidiary company, has acquired 117,450,133 ordinary shares of RM1.00 each representing approximately 94.02% equity interest in Metrojaya Berhad ("MJB") at a total purchase consideration of RM281.9 million. MJB became a subsidiary company of the Group with effect from 14 August 2007. MJB is involved in operating department stores and specialty stores, property investment and investment holding. Further details of the acquisition of MJB are disclosed in Note 37 (a) to the financial statements.

MJB has contributed the following results to the Group for the current financial year: -

	<i>2007</i> <i>From the date of acquisition</i> <i>RM'000</i>
Revenue	202,557
Operating costs	(186,667)
Other operating income	1,013
Profit from operations	16,903
Finance costs	(167)
Exceptional items	(12,017)
Profit before taxation	4,719
Taxation	(3,853)
Profit for the period	866

The fair value of assets and liabilities and cash flow arising from the acquisition of MJB are as follows: -

	<i>2007</i> <i>At the date of acquisition</i> <i>RM'000</i>
Property, plant and equipment	36,186
Investment properties	42,148
Prepaid land lease payments	14,306
Investments	7,362
Deferred tax assets	1,454
Goodwill on consolidation (Note 18)	500
Inventories	54,419
Trade and other receivables	26,669
Tax recoverables	411
Cash and cash equivalents	19,556
Trade and other payables	(67,115)
Deferred tax liabilities	(345)
Tax liabilities	(1,101)
Total net assets	134,450



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

14. Subsidiary Companies (Cont'd)

The fair value of assets and liabilities and cash flow arising from the acquisition of MJB are as follows: - (Cont'd)

	<i>2007</i> <i>At the date of acquisition</i> <i>RM'000</i>
Total net assets	134,450
Less: Minority interest	(7,989)
Group's share of net assets	<u>126,461</u>
Goodwill arising on acquisition (<i>Note 18</i>)	155,425
Total purchase consideration satisfied by cash	<u>281,886</u>
Less: Cash and cash equivalents of MJB	(19,556)
Cash outflow on acquisition	<u><u>262,330</u></u>

(d) Disposal of a subsidiary company

On 6 March 2006, the Group disposed of The Reservation Company Limited ("Reservation Company"), a wholly-owned subsidiary company of Corus Hotels Limited, which is a wholly owned subsidiary company of the Group.

The effects of the disposal of Reservation Company on the financial results of the Group for the financial year ended 31 December 2006 were as follows: -

	<i>2006</i> <i>Up to the date of disposal</i> <i>RM'000</i>
Revenue	-
Operating costs	(2)
Decrease in Group loss	<u>(2)</u>

The effects of the disposal of Reservation Company on the financial position of the Group were as follows: -

	<i>2006</i> <i>At the date of disposal</i> <i>RM'000</i>
Assets / (Liabilities) disposed	
Property, plant and equipment	184
Trade and other receivables	580
Bank balances	403
Other payables	(7,384)
Increase in Group net assets	<u>(6,217)</u>

- (e) On 7 May 2007, the Board of Directors of Network Foods Limited ("NFL"), Australia appointed voluntary administrators under the Australian Corporations Act 2001 who took control of the affairs of NFL. The powers of the directors of NFL were suspended. Accordingly, the assets and liabilities of NFL were not included in the Consolidated Financial Statements of the Group with effect from 7 May 2007. Further details on NFL are disclosed in Note 37 (b) to the financial statements.

The comparative Consolidated Income Statement has been re-presented to show the discontinued operation separately from continuing operations.



14. Subsidiary Companies (Cont'd)

2007 **2006**
Up to the date of
deconsolidation
RM'000 **RM'000**

Results of discontinued operation of NFL for the financial year are as follows: -

Revenue (<i>Note 6</i>)	14,655	117,076
Operating costs	(19,504)	(140,383)
Other operating income	58	1,068
Exceptional items (<i>Note 7</i>)	(4,983)	(8,354)
Finance cost	(520)	(1,633)
Loss before taxation	(10,294)	(32,226)
Taxation (<i>Note 9</i>)	-	(844)
Loss after taxation	(10,294)	(33,070)
Surplus arising from deconsolidation of this subsidiary company	13,143	-
Profit / (Loss) for the financial year from discontinued operation	2,849	(33,070)

Cash flows from discontinued operation of NFL for the financial year are as follows: -

Net cash from operating activities	2,034	(5,362)
Net cash (used in) / from investing activities	(52)	9,392
Net cash used in financing activities	(2,587)	(12,084)
Net cash used in discontinued operations	(605)	(8,054)

At the date of
deconsolidation

Cash and cash equivalents of discontinued operation of NFL are as follows: -

Cash and bank balances	1,608	1,974
Bank overdrafts	(8,058)	(7,818)
	(6,450)	(5,844)

The effect of the deconsolidation on the financial position of the Group are as follow: -

Property, plant and equipment	212	1,938
Inventories	4,618	10,079
Trade and other receivables	5,291	9,659
Cash and bank balances	1,608	1,974
Trade and other payables	(13,331)	(27,255)
Bank overdrafts	(8,058)	(7,818)
Other bank borrowings	(3,165)	(5,750)
Minority interest	(318)	-
Decrease in Group net liabilities	(13,143)	(17,173)



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

14. Subsidiary Companies (Cont'd)

- (f) During the financial year, the following dormant / inactive subsidiary companies were placed under members' voluntary winding-up or creditors' voluntary winding-up: -

Direct subsidiary companies of the Company

- CSB-Canada Trading Ltd (*dissolved on 26 July 2007*)
- Malayan United Nominees (Asing) Sdn Bhd
- Malayan United Trading Sdn Bhd
- Megah Nominees (Tempatan) Sdn Bhd
- MUI Property Management Sdn Bhd
- MUI Security Services Sdn Bhd
- Vista Hotels Sdn Bhd

Subsidiary companies of MUI Properties Berhad

- Bashan Sdn Bhd
- Dondang Sayang Holdings Sdn Bhd
- Green Nominees (Tempatan) Sdn Bhd
- MUI Resorts Sdn Bhd
- MUP Sdn Bhd
- MUR Sdn Bhd
- Pistole Holdings Sdn Bhd

Subsidiary companies of Pan Malaysia Corporation Berhad

- Chalpillar (M) Sdn Bhd
- Cherubim Nominees (Tempatan) Sdn Bhd
- Faith Nominees (Tempatan) Sdn Bhd
- Megafine Nominees (Asing) Sdn Bhd
- Ultipac Sdn Bhd

The consolidated financial statements did not include the above subsidiary companies with effect from the date when these subsidiary companies were placed under winding-up.

The effects of the deconsolidation of these subsidiary companies on the financial results of the Group are as follows: -

	2007	2006
	<i>Up to the date of deconsolidation</i>	
	RM'000	RM'000
Revenue	-	-
Operating costs	(292)	(37)
Decrease in Group loss	(292)	(37)



14. Subsidiary Companies (Cont'd)

The effects of the deconsolidation of these subsidiary companies on the financial position of the Group are as follows: -

	2007	2006
	<i>At the date of deconsolidation</i>	
	RM'000	RM'000
Assets / (Liabilities) disposed		
Property, plant & equipment	-	2
Goodwill on consolidation	195	209
Other receivables	93	-
Bank balances	-	5
Other payables	-	(12)
Decrease in Group net assets	288	204

(g) The consolidated financial statements do not deal with the subsidiary companies under liquidation. These subsidiary companies are listed on pages 125 to 133.

(h) The subsidiary companies consolidated are listed on pages 123 to 133.

15. Associated Companies

	Group	
	2007	2006
	RM'000	RM'000
Investments in associated companies		
Quoted shares, at cost		
Malaysia	54,011	54,011
Overseas	293,021	312,828
	347,032	366,839
Unquoted shares, at cost	111,114	111,114
	458,146	477,953
Group's share of post-acquisition reserves and retained profits less losses	(114,660)	(115,416)
	343,486	362,537
Less : Impairment losses	(51,206)	(51,206)
	292,280	311,331
Market value of quoted shares		
Malaysia	82,379	41,190
Overseas	423,865	420,408
	506,244	461,598

The summarised financial information of the associated companies are as follows: -

Assets and liabilities		
Total assets	1,462,513	1,429,209
Total liabilities	830,320	775,971
Results		
Revenue	1,791,141	1,574,040
Profit for the financial year	118,007	48,457



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

15. Associated Companies (Cont'd)

- (a) The impairment of certain investments in associated companies is recognised in the previous financial year to reflect their recoverable amounts based on net assets of the associated companies which has declined due to losses incurred.
- (b) Certain quoted shares in an overseas associated company held by an overseas subsidiary company were pledged to overseas financial institutions for credit facilities of RM380.2 million (which were included in the credit facilities as mentioned in Note 28) granted to an overseas and a Malaysia subsidiary company.
- (c) The associated companies are listed on pages 124 to 131.

16. Investments

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Quoted shares		
Malaysia, at cost	272,653	327,797
Overseas, at cost	43,962	66,922
	<u>316,615</u>	<u>394,719</u>
Less : Allowance for diminution in value	(258,014)	(337,577)
	<u>58,601</u>	<u>57,142</u>
Unquoted shares, at cost	417,466	404,948
Less : Allowance for diminution in value	(182,957)	(174,652)
	<u>234,509</u>	<u>230,296</u>
Net carrying amount	<u>293,110</u>	<u>287,438</u>
Market value of quoted shares		
Malaysia	78,259	49,022
Overseas	555	17,134
	<u>78,814</u>	<u>66,156</u>

17. Land Held For Property Development And Property Development Costs

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
(a) Land held for property development (Non-current)		
Freehold land, at cost		
At 1 January	36,158	36,149
Transfer to Non-current Assets Held for Sale (Note 24(ii))	(902)	-
Addition	7	9
At 31 December	<u>35,263</u>	<u>36,158</u>
(b) Property development costs (Current)		
Costs at 1 January		
Freehold Land	28,791	31,586
Development costs	69,538	89,401
Exchange differences	(104)	(499)
	<u>98,225</u>	<u>120,488</u>



17. Land Held For Property Development And Property Development Costs (Cont'd)

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Costs incurred for the financial year		
Development costs	<u>4,560</u>	17,435
Accumulated costs reversed during the financial year in respect of completed projects		
Freehold land	(4,189)	(1,465)
Development costs	<u>(13,000)</u>	<u>(26,650)</u>
	<u>(17,189)</u>	<u>(28,115)</u>
Costs recognised in income statement		
At 1 January	(13,990)	(29,151)
Recognised for the financial year	(5,948)	(12,954)
Accumulated costs reversed during the financial year in respect of completed projects	<u>17,189</u>	<u>28,115</u>
At 31 December	<u>(2,749)</u>	<u>(13,990)</u>
Accumulated impairment		
At 1 January / 31 December	<u>(6,500)</u>	<u>(6,500)</u>
Transfers at 31 December to inventories	<u>(3,160)</u>	<u>(11,479)</u>
Property Development Costs at 31 December	<u>73,187</u>	<u>77,839</u>
Property development costs incurred during the financial year include: -		
Interest expense	<u>-</u>	<u>396</u>

18. Goodwill On Consolidation

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Cost		
At 1 January	1,098,996	1,093,207
Exchange differences	(14)	(21)
Acquired through acquisition of a subsidiary company (<i>Note 14(c)</i>)	500	-
Arising from acquisition of a subsidiary company (<i>Note 14(c)</i>)	155,425	-
Share buy back by subsidiary companies	-	10
Deconsolidation of a subsidiary company (<i>Note 14(f)</i>)	(195)	-
Purchase of additional shares in subsidiary companies	<u>4,700</u>	<u>5,800</u>
At 31 December	<u>1,259,412</u>	<u>1,098,996</u>
Accumulated impairment		
At 1 January	1,019,689	939,742
Recognised for the financial year	21,568	79,947
At 31 December	<u>1,041,257</u>	<u>1,019,689</u>
Net book value	<u>218,155</u>	<u>79,307</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

18. Goodwill On Consolidation (Cont'd)

Goodwill on consolidation arose mainly from acquisition of subsidiary companies. In view of the complexity in the Group and sub-group structures, the goodwill arising from the acquisition of a subsidiary company is recorded and monitored at the subsidiary company level as a cash-generating unit as it cannot be meaningfully allocated to the subsidiary company's business areas.

In assessing the recoverable amounts of the subsidiary companies to which the goodwill is allocated for impairment testing purposes, the Group had used various methods to estimate the recoverable amounts and the key assumptions are summarised as below: -

(a) Fair value less costs to sell

The fair value less costs to sell of a listed subsidiary company was determined by reference to the market price as at balance sheet date.

(b) Value in use

Value in use was estimated by using cash flow projections based on the financial budgets approved by the Board of Directors covering a period of five (5) years for retailing subsidiary company and twenty (20) years for food and confectionery subsidiary company. The discount rate applied to the cash flow projections was 12.75% based on weighted average cost of capital of the Company.

In the previous financial year, the recoverable amounts have been estimated based on adjusted net assets method. The net assets of the respective subsidiary companies are based on their audited financial statements as at 31 December 2006 which have been fairly stated and adjusted for the valuation surplus on certain assets held by the subsidiary companies.

On the above basis, the Group has recognised cumulatively up to 31 December 2007 impairment of goodwill amounting to RM1.04 billion out of the total goodwill of RM1.26 billion.

19. Inventories

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
At cost		
Food, beverages and hotel supplies	2,032	3,004
Retails trading merchandises	45,722	-
Sundry stores and consumables	1,970	1,441
Raw materials	4,918	4,954
Finished goods	14,639	21,828
Completed development property units	25,430	31,486
Work-in-progress	2,051	1,509
	96,762	64,222
At net realisable value		
Finished goods	-	1,388
	96,762	65,610



20. Trade And Other Receivables

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade receivables	584,989	587,763	-	-
Less: Allowance for doubtful debts net of bad debts written off of RM290,000 (2006 : RM1,165,000) for the Group	(424,002)	(428,172)	-	-
	160,987	159,591	-	-
Other receivables	65,334	55,194	5	-
Less: Allowance for doubtful debts net of bad debts written off of RM NIL (2006 : RM921,000) for the Group	(32,290)	(34,545)	-	-
	33,044	20,649	5	-
Amounts owing by associated companies	120,982	118,560	-	-
Less: Allowance for doubtful debts	(27)	(26)	-	-
	120,955	118,534	-	-
Amounts owing by subsidiary companies	-	-	2,515,032	2,516,347
Less: Allowance for doubtful debts	-	-	(1,163,567)	(1,175,411)
			1,351,465	1,340,936
Sundry deposits & prepayments	17,604	41,208	4	5
	332,590	339,982	1,351,474	1,340,941

(a) The foreign currency exposure profile of trade receivables is as follows: -

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Sterling Pound	10,070	12,596
Hong Kong Dollar	2,732	2,215
Singapore Dollar	782	1,088
Australian Dollar	-	9,851
US Dollar	-	630
	13,584	26,380

(b) The amounts owing by associated companies, which were previously subsidiary companies, represent balances arising from advances, which are unsecured, repayable on demand and interest-free except for advances of RM54.4 million (2006 : RM54.4 million) which bear interest at 5.0% (2006 : 5.0%) per annum.

(c) The amounts owing by subsidiary companies, which represent balances arising from advances and payments made on behalf by the Company, are unsecured, repayable on demand and are interest-free except for amounts totalling RM20.0 million (2006 : RM20.0 million) which bear interests at 5.64% to 5.80% per annum (2006 : 3.00% to 8.00% per annum).

(d) Normal trade credit terms ranges from 7 days to 180 days. Other credit terms are assessed and approved on a case-by-case basis.

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

21. Government Securities And Bonds

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
At Cost		
Malaysian Government Securities - quoted	22,333	22,808
Corporate Bonds - unquoted	5,100	5,164
	<u>27,433</u>	<u>27,972</u>
Accretion of discounts / (Amortisation of premiums)		
Malaysian Government Securities	81	(181)
Corporate Bonds	-	(64)
	<u>81</u>	<u>(245)</u>
	<u>27,514</u>	<u>27,727</u>
Market value of quoted securities		
Malaysian Government Securities	<u>22,545</u>	<u>22,820</u>

	<i>Effective annual interest</i>		<i>Maturity</i>		
	<i>rate</i>	<i>Amount</i>	<i>1 year</i>	<i>1 to 5 years</i>	<i>After 5 years</i>
	<i>%</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
2007					
Debt securities held to maturity: -					
Malaysian Government Securities	3.84	22,414	4,989	12,435	4,990
Corporate Bonds	6.30	5,100	-	5,000	100
2006					
Debt securities held to maturity: -					
Malaysian Government Securities	4.83	22,627	10,182	12,445	-
Corporate Bonds	6.79	5,100	-	5,000	100

22. Short Term Investments

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Quoted shares, at cost less allowance for diminution in value of RM682,000 (2006 : RM3,202,000)	<u>27,503</u>	<u>24,661</u>
Market value of quoted shares	<u>31,100</u>	<u>24,930</u>

23. Deposits, Bank Balances And Cash

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Term deposits with: -				
- Licensed banks	471,193	458,700	93	157
- Licensed finance companies	170,353	164,216	-	-
Bank balances and cash	82,268	24,881	32	28
	<u>723,814</u>	<u>647,797</u>	<u>125</u>	<u>185</u>



23. Deposits, Bank Balances And Cash (Cont'd)

(a) The foreign currency exposure profile of deposits, bank balances and cash is as follows: -

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Sterling Pound	132,904	37,882	9	9
US Dollar	41,324	1,798	-	-
Hong Kong Dollar	23,037	43,271	94	158
Australia Dollar	15,581	48,624	1	-
Singapore Dollar	8,503	8,825	1	1
Canada Dollar	39	23	-	-
Others	-	-	-	-
	221,388	140,423	105	168

(b) The weighted average effective annual interest rates of deposits, bank balances and cash during the financial year are as follows: -

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Term deposits with: -				
- Licensed banks	3.42	2.70	2.00	2.00
- Licensed finance companies	3.63	3.47	-	-
Bank balances and cash	0.24	1.81	-	-

The average maturity for deposits ranges from 1 day to 365 days (2006 : 1 day to 365 days).

(c) Included in deposits, bank balances and cash of the Group are amounts totalling RM7,358,000 (2006 : RM7,866,000) held under the Housing Development Accounts which are interest bearing pursuant to Section 7A of the Housing Developers (Control & Licensing) Act, 1966.

(d) Included in term deposits is an amount of RM288,454,000 (2006 : RM288,454,000), which represents balance of proceeds from the disposal of the cement associated companies by a listed subsidiary company. Any deviation from the original approved utilisation of this amount is subject to the approval of Securities Commission.

24. Non-Current Assets Held For Sale

Non-current assets held for sale are in respect of properties which are pending disposal and in line with the rationalisation plan of the Group.

During the financial year ended 31 December 2007: -

- (i) The Group has ceased to classify properties with carrying amounts totalling RM71,473,000 as non-current assets held for sale. This is due to the change of plans by management to retain the said properties in view of their future potential in terms of value and better trading prospects.
- (ii) MUI Properties Berhad ("MPB"), a subsidiary of the Company had on 14 September 2007 entered into an agreement to sell its entire issued and paid up share capital of Two Holdings Sdn Bhd ("THSB"), a wholly-owned subsidiary company of MPB, for a cash consideration of RM9.3 million. Further details on the disposal are disclosed in Note 37(d) to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

24. Non-Current Assets Held For Sale (Cont'd)

The major asset of THSB comprising a piece of vacant freehold land with carrying amount of RM0.9 million was reclassified as held for sale accordingly.

- (iii) Pan Malaysia Holdings Berhad, a subsidiary of the Company had on 14 September 2007 entered into an agreement to sell its 15-storey office building situated on a piece of freehold land for a cash consideration of RM39.0 million. Further details on the disposal are disclosed in Note 37(e) to the financial statements.

The said property with a carrying amount of RM39,000,000 was reclassified as held for sale accordingly.

The non-current assets held for sale with carrying amounts of RM39,000,000 (2006 : RM142,008,000) are pledged to financial institutions for credit facilities granted to subsidiary companies.

25. Share Capital

	<i>Group/Company</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Authorised		
3,000,000,000 ordinary shares of RM1 each	3,000,000	3,000,000
Issued & fully paid		
1,940,531,778 ordinary shares of RM1 each	1,940,532	1,940,532

26. Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

	<i>Group/Company</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
At nominal value		
Class A1, 8-year ICULS ("Class A1 ICULS")	443,662	443,662
Class A2, 8-year ICULS ("Class A2 ICULS")	443,662	443,662
Total	887,324	887,324
Less: Discount portion of ICULS	(150,845)	(150,845)
Net value of ICULS	736,479	736,479

The ICULS is classified as equity instrument in accordance with the provision of FRS 132 Financial Instruments: Disclosure and Presentation where the instrument includes no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

The salient features of the ICULS are as follows: -

- (i) The ICULS are non-interest bearing for their entire tenures;
- (ii) The ICULS which were issued on 30 December 2004 ("Issue Date") shall mature on the day immediately preceding the eighth (8th) anniversary of their Issue Date. The maturity date shall be 28 December 2012 ("Maturity Date");



26. Irredeemable Convertible Unsecured Loan Stocks ("ICULS") (Cont'd)

- (iii) The holders of the Class A1 ICULS may exercise their rights to convert their Class A1 ICULS into new shares in Malayan United Industries Berhad ("New MUI Shares") during the period of six (6) months from the expiry of the fifth (5th) year from the Issue Date ("First Conversion Period"). Any Class A1 ICULS not converted then shall be convertible into New MUI Shares during the period being the last six (6) months of the eighth (8th) year from Issue Date ("Second Conversion Period");
- (iv) The holders of Class A2 ICULS may exercise their rights to convert their ICULS into New MUI Shares at any time during the Second Conversion Period;
- (v) The ICULS shall be convertible into New MUI Shares on the basis of RM1.00 nominal value of ICULS for one (1) new fully paid-up ordinary share in MUI;
- (vi) All outstanding ICULS on Maturity Date shall be automatically and mandatorily converted into New MUI Shares;
- (vii) The Company shall issue additional ICULS designated as Class A3, 2½-year ICULS at nominal value upfront in year 6 as compensation in place of interest in cash for the 3-year period from years 6 to 8 on the outstanding unconverted Class A1 ICULS and Class A2 ICULS as at the end of the First Conversion Period. The amount of Class A3, 2½-year ICULS to be issued is calculated by reference to an implied interest rate of 5% per annum for the 3-year period for years 6 to 8, discounted to net present value by applying a discount rate of 7% per annum. The Board shall also retain the sole discretion to pay interest in cash for years 6 to 8 instead of the compensation as referred to above on the remaining unconverted Class A1 ICULS and Class A2 ICULS. If the Board so decides to pay interest in cash, then such interest shall be paid annually in arrears from years 6 to 8; and
- (viii) The New MUI Shares to be allotted and issued upon conversion of the ICULS shall rank pari passu in all respects with existing shares except that they will not rank for any dividends or other distributions declared or to be declared in respect of the financial period prior to the date of conversion into New MUI Shares or any interim dividend or distribution, the declaration date of which is on or before the conversion date.

27. Reserves

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Non-Distributable				
Share premium	220,305	220,305	220,305	220,305
Revaluation reserve	19,304	18,509	26,264	26,264
Exchange translation reserve	128,970	164,056	-	-
Capital reserve	6,404	6,344	-	-
Distributable				
General reserve	25,257	25,257	-	-
Accumulated losses	(2,256,104)	(2,259,749)	(811,826)	(832,136)
	(1,855,864)	(1,825,278)	(565,257)	(585,567)

- (a) The capital reserve comprises mainly the Group's portion of the share premium arising from special issues to approved Bumiputera investors by subsidiary companies in previous financial years.
- (b) The general reserve comprises mainly gains from disposal of property, plant and equipment by subsidiary companies in previous financial years.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

28. Borrowings

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current				
Bank overdrafts				
- secured	-	48,757	-	-
- unsecured	64,055	65,765	-	-
Bills payable				
- secured	-	5,720	-	-
- unsecured	1,739	5,913	-	-
Bank revolving credits and short term loan				
- secured	64,395	63,879	-	-
- unsecured	708,651	782,912	20,000	20,000
Current portion of term loans	61,304	47,802	-	-
Hire-purchase and lease liabilities	90	108	-	-
	900,234	1,020,856	20,000	20,000

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Non-Current		
Term loans and revolving credits		
- secured	832,985	507,842
Hire-purchase and lease liabilities	330	450
	833,315	508,292
Less : Current portion of term loans	(61,304)	(47,802)
	772,011	460,490

(a) The maturities of non-current term loans and revolving credits are as follows: -

Between 1 year to 2 years	51,936	37,688
Between 2 years to 3 years	36,616	15,320
Between 3 years to 4 years	552,888	-
Between 4 years to 5 years	130,241	407,032
	771,681	460,040

(b) Details of hire-purchase and finance lease liabilities are as follows: -

Hire-purchase and minimum lease payments		
Within 1 year	120	149
Between 1 year to 5 years	369	523
	489	672
Future finance charges	(69)	(114)
Present value of hire-purchase and finance lease liabilities	420	558
Portion payable: -		
Within 1 year (current)	90	108
Between 1 year to 5 years (non-current)	330	450
	420	558



28. Borrowings (Cont'd)

(c) The foreign currency exposure profile of borrowings is as follows: -

	Group	
	2007	2006
	RM'000	RM'000
Sterling Pound	512,976	437,833
Australia Dollar	14,395	27,417
Singapore Dollar	1,076	1,640
Hong Kong Dollar	475	591
Others	275	198
	529,197	467,679

(d) The weighted average effective annual interest rates of borrowings during the financial year are as follows: -

	Group		Company	
	2007	2006	2007	2006
	%	%	%	%
Bank overdrafts	7.70	7.90	-	-
Bills payable	5.50	6.00	-	-
Bank revolving credits	6.20	5.40	5.70	5.50
Term loans	7.10	5.70	-	-
Hire-purchase and lease liabilities	7.90	4.50	-	-

(e) The interest risk exposure of borrowings (excluding hire-purchase and lease liabilities) is as follows: -

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Fixed rate borrowings	200,639	40,789	-	-
Floating rate borrowings	1,471,186	1,439,999	20,000	20,000
	1,671,825	1,480,788	20,000	20,000

(f) The banking facilities of certain subsidiary companies are secured by the following: -

- (i) fixed charges over certain landed properties, fixed deposits, marketable securities, quoted shares in an associated company and plant and machinery of the subsidiary companies.
- (ii) floating charges over all the other assets of these subsidiary companies.

29. Employee Benefits

	Group	
	2007	2006
	RM'000	RM'000
At 1 January	6,846	6,371
Exchange adjustments	(25)	7
Acquisition of a subsidiary company (<i>Note 14(c)</i>)	936	-
Deconsolidation of a subsidiary company (<i>Note 14(e)</i>)	(837)	-
Provision for the financial year	735	2,632
Paid during the financial year	(838)	(2,164)
At 31 December	6,817	6,846
Less : Current portion included in provision (<i>Note 32</i>)	(3,035)	(3,066)
	3,782	3,780



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

29. Employee Benefits (Cont'd)

Provision is made for employee entitlements accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and retirement gratuity.

Liabilities arising in respect of annual leave and retirement gratuity are measured at their nominal amounts.

30. Deferred Tax Liabilities / Assets

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
At 1 January	25,310	59,436
Acquisition of a subsidiary company (<i>Note 14(c)</i>)	(1,109)	-
Exchange adjustments	(609)	2,856
Transfer from tax provision account pursuant to foreign tax law	1,750	1,364
Transfer to revaluation reserves	(795)	(241)
Transfer to income statement (<i>Note 9</i>)	(11,822)	(38,105)
At 31 December	12,725	25,310

(a) The amounts, determined after appropriate offsetting, are as follows: -

Deferred tax liabilities, net	17,328	30,089
Deferred tax assets, net	(4,603)	(4,779)
	12,725	25,310

(b) The component and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred Tax Liabilities of the Group

	<i>Property, plant and equipment RM'000</i>
At 1 January 2006	140,611
Transfer to income statement	(84,576)
Transfer to revaluation reserves	(241)
Exchange adjustments	6,282
At 31 December 2006 / 1 January 2007	62,076
Transfer to income statement	(16,186)
Transfer to revaluation reserves	(795)
Acquisition of a subsidiary company	462
Transfer to deferred tax assets	(31)
Exchange adjustments	(1,874)
At 31 December 2007	43,652



30. Deferred Tax Liabilities / Assets (Cont'd)

Deferred Tax Assets of the Group

	<i>Advance Corporate Taxation RM'000</i>	<i>Provisions RM'000</i>	<i>Unutilised tax losses and capital allowances RM'000</i>	<i>Others RM'000</i>	<i>Total RM'000</i>
At 1 January 2006	17,602	4,486	59,084	3	81,175
Recognised in income statement	(1,863)	(646)	(44,017)	55	(46,471)
Transfer from tax provision account	-	1	(1,365)	-	(1,364)
Exchange adjustments	1,068	-	2,292	66	3,426
At 31 December 2006 / 1 January 2007	16,807	3,841	15,994	124	36,766
Recognised in income statement	21	(1,202)	(3,370)	187	(4,364)
Acquisition of a subsidiary company	-	1,571	-	-	1,571
Transfer from deferred tax liabilities	-	-	(31)	-	(31)
Transfer from tax provision account	(1,387)	-	(363)	-	(1,750)
Exchange adjustments	(707)	1	(558)	(1)	(1,265)
At 31 December 2007	14,734	4,211	11,672	310	30,927

- (c) The Group has not recognised the deferred tax assets in the financial statements in respect of the following items: -

	<i>Group</i>	
	<i>2007 RM'000</i>	<i>2006 RM'000</i>
Unutilised tax losses	382,591	391,860
Unutilised capital allowances	10,286	17,408
Other deductible temporary differences	2,126	3,445
	395,003	412,713

The deferred tax assets are not recognised in the balance sheets as the Group is uncertain of the extent that is probable that future taxable profit will be available against which the above deductible temporary differences can be utilised.

- (d) The Malaysian income tax is calculated at the statutory tax rate of 27% (2006 : 28%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate has been reduced to 27% from the previous year's rate of 28% for the fiscal year of assessment 2007, to 26% for fiscal year of assessment 2008, and to 25% for fiscal year of assessment 2009 onwards. The computation of deferred tax as at 31 December 2007 has reflected these changes.
- (e) Effective from 1 April 2007, Real Property Gains Tax will not be imposed on profits from sale of properties. Deferred tax liability provided for on the revaluation surplus of the freehold land was reversed out directly from the revaluation reserve account.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

31. Trade And Other Payables

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade payables	138,179	90,526	-	-
Other payables	41,298	23,881	191	195
Accrued expenses	33,167	22,362	-	-
Tenant deposits	1,120	1,322	-	-
Amounts owing to associated companies	15,910	22,533	-	-
	229,674	160,624	191	195

(a) The amounts owing to associated companies represent balances arising from advances received by overseas subsidiary companies which are unsecured, repayable on demand and interest-free.

(b) The foreign currency exposure profile of trade payables is as follows: -

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Sterling Pound	18,446	26,651
US Dollar	615	1,167
Hong Kong Dollar	594	1,005
Singapore Dollar	294	265
Australia Dollar	-	12,453
	19,949	41,541

(c) The normal trade credit term ranges from 7 to 90 days.

32. Provisions

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Provision for outstanding claims	185,539	107,038
Less: Recoverable from reinsurers thereon	(121,474)	(53,710)
Net outstanding claims	64,065	53,328
Provision for settlement under a compromise in respect of an Executive Share Option Scheme of a subsidiary company (Note 36)	1,160	1,168
Provision for contingent cost and liabilities in a subsidiary company (Note 14(e))	-	9,438
Employee benefits (Note 29)	3,035	3,066
	68,260	67,000



33. Segment Information of the Group

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments while the secondary information is reported geographically.

(i) Business Segments

The Group's operations comprise the following segments:

- | | |
|------------------------|--|
| • Retailing | - Operating department and specialty stores, and through an associated company, design, manufacture, sourcing, distribution & sale of garments, accessories & home furnishings |
| • Hotels | - Holding of hotel properties and hotel operations |
| • Food & confectionery | - Manufacturing, marketing & distribution of confectionery and other food products |
| • Financial services | - Universal broking and general insurance |
| • Property | - Property development and investment |
| • Travel & Tourism | - Travel agent & provision of travel-related services |
| • Investment holding | - Investment activities |

The inter-segment transactions were entered in the normal course of business and at terms mutually agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. Segment Information of the Group (Cont'd)

31 December 2007



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

2007	Revenue	Continuing Operations							Discontinued Operation		
		Food & Confectionery							Food & Confectionery		
		Retailing RM'000	Hotels RM'000	Food & Confectionery RM'000	Financial Services RM'000	Property RM'000	Travel & Tourism RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000	Total (In Australia) RM'000
External revenue	772,012	239,941	118,784	185,851	25,828	33,371	2,976	-	1,378,763	14,655	1,393,418
Inter-segment revenue	-	236	-	2,630	1,499	1,044	5,820	(11,229)	-	-	-
Total revenue	772,012	240,177	118,784	188,481	27,327	34,415	8,796	(11,229)	1,378,763	14,655	1,393,418
Less : Group's share of associated companies' revenue										(615,177)	
										778,241	
Results											
Segment results (external)	16,421	38,743	8,226	6,661	8,307	387	(19,026)	-	59,719	(4,821)	54,898
Interest income	488	1,592	447	7,450	426	11	15,583	-	25,997	30	26,027
Profit/(Loss) from operations before exceptional items	16,909	40,335	8,673	14,111	8,733	398	(3,443)	-	85,716	(4,791)	80,925
Exceptional items (refer note 7)	(12,023)	3,720	951	1,106	5,454	-	(1,046)	-	(1,838)	8,160	6,322
Profit/(Loss) from operations after exceptional items	4,886	44,055	9,624	15,217	14,187	398	(4,489)	-	83,878	3,369	87,247
Finance costs	(167)	(1,596)	(609)	-	-	(62)	(96,564)	-	(98,998)	(520)	(99,518)
Share of results of associated companies	33,553	24	-	7,443	168	19	(173)	-	41,034	-	41,034
Profit/(Loss) before taxation	38,272	42,483	9,015	22,660	14,355	355	(101,226)	-	25,914	2,849	28,763
Taxation									(2,699)	-	(2,699)
Profit for the financial year									23,215	2,849	26,064
Assets											
Segment assets	367,887	683,253	179,088	209,202	168,588	3,331	1,212,081		2,823,430	-	2,823,430
Non-current assets held for sale	-	3,474	-	-	39,903	-	-		43,377	-	43,377
Investments in associated companies	175,579	20	-	56,588	634	23,981	35,478		292,280	-	292,280
Unallocated corporate assets									8,770	-	8,770
Consolidated total assets									3,167,857	-	3,167,857
Liabilities											
Segment liabilities	77,414	493,353	26,482	164,390	19,517	1,561	1,224,012		2,006,729	-	2,006,729
Unallocated corporate liabilities									-	-	38,667
Consolidated total liabilities									2,006,729	-	2,045,396
Other Segment Information											
Capital expenditure	9,259	13,053	1,475	25,451	26	175	2,133		51,572	52	51,624
Depreciation and amortisation	3,571	20,367	2,239	520	277	164	1,471		28,609	111	28,720
Non-cash expenses other than depreciation	12,063	1,288	52	730	3,052	-	48,815		66,000	-	66,000



33. Segment Information of the Group (Cont'd)

	Continuing Operations							Discontinued Operation	
								Food & Confectionery	Total Group
2006	Retailing	Hotels	Food & Confectionery	Financial Services	Travel & Tourism	Investment Holding	Elimination	Total (In Australia)	RM'000
Revenue	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	521,979	317,599	109,161	145,711	42,667	107,392	-	1,270,648	1,387,724
Inter-segment revenue	-	329	16	2,789	774	1,761	(5,669)	-	-
Total revenue	521,979	317,928	109,177	148,500	43,441	109,153	(5,669)	1,270,648	1,387,724
Less : Group's share of associated companies' revenue									(643,762)
									743,962
Results									
Segment results (external)	-	9,621	4,124	9,950	4,912	1,612	-	30,585	8,244
Interest income	-	17,168	496	5,958	125	12,788	-	36,543	102
Profit/(Loss) from operations before exceptional items	-	26,789	4,620	15,908	5,037	374	-	67,128	44,889
Exceptional items (refer note 7)	-	7,750	(8,741)	(552)	-	(168,767)	-	(170,310)	(8,354)
Profit/(Loss) from operations after exceptional items	-	34,539	(4,121)	15,356	5,037	374	-	(103,182)	(30,593)
Finance costs	-	(1,577)	(647)	-	(556)	(77)	-	(129,680)	(1,633)
Share of results of associated companies	21,868	(134)	-	4,251	(68)	(760)	-	18,394	-
Profit/(Loss) before taxation	21,868	32,828	(4,768)	19,607	4,413	(463)	-	(214,468)	(32,226)
Taxation								10,302	(844)
Loss for the financial year								(204,166)	(33,070)
Assets									
Segment assets	-	676,970	170,733	166,754	180,510	3,618	1,243,039	2,441,624	2,465,274
Non-current assets held for sale	-	145,647	-	-	-	-	-	145,647	-
Investments in associated companies	201,199	-	-	49,142	466	34,567	-	311,331	311,331
Unallocated corporate assets								11,234	-
Consolidated total assets								2,909,836	2,933,486
Liabilities									
Segment liabilities	-	563,722	26,547	119,840	3,409	2,219	983,325	1,699,062	1,739,885
Unallocated corporate liabilities								62,024	-
Consolidated total liabilities								1,761,086	1,801,909
Other Segment Information									
Capital expenditure	-	12,941	1,706	728	43	590	1,355	17,363	18,343
Depreciation and amortisation	-	20,424	2,251	436	99	154	1,165	24,529	24,909
Non-cash expenses other than depreciation	-	22,332	15,203	7,549	110	-	275,119	320,313	335,572



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

33. Segment Information of the Group (Cont'd)

(ii) Geographical segments

	<i>Revenue</i>		<i>Assets Employed</i>		<i>Capital Expenditure</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Continuing Operations</i>						
Malaysia	469,598	325,902	1,702,004	1,141,257	36,980	6,388
Asia-Pacific	140,458	135,273	540,207	678,796	1,842	73
Australia	-	-	6,445	11,853	-	-
North America	722	4,070	205,105	202,947	20	1
United Kingdom	767,985	805,403	714,096	874,983	12,730	10,901
	1,378,763	1,270,648	3,167,857	2,909,836	51,572	17,363
<i>Discontinued Operation</i>						
Australia	14,655	117,076	-	23,650	52	980
Total	1,393,418	1,387,724	3,167,857	2,933,486	51,624	18,343
Less : Group's share of associated companies' revenue	(615,177)	(643,762)	-	-	-	-
	778,241	743,962	3,167,857	2,933,486	51,624	18,343

34. Financial Instruments

The financial risk management policies are set out in Note 3 to the financial statements.

(a) Recognised financial instruments

Fair values

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at balance sheet date approximate their fair values except as set out below.

	<i>Group</i>	
	<i>Carrying amount</i>	<i>Fair value</i>
	<i>RM'000</i>	<i>RM'000</i>
<i>2007</i>		
Unquoted investments	234,509	*
<i>2006</i>		
Unquoted investments	230,296	*

* A reasonable estimate of fair value could not be made without incurring excessive costs. However, the Group believes that the carrying amount represents the recoverable value. Such investments are stated at cost less diminution in value, if any.

The fair values of the financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.



34. Financial Instruments (Cont'd)

The fair values of quoted investments are estimated based on its recoverable amount by reference to its market price at balance sheet date.

The fair values of the borrowings of the Group are estimated based on the quoted market prices for the similar issues or on the current rates offered to the Group for loans of the same remaining maturities and are not significantly different from the carrying amounts recorded at the balance sheet date.

(b) Off balance sheet financial instruments

In accordance with the scheme of arrangement by Pan Malaysia Holdings Berhad ("PM Holdings"), the indebtedness to the class of creditors referred to as the secured creditors and unsecured guarantee creditors were settled by issuance of new ordinary shares of RM1 each in PM Holdings ("New Shares") at par on a Ringgit-to-Ringgit basis.

Also, in accordance with the scheme, Loyal Design Sdn Bhd ("LDSB"), a wholly-owned subsidiary company, have on 27 December 1999 entered into put option agreements with the said creditors whereby LDSB granted put options to buy these New Shares at a maximum of RM1 per share. These New Shares were issued on 29 December 1999. The details of the put options are as follows: -

Put Options Granted By	No. Of New Shares Under The Put Options	Exercise Period
LDSB	25,997,943	Commencing thirty-six (36) months from the date of issuance of the New Shares and ending on the day falling on the second anniversary thereafter (inclusive of the commencement date and the day it ends).

LDSB is in the process of finalising new arrangements on the put option matters with the said creditors.

35. Capital And Other Commitments

(a) Capital Commitments

	<i>Group</i>	
	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>
Approved but not contracted for	1,997	34
Contracted but not provided for	26,461	917
	28,458	951

(b) Operating Lease Commitments

Non-cancellable operating lease commitments not provided for in the financial statements:

Within 1 year	28,535	3,703
Between 1 year to 5 years	28,587	8,374
More than 5 years	12,084	15,622
	69,206	27,699



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

36. Contingent Liabilities - Unsecured

Group

A suit was filed on 17 May 1996, in the High Court of Kuala Lumpur by LDSB against PM Holdings and all its then former directors' for breach of directors' duties in conducting the affairs of PM Holdings during the period involved with the takeover offer by the Company for PM Holdings. The suit also sought to declare, inter alia, that various options granted by PM Holdings under the PM Holdings' Executive Share Option Scheme ("ESOS") were void. The parties to the suit have agreed to effect a full and final settlement by way of a compromise and a consent order was recorded on 12 January 2006, where upon LDSB discontinued its claim against PM Holdings and all its former directors.

Former employees with 6,880,000 shares ("Interveners") had rejected the compromise and had filed applications for leave to intervene in the suit. The Interveners had filed respective defences and counterclaim against the Company and PM Holdings, inter alia, for a declaration that the ESOS is valid and binding and for an order that the Company purchases from them the ESOS shares under the said takeover offer. The Group had filed their reply and defences to the counterclaims and this matter is pending trial. The Group's solicitors are of the opinion, based on documents available, that the Interveners' alleged entitlements are doubtful.

Company

At 31 December 2007, the Company has guaranteed bank credit facilities of subsidiary companies for a total of RM439.3 million (2006 : RM570.7 million). The guarantees are unsecured.

37. Significant Corporate Developments

- (a) On 31 October 2006, Libertyray (M) Sdn Bhd ("LMSB"), a wholly-owned subsidiary of the Company, entered into an agreement with Pan Malaysian Industries Berhad ("PMI") and Excelton Sdn Bhd, a wholly-owned subsidiary company of PMI, for the acquisition of 113,751,983 ordinary shares of RM1.00 each in Metrojaya Berhad ("MJB"), representing approximately 91.06% equity interest of MJB for a total purchase consideration of RM273.0 million ("Acquisition"). The Securities Commission (Equity Compliance Unit) vide its letter dated 16 May 2007, expressed no objection to the Acquisition. PMI has obtained approval from the Securities Commission ("SC") vide SC's letter dated 14 May 2007 for the disposal of the MJB shares. The Acquisition was approved by the shareholders of MUI and PMI at their respective extraordinary general meetings held on 3 August 2007 and was subsequently completed on 14 August 2007.

Pursuant to the Acquisition and in compliance with the Malaysian Code on Take-Overs And Mergers, 1998 ("Code"), LMSB has extended a mandatory unconditional offer for the remaining 11,169,017 shares in MJB not already owned by LMSB at a cash offer price of RM2.40 per offer share ("Offer"). At the close of the Offer on 19 October 2007, acceptances for 2,710,150 MJB shares representing 2.17% equity interest of MJB were received.

On 30 October 2007, LMSB despatched to the remaining holders of the MJB shares who have not accepted the Offer, a notice under Subsection (1) of Section 34A of the Securities Commission Act, 1993 ("SCA") and in the manner prescribed under the Code where any such holders of the MJB shares may give notice to LMSB that he requires LMSB to acquire his MJB shares not later than 5.00 p.m. on 30 January 2008. As at 30 January 2008, 1,581,500 MJB Shares representing 1.27% equity interest of MJB were acquired by LMSB pursuant to Section 34A of the SCA.



37. Significant Corporate Developments (Cont'd)

For the period from 31 January 2008 to the date of this report, LMSB acquired a further 23,500 MJB shares and the total held by LMSB is 118,067,133 MJB Shares representing 94.51% equity interest of MJB.

- (b) On 7 May 2007, the Board of Directors of NFL, Australia had appointed voluntary administrators under the Australian Corporations Act 2001 ("the Act"). Upon appointment, the administrators took control of the affairs of NFL and the powers of the directors of NFL were suspended.

On 28 June 2007, the administrators, Pan Malaysia Corporation Berhad ("PMC") and other parties executed a deed of company arrangement ("Deed") prepared in accordance with the provision of Part 5.3A of the Act and containing the terms specified in the creditors' resolution further to the creditors' meeting convened by the administrators on 12 June 2007. Pursuant to the terms of the Deed, a sum of A\$2.0 million (equivalent to approximately RM5.9 million) was paid by PMRI Investments (Singapore) Pte Ltd, a subsidiary company of PMC, to the administrators in full and final satisfaction of any and all obligations of PMC and the directors of NFL to NFL and to the creditors of NFL.

In view of the above, the asset and liabilities of NFL are not included in the Consolidated Financial Statements of the Group with effect from 7 May 2007.

- (c) On 3 August 2007, MUI Properties Berhad ("MPB") announced a proposed share capital reduction pursuant to Section 64(1) of the Companies Act, 1965 (the "Act") involving the cancellation of RM0.30 of par value of each existing ordinary share of RM0.50 each of MPB in issue and a proposed reduction of its share premium account of up to RM164.1 million pursuant to Section 64(1) and 60(2) of the Act (collectively, the "Capital Reconstruction"). The Capital Reconstruction was approved by MPB's shareholders at an extraordinary general meeting held on 28 September 2007. The High Court of Malaya ("Court") had on 18 December 2007 granted an order ("Order") approving the Capital Reconstruction. The Order was lodged with the Companies Commission of Malaysia on 26 December 2007 and the Capital Reconstruction was effected accordingly.

With the completion of the Capital Reconstruction, the par value of each ordinary share of MPB was reduced from RM0.50 to RM0.20 and its share capital reduced from RM382.0 million to RM152.8 million accordingly. In addition, the accumulated losses of MPB were fully set-off, thereby facilitating the payment of dividends by MPB.

- (d) On 14 September 2007, MPB entered into an agreement with PMI to sell 385,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of its wholly owned subsidiary company, Two Holdings Sdn Bhd ("THSB"), to PMI for a cash consideration of RM9.3 million. The major asset of THSB is a piece of vacant freehold land in Jalan Mayang, Kuala Lumpur. PMI has obtained the approval from the SC for the proposal on 28 April 2008. The proposal is pending approval to be obtained from the shareholders of PMI.
- (e) On 14 September 2007, PM Holdings entered into an agreement with PMI to sell its 15-storey office building located at No.2, Jalan Changkat Ceylon, Kuala Lumpur to PMI for a cash consideration of RM39.0 million. PMI has obtained the approval from the SC for the proposal on 28 April 2008. The proposal is pending approvals to be obtained from the shareholders of PM Holdings and PMI respectively.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2007

38. Related Party Disclosures

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiary companies and its associated companies.

Controlling related party relationship are as follows: -

(i) The corporate shareholder, PMI.

(ii) Tan Sri Dato' Khoo Kay Peng, by virtue of his deemed interest in the corporate shareholder, is a deemed substantial shareholder of the Company.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: -

	<i>Group</i>		<i>Company</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Major Corporate Shareholder: -				
Acquisition of a subsidiary company	281,886	-	-	-
Equipment rental income	12	12	-	-
Associates: -				
Corporate advisory services fee paid	11	5	-	-
Insurance premium income	720	661	-	-
Interest income	2,972	3,073	-	-
Management fee income	210	360	-	-
Management fee paid	330	172	-	-
Office rental income	2,569	3,081	-	-
Share registration fee income	32	29	-	-
Travel related revenue	5,099	3,381	-	-
Subsidiaries: -				
Net advances received	-	-	1,316	37,846
Interest income	-	-	1,145	1,428
Travel related expenses	-	-	235	219
Share registration paid	-	-	2	-
(c) Compensation of key management personnel				
Short term employee benefits	8,468	9,063	299	256
Defined contributions plan	336	203	-	-
	8,804	9,266	299	256



STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

We, Dato' Paduka Nik Hashim Nik Yusoff and Khet Kok Yin, being two of the Directors of Malayan United Industries Berhad, state that in the opinion of the Directors, the financial statements set out on pages 58 to 120 are drawn up in accordance with the applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution by the Directors

Dato' Paduka Nik Hashim Nik Yusoff

Khet Kok Yin

28 April 2008

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, Lai Chee Leong, the person primarily responsible for the financial management of Malayan United Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 58 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Lai Chee Leong at Kuala Lumpur in the Federal Territory on 28 April 2008.

Lai Chee Leong

Before me

Robert Lim Hock Kee
Commissioner for Oaths



REPORT OF THE AUDITORS

To the members of Malayan United Industries Berhad

We have audited the financial statements set out on pages 58 to 120. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion: -

- (a) the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of:
 - (i) the matters required by section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 December 2007 and of the results of the operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.
- and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors as indicated on pages 123 to 133 being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that are consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

BDO Binder
AF: 0206
Chartered Accountants

Dato' Gan Ah Tee DNS,JP
1890/03/10 (J/PH)
Partner

Kuala Lumpur
28 April 2008



SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Aquiline Sdn Bhd	100	100	Investment holding	Malaysia
2. Alameda Enterprises Limited	100	100	Investment holding	British Virgin Islands
3. Ample Line Sdn Bhd	100	100	Investment holding	Malaysia
4. Ascada Sdn Bhd	100	100	Investment holding	Malaysia
5. Carulli Holdings Sdn Bhd	100	100	Investment holding	Malaysia
6. Continental Capitals Sdn Bhd	100	100	Investment holding	Malaysia
* 7. Corus Hotels Limited	100	100	Investment holding & hotel operations	United Kingdom
8. Creative Vest (M) Sdn Bhd	100	100	Investment holding	Malaysia
+ 9. Davson Limited	100	100	Investment holding	Hong Kong
10. Farrago Sdn Bhd	100	100	Investment holding	Malaysia
11. Fuchsia Enterprises Limited	100	100	Investment holding	British Virgin Islands
12. Grand Oak Sdn Bhd	100	100	Investment holding	Malaysia
13. Honoraire Sdn Bhd	100	100	Inactive	Malaysia
14. Libertyray (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 15. London Vista Hotel Limited	100	100	Investment holding	United Kingdom
16. Loyal Design Sdn Bhd	100	100	Investment holding	Malaysia
17. Malayan United Management Sdn Bhd	100	100	Management services	Malaysia
18. Malayan United Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia
19. Malayan United Security Services Sdn Bhd	100	100	Security services	Malaysia
20. Marco Polo Trading Sdn Bhd	100	100	Investment holding	Malaysia
21. Mayang Unggul Sdn Bhd	100	100	Investment holding	Malaysia
22. Merchant Network Sdn Bhd	100	100	Investment holding	Malaysia
23. Metrojaya Berhad (Acquired on 14 August 2007)	94.02	-	Investment holding	Malaysia
24. Ming Court Beach Hotel (P.D.) Sdn Bhd	100	100	Hotel ownership	Malaysia
25. Ming Court Hotel (KL) Sdn Bhd	100	100	Hotel operations	Malaysia
26. Ming Court Inn (Penang) Sdn Bhd	100	100	Inactive	Malaysia
^ 27. Ming Court Hotels International Limited	100	100	Dormant	Hong Kong
28. Ming Court Hotels International Sdn Bhd	100	100	Inactive	Malaysia
^ 29. MUI Asia Limited	100	100	Investment holding	Hong Kong
30. MUI Capital Sdn Bhd	100	100	Investment holding	Malaysia
^ 31. MUI China Limited	100	100	Investment holding	Hong Kong
32. MUI Continental Insurance Berhad	52.21	52.21	General insurance	Malaysia
33. MUI dotCom Sdn Bhd	100	100	Information technology	Malaysia
^ 34. MUI Enterprises Limited	100	100	Investment holding	Hong Kong
35. MUI Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
^ 36. MUI Resources Limited	100	100	Investment holding	Hong Kong
+ 37. MUI Media Limited	100	100	Dormant	United Kingdom
38. MUI Media Ltd	100	100	Investment holding	British Virgin Islands
+ 39. MUI Philippines, Inc	100	100	Investment holding	Philippines
* 40. MUI Properties Berhad	74.35	72.84	Investment holding	Malaysia
41. MUI Sdn Bhd	100	100	Investment holding	Malaysia
+ 42. MUI Singapore Private Limited	100	100	Dormant	Singapore



SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD (Cont'd)

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
+ 43. MUI (UK) Limited	100	100	Investment holding	United Kingdom
44. Natloyal (M) Sdn Bhd	100	100	Property investment	Malaysia
45. Novimax (M) Sdn Bhd	100	100	Investment holding	Malaysia
46. Oriental Omega Sdn Bhd	100	100	Investment holding	Malaysia
* 47. Pan Malaysia Corporation Berhad	60.07	60.07	Investment holding	Malaysia
48. Pan Malaysia Holdings Berhad	68.68	68.68	Investment, property holding & management company	Malaysia
49. Prizewood Sdn Bhd	100	100	Investment holding	Malaysia
50. Pure Capital Sdn Bhd	100	100	Investment holding	Malaysia
51. Regal Classic Sdn Bhd	100	100	Investment holding	Malaysia
52. Sergap Makmur Sdn Bhd	100	100	Investment holding	Malaysia
53. Southern Challenger (M) Sdn Bhd	100	100	Investment holding & trading	Malaysia
54. Tarrega Holdings Sdn Bhd	100	100	Investment holding	Malaysia
55. United Continental Properties Sdn Berhad	52.21	52.21	Property investment	Malaysia
56. United Review (M) Sdn Bhd	100	100	Investment holding	Malaysia
57. Universal Growth Limited	100	100	Investment holding	British Virgin Islands
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Asia Pacific Media Corporation	50	50	Inactive	U.S.A.
2. Asian Capital Equities, Inc	20	20	Inactive	Philippines
3. Farrago Holdings, Inc	40	40	Investment holding	Philippines
4. Firstway International Investment Limited	25	25	Investment holding	Hong Kong
5. Laura Ashley Holdings plc	34.82	34.31	Design, manufacture, sourcing, distribution & sale of clothing, accessories & home furnishings	United Kingdom
6. Mansara International Limited	35	35	Investment holding	British Virgin Islands
7. Regent Corporation	49	49	Investment holding	U.S.A.
8. Zhaodaola Limited	26.25	26.25	Inactive	Bermuda

Subsidiary Companies of Regent Corporation

(The list comprises major subsidiary companies only)

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Laura Ashley (North America), Inc	100	100	Licensing and sub-licensing trademarks and copyright designs	U.S.A.
2. Regent Carolina Corporation	100	100	Hotel operation & property investment	U.S.A.
3. Regent Park Corporation	100	100	Property investment	U.S.A.



Subsidiary Companies of Malayan United Industries Berhad which are under liquidation and are not consolidated
At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
1. CSB-Canada Trading Ltd (<i>Dissolved on 26 July 2007</i>)	-	100	Canada
o 2. Malayan United Nominees (Asing) Sdn Bhd	100	100	Malaysia
o 3. Malayan United Trading Sdn Bhd	100	100	Malaysia
o 4. Megah Nominees (Tempatan) Sdn Bhd	100	100	Malaysia
o 5. MUI Property Management Sdn Bhd	100	100	Malaysia
o 6. MUI Security Services Sdn Bhd	100	100	Malaysia
o 7. Vista Hotels Sdn Bhd	100	100	Malaysia

**SUBSIDIARY COMPANIES
OF MUI PROPERTIES BERHAD**

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
* 1. AIGM Sdn Bhd	100	100	Inactive	Malaysia
* 2. Apprex (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 3. Bahtera Muhibbah Sdn Bhd	100	100	Investment holding	Malaysia
* 4. Cesuco Trading Limited	100	100	Investment holding	Hong Kong
* 5. C.S. Investments Private Limited	100	100	Investment holding	Singapore
* 6. CSB Sdn Bhd	100	100	Investment holding	Malaysia
* 7. CSB Holdings Sdn Bhd	100	100	Property investment	Malaysia
* 8. Delray Sdn Bhd	100	100	Property investment	Malaysia
* 9. Dirnavy Pty Limited	100	100	Inactive	Australia
* 10. Elegantplex (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 11. Heritage Challenger (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Indanas Sdn Bhd	100	100	Investment holding	Malaysia
* 13. Integrated Mark (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 14. Intercontinental Properties Sdn Bhd	100	100	Investment holding	Malaysia
* 15. Lambaian Maju Sdn Bhd	100	100	Investment holding	Malaysia
* 16. Lembaran Makmur Sdn Bhd	100	100	Investment holding	Malaysia
* 17. Lunula Pty Limited	100	100	& trading Property investment	Australia
* 18. Malayan United Properties Sdn Bhd	100	100	Inactive	Malaysia
* 19. Malayan United Realty Sdn Bhd	100	100	Property investment & investment holding	Malaysia
* 20. Mecomas Pty Limited	100	100	Inactive	Australia
+ 21. Ming Court Hotel (Vancouver) Ltd	100	100	Investment holding	Canada
* 22. Ming Fung Sendirian Berhad	100	100	Inactive	Malaysia



SUBSIDIARY COMPANIES OF MUI PROPERTIES BERHAD (Cont'd)

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
* 23. MUI Australia Pty Ltd	100	100	Investment holding	Australia
* 24. MUI Carolina Corporation	100	100	Property investment & development	U.S.A.
+ 25. MUI Investments (Canada) Ltd	100	100	Investment holding	Canada
* 26. MUI Plaza Sdn Bhd	100	100	Investment holding	Malaysia
* 27. MUI Property Services Sdn Bhd	100	100	Property services	Malaysia
* 28. Peristal Enterprise Sdn Bhd	100	100	Investment holding	Malaysia
* 29. Polacre Sdn Bhd	100	100	Property development	Malaysia
* 30. Portico Sdn Bhd	100	100	Property development	Malaysia
* 31. Prescada Sdn Bhd	100	100	Investment holding	Malaysia
* 32. Resort & Leisure Homes Sdn Bhd	100	100	Property development	Malaysia
* 33. Shun Fung Sendirian Berhad	100	100	Inactive	Malaysia
* 34. Superex Sdn Bhd	100	100	Inactive	Malaysia
* 35. Two Holdings Sdn Bhd	100	100	Property investment	Malaysia
* 36. Unique Octagon Sdn Bhd	100	100	Investment holding	Malaysia
* 37. West Synergy Sdn Bhd	60	60	Property investment & development	Malaysia

Subsidiary Companies of MUI Properties Berhad which are under liquidation and are not consolidated

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
o 1. Bashan Sdn Bhd	100	100	Malaysia
o 2. Dondang Sayang Holdings Sdn Bhd	100	100	Malaysia
o 3. Green Nominees (Tempatan) Sdn Bhd	100	100	Malaysia
o 4. MUI Resorts Sdn Bhd	100	100	Malaysia
o 5. MUP Sdn Bhd	100	100	Malaysia
o 6. MUR Sdn Bhd	100	100	Malaysia
o 7. Pistole Holdings Sdn Bhd	100	100	Malaysia
o 8. Resona Resources Berhad	100	100	Malaysia

SUBSIDIARY COMPANIES OF PAN MALAYSIA CORPORATION BERHAD

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
* 1. Acmes Investment Limited	100	100	Investment holding	Hong Kong
* 2. Baiduri Pertama Sdn Bhd	100	100	Investment holding	Malaysia
* 3. Bidou Holdings Sdn Bhd	100	100	Investment holding	Malaysia



<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
* 4. Clacton Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 5. Delight Consolidated Sdn Bhd	100	100	Investment holding	Malaysia
+ 6. GCIH Trademarks Limited	100	100	Licensing of trademarks	Hong Kong
* 7. Gelombang Sinar Sdn Bhd	100	100	Investment holding	Malaysia
* 8. Jaguh Padu Sdn Bhd	100	100	Investment holding	Malaysia
* 9. Jerico Sdn Bhd	100	100	Investment holding	Malaysia
* 10. Jomuda Sdn Bhd	100	100	Investment holding	Malaysia
* 11. Lembaran Megah Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Megafort Sdn Bhd	100	100	Investment holding	Malaysia
* 13. Megawise Sdn Bhd	100	100	Investment holding	Malaysia
* 14. Mikonwadi Sdn Bhd	100	100	Investment holding	Malaysia
* 15. Network Foods International Ltd	100	100	Investment holding	Singapore
* 16. Pan Malaysia Management Sdn Bhd	100	100	Management services	Malaysia
* 17. Pan Malaysia-Singapore Holdings (Pte) Ltd	100	100	Investment holding	Singapore
* 18. Panorama Scope Sdn Bhd	100	100	Investment holding	Malaysia
* 19. Plumblin Sdn Bhd	100	100	Investment holding	Malaysia
* 20. PMCW Enterprises Sdn Bhd	100	100	Investment holding	Malaysia
* 21. PMCW Holdings Sdn Bhd	100	100	Investment holding	Malaysia
* 22. PMRI Investments (Singapore) Pte Ltd	100	100	Investment holding	Singapore
* 23. Taraf Sanjung (M) Sdn Bhd	100	100	Investment holding	Malaysia
* 24. Tunas Juara Sdn Bhd	100	100	Investment holding	Malaysia
* 25. United Pace Sdn Bhd	100	100	Investment holding	Malaysia
* 26. Uniwell Nominees (Tempatan) Sdn Bhd	100	100	Inactive	Malaysia

Subsidiary Companies of Network Foods International Ltd

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Danau Gelombang Sdn Bhd	100	100	Inactive	Malaysia
+ 2. Network Foods Distribution Pte Ltd	100	100	Warehousing & distribution of confectionery & other food products	Singapore
+ 3. Network Foods (Hong Kong) Limited	100	100	Distribution of chocolates & other food & beverage products	Hong Kong
4. Network Foods Industries Sdn Bhd	81.54	81.54	Manufacturing & trading of consumer chocolate products	Malaysia
5. Network Foods (Malaysia) Sdn Bhd	100	100	Marketing & distribution of chocolates, confectionery & beverage products	Malaysia



Subsidiary Companies of Network Foods International Ltd (Cont'd)

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
+ 6. Quintrinox Pte Ltd	100	100	Investment holding	Singapore
+ 7. Specialist Food Retailers Pte Ltd	100	100	Inactive	Singapore
8. Tiffany Enterprise Sdn Bhd	100	100	Dormant	Malaysia
+ 9. Tiffany Hampers & Gifts Pte Ltd	100	100	Inactive	Singapore

Subsidiary Companies of Pan Malaysia Corporation Berhad which are under liquidation and are not consolidated

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
■ 1. Chalpillar (M) Sdn Bhd	100	100	Malaysia
■ 2. Cherubim Nominees (Tempatan) Sdn Bhd	100	100	Malaysia
■ 3. Faith Nominees (Tempatan) Sdn Bhd	100	100	Malaysia
■ 4. Megafine Nominees (Asing) Sdn Bhd	100	100	Malaysia
5. Syahdu Pinta Berhad	100	100	Malaysia
■ 6. Ultipac Sdn Bhd	100	100	Malaysia

Subsidiary Company of Pan Malaysia Corporation Berhad which is under voluntary administration and is not consolidated

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
1. Network Foods Limited (Placed under voluntary administration on 7 May 2007)	92.92	92.92	Australia

Subsidiary Companies of Network Foods Limited (under voluntary administration) which are not consolidated

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
1. Balfour Grange Pty Ltd	100	100	Australia
2. Dinnie Rundle Pty Ltd	100	100	Australia
3. Universal Confectionery Pty Ltd	100	100	Australia



SUBSIDIARY AND ASSOCIATED COMPANIES OF PAN MALAYSIA HOLDINGS BERHAD

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Destiny Aims Sdn Bhd	80	80	Dormant	Malaysia
+ 2. Golden Carps Pte Ltd	100	100	Inactive	Singapore
+ 3. Grandvestment Company Limited	100	100	Investment holding	Hong Kong
4. Kayangan Makmur Sdn Bhd	100	100	Inactive	Malaysia
+ 5. Pengkalen Company Limited	100	100	Dormant	United Kingdom
6. Pengkalen Equities Sdn Bhd	100	100	Investment holding & dealing	Malaysia
7. Pengkalen Foodservices Sdn Bhd	100	100	Inactive	Malaysia
8. Pengkalen Holiday Resort Sdn Bhd	100	100	Hotel operation	Malaysia
9. Pengkalen Properties Sdn Bhd	100	100	Inactive	Malaysia
10. Pan Malaysia Travel & Tours Sdn Bhd	80	80	Travel agent & provision of travel-related services	Malaysia
11. Twin Phoenix Sdn Bhd	100	100	Dormant	Malaysia
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Pan Malaysia Capital Berhad	34.84	34.84	Investment holding	Malaysia
* 2. Excelpac Industries Sdn Bhd (a 25% associated company of Pan Malaysia Travel & Tours Sdn Bhd)	20	20	Inactive	Malaysia

Subsidiary Companies of Pan Malaysia Capital Berhad

(The list comprises major subsidiary companies only)

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. PCB Asset Management Sdn Bhd	100	100	Research & fund management services	Malaysia
2. PM Securities Sdn Bhd	99.99	99.99	Stock & sharebroking & corporate advisory services	Malaysia
3. Pan Malaysia Equities Sdn Bhd	99.99	99.99	Property & investment holding	Malaysia



Subsidiary Companies of Pan Malaysia Holdings Berhad which are under liquidation and are not consolidated
At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
1. Anglo Pacific Holdings (Malaysia) Sdn Bhd (Dissolved on 3 April 2007)	-	100	Malaysia
2. Asia Entertainment Network Sdn Bhd	60	60	Malaysia
3. Cocoa Specialities (Malaysia) Sdn Bhd	84.12	84.12	Malaysia
4. Grand Union Insurance Company Limited	55	55	Hong Kong
5. Office Business Systems (Malacca) Sdn Bhd	41.67	41.67	Malaysia
6. Office Business Systems (Penang) Sdn Bhd	64.10	64.10	Malaysia
7. Office Business Systems Sdn Bhd	64.10	64.10	Malaysia
8. Pengkalen Building Materials Sdn Bhd	100	100	Malaysia
9. Pengkalen Electronics Industries Sdn Bhd	67	67	Malaysia
10. Pengkalen Engineering & Construction Sdn Bhd	100	100	Malaysia
11. Pengkalen Heights Sdn Bhd	70	70	Malaysia
12. Pengkalen Pasar Borong Sdn Bhd	80	80	Malaysia
13. Pengkalen Raya Sdn Bhd	100	100	Malaysia
14. Pengkalen (UK) Plc	84.12	84.12	United Kingdom
15. Sensor Equipment Sdn Bhd	64.10	64.10	Malaysia
16. Technitone (M) Sdn Bhd	64.10	64.10	Malaysia
17. Upali Group Sdn Bhd (Dissolved on 27 May 2007)	-	100	Malaysia

Subsidiary and Associated Companies of Pengkalen (UK) Plc which are not consolidated

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
1. Anglo Pacific Corporation (Malaysia) Sdn Bhd	100	100	Malaysia
2. Aqua Lanka (Private) Limited	100	100	Sri Lanka
+ 3. GCIH Property Limited	100	100	Hong Kong
+ 4. Grand Central Limited	100	100	Sri Lanka
5. Kuril Plantations Sdn Berhad	100	100	Malaysia

<i>Associated Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
1. Desa Kuril Sdn Berhad	50	50	Malaysia



SUBSIDIARY AND ASSOCIATED COMPANIES OF METROJAYA BERHAD

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
* 1. Blue Spruce Holdings Ltd	100	100	Pre-operating	British Virgin Islands
* 2. Danberg Overseas Inc.	100	100	Pre-operating	British Virgin Islands
* 3. Designer Forte Sdn Bhd	100	100	Dormant	Malaysia
* 4. Dixon Enterprise Limited	100	100	Pre-operating	Hong Kong
* 5. East India Company Clothing (Malaysia) Sdn Bhd	100	100	Pre-operating	Malaysia
* 6. East India Company (Hong Kong) Pte Limited	100	100	Pre-operating	Hong Kong
* 7. East India Company (Singapore) Pte Ltd	100	100	Pre-operating	Singapore
* 8. EIC Clothing Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 9. Living Quarters Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 10. Metro-Direct Sdn Bhd	88	88	Dormant	Malaysia
* 11. Metro Multiples Sdn Bhd	100	100	Investment holding	Malaysia
* 12. Metrojaya Department Stores Sdn Bhd	100	100	Pre-operating	Malaysia
* 13. Metrojaya Holdings Sdn Bhd	100	100	Pre-operating	Malaysia
* 14. Metrojaya Reject Shop Pte Ltd	100	100	Pre-operating	Singapore
* 15. Millionmart Sdn Bhd	100	100	Investment holding	Malaysia
* 16. MJ Accessories Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 17. MJ Cape Cod Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 18. MJ Department Stores Sdn Bhd	100	100	Operating of department stores	Malaysia
* 19. MJ Discount Store Sdn Bhd	100	100	Pre-operating	Malaysia
* 20. MJ Properties (Komtar) Sdn Bhd	100	100	Property investment & investment holding	Malaysia
* 21. MJ Properties Sdn Bhd	100	100	Property investment & investment holding	Malaysia
* 22. MJ Reject Shop Sdn Bhd	100	100	Dormant	Malaysia
* 23. MJ Reject Shop (2002) Sdn Bhd	100	100	Operating of specialty stores & general merchandising stores	Malaysia
* 24. MJ Somerset Bay Sdn Bhd	100	100	Operating of specialty stores	Malaysia
* 25. MJ Specialty Stores.Com Sdn Bhd	100	100	Pre-operating	Malaysia
26. The East India Company Clothing (UK) Limited (Dissolved on 10 July 2007)	-	100	Pre-operating	United Kingdom
<i>Associated Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
1. Affluent Development Sdn Bhd	50	50	Inactive	Malaysia



SUBSIDIARY COMPANIES OF CORUS HOTELS LIMITED

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>		
	<i>%</i>	<i>%</i>		
* 1. Belsfield Hotels Limited	100	100	Dormant	United Kingdom
* 2. Bistro Bistrot Limited	62.50	62.50	Dormant	United Kingdom
* 3. Catermax Limited	100	100	Dormant	United Kingdom
* 4. Corus Corporation UK Limited	100	100	Dormant	United Kingdom
* 5. County Hotels Group Plc	100	100	Investment holding & hotel operations	United Kingdom
* 6. County Hotels Limited	100	100	Hotel operations	United Kingdom
* 7. Delaquest Limited	100	100	Investment holding & hotel operations	United Kingdom
* 8. Dionball Limited	100	100	Investment holding & hotel operations	United Kingdom
* 9. Earl Grey Tea Rooms Limited	62.50	62.50	Dormant	United Kingdom
* 10. Echostand Limited	100	100	Dormant	United Kingdom
* 11. Etrop Grange Limited	100	100	Dormant	United Kingdom
* 12. Experience Inns Limited	62.50	62.50	Dormant	United Kingdom
* 13. Flamepro Limited	100	100	Hotel operations	United Kingdom
* 14. Historic Country Inns Limited	62.50	62.50	Dormant	United Kingdom
* Δ15. No. 1 Cigar Club Limited	36.80	36.80	Dormant	United Kingdom
* 16. Patrolmake Limited	100	100	Investment holding & hotel operations	United Kingdom
* 17. Plaza On Hyde Park Limited	100	100	Hotel operations	United Kingdom
* 18. Pub (Nico) Limited	62.50	62.50	Dormant	United Kingdom
* 19. Regal Hotels Limited	100	100	Dormant	United Kingdom
* 20. Rose & Crown VCT Limited	100	100	Dormant	United Kingdom
* 21. Shandwick Leisure Limited	100	100	Dormant	United Kingdom
* 22. Simply Nico Limited	62.50	62.50	Dormant	United Kingdom
* 23. Styletune Limited	100	100	Dormant	United Kingdom
* 24. The Bowler Hat Limited	100	100	Dormant	United Kingdom
* 25. The Imperial Crown Hotel Limited	100	100	Hotel operations	United Kingdom
* 26. The Restaurant Partnership plc	62.50	62.50	Restaurant operations	United Kingdom
* 27. TRP Belgium S. A. NV	62.50	62.50	Dormant	Belgium
* 28. TRP (Langan's) Limited	62.50	62.50	Dormant	United Kingdom
* 29. TRP (Nico) Limited	62.50	62.50	Dormant	United Kingdom
* 30. Woodmount Limited	100	100	Dormant	United Kingdom
* 31. Wright Hotels (North Queensferry) Limited	100	100	Dormant	United Kingdom
* 32. Wright Hotels Limited	100	100	Investment holding & hotel operations	United Kingdom



Subsidiary Company of Corus Hotels Limited which is in receivership and is not consolidated

At 31 December 2007

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2007</i>	<i>2006</i>	
	<i>%</i>	<i>%</i>	
* 1. Dudley Hotels Limited	100	100	United Kingdom

+ *Subsidiary companies audited by overseas member firms associated with BDO Binder, Malaysia.*

* *Subsidiary and associated companies not audited by member firms associated with BDO Binder, Malaysia.*

△ *The Restaurant Partnership plc held 58.81% equity interest in No. 1 Cigar Club Limited.*

o *Placed under members / creditors voluntary winding up on 31 January 2007.*

■ *Placed under members / creditors voluntary winding up on 21 December 2007.*

^ *Management accounts of these subsidiary companies are used for the preparation of the Group's consolidated financial statements.*



PROPERTIES OWNED BY THE MUI GROUP

At 31 December 2007

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
MALAYSIA			
Federal Territory of Kuala Lumpur			
1 lot of freehold land with a 13-storey hotel, known as Corus hotel Kuala Lumpur, Jalan Ampang, Kuala Lumpur (Date of last valuation: December 1982)	7,289	23	65,849
1 lot of freehold land at Section 43, Jalan Mayang, Kuala Lumpur, held for proposed condominium development (Date of acquisition: May 1981)	1,478	-	902
3 lots of leasehold land with a 4-storey shoplot each at nos. 14, 16 & 18, Taman Indrahana, Jalan Kuchai Lama, Kuala Lumpur (Lease expires in 2077) (Date of acquisition: June/November 1990)	468	24	1,401
1 lot of freehold land with two units of double-storey office buildings at 189, Jalan Ampang, Kuala Lumpur (Date of acquisition: August 1991)	3,540	15	8,962
1 lot of freehold land with a 10 units, four storey residential apartment building at 191, Jalan Ampang, Kuala Lumpur (Date of acquisition: July 2007)	3,056	13	25,117
1 lot of freehold land with a 15-storey office building known as Menara PMI at no. 2, Jalan Changkat Ceylon, Kuala Lumpur (Date of acquisition: September 1996)	2,459	21	39,000
State of Selangor Darul Ehsan			
6 lots of freehold land with 1 unit 2-storey pre-war shophouse at Seksyen 3, Pekan Batu Tiga, Mukim Damansara, Selangor Darul Ehsan, held for future development (Date of acquisition: December 1982)	771	pre-war	165
Balance of freehold land held for residential development known as Vila Sri Ukay at Mukim Ulu Kelang, Selangor Darul Ehsan (Date of acquisition: April 1995)	7,663	-	7,998
1 lot of leasehold industrial land with a factory and office building at Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2071) (Date of acquisition: September 1996)	10,800	37	9,784
1 lot of freehold industrial land at Mukim of Kapar, District of Klang, Selangor Darul Ehsan. (Date of Acquisition: June 2004)	40,300	-	10,451



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of leasehold land with a single storey structure at Lot 18, Persiaran Selangor, Shah Alam, Selangor Darul Ehsan, currently used as a warehouse. (Lease expires in 2086) (Date of acquisition: August 2007)	8,154	24	2,735
1 lot of leasehold land with a 3 storey office building at no. 15, Jalan Ragum 15/17, Section 15, Shah Alam, Selangor Darul Ehsan, currently vacant (Lease expires in 2086) (Date of acquisition: August 2007)	8,137	24	9,495
1 lot of freehold industrial land at Lot no. 1811, Mukim Cheras, Daerah Ulu Langat, Selangor Darul Ehsan, held for development into a factory building (Date of acquisition: April 1996)	7,333	-	2,095
State of Pulau Pinang			
Leasehold land at Phase 2E, Kompleks Tun Abdul Razak (Komtar), Georgetown, held for development of a multi-storey retail complex together with Lots 201, 202 & 204 at Penang Road, Georgetown (Lease expires in 2083) (Date of acquisition: August 2007)	2,245	-	5.455
3 lots of freehold land at Lots 201, 202 & 204, Penang Road, Georgetown, held for development of a multi-storey retail complex together with leasehold land at Phase 2E, Komtar, Georgetown (Date of acquisition: August 2007)	2,079	-	17,800
3 units of leasehold shoplots at 2B 1.02, 1.03 & 2.02, Komtar, Georgetown (Lease expires in 2080) (Date of acquisition: August 2007)	553	22	2,301
Freehold retail space comprising basement and ground floor of Kompleks Bukit Jambul, Jalan Rumbia, Penang (Date of acquisition: August 2007)	13,549	11	27,364
1 lot of leasehold land with an office and warehouse at no. 101-G, Lintang Kampong Jawa, Lot 4, Kawasan MIEL, Bayan Baru, Pulau Pinang (Lease expires in 2041) (Date of acquisition: September 1996)	976	26	1,193



PROPERTIES OWNED BY THE MUI GROUP (Cont'd)

At 31 December 2007

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
State of Johor Darul Takzim			
1 lot of freehold land with a warehouse at no. 35, Jalan Mashyur 3, Taman Perindustrian Cemerlang, Ulu Tiram, Johor Bahru, Johor Darul Takzim (Date of acquisition: September 1996)	446	14	528
State of Negeri Sembilan Darul Khusus			
3 lots of freehold land with a 4-storey hotel building at 7 1/2 Mile, Jalan Pantai, Teluk Kemang, Port Dickson, Negeri Sembilan Darul Khusus (Year of last valuation: 1983)	11,892	33	12,016
1 lot of freehold land at 5 1/2 Mile, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus held for development (Date of acquisition: June 1980)	20,259	-	6,474
Balance of freehold land held for township development known as Bandar Springhill at Mukim of Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus (Date of acquisition: January 1995)	5,618,185	-	116,285
3 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson at Lots 286, 288 & 289, PT 5855 Batu 2 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of acquisition: September 1996)	55,745	12	32,353
4 lots of freehold land held for future development at Jalan Tuanku Munawir, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition: November 2005)	19,534	-	28,290
State of Pahang Darul Makmur			
1 lot of freehold bungalow land at HS 10468 PT 11291, Bentong, Pahang Darul Makmur (Date of acquisition: September 1996)	1,115	-	180
A U S T R A L I A			
1 lot of freehold land with a 60-room hotel at no. 20, Kirby Court, West Hobart, Tasmania (Date of acquisition: October 1996)	24,970	30	5,715



<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
UNITED STATES OF AMERICA			
Balance of units in a 110 units, 7-storey, freehold condominium complex located within the Regent Park Complex in Fort Mill, South Carolina (Date of acquisition: December 1990)	33,913	12	3,123
HONG KONG			
1 unit of leasehold warehouse at Block 1, Unit C, 23rd Floor, Kingsford Industrial Building, nos. 26-32 Kwai Hei Street, Kwai Chung, New Territories (Lease expires in 2038) (Date of acquisition: September 1996)	771	29	1,227
SINGAPORE			
1 lot of leasehold land with a warehouse and office at no. 12, Woodlands Link, Singapore (Lease expires in 2055) (Date of acquisition: September 1996)	7,442	10	8,370
1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore (Lease expires in 2096) (Date of acquisition: July 1999)	194	-	2,904
UNITED KINGDOM			
1 lot of freehold land with a 66-room hotel known as Chace Hotel at London Road, Toll Bar End, Coventry CV3 4EQ (Date of acquisition: November 2001)	13,240	156	20,095
1 lot of leasehold land with a 124-room hotel known as The St James' Hotel at St James Square, Grimsby DN31 1EP (Leases expires in 2071) (Date of acquisition: November 2001)	3,709	56	2,021
1 lot of freehold land with a 56-room hotel known as Imperial Crown Hotel at 42-46 Horton Street, Halifax, West Yorkshire HX1 1QE (Date of acquisition: November 2001)	1,001	256	10,604
1 lot of freehold land with a 52-room hotel known as Old Golf House Hotel at New Hey Road, Outlane, Near Huddersfield, West Yorkshire HD3 3YP (Date of acquisition: November 2001)	15,040	66	14,173



PROPERTIES OWNED BY THE MUI GROUP (Cont'd)

At 31 December 2007

<i>Location, Description and Usage</i>	<i>Approximate Land Area Sq. Metres</i>	<i>Approximate Age of Building Years</i>	<i>Net Book Value RM'000</i>
1 lot of freehold land with a 47-room hotel known as Corus hotel Elstree at Barnet Lane, Elstree, Hertfordshire WD6 3RE (Date of acquisition: November 2001)	40,000	156	43,866
1 lot of leasehold land with a 62-room hotel known as Grosvenor House Hotel at Charter Square, Sheffield, South Yorkshire S1 3EH (Leases expires in 2065) (Date of acquisition: November 2001)	1,500	56	3,502
1 lot of freehold land with a 111-room hotel known as Corus hotel Solihull at Stratford Road, Shirley, Solihull B90 4EB (Date of acquisition: November 2001)	16,400	56	83,005
1 lot of freehold land with a 50-room hotel known as Hillcrest Hotel at Cronton Lane, Widness, Cheshire WA8 9AR (Date of acquisition: November 2001)	2,000	56	19,766
1 lot of freehold land with a 64-room hotel known as The Belsfield Hotel at Kendal Road, Bowness-on-Windermere, Cumbria LA23 3EL (Date of acquisition: November 2001)	28,050	156	35,069
1 lot of freehold land with a 82-room hotel known as Burnham Beeches Hotel at Grove Road, Burnham, Buckinghamshire SL1 8DP (Date of acquisition: November 2001)	31,830	56	84,136
1 lot of freehold land, a former site of a hotel building which was demolished, at 1 Ferrymuir Gait, South Queensferry, Edinburgh, West Lothian EH30 9SF (Date of acquisition: November 2001)	40,940	-	28,283
1 lot of freehold land with a 390-room hotel known as Corus hotel Hyde Park at Lancaster Gate, London W2 3LG (Date of acquisition: February 2001)	2,010	106	330,529
1 lot of leasehold land with a 4-storey restaurant at 30 Charlott Street, London W1 1HP (Lease expires in 2019) (Date of acquisition: November 2001)	87	106	1,836
1 lot of leasehold land with a 3-storey restaurant at 2 Greek Street, London W1V 6NB (Lease expires in 2021) (Date of acquisition: November 2001)	36	106	984
1 lot of leasehold land with a single storey restaurant at Crown Plaza, Heathrow Stockley Road, West Drayton Middlesex UB7 9NA (Lease expires in 2008) (Date of acquisition: November 2001)	213	31	58



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

FORM OF PROXY

No. of Shares Held

I/We _____ NRIC No. _____
of _____ Tel. No. _____
being a member of MALAYAN UNITED INDUSTRIES BERHAD hereby appoint _____
_____ NRIC No. _____
of _____ Occupation _____
or failing him/her, _____ NRIC No. _____
of _____ Occupation _____

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 26 June 2008 at 4.00 p.m. and at any adjournment thereof, and to vote as indicated below:-

Resolutions	For	Against
1. To approve Directors' fees of RM324,000.		
2. To re-appoint Datuk Yong Ming Sang as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
3. To re-appoint Dr Ngui Chon Hee as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
4. To re-appoint Dato' Paduka Nik Hashim Nik Yusoff as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
5. To re-elect Mr Khet Kok Yin as Director of the Company.		
6. To re-appoint Messrs BDO Binder as auditors of the Company and to authorise the Directors to fix their remuneration.		
7. Proposed authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.		
8. Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad.		
9. Proposed amendments to the Articles of Association of the Company.		

(Please indicate with (X) how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Seal

Signature

Date:

Notes:-

1. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Companies Commission of Malaysia in the particular case or a person approved by the Directors prior to the appointment.
2. A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member, other than an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
4. The Form of Proxy must be deposited at the registered office of the Company at 5th Floor, Menara PMI, No. 2, Jalan Changkat Ceylon, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Stamp

The Company Secretary
Malayan United Industries Berhad
5th Floor, Menara PMI
No. 2, Jalan Changkat Ceylon
50200 Kuala Lumpur
Malaysia
