



Malayan United Industries Berhad

Company No: 3809 - W



LAPORAN TAHUNAN 2008 ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Eighth Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 30 June 2009 at 3.30 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 2008.
2. 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, Tan Sri Dato' Khoo Kay Peng be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 1)**
 - (ii) "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)**
 - (iii) "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)**
 - (iv) "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)**
3. To re-elect Tan Sri Dato' Paduka Dr Mazlan bin Ahmad who is retiring in accordance with Article 109 of the Company's Articles of Association. **(Resolution 5)**
4. 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:-

5. 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)**



6. 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;

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 2008, the Company’s share premium account stood at RM220,305,000;

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)



NOTICE OF MEETING (Cont'd)

7. 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
8 June 2009

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 5, 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 6, 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.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-appointment/re-election are:-

- | | |
|--|---|
| (a) Tan Sri Dato' Khoo Kay Peng | – Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (b) Datuk Yong Ming Sang | – Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (c) Dr Ngui Chon Hee | – Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (d) Dato' Paduka Nik Hashim Nik Yusoff | – Retiring pursuant to Section 129 of the Companies Act, 1965 |
| (e) Tan Sri Dato' Paduka Dr Mazlan bin Ahmad | – 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 and Tan Sri Dato' Paduka Dr Mazlan bin Ahmad in the Company are set out in the Analysis of Shareholdings on page 50 of this Annual Report. The securities holdings of Tan Sri Dato' Khoo Kay Peng and Dr Ngui Chon Hee are set out in the Analysis of Shareholdings and Analysis of Irredeemable Convertible Unsecured Loan Stocks Holdings on pages 50, 53 and 55 of this Annual Report.

3. Details of Attendance of Directors at Board Meetings.

There were five (5) Board Meetings held during the financial year ended 31 December 2008. Details of attendance of the Directors are set out in the Profile of Directors on pages 7 to 9 of the Annual Report.

4. The Thirty-Eighth Annual General Meeting of the Company will be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 30 June 2009 at 3.30 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.

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. 21459216

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 70. 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 trustee of Regent University, Virginia, USA, 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 five (5) Board Meetings held during the financial year.

Datuk Yong Ming Sang

Age 78. 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. Currently, he is the Chairman of Pan Malaysia Holdings Berhad and also serves as a Director of MUI Properties 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 all the five (5) Board Meetings held during the financial year.

Dr Ngui Chon Hee

Age 75. 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. Chairman of the Nomination Committee and member of the Remuneration Committee. 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 all the five (5) Board Meetings held during the financial year.



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PROFILE OF DIRECTORS (Cont'd)

Dato' Paduka Nik Hashim Nik Yusoff

Age 71. 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 Berhad, UBG Enterprise Berhad and CMS Trust Management Berhad. He also sits on the Board of Genting Berhad. Attended four (4) Board Meetings held during the financial year.

Khet Kok Yin

Age 62. 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. Member of the Audit Committee. Holds a Bachelor of Economics (Honours) from University of Malaya. Currently, he is the Chairman of Pan Malaysia Capital Berhad and also sits on the Boards of Pan Malaysian Industries Berhad, Pan Malaysia Holdings 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) and was also Joint Managing Director of KFC Holdings (Malaysia) Bhd, 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 five (5) Board Meetings held during the financial year.

Tan Sri Dato' Paduka Dr Mazlan bin Ahmad

Age 65. 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 five (5) Board Meetings held during the financial year.



Dato' Dr Tan Kee Kwong

Age 62. 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 five (5) Board Meetings held during the financial year.

Mohamad Faiz bin Abdul Hamid

(Alternate Director to Datuk Yong Ming Sang)

Age 69. 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 (the “Board”) is committed to the principles of corporate governance in the Malaysian Code of Corporate Governance (the “Code”).

The Board 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.

Five (5) Board meetings were held during the financial year ended 31 December 2008. 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 seven (7) Directors:-

- One (1) Chairman and Chief Executive
- Five (5) Independent Non-Executive Directors
- One (1) 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 2008 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	Dr Ngui Chon Hee (Appointed on 23 October 2008)	– Non-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. During the year, all the Directors attended training that aid in the discharge of their duties as Directors. The training programmes include "The Inside Story Of the Annual Report" and an in-house seminar on "Corporate Governance Development in Malaysia".

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.

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
	Dr Ngui Chon Hee	– Non-Independent Non-Executive Director
	(Appointed on 23 October 2008)	

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 2008, 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	300	72	4	96	472
- Subsidiary companies	840	184	27	1,691	2,742
	1,140	256	31	1,787	3,214
Non-Executive Directors					
Receivable from					
- Company	–	252	–	25	277
- Subsidiary companies	–	180	–	27	207
	–	432	–	52	484
	1,140	688	31	1,839	3,698

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
RM50,001 to RM100,000	–	2
RM100,001 to RM150,000	–	1
RM3,200,001 to RM3,250,000	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 62 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 Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company 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 Group and of the Company 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 of the respective companies or the Group. 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 profiles of the operating companies were reviewed and updated to reflect current conditions. The updated risk profiles were documented and presented to the Audit Committee of the respective companies or the Group 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 continues to support the principles and practice of corporate social responsibility (CSR). Our commitment to CSR initiatives is based on 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 are aimed at bringing benefits to the orphans, the homeless, the destitute, the handicapped and organisations that provide succour to the sick.

For the financial year 2008, the Group continued to actively support the Malaysian performing arts, education and other social institutions.

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. The recent internationally-benchmarked HACCP (Hazard Analysis & Critical Control Point) certification received by Network Foods Industries Sdn Bhd for food safety standards and competencies as a chocolate manufacturer is a testament to this commitment.

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, Laura Ashley continued to support the work of 'Plantlife', a UK charity, in protecting wild plants and flowers during 2008.

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 for its various boards of directors, management teams and employees to pursue their respective business objectives.





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 2008 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 2008, non-audit fees paid to the external auditors by the Company and its subsidiary companies amounted to RM1,010,000 (2007: RM1,482,000).

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>Independent Non-Executive Director</i>

TERMS OF REFERENCE

1. Constitution

The Audit Committee was established on 5 July 1994. The Board 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 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 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 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, 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.

4. Meetings

During the financial year ended 31 December 2008, five (5) Audit Committee Meetings were held. Datuk Yong Ming Sang, Mr Khet Kok Yin and Dato' Dr Tan Kee Kwong attended all the 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 2008

The Audit Committee reviewed and deliberated six (6) 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 2009. 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

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

Rebecca Navarednam
Chief Financial Officer/Company Secretary
Laura Ashley Holdings plc, 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 2008.

ECONOMIC REVIEW

2008 was a year characterised by global financial turmoil and economic downturn on a scale that was quite unprecedented since the 1930's. The subprime mortgage collapse that began in the United States in late 2007 quickly developed into a global financial crisis and exposed a systemic failure in the world's financial system. The financial crisis eventually affected the real economy of the advanced countries which fell into recession in the second half year of 2008.

Led by China, the economy of the Asian region continued to grow in the first half year of 2008. In the second half year, however, the region's performance was slightly mixed. While the economies of some countries continued to expand, albeit at a considerably reduced pace, Japan, Korea, Taiwan, Singapore and Hong Kong, whose economies are closely linked to those of the advanced countries, suffered severe economic downturn.

The Malaysian economy largely reflected the trends of the Asian region. The country registered economic growth in the first half year but experienced a significant slowdown in the second half of the year as the economic recession in the West began to take effect in the rest of Asia. Overall, the country's economy registered a lower growth of 4.6% in 2008 compared with 6.3% in the previous year. The economic growth was driven by domestic demand,

especially sustained private consumption and public spending.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2008, the Group's revenue increased to RM953.1 million compared with RM763.6 million in the previous year, mainly due to the full-year contribution from Metrojaya Berhad which became a subsidiary of the Group in August 2007. However, the Group like many other corporations was not spared the adverse effects of the global economic downturn and the financial turmoil. Consequently, the performance of some of the Group's operating companies was affected to some extent. In addition, the Group had to make allowances for diminution in the value of its investments and doubtful debts as well as to incur some foreign exchange losses. After accounting for finance cost, the Group recorded a loss before tax of RM71.9 million for the year ended 31 December 2008 compared with a profit before tax of RM25.9 million under continuing operations in the previous year.

As at 31 December 2008, the Group's total assets and shareholders' funds stood at RM2.8 billion and RM671.6 million respectively.

CORPORATE DEVELOPMENTS

MUI Properties Berhad

MUI Properties Berhad completed on 30 January 2009 the disposal of its entire equity in its wholly-owned subsidiary, Two Holdings Sdn Bhd (Two Holdings), to



From home accessories, furniture, decorating to fashion, Laura Ashley is the name for inspiring elegance



Pan Malaysian Industries Berhad (PMI) for a cash consideration of RM9.3 million. The agreement on the disposal was entered into on 14 September 2007. The main asset of Two Holdings is a vacant piece of freehold land situated in Jalan Mayang, Kuala Lumpur.

Pan Malaysia Holdings Berhad

Also, Pan Malaysia Holdings Berhad (PM Holdings) completed the disposal of its office building known as Menara PMI in Jalan Changkat Ceylon, Kuala Lumpur, for a cash consideration of RM39.0 million on 30 January 2009 pursuant to an agreement entered into with PMI on 14 September 2007. The proceeds from the disposal have been used substantially to retire bank borrowings. This has reduced the Group's gearing level and enhanced PM Holdings' financial position.

REVIEW OF OPERATIONS

The Group is a multinational Malaysian conglomerate with extensive interests in Retailing, Hotels, Food & Confectionery, Financial Services, Properties and Travel & Tourism. With its 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 Berhad (Metrojaya), a leading Malaysian-based department and specialty-store operator.

Laura Ashley, an associated company of the Group, is a UK-based international retailer listed on the London Stock Exchange. Its business comprises four main categories: Home Accessories, Furniture, Decorating and Fashion. Franchising continues to play an important part of the Laura Ashley operations while Licensing remains a key activity in North America. In line with the company's planned expansion, the number of stores has now grown to 232 in the UK, Republic of Ireland and France. In addition, franchised stores have also increased to 223 in 25 countries worldwide. The growth of franchised stores will form an important component of Laura Ashley's long-

term strategy of overseas expansion. This strategy will include a growing presence in Asia where the company, through its franchise partners, hopes to set up 80 stores in China and 20 stores in the Middle East within five years.

Despite the worsening economic downturn in the UK and in Europe in 2008, Laura Ashley performed well. For its financial year ended 31 January 2009, the company registered a profit before tax of £10.2 million (RM63.0 million) compared with £19.8 million (RM136.3 million) in the previous financial year. Total group sales grew by 9.6% to £260.5 million (RM1.6 billion) due mainly to the increase in UK store and Internet sales. Fashion performed well with sales improving 24% over the previous year. However, the need for more sales promotions to counter the fierce competition in high-street retailing and the weakening of the Sterling had lowered the overall gross margin. Nevertheless, Laura Ashley continued to maintain a healthy Balance Sheet position with £7.9 million (RM39.7 million) in net cash as at 31 January 2009.

For the second year running in 2008, Laura Ashley won the coveted "Retailer of the Year" award launched by *Homes & Gardens*, a leading UK magazine. The award was a result of Laura Ashley's commitment to design-led and innovative product ranges, excellent customer service and its impressive presence on the high street. Voted by the magazine's 834,000 readers, this prestigious award has further enhanced the name of Laura Ashley.

In North America, Laura Ashley (North America) Inc. continued to expand its licensing business in the region and also in Latin America. It is a subsidiary of Regent Corporation, an associated company of the Group. In the financial year under review, the company faced very difficult trading environment especially in the latter part of the year. Despite that, it performed satisfactorily with a revenue of US\$9.6 million (RM32.1 million) and a profit before tax of US\$4.4 million (RM14.7 million) for the financial year.

The Group's retailing business in Malaysia is spearheaded by its subsidiary Metrojaya, a leading retailer in Malaysia. Currently, Metrojaya operates 11 department and concept stores under the names of Metrojaya and MJ, and over 90 specialty stores under the names of Laura Ashley, Reject Shop, BB Maxx, East India Company, Somerset Bay, Cape Cod and Living Quarters.



Metrojaya changed its financial year end from 31 March to 31 December in 2008 to be in line with that of the holding company. For the twelve months to 31 December 2008, Metrojaya recorded a revenue of RM396.9 million compared with RM413.1 million for the same period in the previous year, representing a decline of 3.9%. The drop in revenue was due to restraint in consumer spending as a result of the global economic downturn.

Metrojaya recorded a profit before tax of RM18.8 million for the twelve months to 31 December 2008 compared with RM16.4 million (including impairment loss on investment property of RM10.0 million) for the same period in the previous year.

Hotels

The hotel division consists of 13 hotels, 11 in the UK and two in Malaysia, all operating under the Corus franchise which is wholly-owned by the Group.

Given the adverse effects of deteriorating global economic downturn especially in the last quarter of 2008, the hotel division performed satisfactorily. Both the UK and the Malaysian hotel groups operated profitably for the financial year under review. The combined operating profit for the hotel division was RM26.8 million which was a 30.7% decline from last year. The fall in profit was due to a significant reduction in contribution from the UK operations, which felt the full impact of the global economic recession in the last quarter of the year. This was further compounded by the much lower foreign exchange conversion of the Sterling, which saw about 24% fall against the Malaysian ringgit during the year.

Corus Hotel Kuala Lumpur, the Group's Malaysian flagship hotel, performed exceptionally well, reporting a 34.0% growth in its operating profit against the background of a downward trend of hotel occupancies in Kuala Lumpur. The city's average occupancy rate for 29 four and five-star hotels fell 3 percentage points to 71% in 2008 whilst the average occupancy rate of Corus Hotel Kuala Lumpur improved 2.6 percentage points to 82.5%.

The performance of Corus Hotel Hyde Park in London, the Group's UK flagship hotel, was affected by the UK recession in the last quarter of 2008. As a result, its revenue declined marginally by 1.5% and operating profit by 4.7%.

Food & Confectionery

The Group's interest in food & confectionery business is held through its public-listed subsidiary, Pan Malaysia Corporation Berhad (PMC). 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.

In Malaysia, the Group's operations are undertaken by two NFIL subsidiaries, 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 manufactures chocolate and confectionery products



Summer collections by Laura Ashley



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia





under established brands such as Tudor Gold, Kandos, Crispy, Soreign, Tango and Kiddies. During the year under review, NFI's revenue increased by 8.6% to RM67.9 million due to strong sales in both its domestic and export markets. Despite higher raw material prices, fuel and other input costs, NFI achieved a better performance in 2008, reporting a 3.3% increase in profit before tax and before exceptional gain of RM5.3 million. The company's continuous improvement efforts won it an award from the Ministry of Plantation Industries and Commodities for quality, production and innovation of cocoa products for the category of manufacturers with at least 60% Malaysian equity. During the year, NFI also achieved the HACCP (Hazard Analysis & Critical Control Point) certification. This internationally benchmarked certification reinforces the high food safety standards and competencies of NFI as a chocolate manufacturer and is a step forward to further enhance the competitiveness of NFI's products.

NFM is the marketing and distribution arm of the Group's food & confectionery operations and also acts for other agency lines in the distribution of their products. For the financial year under review, it performed satisfactorily, posting a profit before tax of RM1.3 million on a revenue of RM53.3 million. NFM continued with its focus on rationalising its product portfolio by adding new agency lines and discontinuing unprofitable ones as well as developing new confectionery products with principals and brand owners.

As part of the future expansion of the Group's food & confectionery operations, NFI is acquiring another piece of property adjoining its existing factory in Shah Alam.

The enlarged site of 8.7 acres is more than three times bigger than its current site of 2.7 acres and this will allow for the manufacturing, sales and distribution divisions to be situated in one central location with ample allowance for future growth and expansion. The centralisation will also result in improved efficiencies and better synergies in the operations of NFI and NFM.

NFD's operations in Singapore are relatively small at the moment though there are plans for business expansion. Despite unfavourable economic conditions, NFHK managed to perform satisfactorily in Hong Kong and recorded a revenue of HK\$21.8 million (RM9.3 million).

Financial Services

The financial services division of the Group consists of the universal broking business under PM Securities Sdn Bhd (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 Securities has its principal office in Kuala Lumpur and operates seven branch offices in Seremban, Puchong, Klang, Melaka, Johor Baru, Batu Pahat and Penang in addition to operating an Electronic Access Facility in Jelebu.

In tandem with the lower Bursa Securities trading volumes and values recorded in 2008, the financial performance of PM Securities for the year ended 31 December 2008 was lower compared to the previous financial year. The revenue of PM Securities, comprising



Left page: Mandarin collared bias-cut silk dress by Emanuelle

Above (left to right): Metrojaya department store in Berjaya Times Square • Golden bronze vase by Metrojaya's homes • Fashion accessories by Metrojaya



substantially brokerage income, was reduced by 62.4% from RM68.0 million in 2007 to RM25.5 million in 2008. PM Securities recorded a profit before tax of RM2.0 million for the year ended 31 December 2008 compared with RM20.4 million for the year ended 31 December 2007. In the face of the unfavourable economic climate and low trading activities locally, PM Securities took measures to rationalise its operations which included realigning its manpower needs and expanding its trading platform to include foreign markets.

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 2008, MCI's gross written premiums registered a significant growth of 18.0% to RM193.8 million as compared to the industry's 8% despite an increasingly competitive market environment. The company's profit before tax of RM4.2 million was however lower than the previous year's profit of RM15.8 million due to losses from the disposal of equities and allowances for diminution in value of investments impacted by the global economic downturn on the domestic bourse.

Properties

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

Despite a challenging year for property development in Malaysia, the revenue of the Group's property operations grew by 18.7% to RM30.7 million in the financial year under review. The growth in revenue was largely due to higher revenue derived from its property development operations as well as from better income from the sale of oil palm fruit harvested from land not yet cleared for development.

As a result, the operating profit from property activities of the Group rose from RM8.3 million to RM9.1 million, an increase of 9.4%.

The Group's flagship property project is Bandar Springhill, an integrated township covering an area of about 1,990 acres of prime freehold land situated between Seremban

and Port Dickson. This long-term development, undertaken by the Group's joint-venture subsidiary West Synergy Sdn Bhd (WSSB), will eventually build about 15,000 residential homes and commercial units complete with a town centre, education, health and recreational facilities as well as an industrial site to serve the wider needs of the growing Seremban-Port Dickson corridor.

Interest in Bandar Springhill development increased following the announcement of plans to establish a UCSI 'education township' that will also incorporate a university campus, research centre and a 500-bed medical centre.

In 2008, WSSB sold 168 units of properties with a total sales value of RM24.8 million, representing a 26% increase despite difficult residential market conditions in the second half year.

During the first half of 2008, Bandar Springhill's development encountered construction slowdown when the prices of building materials, particularly steel and cement, escalated sharply. This situation was alleviated by a change in WSSB's business model to deal separately with the building contractors and the suppliers.

As at 31 December 2008, a total of 2,151 units of mixed properties comprising a range of contemporary homes and shop offices were sold in Bandar Springhill, representing a take-up rate of about 90%.

Travel & Tourism

The travel and tourism operation of the Group is undertaken by Pan Malaysia Travel and Tours Sdn Bhd, a full-fledged licensed travel agency operating airline ticketing, outbound and inbound tours. During the year under review, the company's performance was affected by the global economic conditions, especially in the second half of 2008. Sales revenue declined by 20.7% from RM15.1 million in 2007 to RM11.9 million in 2008.

CORPORATE SOCIAL RESPONSIBILITY

The initiatives of Corporate Social Responsibility (CSR) have always been an integral part of the Group's social objectives. We have included in our Annual Report a separate section that summarises the Group's CSR activities.



PROSPECTS FOR 2009

The global economy is not expected to record any growth in 2009 and the recession in the advanced economies is expected to be protracted. With this uncertainty in the international economic outlook, the Malaysian economy is now forecast to range from a 1% decline to a 1% growth. The RM60 billion fiscal stimulus announced by the Malaysian Government on 10 March 2009 will help cushion the effects of the decline in world trade in 2009.

The Board expects 2009 to pose stiffer challenges than before. In response to this, the Group has taken a more prudent approach in matters like major capital expenditure and implemented cost control initiatives. At the same time, the Group remains focused on delivering quality and innovative products and services with emphasis on higher productivity and cost efficiencies to improve margins. The Board is hopeful that the current challenges in the global economy faced by the Group's businesses can be mitigated.

DIRECTORATE

The Board is deeply saddened by the demise of Mr Ang Guan Seng on 19 October 2008 and wishes to place on record The MUI Group's profound gratitude for his longstanding contributions to the Group since 1989 when he first became a director of the Company.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my sincere appreciation for the efforts of all the Management and staff and to thank them for their continued dedication, hard work and loyalty. I would also like to thank my fellow colleagues on the Board for their unwavering support and wise counsel. 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

4 May 2009



Left to right: Chinese New Year, Hari Raya & Christmas collections by Metrojaya



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia





PENYATA PENGURUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan penyata kewangan Syarikat dan Kumpulan bagi tahun kewangan berakhir 31 Disember 2008.

TINJAUAN EKONOMI

Ternyata tahun 2008 telah menyaksikan kemelesetan kewangan dan kegawatan ekonomi global yang berada di tahap yang cukup membimbangkan iaitu belum pernah sedemikian sejak dekad 1930an. Kehancuran gadai janji subprima yang bermula di Amerika Syarikat (AS) di penghujung tahun 2007 begitu pantas menjelma menjadi satu krisis kewangan global dan mendedahkan kegagalan sistemik dalam sistem kewangan sedunia. Krisis kewangan tersebut seterusnya menjejaskan tahap ekonomi sebenar di negara-negara maju yang dirundung kegawatan di separuh kedua tahun 2008.

Sambil diterajui negara China, ekonomi rantau Asia telah terus mencatat pertumbuhan di separuh pertama tahun 2008. Walau bagaimanapun, prestasi serantau di separuh kedua tahun adalah sedikit bercampur-campur. Meskipun sebahagian besar keadaan ekonomi di beberapa buah negara terus mencatat pertumbuhan, walaupun pada kadar yang perlahan, negara Jepun, Korea, Taiwan, Singapura dan Hong Kong, yang ekonominya berhubungkait rapat dengan ekonomi negara-negara maju, telah mengalami kemelesetan ekonomi yang teruk.

Ekonomi Malaysia jelas memaparkan arah aliran ekonomi rantau Asia. Malaysia mencatatkan pertumbuhan ekonomi di separuh pertama tahun

2008 tetapi mengalami kelembapan yang ketara di separuh kedua tahun sambil kemelesetan ekonomi di Barat mula mempengaruhi kawasan selebihnya di benua Asia. Pada keseluruhannya, ekonomi negara mencatat pertumbuhan yang lebih rendah sebanyak 4.6% pada tahun 2008 berbanding 6.3% pada tahun sebelumnya. Pertumbuhan ekonomi telah didorong oleh permintaan domestik, khususnya penggunaan persendirian dan pembelanjaan awam yang madani.

PENCAPAIAN KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2008, hasil pendapatan Kumpulan telah meningkat ke tahap RM953.1 juta berbanding RM763.6 juta pada tahun sebelumnya, dan ini terutamanya disebabkan oleh sumbangan setahun penuh dari operasi Metrojaya Berhad yang menjadi anak syarikat Kumpulan pada bulan Ogos 2007. Walau bagaimanapun, sepertimana juga dengan banyak perbadanan yang lain, Kumpulan telah tidak terlepas dari genggaman mudarat kegawatan ekonomi dan kemelesetan kewangan global. Seterusnya, prestasi sesetengah syarikat yang beroperasi di bawah Kumpulan telah terjejas. Selain itu, Kumpulan telah terpaksa membuat peruntukan bagi penghausan nilai pelaburannya dan hutang ragunya serta mengalami kerugian pertukaran matawang asing. Selepas mengambilkira kos kewangan, Kumpulan mencatat kerugian sebelum cukai sebanyak RM71.9 juta bagi tahun berakhir 31 Disember 2008 berbanding keuntungan sebelum cukai RM25.9 juta dalam operasi yang berterusan di tahun sebelumnya.

Pada 31 Disember 2008, jumlah aset dan dana



Some of the specialty stores of Metrojaya



pemegang saham Kumpulan masing-masingnya berada di paras RM2.8 bilion dan RM671.6 juta

PERKEMBANGAN KORPORAT

MUI Properties Berhad

Pada 30 Januari 2009, MUI Properties Berhad telah menyempurnakan penjualan seluruh ekuitinya dalam syarikat subsidiari milik sepenuhnya, Two Holdings Sdn Bhd (Two Holdings), kepada Pan Malaysian Industries Berhad (PMI) dengan balasan tunai RM9.3 juta. Perjanjian berhubung penjualan tersebut telah dimeterai pada 14 September 2007. Aset utama Two Holdings ialah sebidang tanah pegangan bebas yang kosong yang terletak di Jalan Mayang, Kuala Lumpur.

Pan Malaysia Holdings Berhad

Seterusnya, Pan Malaysia Holdings Berhad (PM Holdings) telah menyempurnakan penjualan bangunan pejabatnya yang dikenali sebagai Menara PMI di Jalan Changkat Ceylon, Kuala Lumpur, dengan balasan tunai RM39.0 juta pada 30 Januari 2009 sejajar dengan perjanjian yang dimeterai dengan PMI pada 14 September 2007. Perolehan dari penjualan tersebut telah digunakan sebahagian besarnya untuk melunaskan pinjaman bank. Ini telah mengurangkan paras pinjaman Kumpulan dan mengukuhkan kedudukan kewangan PM Holdings.

TINJAUAN OPERASI

Kumpulan merupakan sebuah konglomerat multinasional Malaysia dengan kepentingan menyeluruh dalam bidang Peruncitan, Hotel, Makanan & Konfeksi, Perkhidmatan Kewangan, Hartanah dan Pengembaraan & Pelancongan. Dengan ibu pejabatnya yang terletak di Malaysia, operasi antarabangsa Kumpulan mencakupi United Kingdom (UK), Benua Eropah, Amerika Syarikat (AS), China dan rantau Asia Pasifik.

Peruncitan

Dalam bidang peruncitan, Kumpulan mengoperasikan dua buah gedung perniagaan terkemuka - Laura Ashley Holdings plc (Laura Ashley) yang memiliki jenama terkemuka antarabangsa iaitu Laura Ashley,

dan Metrojaya Berhad (Metrojaya), sebuah syarikat operasi gedung beli-belah dan barangan khas terkemuka Malaysia.

Laura Ashley, sebuah syarikat sekutu Kumpulan, adalah sebuah gedung peruncitan yang berpangkalan di UK dan tersenarai di Bursa Saham London. Perniagaannya merangkumi empat kategori utama: Aksesori Rumah, Perabot, Hiasan dan Fesyen. Operasi francais terus memainkan peranan penting dalam operasi Laura Ashley manakala kegiatan Pelesenan terus cergas di Amerika Utara. Sejajar dengan rancangan pengembangan operasi syarikat, bilangan gedung kini telah meningkat kepada 232 buah di UK, Republik Ireland dan Perancis. Selain itu, gedung francais juga telah bertambah ke angka 223 di 25 negara di seluruh dunia. Pertumbuhan gedung francais akan membentuk komponen penting dalam strategi jangka panjang Laura Ashley berhubung pengembangan operasi ke seberang laut. Strategi ini akan merangkumi kehadiran yang semakin mantap di rantau Asia di mana syarikat menerusi rakan-rakan kongsi francaisnya, berharap untuk menubuhkan 80 gedung di negara China dan 20 gedung di Timur Tengah dalam tempoh lima tahun.

Meskipun menghadapi suasana kegawatan ekonomi yang semakin parah di UK dan di benua Eropah pada tahun 2008, Laura Ashley telah menunjukkan prestasi yang baik. Untuk tahun kewangan berakhir 31 Januari 2009, syarikat mencatat keuntungan sebelum cukai sebanyak £10.2 juta (RM63.0 juta) berbanding £19.8 juta (RM136.3 juta) pada tahun sebelumnya. Jumlah jualan meningkat 9.6% ke angka £260.5 juta (RM1.6 bilion) disebabkan terutamanya oleh peningkatan dalam jualan di gedung UK dan jualan melalui Internet. Sektor fesyen menunjukkan prestasi yang memberangsangkan dengan jumlah jualan bertambah 24% berbanding tahun sebelumnya. Walau bagaimanapun, usaha tambahan bagi promosi jualan sebagai langkah merintang persaingan yang begitu sengit dalam perniagaan serta matawang Sterling yang semakin lemah telah menyebabkan jidar kasar keseluruhan berkurangan. Walau bagaimanapun, Laura Ashley terus mengekalkan kedudukan Lembaran Imbangan yang baik dengan jumlah tunai bersih £7.9 juta (RM39.7 juta) pada 31 Januari 2009.

Pada tahun 2008, buat kali kedua berturut-turut, Laura Ashley telah memenangi anugerah "Gedung



Peruncitan “Terunggul Tahun” yang dilancarkan oleh majalah *Homes & Gardens*, sebuah majalah terkemuka di UK. Anugerah yang dimenangi ini adalah hasil daripada penglibatan Laura Ashley dalam reka bentuk barisan produk yang inovatif, memberi khidmat pelanggan yang cemerlang dan namanya yang begitu gagah di serantau dunia. Dengan menjadi pilihan seramai 834,000 pembacanya, anugerah yang terunggul dan berprestij ini telah menaikkan dan memartabatkan nama Laura Ashley di persada dunia.

Di Amerika Utara, Laura Ashley (North America) Inc. terus mengembangkan perniagaan pelesenannya di kawasan serantau dan juga di Amerika Latin. Ianya merupakan sebuah anak syarikat Regent Corporation, yang juga sebuah syarikat sekutu Kumpulan. Pada tahun kewangan yang sedang ditinjau, syarikat terpaksa menempuhi suasana perdagangan yang amat meruncing khususnya di penghujung tahun. Meskipun begitu, syarikat masih berupaya mencatat prestasi yang memuaskan dengan hasil pendapatan US\$9.6 juta (RM32.1 juta) dan keuntungan sebelum cukai sebanyak US\$4.4 juta (RM14.7 juta).

Perniagaan peruncitan Kumpulan di Malaysia diterajui oleh anak syarikatnya, Metrojaya, sebuah gedung peruncitan terkemuka di Malaysia. Kini, Metrojaya mengendalikan 11 buah gedung beli-belah dan konsep di bawah nama Metrojaya dan MJ, dan lebih 90 gedung barangan khas di bawah nama Laura Ashley, Reject Shop, BB Maxx, East India Company, Somerset Bay, Cape Cod dan Living Quarters.

Metrojaya telah menukarkan penghujung tahun kewangannya dari 31 Mac kepada 31 Disember pada

tahun 2008 supaya menyamai penghujung tahun kewangan syarikat induk. Untuk tempoh dua belas bulan hingga 31 Disember 2008, Metrojaya mencatat hasil pendapatan RM396.9 juta berbanding RM413.1 juta pada tempoh yang sama tahun sebelumnya, yang mewakili susutan 3.9%. Pengurangan dalam hasil pendapatan adalah disebabkan kekangan dalam pembelanjaan pengguna akibat kegawatan ekonomi global.

Metrojaya mencatat keuntungan sebelum cukai RM18.8 juta bagi tempoh dua belas bulan hingga 31 Disember 2008 berbanding RM16.4 juta (termasuk kerugian kecacatan atas hartanah pelaburan sebanyak RM10.0 juta) untuk tempoh yang sama pada tahun sebelumnya.

Hotel

Bahagian operasi hotel adalah terdiri daripada 13 buah hotel, yakni 11 buah di United Kingdom dan dua di Malaysia, di mana kesemuanya beroperasi di bawah francais Corus yang dimiliki sepenuhnya oleh Kumpulan.

Meskipun wujud kesan-kesan kegawatan ekonomi global yang semakin buruk khususnya di suku tahun terakhir 2008, bahagian operasi hotel telah menunjukkan prestasi yang memuaskan. Kumpulan hotel di UK dan juga di Malaysia melaporkan perolehan keuntungan bagi tahun kewangan yang sedang ditinjau. Keuntungan operasi gabungan bagi operasi hotel ialah RM26.8 juta iaitu susut 30.7% berbanding tahun lepas. Kemerosotan dalam keuntungan itu adalah berpunca dari pengurangan besar dalam sumbangan



Left to right: Nostalgic charm collections by East India Company • Silk charmeuse in deep berry by Somerset Bay • Floral fine bone tea set by Living Quarters



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dari operasi UK, yang mengalami mudarat penuh kemelesetan ekonomi sedunia di suku tahun terakhir tahun. Keadaan bertambah lebih parah lagi oleh kadar pertukaran matawang Sterling yang lebih rendah, yang menyaksikan kejatuhan kira-kira 24% berbanding Ringgit Malaysia pada tahun kewangan.

Corus Hotel Kuala Lumpur, hotel mercutanda Kumpulan di Malaysia, mencatat prestasi yang amat baik, dengan pertumbuhan 34.0% dalam keuntungan operasi berlatarbelakangkan arah aliran kadar langganan hotel yang menurun di Kuala Lumpur. Purata kadar langganan hotel di kotaraya bagi 29 buah hotel bertaraf empat bintang dan lima bintang telah jatuh 3 mata peratusan ke tahap 71% pada tahun 2008 manakala purata kadar langganan bagi Corus Hotel Kuala Lumpur pula meningkat 2.6 mata peratusan ke tahap 82.5%.

Prestasi Corus Hotel Hyde Park di London, hotel mercutanda Kumpulan di UK telah terjejas oleh kegawatan ekonomi di UK di suku tahun terakhir 2008. Akibatnya, hasil pendapatannya merosot 1.5% dan keuntungan operasinya pula susut 4.7%.

Makanan dan Konfeksi

Kepentingan Kumpulan dalam perniagaan makanan dan konfeksi adalah dipegang menerusi anak syarikatnya yang tersenarai, iaitu Pan Malaysia Corporation Berhad (PMC). Operasi makanan & konfeksi Kumpulan kini tertumpu di Malaysia, Singapura dan Hong Kong di bawah anak syarikat PMC iaitu Network Foods International Ltd (NFIL) dan kumpulan syarikatnya.

Di Malaysia, operasi Kumpulan dikendalikan oleh dua buah anak syarikat NFIL, iaitu 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 Tudor Gold, Kandos, Crispy, Soreign, Tango dan Kiddies. Pada tahun kewangan yang sedang ditinjau, hasil pendapatan NFI telah meningkat sebanyak 8.6% ke tahap RM67.9 juta disebabkan jualan yang memberangsangkan di pasaran tempatan dan juga pasaran eksport. Meskipun berlaku peningkatan dalam harga bahan mentah, bahan bakar dan lain-lain kos input, NFI mencatat prestasi yang lebih baik pada tahun 2008 dengan keuntungan sebelum cukai dan sebelum gandaan luarbiasa meningkat 3.3% berjumlah RM5.3 juta. Kesenambungan dalam usaha penambahbaikan operasi telah membolehkannya meraih anugerah kualiti, pengeluaran dan inovasi produk koko bagi kategori pengeluar yang mempunyai sekurang-kurangnya 60% ekuiti Malaysia dari Kementerian Industri Pertanian dan Komoditi. NFI juga berjaya memperolehi pengesahan HACCP (Analisis Bahaya & Takat Kawalan Kritikal). Pengesahan bertaraf antarabangsa ini memperkukuhkan ketinggian piawaian keselamatan dan kecekapan makanan NFI sebagai pengeluar coklat dan ternyata membentuk satu lagi langkah menuju perangsangan kedayasaingan produk produk NFI.

NFM ialah bahagian pemasaran dan pengedaran operasi



Left page: Corus Hotel Hyde Park, London

Above (left to right): Lobby, Corus Hotel Hyde Park • The Belsfield Hotel, Lake Windermere • Corus Hotel, Elstree



makanan & konfeksi Kumpulan dan juga bertindak bagi lain-lain agensi dalam pengedaran produk masing-masing. Bagi tahun kewangan yang sedang ditinjau, NFM mencatat prestasi yang memuaskan dengan keuntungan sebelum cukai RM1.3 juta dari jumlah hasil pendapatan RM53.3 juta. NFM telah terus menumpukan dayausahanya dalam aspek merasionalisasi portfolio produknya dengan menambah agensi baru dan menghentikan agensi yang tidak menguntungkan di samping menampilkan lebih banyak produk konfeksi baru bersama syarikat-syarikat utama dan para pemilik jenama.

Sebagai sebahagian daripada rancangan pengembangan operasi makanan & konfeksi Kumpulan, NFI akan mengambilalih sebuah lagi hartanah yang bersebelahan dengan kilang yang sedia ada di Shah Alam. Apabila digabungkan tapak ini mempunyai keluasan 8.7 ekar, iaitu tiga kali lebih besar daripada tapak yang sedia ada yang seluas 2.7 ekar. Tapak yang lebih besar ini akan membolehkan kegiatan-kegiatan pengeluaran, jualan dan pengedaran ditempatkan di satu lokasi yang sama serta membolehkan pertumbuhan dan pengembangannya pada masa hadapan. Ini akan menghasilkan tahap kecekapan yang lebih tinggi dan menggalakkan sinergi dalam operasi NFI dan NFM.

Operasi NFD di Singapura ternyata kecil tetapi pelbagai usaha sedang dijalankan untuk memperkembangkan perniagaan di sana. Meskipun menghadapi keadaan ekonomi yang tidak menggalakkan, prestasi NFHK di Hong Kong telah terus memuaskan dengan catatan hasil pendapatan HK\$21.8 juta (RM9.3 juta).

Perkhidmatan Kewangan

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

PM Securities, sebuah anak syarikat 99.99% milik Pan Malaysia Capital Berhad, ialah satu firma Broker Universal. PM Securities mempunyai ibu pejabat di Kuala Lumpur dengan tujuh pejabat cawangan di Seremban, Puchong, Klang, Melaka, Johor Baru, Batu Pahat dan Pulau Pinang, selain mengendalikan Kemudahan Akses Elektronik di Jelevu.

Sejajar dengan jumlah dagangan dan nilai yang lebih rendah di Bursa Securities pada tahun 2008, prestasi kewangan PM Securities pada tahun kewangan berakhir 31 Disember 2008 ternyata lebih rendah berbanding tahun sebelumnya. Hasil pendapatan PM Securities diperolehi terutamanya dari pendapatan pembrokeran, telah susut 62.4% dari RM68.0 juta pada tahun 2007 kepada RM25.5 juta pada tahun 2008. PM Securities mencatat jumlah keuntungan sebelum cukai sebanyak RM2.0 juta bagi tahun berakhir 31 Disember 2008 berbanding RM20.4 juta bagi tahun berakhir 31 Disember 2007. Berdasarkan suasana ekonomi yang tidak memberangsangkan dan kegiatan dagangan yang rendah di pasaran tempatan, PM Securities telah mengambil langkah-langkah tertentu untuk merasionalisasi operasinya, termasuk menyusun semula keperluan tenaga kerja dan memperluas asas dagangan dengan rangkuman pasaran asing.

MCI, sebuah anak syarikat 52.21% milik Kumpulan, mempunyai 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 2008, MCI telah melaporkan peningkatan 18.0% dalam premium tertulis kasar ke tahap RM193.8 juta berbanding dengan 8% bagi industri meskipun menghadapi suasana pasaran yang semakin bersaing hebat. Walau bagaimanapun, keuntungan sebelum-cukai syarikat berjumlah RM4.2 juta adalah lebih rendah berbanding keuntungan tahun sebelumnya berjumlah RM15.8 juta akibat kerugian dari penjualan ekuiti dan elaun bagi penghausan nilai pelaburan ekoran dari kesan kegawatan ekonomi sedunia atas bursa domestik.

Hartanah

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

Walaupun berhadapan dengan tahun yang cukup mencabar bagi pembangunan hartanah di Malaysia, hasil pendapatan operasi hartanah Kumpulan telah tumbuh 18.7% ke angka RM30.7 juta pada tahun kewangan yang sedang ditinjau. Pertumbuhan dalam



hasil pendapatan adalah terutamanya terhasil dari jumlah pendapatan yang lebih tinggi daripada operasi pembangunan hartanah di samping pendapatan yang lebih baik daripada jualan buah kelapa sawit yang diperoleh dari tanah yang masih belum digunakan untuk pembangunan.

Justeru itu, keuntungan operasi dari kegiatan hartanah bagi Kumpulan telah meningkat dari RM8.3 juta kepada RM9.1 juta, pertambahan 9.4%.

Projek pembangunan hartanah mercutanda Kumpulan ialah Bandar Springhill, sebuah perbandaran bersepadu yang meliputi keluasan kira-kira 1,990 ekar tanah pegangan bebas yang terletak di antara Seremban dan Port Dickson. Pembangunan jangka panjang yang ditangani oleh anak syarikat usaha-sama Kumpulan iaitu West Synergy Sdn Bhd (WSSB) ini akan menempatkan kira-kira 15,000 bangunan kediaman dan unit komersial yang lengkap dengan pusat bandar, kemudahan pendidikan, kesihatan dan rekreasi serta tapak industri demi memenuhi pelbagai keperluan koridor pertumbuhan Seremban-Port Dickson.

Minat terhadap pembangunan Bandar Springhill telah meningkat berikutan pengumuman rancangan untuk menubuhkan “bandar pendidikan” UCSI yang merangkumi sebuah kampus universiti, pusat penyelidikan dan sebuah pusat perubatan 500-katil.

Pada tahun 2008, WSSB telah menjual sebanyak 168 unit hartanah dengan jumlah nilai jualan RM24.8 juta, mewakili peningkatan 26% meskipun terpaksa menempuhi suasana pasaran kediaman yang sukar pada separuh kedua tahun 2008.

Pada separuh pertama tahun 2008, pembangunan Bandar Springhill telah mengalami kelembapan pembinaan apabila harga bahan binaan terutamanya keluli dan simen melonjak secara mendadak. Masalah ini telah dapat diatasi menerusi perubahan dalam model perniagaan WSSB untuk mengurus secara berasingan dengan pihak kontraktor dan pembekal pembinaan.

Hingga 31 Disember 2008, sejumlah 2,151 unit hartanah bercampur yang merangkumi rangkaian pelbagai kediaman kontemporari dan bangunan kedai pejabat telah berjaya dijual di Bandar Springhill, yakni mewakili kadar penjualan hampir 90%.

Pengembaraan dan Pelancongan

Operasi pengembaraan dan pelancongan Kumpulan dikendalikan oleh Pan Malaysia Travel and Tours Sdn Bhd, sebuah agensi pelancongan berlesen sepenuhnya yang mempunyai operasi penjualan tiket penerbangan dan program pelancongan masuk dan keluar negara. Pada tahun yang sedang ditinjau, prestasi syarikat telah terjejas oleh kedudukan ekonomi sedunia, khususnya di separuh kedua tahun 2008. Hasil pendapatan dari jualan telah susut 20.7% dari RM15.1 juta pada tahun 2007 kepada RM11.9 juta pada tahun 2008.

TANGGUNGJAWAB KEMASYARAKATAN KORPORAT

Inisiatif-inisiatif kemasyarakatan korporat (CSR) telah sentiasa menjadi sebahagian integral dari objektif kemasyarakatan Kumpulan. Dalam Laporan Tahunan ini, kami telah merangkumkan satu seksyen berasingan yang meringkaskan kegiatan-kegiatan CSR Kumpulan.



Left to right: Dining comfort, Corus Hotel Hyde Park • Guest room, Burnham Beeches Hotel • Dining experience, The Belsfield Hotel



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PROSPEK BAGI TAHUN 2009

Ekonomi global tidak dijangka mencatat sebarang pertumbuhan pada tahun 2009 dan kegawatan di ekonomi negara-negara maju dijangka terus berleluasa. Berlandaskan ketidakpastian dalam suasana ekonomi antarabangsa sedemikian, ekonomi Malaysia kini diramal berada dalam julat susutan 1% hingga pertumbuhan 1%. Stimulus fiskal RM60 bilion yang diumumkan oleh Kerajaan Malaysia pada 10 Mac 2009 akan membantu mengalas kesan-kesan susutan dalam jumlah dagangan sedunia pada tahun 2009.

Lembaga Pengarah menjangkakan bahawa tahun 2009 adalah lebih mencabar berbanding dulu. Sehubungan itu, Kumpulan telah mengamalkan sikap yang lebih berhati-hati dalam hal-hal seperti perbelanjaan besar dan melaksanakan pelbagai inisiatif pengawalan kos. Serentak itu, Kumpulan terus menunjukan daya usahanya untuk menentukan supaya produk dan perkhidmatan tetap bermutu dan inovatif, sambil memberi perhatian kepada daya pengeluaran dan kecekapan kos demi merangsang jidar keuntungan. Lembaga Pengarah berharap agar cabaran semasa dalam ekonomi global yang dihadapi oleh perniagaan Kumpulan dapat diringankan.

DIREKTORAT

Lembaga Pengarah berasa amat sedih atas kematian Mendiang Ang Guan Seng pada 19 Oktober 2008 dan ingin merakamkan setinggi-tinggi penghargaan Kumpulan MUI di atas sumbangan beliau kepada Kumpulan sejak tahun 1989 apabila beliau mula-mula menjadi seorang pengarah Syarikat.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, izinkan saya untuk merakamkan setinggi-tinggi penghargaan kepada pihak 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

4 Mei 2009



388-room Corus Hotel Kuala Lumpur and some of its facilities
Left to right: Pool area • Komura Japanese Restaurant • In-house gym



主席献词

我谨代表董事部同人,向各位呈达本公司和集团截至2008年12月31日财务年的年报及财务报表。

经济评论

2008年爆发了自20世纪30年代以来前所未有的全球金融危机和经济衰退。在2007年杪发生的美国次贷抵押市场崩溃,迅速演变成全球金融危机,同时也暴露了世界金融体系制度的不足。这场金融危机最终波及发达国家的实际经济,导致各国在2008年下半年陷入不景气。

亚洲地区的经济在中国的引领下,在2008年上半年继续增长。然而在下半年,本地区的经济表现稍微好坏参半。虽然本地区某些经济体继续增长,但成长速度大大放慢。诸如日本、韩国、台湾、新加坡及香港等与发达国经济息息相关的经济体都出现严重的经济不景气。

马来西亚经济大致上反映亚洲地区经济的走势。我国经济在2008年上半年取得成长,但在西方经济不景气冲击大部份亚洲国家的情形下,大马经济在2008年下半年大大放慢。总的来说,大马经济在2008年取得4.6%的增率,而上一年的增率是6.3%。我国的经济成长由内需,特别是持续的私人消费及公共开销所推动。

财务表现

在截至2008年12月31日财务年,由于在2007年8月成为集团子公司的美罗有限公司为集团贡献其全年的盈余,使集团的收入从上一年的7亿6360万令吉增至9亿5310万令吉。然而,集团与其他许多公司一样,都受到全球经济不景气和金融危机的不利影响所殃及,以致集团一些营业公司的业绩受到一定程度的波及。此外,集团为投资降值和疑账提供拨备,以及蒙受一些

外汇亏损。在计算了财务成本后,集团在截至2008年12月31日财务年蒙受税前亏损7190万令吉,而在上一年则创下2590万令吉的税前盈利。

截至2008年12月31日,集团总资产及股东基金分别达28亿令吉和6亿7160万令吉。

企业发展

马联置业有限公司

马联置业有限公司于2009年1月30日完成以现金代价930万令吉,将其独资子公司—Two Holdings私人有限公司(Two Holdings)全部股售予泛马工业有限公司(泛马工业)的计划。有关脱售的合约于2007年9月14日签署。Two Holdings的主要资产是位于吉隆坡Jalan Mayang的一块永久拥有权的空地。

泛马控股有限公司

与此同时,泛马控股有限公司(泛马控股)也按照2007年9月14日与泛马工业签定的合约,于2009年1月30日完成以现金代价3900万令吉,把位于吉隆坡Jalan Changkat Ceylon的办公大楼—《泛马工业大厦》脱售给泛马工业的计划。上述脱售的收入大部份已用来偿还银行贷款,以减少集团的债务及加强泛马控股的财务地位。

业务评论

集团是一家跨国的马来西亚集团,在零售、酒店、食品及糖果、财务服务、房地产、以及旅游业等领域拥有广泛的业务。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企业,即拥有国际知名Laura Ashley品牌的Laura Ashley控股有限公司(Laura Ashley)以及设在马来西亚的主要百货商店及专卖店经营者—美罗有限公司(美罗)。

集团的联号公司—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。该公司的业务包含四大类,即家庭用品、家具、装饰及服装。加盟业务仍旧是Laura Ashley业务的重要部份,而特许经营保持为该公司在北美洲的主要活动。配合该公司的扩充计划,该公司在英国、爱尔兰共和国及法国的分店增至232间商店。另外,加盟店也增到全球25个国家的223间。加盟店的增长将成为Laura Ashley在海外扩展的长远策略的重要组成部份。此策略将包括扩大在亚洲的业务范围。该公司希望通过其加盟伙伴,于今后五年内,在中国设立80间商店以及在西亚设立20间商店。

儘管英国和欧洲在2008年的经济衰退日渐加剧,Laura Ashley的业绩可观。在截至2009年1月31日的财务年内,Laura Ashley的扣税前盈利达到1020万英镑(6300万令吉),而上个财务年的税前盈利为1980万英镑(1亿3630万令吉)。

集团总营业额增长9.6%至2亿6050万英镑(16億令吉)。营业额增加主要是英国商店的销量以及互联网销量增加。服装部销量比上一年增加24%。然而公司为了应付高档零售业的剧烈竞争而必须进行更多销售促销,以及英镑币值日益疲弱,使到公司整体毛利逊退。不过在截至2009年1月31日,Laura Ashley继续保持强劲财务地位,拥有净现金共达790万英镑(3970万令吉)。

Laura Ashley连续第二年获得英国首要杂志—Homes & Gardens评选为“本年度最佳零售商”殊荣。Laura Ashley是以它对精心设计创新产品种类、提供周到的顾客服务的承诺,以及在高档市场的良好占有率而获得这个极负盛名的荣誉。这个由该杂志834,000名读者评选的奖项,再次提升了Laura Ashley的知名度。

在北美洲方面,Laura Ashley(北美)公司继续扩展其在该区和拉丁美洲的特许权业务。此公司是集团联号Regent Corporation的子公司。在检讨中的财务年内,该公司面对极其严峻的营业环境,尤其是在2008年下半年。儘管如此,该公司仍然保持令人满意的业绩,取得收入共960万美元(3210万令吉)以及扣税前盈利440万美元(1470万令吉)。



Corus Paradise Resort Port Dickson, its imposing entrance and the Dickson Coffee House



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集团在马来西亚的零售业务以子公司--美罗作为旗舰。作为马来西亚首要零售商的美罗共经营11间以美罗和MJ为商号的百货商店及概念商店,以及超过90间以Laura Ashley、Reject Shop、BB Maxx、East India Company、Somerset Bay、Cape Cod 及 Living Quarters 等品牌经营的专卖店。

美罗为了配合控股公司的财务年,而把其财务年从3月31日改为2008年12月31日。在截至2008年12月31日的12个月期间,美罗的收入达3亿9690万令吉,比上一年同期的收入4亿1310万令吉减少3.9%。收入的减少是由于全球经济不景气,导致消费人缩减开销之故。

在截至2008年12月31日的12个月期间,美罗的税前盈利从上一年同期的1640万令吉(包括1000万令吉的投资房地产的减值亏损),增至1880万令吉。

酒店业

集团的酒店部共有13间酒店,其中11间在英国,其余2间在马来西亚。这些酒店全部以集团独资拥有的Corus加盟权方式经营。

虽然全球经济每况愈下,尤其是在2008年最后一个季度的衰退造成不利影响,集团酒店部的业务尚令人满意。在检讨的财务年内,英国和

马来西亚酒店集团皆取得盈利。酒店部的综合营业盈利达2680万令吉,比上一年减少30.7%。盈利逊退是由于去年最后一季度的全球经济衰退的冲击,导致英国业务所贡献的盈利大幅度减退之故。在2008年,英镑对马币的汇率猛挫约24%。英镑兑换率大跌,使到英国业务所贡献的盈利进一步下挫。

集团在马来西亚的旗舰酒店--吉隆坡Corus酒店的业绩异常可观。儘管吉隆坡酒店的住客率有下跌的趋势,但吉隆坡Corus酒店的营业盈利增加34.0%。在2008年,首都29间四星和五星酒店的平均住客率下跌3个百分点至71%,而吉隆坡Corus酒店的平均住客率则提高2.6个百分点至82.5%。

集团在英国的旗舰酒店--Corus Hotel Hyde Park的业绩受到2008年最后一个季度的英国经济衰退所影响,以致收益略降1.5%,而营业盈利则减少4.7%。

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。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(NFIL)及其属下公司经营。



Left page: Bandar Springhill, an integrated township in Negeri Sembilan

Left and centre: Water feature garden of a bungalow and the lake park, Bandar Springhill

Right: Vila Sri Ukay - exclusive homes amidst lush surroundings in the city of Kuala Lumpur



在马来西亚,集团的业务由NFIL的两家子公司经营,即Network Foods Industries私人有限公司(NFI)和Network Foods(马来西亚)私人有限公司(NFM)。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,以及在香港由Network Foods(香港)有限公司(NFHK)进行。

NFI生产各种著名品牌巧克力及糖果产品如Tudor Gold、Kandos、Crispy、Soreign、Tango及Kiddies。在检讨中财务年内,由于国内及出口市场的销售强劲,NFI的收入增加8.6%至6790万令吉。儘管原料价格、燃料及其他投入的成本提高,NFI在2008年的表现提升,共创扣税前盈利530万令吉,比上一年增加了3.3%。该公司持续的改进努力,使它赢得由种植业及原产品部颁发的至少60%马来西亚股权制造商组的可可产品品质、生产及创新奖项。在2008年,NFI也获得《危害分析与关键控制点》(HACCP)认证。这项国际标准认证提升了NFI作为一个巧克力制造商的食品安全标准和能力,也是提升NFI产品竞争力的向前一步。

NFM是集团食品和糖果业务在马来西亚销售及分销把臂,同时也经营代理其他产品的分销业务。在检讨中的财务年内,该公司的业务令人满意,收入共达5330万令吉,税前盈利130万令吉。NFM继续著重合理化产品组合,增加新的代理权和停止没有利润的代理权,以及与委托商及品牌拥有者开发新的糖果产品。

作为集团未来扩充计划的一部份,NFI正在收购现有位于沙阿南工厂毗邻的一项产业。在收购此产业后,厂地的总面积达8.7亩,比现有占地2.7亩的面积大逾三倍。这将让集团能够把制造、销售及经销部集中于一个中央地点,同时为未来的成长及扩展提供充裕的空间,进而提高NFI与NFM的经营效率和协同能力。

NFD在新加坡的业务保持相对的小规模,不过公司正在计划扩大在该国的业务。虽然经济情况欠佳,在香港的NFHK的业绩令人满意,收入达到港币2180万元(930万令吉)。

财务服务业

集团的财务服务部包含由PM证券私人有限公司(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%股权的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7间分行分别设在芙蓉、蒲种、巴生、马六甲、新山、峇株巴辖及檳城,以及在日叻务设有电子使用设施。

由于马来西亚证券交易有限公司在2008年的交投及交易价值减少,PM证券在截至2008年12月31日的业绩比上一年逊减。PM证券的收入(主要来自经纪收入),剧减62.4%,从2007年的6800万令吉降至2008年的2550万令吉。截至2008年12月31日财务年,PM证券的扣税前盈利从截至2007年12月31日的2040万令吉减至200万令吉。在面对不利的经济形势和本地股市交投低迷的情况,PM证券著手合理化其业务,包括重组人力需求以及扩大交易平台以包括外国市场。

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2008年12月31日财务年,虽然市场竞争日益加剧,马联大洲保险所取得的总保费剧增18%,至1亿9380万令吉,而保险业的平均增率为8%。该公司的扣税前盈利则从往年的1580万令吉降至420万令吉。这乃由于全球经济不景气冲击本地股市,导致该公司出售股票蒙受亏损,以及为投资提供减值拨备之故。



房地产

集团在房地产的主要业务是通过公共挂牌子公司——马联置业有限公司进行的房地产发展和投资。

儘管马来西亚房地产发展业面对甚具挑战性的一年,集团的房地产业务在检讨年内增长了18.7%;而增至3070万令吉。此收益增加主要是由于房地产发展业务的收入提高,以及尚未清理土地所收割的油棕果销售收入增加所致。

因此,集团房地产业务的营业盈余增加9.4%,从830万令吉增至910万令吉。

集团的旗舰房地产项目是位于森美兰州芙蓉和波德申之间面积约1,990亩首选土地永久拥有权的综合新镇《春泉镇》。这项长远项目由集团联营子公司West Synergy私人有限公司(WSSB)进行。在全面开发后,春泉镇将建有15,000间住宅和商业单位、一个商业中心、教育、卫生及休闲设施以及一个工业区,以迎合日渐成长的芙蓉—波德申走廊的更广泛需求。

随著有关方面计划在春泉镇建设包括大学校园、研究中心以及一间有500张病床的医疗中心的《思特雅国际大学学院》教育城后,各界对春泉镇的兴趣增加。

虽然在2008年下半年,住宅市场呆滞,WSSB售出了168单位的房屋,销售总值2480万令吉,比上一年增加了26%。

在2008年上半年,由于建筑材料,特别是钢铁和水泥的价格暴涨,以致春泉镇的发展放慢。为此,WSSB改变经营模式,个别与建筑承包商及供应商交易,而使到局势得以缓和。

截至2008年12月31日,春泉镇共售出2,151单位各类型房地产,包括各种现代化住宅和店屋办公楼,即销售率约90%。

旅游业

集团的旅游业务由泛马旅游私人有限公司负责进行。该公司是一家有执照的全方面旅行社,经营机票预订及国内及国外旅行团业务。在检讨中的财务年内,公司的业绩受到全球经济形势所影响,特别是在2008年下半年。销售额减少20.7%,从2007年的1510万令吉降至2008年的1190万令吉。

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组成部份。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。



Network Foods Group in Shah Alam, manufacturing facility and products



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2009年展望

预料全球经济在2009年将不会有任何增长,而发达经济体所出现的衰退预料将持续。由于国际经济前景如此不明朗,马来西亚经济目前的预测成长率介于-1%至1%之间。马来西亚政府在2009年3月10公布的600亿令吉财务刺激配套将有助于缓和全球贸易在2009年下滑所带来的冲击。

董事部预料2009年将带来比过去更严峻的挑战。因此,集团已在重大的资本开销方面采取更慎重的态度以及落实成本控制举措。与此同时,集团继续专注于提供优质和创新产品和服务,并著重提升生产力及成本效益,以增加盈利。董事部深信可以缓和集团业务所面对的时下全球经济挑战。

董事部

董事部对于Ang Guan Seng先生于2008年10月19日不幸逝世,深感哀痛,并谨此表达马联工业集团对已故Ang Guan Seng先生自1989年首次成为本公司董事以来,长期对集团贡献的至诚谢忱。

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

2009年5月4日



Left page: Menara PMI, Kuala Lumpur

Above (left to right): PM Securities branch, Seremban • MUI Continental Insurance, Kuala Lumpur • Pan Malaysia Travel & Tours, Menara PMI



ANALYSIS OF SHAREHOLDINGS

As at 28 April 2009

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	188,597,260	9.72
2. KKP Holdings Sdn Bhd	-	-	940,624,927	48.47
3. Soo Lay Holdings Sdn Bhd	-	-	940,624,927	48.47
4. Tan Sri Dato' Khoo Kay Peng	-	-	940,624,927	48.47
5. Cherubim Investment (HK) Limited	253,481,131	13.06	37,500,000	1.93
6. Norcross Limited	261,556,536	13.48	37,500,000	1.93
7. Hope Foundation	41,518,101	2.14	406,127,260	20.93

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	-	-	940,624,927	48.47
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	-	-
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	60.48
Ordinary shares of 10 sen each in Pan Malaysia Holdings Berhad				
Tan Sri Dato' Khoo Kay Peng	-	-	643,330,487	69.26
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	-	-	118,068,133	94.51



Distribution of Shareholders

<i>Holdings</i>	<i>No. of Holders</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Less than 100 shares	118	0.27	3,534	0.00
100 - 1,000 shares	6,058	13.78	5,890,936	0.30
1,001 - 10,000 shares	27,768	63.19	130,894,899	6.75
10,001 - 100,000 shares	9,089	20.68	281,645,093	14.51
100,001 to less than 5% of issued shares	909	2.07	807,569,649	41.62
5% and above of issued shares	3	0.01	714,527,667	36.82
Total	43,945	100.00	1,940,531,778	100.00

Thirty (30) Largest Registered Shareholders

<i>Name</i>	<i>No. of Shares</i>	<i>%</i>
1. Norcross Limited	261,556,536	13.48
2. Cherubim Investment (HK) Limited	253,481,131	13.06
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. Rigap Prima Sdn Bhd	46,000,000	2.37
7. Peak Meadow Sdn Bhd	45,847,100	2.36
8. Mayban Nominees (Asing) Sdn Bhd - The Bank Of East Asia Limited, Hong Kong for Noble Faith Foundation Inc	40,614,400	2.09
9. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Swift Progress Investments Limited	37,500,000	1.93
10. Good Proffer Sdn Bhd	34,940,000	1.80
11. Nada Saujana Sdn Bhd	22,830,000	1.18
12. CIMB Group Nominees (Tempatan) Sdn Bhd - Securities Account for Hope Foundation	21,370,000	1.10
13. Kiwiton Sdn Bhd	20,000,000	1.03
14. Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	14,727,110	0.76
15. PM Nominees (Tempatan) Sdn Bhd - Morning Star Securities Limited for Hope Foundation	11,550,000	0.60
16. UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	10,000,000	0.52
17. Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Hah Tiing Siu	10,000,000	0.52
18. Scopebright (M) Sdn Bhd	8,908,160	0.46
19. Lembaga Tabung Angkatan Tentera	8,739,900	0.45
20. UOBM Nominees (Tempatan) Sdn Bhd - Securities Account for Hope Foundation	8,500,000	0.44
21. CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	8,232,093	0.42
22. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Prime View International Limited	8,040,000	0.41
23. True Benefits Sdn Bhd	7,432,000	0.38



ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 28 April 2009

24.	HLG Nominee (Asing) Sdn Bhd	6,701,360	0.35
	- For UOB Kay Hian Pte Ltd		
25.	Milikita Sdn Bhd	5,279,000	0.27
26.	Ke-Zan Nominees (Asing) Sdn Bhd	4,674,000	0.24
	- Kim Eng Securities Pte Ltd for Glen Holdings (Pte) Ltd		
27.	Citigroup Nominees (Asing) Sdn Bhd	3,062,000	0.16
	- UBS AG Singapore for Jarmata Profits Limited		
28.	Amanah Ikhtiar Malaysia	3,000,000	0.15
29.	Wong Yoon Chyuan	2,856,000	0.15
30.	Wong Yoon Tet	2,687,000	0.14
Total		<u>1,239,056,590</u>	<u>63.85</u>



ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS HOLDINGS

As at 28 April 2009

- 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	-	-	173,429,917	39.09
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	2,746	16.57	76,363	0.02
100 - 1,000	3,657	22.07	2,416,753	0.54
1,001 - 10,000	8,265	49.88	28,617,520	6.45
10,001 - 100,000	1,694	10.23	43,532,330	9.81
100,001 to less than 5% of issued ICULS	204	1.23	126,314,634	28.47
5% and above of issued ICULS	3	0.02	242,704,430	54.71
Total	16,569	100.00	443,662,030	100.00



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

As at 28 April 2009

Thirty (30) Largest Registered Class A1 ICULS Holders

<i>Name</i>	<i>Nominal value of ICULS (RM)</i>	<i>%</i>
1. Bonham Industries Limited	144,647,000	32.60
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	36,571,748	8.24
4. Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Liew Jun Kuan	17,958,700	4.05
5. Pan Malaysia Corporation Berhad	11,008,550	2.48
6. Appreplex (M) Sdn Bhd	5,953,983	1.34
7. Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	4,072,437	0.92
8. Bahtera Muhibbah Sdn Bhd	3,983,212	0.90
9. Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
10. MUI Properties Berhad	3,783,671	0.85
11. Cheah See Han	3,428,375	0.77
12. Kim Hin Joo Private Limited	3,157,415	0.71
13. UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	3,036,381	0.68
14. United Pace Sdn Bhd	2,535,311	0.57
15. Koperasi Polis Diraja Malaysia Berhad	2,168,843	0.49
16. Lim Kian Siong	1,775,396	0.40
17. Soh Teck Toh	1,709,400	0.38
18. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	1,526,067	0.34
19. Jomuda Sdn Bhd	1,518,190	0.34
20. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	1,498,004	0.34
21. CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	1,355,916	0.30
22. Zulkifli bin Hussain	1,268,618	0.29
23. Shoptra Jaya (M) Sdn Bhd	1,232,273	0.28
24. Lim Choon Cheng	1,015,219	0.23
25. Alliancegroup Nominees (Tempatan) Sdn Bhd - Securities Account for Lee Teck Hao	1,001,900	0.23
26. Golden Brook Sdn Bhd	1,000,053	0.23
27. Chen Tsu Peh @ Chin Fui	1,000,000	0.23
28. Youn-Yeaw & Brothers Sdn Bhd	1,000,000	0.23
29. Zulkifli bin Hussain	854,731	0.19
30. Liew Jun Kuan	827,700	0.19
Total	326,222,714	73.53



- 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	-	-	215,172,917	48.50
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	2,701	16.18	75,367	0.02
100 - 1,000	3,654	21.89	2,418,512	0.54
1,001 - 10,000	8,367	50.14	29,097,707	6.56
10,001 - 100,000	1,760	10.55	45,731,576	10.31
100,001 to less than 5% of issued ICULS	205	1.23	117,958,086	26.59
5% and above of issued ICULS	2	0.01	248,380,782	55.98
Total	16,689	100.00	443,662,030	100.00



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

As at 28 April 2009

Thirty (30) Largest Registered Class A2 ICULS Holders

<i>Name</i>	<i>Nominal value of ICULS (RM)</i>	<i>%</i>
1. Bonham Industries Limited	186,390,000	42.01
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	6,988,337	1.57
5. Appreplex (M) Sdn Bhd	5,953,983	1.34
6. Bahtera Muhibbah Sdn Bhd	3,983,212	0.90
7. Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	3,928,171	0.89
8. Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
9. MUI Properties Berhad	3,783,671	0.85
10. Kim Hin Joo Private Limited	3,157,415	0.71
11. UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	3,036,381	0.68
12. Lim Kian Siong	2,825,396	0.64
13. Public Nominees (Tempatan) Sdn Bhd - Securities Account for Lee Yu Yong @ Lee Yuen Ying	2,536,866	0.57
14. United Pace Sdn Bhd	2,535,311	0.57
15. Koperasi Polis Diraja Malaysia Berhad	2,168,843	0.49
16. Lee Hong Choon & Sons Sdn Bhd	2,000,000	0.45
17. Public Nominees (Tempatan) Sdn Bhd - Securities Account for Wong Soo Chai @ Wong Chick Wai	1,807,100	0.41
18. Youn-Wen & Brothers Sdn Bhd	1,700,000	0.38
19. Onn Ping Lan	1,609,500	0.36
20. Tan Lee Hwa	1,550,000	0.35
21. Shoptra Jaya (M) Sdn Bhd	1,542,173	0.35
22. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	1,526,067	0.34
23. Jomuda Sdn Bhd	1,518,190	0.34
24. CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	1,450,354	0.33
25. PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	1,355,404	0.31
26. Zulkifli bin Hussain	1,268,618	0.29
27. Zulkifli bin Hussain	1,060,431	0.24
28. Lim Choon Cheng	1,015,219	0.23
29. Ong Hock Siong @ Benny Ong Hock Siong	1,000,000	0.23
30. AmBank (M) Berhad - Securities Account for Fang Kok Leong @ Phang Soon Fook	780,000	0.18
Total	325,317,913	73.33



GROUP FINANCIAL HIGHLIGHTS FIVE-YEAR SUMMARY

As at 31 December	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
ASSETS					
Property, Plant & Equipment and Land Held for Property Development	730,613	899,234	866,505	565,765	2,948,873
Investment Properties	92,894	101,613	32,441	32,629	-
Prepaid Land Lease Payments	29,518	29,948	15,967	-	-
Associated Companies, Joint Venture and Investments	497,726	585,390	598,769	804,903	1,081,185
Intangibles & Goodwill	223,648	218,155	79,307	37,144	120,673
Deferred Tax Assets	4,410	4,603	4,779	6,853	8,715
Current Assets	1,215,260	1,285,537	1,190,071	1,368,329	1,729,636
Non-Current Assets Held for Sale	42,560	43,377	145,647	1,428,123	-
Total Assets	2,836,629	3,167,857	2,933,486	4,243,746	5,889,082
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	736,479	-
Reserves	(2,005,427)	(1,855,864)	(1,825,278)	(1,809,627)	(1,254,759)
	671,584	821,147	851,733	867,384	685,773
Minority Interest	276,518	301,314	279,844	444,622	1,384,033
Total Equity	948,102	1,122,461	1,131,577	1,312,006	2,069,806
Non-Current Liabilities	708,056	793,121	494,359	236,850	2,362,500
Current Liabilities	1,180,471	1,252,275	1,307,550	2,694,890	1,456,776
Total Equity and Liabilities	2,836,629	3,167,857	2,933,486	4,243,746	5,889,082
Financial year ended 31 December					
	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
Revenue	953,069	778,241 #	743,962 #	1,222,091	1,462,746
Profit from Operations before Exceptional Items	68,300	85,716	44,889	77,616	105,511
Exceptional items	(50,054)	(1,838)	(178,664)+	(240,268)+	(294,546)+
(Loss)/Profit before Taxation	(71,884)	28,763 #	(246,694)#	(412,405)	(387,123)
(Loss)/Profit for the Financial Year	(87,424)	26,064	(237,236)	(355,126)	(365,375)
(Loss)/Profit attributable to Equity Holders of the Company	(74,142)	10,356	(217,883)	(371,150)	(405,474)

* 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, 2005 to 2008 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 2008.

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>
Loss for the financial year	(87,424)	(8,285)
Attributable to:-		
Equity holders of the Company	(74,142)	(8,285)
Minority interest	(13,282)	-
	<u>(87,424)</u>	<u>(8,285)</u>

Reserves And Provisions

There were no material transfer 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 2008.

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 (Deceased on 19 October 2008)
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 1.1.2008</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	904,732,500	253,591,000	(244,571,000)
Datuk Yong Ming Sang Direct	1,981,800	-	-
Indirect	549,640	-	-
Tan Sri Dato' Paduka Dr Mazlan bin Ahmad Direct	100,000	-	-

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

	<i>Number of shares</i>		
	<i>Balance at 1.1.2008</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 1.1.2008</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 1.1.2008</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	638,572,986	-	-

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

	<i>Number of shares</i>		
	<i>Balance at 1.1.2008</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 1.1.2008</i>	<i>Bought</i>	<i>Sold</i>
Tan Sri Dato' Khoo Kay Peng Deemed	117,443,633	624,500	-



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

	<i>Nominal value (RM)</i>			<i>Balance at 31.12.2008</i>
	<i>Balance at 1.1.2008</i>	<i>Bought</i>	<i>Sold</i>	
Tan Sri Dato' Khoo Kay Peng				
Deemed	166,739,917	6,690,000	-	173,429,917
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 31.12.2008</i>
	<i>Balance at 1.1.2008</i>	<i>Bought</i>	<i>Sold</i>	
Tan Sri Dato' Khoo Kay Peng				
Deemed	202,222,917	12,950,000	-	215,172,917
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

24 April 2009



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

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 64 to 126 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 2008 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

24 April 2009

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 64 to 126 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 24 April 2009.

Lai Chee Leong

Before me

Robert Lim Hock Kee
Commissioner for Oaths



INDEPENDENT AUDITORS REPORT

To the members of Malayan United Industries Berhad

Report on the Financial Statements

We have audited the financial statements of Malayan United Industries Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 64 to 126.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, 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 the state of affairs of the Group and of the Company as at 31 December 2008 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 we also report the following :

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in pages 127 to 136 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO Binder
AF: 0206
Chartered Accountants

Gan Hock Soon
2853/07/10 (J)
Partner



INCOME STATEMENTS

For the financial year ended 31 December 2008

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Continuing Operations					
Revenue	6	953,069	763,586	6,443	1,184
Cost of sales		(684,997)	(556,128)	-	-
Gross profit		268,072	207,458	6,443	1,184
Other income		34,317	31,353	1	1
Distribution costs		(17,885)	(15,667)	-	-
Administrative expenses		(87,037)	(85,144)	(1,966)	(1,388)
Other expenses		(129,167)	(52,284)	-	-
Profit/(Loss) from operations before exceptional items		68,300	85,716	4,478	(203)
Exceptional items	7	(50,054)	(1,838)	(10,321)	21,664
Profit/(Loss) from operations after exceptional items		18,246	83,878	(5,843)	21,461
Finance costs		(103,020)	(98,998)	(1,326)	(1,145)
Share of results of associated companies		12,890	41,034	-	-
(Loss)/Profit before taxation	8	(71,884)	25,914	(7,169)	20,316
Tax expense	9	(15,540)	(2,699)	(1,116)	(6)
(Loss)/Profit for the financial year from continuing operations		(87,424)	23,215	(8,285)	20,310
Discontinued Operation					
Profit for the financial year from discontinued operation	14(d)	-	2,849	-	-
(Loss)/Profit for the financial year		(87,424)	26,064	(8,285)	20,310
Attributable to:-					
Equity holders of the Company		(74,142)	10,356	(8,285)	20,310
Minority interest		(13,282)	15,708	-	-
		(87,424)	26,064	(8,285)	20,310
(Loss)/Earnings Per Share attributable to equity holders of the Company: -					
		<i>Sen</i>	<i>Sen</i>		
Basic					
- from continuing operations		(3.82)	0.45		
- from discontinued operation		-	0.09		
	10	(3.82)	0.54		
Diluted					
- from continuing operations		N/A	0.31		
- from discontinued operation		N/A	0.06		
	10	N/A	0.37		

N/A : Not applicable

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



BALANCE SHEETS

As at 31 December 2008

	<i>Note</i>	<i>Group</i> 2008 RM'000	2007 RM'000	<i>Company</i> 2008 RM'000	2007 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	695,350	863,971	-	-
Investment properties	12	92,894	101,613	-	-
Prepaid land lease payments	13	29,518	29,948	-	-
Subsidiary companies	14	-	-	774,655	796,740
Associated companies	15	267,711	292,280	-	-
Investments	16	230,015	293,110	-	-
Land held for property development	17	35,263	35,263	-	-
Goodwill on consolidation	18	223,648	218,155	-	-
Deferred tax assets	30	4,410	4,603	-	-
		1,578,809	1,838,943	774,655	796,740
CURRENT ASSETS					
Property development costs	17	76,073	73,187	-	-
Inventories	19	100,061	96,762	-	-
Trade and other receivables	20	333,137	332,590	1,365,036	1,351,474
Government securities and bonds	21	52,421	27,514	-	-
Short term investments	22	11,191	27,503	-	-
Current tax assets		3,202	4,167	-	-
Deposits, bank balances and cash	23	639,175	723,814	66	125
		1,215,260	1,285,537	1,365,102	1,351,599
Non-current assets held for sale	24	42,560	43,377	-	-
		1,257,820	1,328,914	1,365,102	1,351,599
TOTAL ASSETS		2,836,629	3,167,857	2,139,757	2,148,339
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	(2,005,427)	(1,855,864)	(573,542)	(565,257)
		671,584	821,147	2,103,469	2,111,754
MINORITY INTEREST		276,518	301,314	-	-
TOTAL EQUITY		948,102	1,122,461	2,103,469	2,111,754
NON-CURRENT LIABILITIES					
Borrowings	28	694,086	772,011	-	-
Employee benefits	29	3,502	3,782	-	-
Deferred tax liabilities	30	10,468	17,328	-	-
		708,056	793,121	-	-
CURRENT LIABILITIES					
Trade and other payables	31	234,780	229,674	109	191
Provisions	32	78,741	68,260	-	-
Borrowings	28	802,838	900,234	20,000	20,000
Tax liabilities		25,922	21,339	16,179	16,394
Reserves for unearned premium		38,190	32,768	-	-
		1,180,471	1,252,275	36,288	36,585
TOTAL LIABILITIES		1,888,527	2,045,396	36,288	36,585
TOTAL EQUITY AND LIABILITIES		2,836,629	3,167,857	2,139,757	2,148,339

* 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 2008



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			
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	
At 1 January 2007												
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(d))	-	-	-	-	-	-	-	-	-	(318)	(318)	
Dividends 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.



Group	Attributable to Equity Holders of the Company										Minority	Total
	Non-Distributable										Interest	Equity
	Share Capital	ICULS #	Share Premium	Revaluation Reserve	Exchange Translation Reserve	Capital Reserve	General Reserve	Accumulated Losses	Total			
2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	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	
Group's share of post-acquisition reserves of associated companies	-	-	-	-	5,030	(3,034)	-	-	1,996	-	1,996	
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	-	-	(76,804)	-	-	-	(76,804)	(3,761)	(80,565)	
Under provision of deferred tax liabilities on revaluation surplus in prior year	-	-	-	-	-	(613)	-	-	(613)	(329)	(942)	
Loss recognised directly in equity	-	-	-	-	(71,774)	(3,647)	-	-	(75,421)	(4,090)	(79,511)	
Loss for the financial year	-	-	-	-	-	-	-	(74,142)	(74,142)	(13,282)	(87,424)	
Total recognised expenses	-	-	-	-	(71,774)	(3,647)	-	(74,142)	(149,563)	(17,372)	(166,935)	
Acquisition of additional interest in a subsidiary company	-	-	-	-	-	-	-	-	-	(691)	(691)	
Share buyback by a subsidiary company	-	-	-	-	-	-	-	-	-	(2,257)	(2,257)	
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(4,476)	(4,476)	
At 31 December 2008	1,940,532	736,479	220,305	19,304	57,196	2,757	25,257	(2,330,246)	671,584	276,518	948,102	

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 2008

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>		
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
2008						
At 1 January 2008	1,940,532	736,479	220,305	26,264	(811,826)	2,111,754
Loss for the financial year	-	-	-	-	(8,285)	(8,285)
At 31 December 2008	1,940,532	736,479	220,305	26,264	(820,111)	2,103,469

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



CASH FLOW STATEMENTS

For the financial year ended 31 December 2008

		Group		Company	
	Note	2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
Cash Flows From Operating Activities					
(Loss)/Profit before taxation					
- from continuing operations		(71,884)	25,914	(7,169)	20,316
- from discontinued operation		-	2,849	-	-
		(71,884)	28,763	(7,169)	20,316
Adjustments for: -					
Exceptional items [See (b) below]		25,325	(13,691)	10,321	(21,664)
(Accretion)/Amortisation of premiums on government securities and bonds		(56)	152	-	-
Allowance for/(Writeback of) diminution in value of short term investments		1,449	(2,350)	-	-
Depreciation and amortisation					
- property, plant and equipment	11	30,725	27,882	-	-
- investment properties	12	913	359	-	-
- prepaid land lease payments	13	428	327	-	-
Dividend income		(1,908)	(1,356)	(5,116)	(39)
Gain on disposal of property, plant and equipment		(237)	(74)	-	-
(Gain)/Loss on disposal of short term investments		7,684	(3,130)	-	-
Interest expense		103,020	99,518	1,326	1,145
Interest income		(28,999)	(28,747)	(1,328)	(1,146)
Property, plant and equipment written off	11	401	446	-	-
Provision for employee benefits	29	371	735	-	-
Reserves for unearned premiums		5,422	5,633	-	-
Share of results of associated companies		(12,890)	(41,034)	-	-
Operating profit/(loss) before working capital changes		59,764	73,433	(1,966)	(1,388)
(Increase)/Decrease in receivables		(12,241)	26,813	5	(4)
(Increase)/Decrease in property development costs		(2,885)	4,644	-	-
(Increase)/Decrease in inventories		(4,736)	13,067	-	-
Increase in short term investments		(22,716)	(17,035)	-	-
Increase/(Decrease) in payables		15,354	13,946	(82)	(4)
Cash from/(used in) operations		32,540	114,868	(2,043)	(1,396)
Employee benefits paid	29	(453)	(838)	-	-
Interest paid		(4,738)	(7,629)	(1,326)	(1,145)
Interest received		3,903	6,902	1,328	1,146
Tax refund		2,460	4,077	-	-
Tax paid		(16,859)	(25,580)	-	-
Net cash from/(used in) operating activities		16,853	91,800	(2,041)	(1,395)



CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2008

	<i>Note</i>	<i>Group</i>	<i>Company</i>		
		<i>2008</i>	<i>2007</i>		
		<i>RM'000</i>	<i>RM'000</i>		
		<i>2008</i>	<i>2007</i>		
		<i>RM'000</i>	<i>RM'000</i>		
Cash Flows From Investing Activities					
Acquisition of a subsidiary company, net of cash acquired	14(c)	-	(262,330)	-	-
Advances to subsidiary companies		-	-	(14,642)	(38,123)
Cost incurred on non-current assets held for sale		(23)	(1,656)	-	-
Dividends received		33,446	27,339	3,785	29
Interest received		25,096	21,845	-	-
Net cash inflow from deconsolidation of a subsidiary company	14(d)	-	6,450	-	-
Purchase of additional shares in subsidiary companies		(6,184)	(4,700)	-	-
Purchase of government bonds and securities		(29,851)	(480)	-	-
Purchase of long term investments		(1,741)	-	-	-
Purchase of property, plant and equipment	11	(28,882)	(24,840)	-	-
Purchase of investment properties	12	(51)	(25,128)	-	-
Proceeds from disposal of other investments		45,440	54,017	-	-
Proceeds from disposal of government bonds and securities		5,000	540	-	-
Proceeds from disposal of: -					
- property, plant and equipment		15,520	283	-	-
- investment properties		-	650	-	-
- non-current assets held for sale		-	70,389	-	-
Repayments from subsidiary companies		-	-	12,843	39,438
Net cash from/(used in) investing activities		57,770	(137,621)	1,986	1,344
Cash Flows From Financing Activities					
Dividends paid to minority shareholders of subsidiary companies		(4,476)	(3,140)	-	-
Interest paid		(98,282)	(91,889)	-	-
Proceeds from drawdown of bank borrowings		205,398	390,239	-	-
Repayments of bank borrowings		(254,386)	(122,665)	-	-
Share buyback by a subsidiary company		(988)	-	-	-
Net cash (used in)/from financing activities		(152,734)	172,545	-	-
Effects of exchange rate changes		24,274	6,367	(4)	(9)
Net (decrease)/increase in cash and cash equivalents		(53,837)	133,091	(59)	(60)



	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</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	659,759	533,275	125	185
Effect of exchange rate changes on cash and cash equivalents	(24,305)	(6,607)	-	-
As restated	635,454	526,668	125	185
Cash and cash equivalents as at 31 December	581,617	659,759	66	125
<i>[See (a) below]</i>				

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

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Deposits, bank balances and cash	639,175	723,814	66	125
Bank overdrafts	(57,558)	(64,055)	-	-
	581,617	659,759	66	125

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

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
(Allowance for)/Writeback of diminution in value of long term investments	(29,242)	7,109	-	-
(Allowance for)/Writeback of doubtful debts	(11,616)	959	-	-
Bad debts written off	(78)	(669)	-	-
Gain/(Loss) on disposal of: -				
- properties	3,690	-	-	-
- investment properties	-	435	-	-
- non-current assets held for sale	-	(851)	-	-
Gain/(Loss) on foreign exchange (unrealised)	15,423	8,834	(4)	(9)
Gain/(Loss) on disposal of long term investments	(3,047)	12,180	-	-
Impairment of assets				
- property, plant and equipment	(287)	-	-	-
- goodwill	-	(21,568)	-	-
- investment properties	-	(10,000)	-	-
- investments in subsidiary companies	-	-	(22,085)	-
Inventories written down	(1,437)	(5,581)	-	-
Negative goodwill recognised	1,269	-	-	-
Provision for contingent liabilities for discontinued operation	-	(2,659)	-	-



CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2008

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

	Group		Company	
	2008	2007	2008	2007
	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	-	-
- investments in subsidiary companies	-	-	-	9,829
Surplus/(Deficit) arising from deconsolidation of subsidiary companies due to: -				
- discontinued operations (Note 14(d))	-	13,143	-	-
- winding-up (Note 14(e))	-	(288)	-	-
Writeback of allowance for doubtful debts on amounts owing by subsidiary companies	-	-	11,768	11,844
	(25,325)	13,691	(10,321)	21,664

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



NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

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 24 April 2009.

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 functional currencies of the operating entities. 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.

The Group is also exposed to foreign currency risk in respect of its overseas investments. The Group does hedge this exposure wherever possible.

(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.



3. Financial Risk Management Policies (Cont'd)

(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.

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) Price Risk

The Group's principal exposure to equity price risk arising from quoted investments held by the Group. The Group manages its price risk arising from the investments in equity securities by diversifying its portfolio.

(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 stated 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 amendment and revised FRSs effective for financial period beginning 1 July 2007:-



- (a) Amendments to FRS 121 *The 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. Previously, exchange differences arising from such transactions between the Company and its subsidiary companies would be accounted for in profit or loss in equity depending on the currency of the monetary item.

The adoption of this amendment does not have any material impact on the consolidated financial statements.

- (b) FRS 107 *Cash Flow Statements*
FRS 111 *Construction Contracts*
FRS 112 *Income Taxes*
FRS 118 *Revenue*
FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*
FRS 134 *Interim Financial Reporting*
FRS 137 *Provision, Contingent Liabilities and Contingent Assets*

These FRSs align the Malaysian Accounting Standards Board ('MASB') FRSs with the equivalent International Accounting Standards ('IASs'), both in terms of form and content. The adoption of these Standards will only impact the form and content of disclosures presented in the financial statements.

(ii) IC Interpretations adopted

The following IC Interpretations are mandatory for annual periods beginning on or after 1 July 2007:-

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

These Interpretations are not relevant to the Group.

- (iii) Framework for the Preparation and Presentation of Financial Statements ("Framework") 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 a MASB approved FRS as defined in paragraph 11 of FRS 101 *Presentation of Financial Statements* and hence, does not define standards for any particular measurement or disclosure issue.



4. Significant Accounting Policies (Cont'd)

(a) Basis Of Preparation (Cont'd)

(iv) New FRSs and IC Interpretations not adopted

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

- (a) FRS 8 *Operating Segments* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this standard are based on the information about the components of the entity that management uses to make decisions about operating matters. The standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this standard.

- (b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202₂₀₀₄ *General Insurance Business* and FRS 203₂₀₀₄ *Life Insurance Business*.

The standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. The standard prohibits provisions for potential claims under contracts that are not in existence at the reporting date, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. The standard also requires an insurer to keep insurance liabilities in its balance sheet until they are discharged or cancelled, or expired, and to present insurance liabilities without offsetting them against related reinsurance assets.

- (c) FRS 7 *Financial Instruments: Disclosures* and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 *Financial Instruments: Disclosure and Presentation*.

The standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance.



The standard requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe the management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information on the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

- (d) FRS 139 *Financial Instruments: Recognition and Measurement* and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

The standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

- (e) IC Interpretations 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

- (f) IC Interpretations 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The impact of applying FRS 4, FRS 7 and FRS 139 on the Group and the Company financial statements upon first adoption as required by paragraph 30(b) of FRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSs. The Group and the Company does not expect any material impact on the financial statements arising from the adoption of the above FRSs and IC Interpretations (and its consequential amendments).

The Group and the Company will adopt the above FRSs and IC Interpretations (and its consequential amendments) for financial period beginning from 1 January 2010.

(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 2008, with the exception of those subsidiary companies under members'/creditors' voluntary winding-up or voluntary administration referred to in Note 14(f) and 14(g) 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.



4. Significant Accounting Policies (Cont'd)

(b) Basis Of Consolidation (Cont'd)

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 acquirees'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. If a subsidiary company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

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.

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.



Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary 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 associated company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

The interest in the associated company is the carrying amount of the investment in the associated company under the equity method together with any long term interest that, in substance, form part of the Group's net interest in the associated company.

(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 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.



4. Significant Accounting Policies (Cont'd)

(e) Goodwill (Cont'd)

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.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(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.



Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

(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	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.



4. Significant Accounting Policies (Cont'd)

(i) Property, Plant and Equipment (Cont'd)

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.

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.



4. Significant Accounting Policies (Cont'd)

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

(iii) Provision for Outstanding Claims (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. Where the Group and Company expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.



Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

(o) Contingent Liabilities

A contingent liability is a possible obligation that arises from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

In the acquisition of subsidiary companies by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

(p) 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.

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.

(q) 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.



4. Significant Accounting Policies (Cont'd)

(q) Income Taxes (Cont'd)

Taxes in the income statement comprise 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.

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.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

(r) 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.



(s) 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.

(t) 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.

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.

The accounting policies for the revenue recognition in relation to the general insurance business and property development activities are disclosed in the Note 4(m) and 4(u) respectively.

(u) 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.



4. Significant Accounting Policies (Cont'd)

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

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.

(v) 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.

(w) 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, non-current assets held for sale 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.

(x) 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.

(y) 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 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.

(z) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

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



4. Significant Accounting Policies (Cont'd)

(z) Financial Instruments (Cont'd)

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.

(aa) Segmental Reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single element.

(ab) 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 that are quoted are assessed by reference to market prices and whether there is a decline in the value of such investments that are other than temporary. The assessment involves judgement and is made based on amongst others, historical performance of the investments and current market conditions that may have an impact on the market value of the investments.

The recoverable amounts of investments that are unquoted are assessed by reference to net assets.

(iv) 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).

(v) 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.

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.



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

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

(vi) Write down for Obsolete or Slow Moving Inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(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 the sale of such 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 remains committed to its plan to sell the assets.

(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.

(iii) Contingent Liabilities

The treatment of contingent liabilities is based on legal advice received and management's view of the expected outcome of the contingencies for matters in the ordinary course business.



6. Revenue

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</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>				
Sales of goods	507,000	320,033	-	-
Revenue from hotel operations	210,066	239,941	-	-
Gross written insurance premium	191,483	161,563	-	-
Income recognised on property development	21,576	17,034	-	-
Income from sales of tickets and travel related services	9,720	13,981	-	-
Sales of oil palm fruits	6,977	4,058	-	-
Property rental income	3,256	3,932	-	-
Interest income	2,727	2,720	1,327	1,145
Dividend income	148	19	5,116	39
Others *	116	305	-	-
	953,069	763,586	6,443	1,184
<i>Discontinued Operation</i>				
Sales of goods (Note 14(d))	-	14,655	-	-
	953,069	778,241	6,443	1,184

* 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>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<i>Continuing Operations</i>					
(Allowance for)/Writeback of diminution in value of long term investments		(29,242)	7,109	-	-
(Allowance for)/Writeback of doubtful debts		(11,616)	1,251	-	-
Bad debts written off		(78)	(669)	-	-
Deficit arising from deconsolidation of subsidiary companies	14(e)	-	(288)	-	-
Gain/(Loss) in foreign exchange					
- unrealised		15,423	8,834	(4)	(9)
- realised		(24,245)	(7,369)	-	-
Gain/(Loss) on disposal of: -					
- properties		3,690	-	-	-
- investment properties		-	435	-	-
- non-current assets held for sale		-	(851)	-	-
Gain/(Loss) on disposal of long term investments		(3,047)	12,180	-	-
Impairment of assets					
- property, plant and equipment	11	(287)	-	-	-
- goodwill	18	-	(21,568)	-	-
- investment properties	12	-	(10,000)	-	-
- investments in subsidiary companies		-	-	(22,085)	-



7. Exceptional Items (Cont'd)

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Inventories written down		(1,437)	(5,215)	-	-
Negative goodwill recognised		1,269	-	-	-
Non-recurring expenses for repair and maintenance of a development project		(484)	-	-	-
Reversal of impairment on					
- property, plant and equipment	11	-	5,597	-	-
- non-current assets held for sale		-	8,716	-	-
- investments in subsidiary companies	14	-	-	-	9,829
Writeback of allowance for doubtful debts on amounts owing by subsidiary companies		-	-	11,768	11,844
		(50,054)	(1,838)	(10,321)	21,664
<i>Discontinued Operation</i>	14(d)				
Impairment on property, plant and equipment		-	(1,666)	-	-
Allowance for doubtful debts		-	(292)	-	-
Inventories written down		-	(366)	-	-
Provision for contingent liabilities		-	(2,659)	-	-
		-	(4,983)	-	-
Surplus arising from deconsolidation of a subsidiary company		-	13,143	-	-
		-	8,160	-	-
Total exceptional items		(50,054)	6,322	(10,321)	21,664

8. (Loss)/Profit Before Taxation

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

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Allowance for diminution in value of short term investments		1,449	-	-	-
Auditors' remuneration					
- current		1,572	1,673	65	65
- under provision in prior years		52	67	-	10
Amortisation of premiums net of accretion of discounts on government securities and bonds		-	152	-	-



		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Depreciation/Amortisation					
- Property, plant and equipment	11	30,725	27,882	-	-
- Investment properties	12	913	359	-	-
- Prepaid land lease payments	13	428	327	-	-
Directors' remuneration: -					
Directors of the Company					
Receivable from the Company					
- fees		324	-	324	-
- other emoluments		325	295	325	295
- defined contribution plan		96	-	96	-
Receivable from subsidiary companies					
- fees		364	174	-	-
- other emoluments		2,192	2,068	-	-
- defined contribution plan		366	-	-	-
Directors of subsidiary companies					
- fees		494	109	-	-
- other emoluments		2,321	3,704	-	-
- defined contribution plan		86	108	-	-
Interest expense					
- bank overdrafts		4,738	7,629	-	-
- term loans		39,215	36,608	-	-
- other borrowings		59,067	55,281	1,326	1,145
Loss on disposal of short term investments		7,684	-	-	-
Property, plant and equipment written off	11	401	446	-	-
Provision for employee benefits (net)	29	371	735	-	-
Rental of buildings		47,073	20,154	-	-
Rental of equipment		1,259	1,391	-	-
Staff costs					
- Defined contribution plan		6,581	4,514	-	-
- Salary, wages and other costs		125,531	119,214	-	-
and after crediting:-					
Accretion of discounts net of amortisation of premiums on government securities and bonds		56	-	-	-
Allowance for diminution in value of short term investments written back		-	2,350	-	-
Gain on disposal of short term investments		-	3,130	-	-
Gain on disposal of property, plant and equipment		237	74	-	-



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

and after crediting:- (Cont'd)

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Gross dividends received from: -					
Subsidiary companies					
- quoted		-	-	1,044	-
- unquoted		-	-	4,072	39
Other investments					
- quoted in Malaysia		1,849	1,307	-	-
- quoted overseas		14	4	-	-
- unquoted		45	45	-	-
Interest income received from: -					
- subsidiary companies		-	-	1,327	1,145
- fixed deposits		23,183	19,695	1	1
- others		5,816	9,052	-	-
Property rental income		5,852	6,082	-	-

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 (2007 : RM31,000 and RM4,000) respectively.

9. Tax Expense/(Income)

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Current taxation					
- Malaysia		16,174	10,573	1,112	2
- Foreign		27	3,641	-	-
Deferred tax	30	(5,906)	(11,822)	-	-
		10,295	2,392	1,112	2
Under provision in respect of prior years		5,245	307	4	4
Total Tax Expense		15,540	2,699	1,116	6

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

	<i>Group</i>		<i>Company</i>	
	<i>2008</i> <i>%</i>	<i>2007</i> <i>%</i>	<i>2008</i> <i>%</i>	<i>2007</i> <i>%</i>
Tax at applicable tax rate on (loss)/profit before taxation	(26.00)	27.00	(26.00)	27.00
Tax effects of :				
Different tax rates on subsidiary companies	(7.97)	(1.54)	-	-
Tax exempt income	(8.30)	(4.02)	-	-
Movement in deferred tax assets not recognised during the financial year	1.21	0.19	-	-
Changes in tax rates for previously recognised deferred tax assets	0.03	(0.82)	-	-



	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Crystallisation of revaluation surplus on property, plant and equipment	(1.68)	(28.74)	-	-
Taxable income not recognised in income statement	4.39	11.38	-	-
Non-allowable expenses	60.74	141.43	84.19	1.81
Income not subject to tax	(8.10)	(136.56)	(42.68)	(28.80)
	14.32	8.32	15.51	0.01
Under provision in respect of prior years	7.30	1.06	0.05	0.02
Average effective tax rate	21.62	9.38	15.56	0.03

10. (Loss)/Earnings Per Share

(a) Basic

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

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
(Loss)/Profit attributable to equity holders of the Company: -		
- from continuing operations	(74,142)	8,677
- from discontinued operation	-	1,679
	(74,142)	10,356
	<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/(loss) earnings per share: -		
- from continuing operations	(3.82)	0.45
- from discontinued operation	-	0.09
	(3.82)	0.54

(b) Diluted

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



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

(b) Diluted (Cont'd)

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
(Loss)/Profit attributable to equity holders of the Company: -		
- from continuing operations	(74,142)	8,677
- from discontinued operation	-	1,679
	<u>(74,142)</u>	<u>10,356</u>
	<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
Dilutive effect of ICULS	887,324	887,324
Adjusted weighted average number of ordinary shares	<u>2,827,856</u>	<u>2,827,856</u>
	<i>Sen</i>	<i>Sen</i>
Diluted earnings per share: -		
- from continuing operations	*	0.31
- from discontinued operation	*	0.06
	<u>*</u>	<u>0.37</u>

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

11. Property, Plant And Equipment



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

Group	Note	Freehold Land	Buildings	Plant & Machinery	Motor Vehicles	Furniture Fittings & Equipment	Construction Work-In Progress	Renovation	2008	Total
<i>Cost or Valuation</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>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 January		351,793	578,051	46,798	12,608	197,486	1,711	83,557	1,272,004	1,155,812
Exchange difference		(71,634)	(94,898)	41	143	(29,134)	(120)	7	(195,595)	(37,354)
Reclassifications		-	-	-	-	68	-	(68)	-	-
Transfer from/(to) :-		280,159	483,153	46,839	12,751	168,420	1,591	83,496	1,076,409	1,118,458
- Investment Properties	12	-	10,230	-	-	-	-	-	10,230	(15,699)
- Non-current Assets Held for Sale		-	-	-	-	-	-	-	-	26,792
Additions		-	19	1,926	611	21,760	598	3,968	28,882	24,840
Disposals		(10,427)	-	(115)	(1,576)	(9)	(1,121)	-	(13,248)	(9,706)
Written off		-	(49)	(146)	-	(717)	-	(4,294)	(5,206)	(782)
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	-
company	14(c)	-	-	-	-	-	-	-	-	136,430
Deconsolidation of a subsidiary		-	-	-	-	-	-	-	-	-
company	14(d)	-	-	-	-	-	-	-	-	(8,329)
At 31 December		269,732	493,353	48,504	11,786	189,454	1,068	83,170	1,097,067	1,272,004
Accumulated Depreciation										
At 1 January		-	79,457	40,929	9,811	169,950	-	64,607	364,754	254,368
Exchange difference		-	(4,978)	40	88	(26,484)	-	2	(31,332)	(5,636)
Reclassifications		-	(8,998)	(335)	-	9,053	-	335	55	-
Transfer from/(to) :-		-	65,481	40,634	9,899	152,519	-	64,944	333,477	248,732
- Investment Properties		-	2,310	-	-	-	-	-	2,310	(3,226)
- Non-current Assets Held for Sale		-	-	-	-	-	-	-	-	7,406
Charge for the financial year		-	6,407	1,833	875	16,142	-	5,468	30,725	27,882
Disposals		-	-	(115)	(1,531)	(9)	-	-	(1,655)	(9,497)
Written off		-	3	(136)	-	(675)	-	(3,997)	(4,805)	(336)
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	100,244
company	14(c)	-	-	-	-	-	-	-	-	-
Deconsolidation of a subsidiary		-	-	-	-	-	-	-	-	-
company	14(d)	-	-	-	-	-	-	-	-	(6,451)
At 31 December		-	74,201	42,216	9,243	167,977	-	66,415	360,052	364,754
Accumulated Impairment										
At 1 January		9,121	31,069	-	-	3,089	-	-	43,279	71,096
Exchange difference		(464)	(366)	-	-	(1,016)	-	-	(1,846)	(418)
Reclassifications		(7,242)	7,187	-	-	-	-	-	(55)	-
Transfer to Non-current Assets Held for Sale		1,415	37,890	-	-	2,073	-	-	41,378	70,678
Recognised/(Reversal) during the financial year		-	-	-	-	-	-	-	-	(21,802)
Deconsolidation of a subsidiary		62	(1,233)	-	-	1,458	-	-	287	(3,931)
company	14(d)	-	-	-	-	-	-	-	-	(1,666)
At 31 December		1,477	36,657	-	-	3,531	-	-	41,665	43,279
Net Book Value										
At 31 December 2008		268,255	382,495	6,288	2,543	17,946	1,068	16,755	695,350	-
At 31 December 2007		342,672	467,525	5,869	2,797	24,447	1,711	18,950	-	863,971



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

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

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
<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 and buildings, furniture, fittings and equipment, and plant and machinery of the subsidiary companies with net book values totalling RM569,504,000 (2007 : RM725,954,000) are pledged to financial institutions for banking facilities granted to these subsidiary companies and related companies.
- (d) Property, plant and equipment of the Group with net book value totalling RM243,000 (2007 : RM421,000) have been acquired under hire-purchase and lease arrangements.

12. Investment Properties

		<i>Group</i>	
		<i>2008</i>	<i>2007</i>
	<i>Note</i>	<i>RM'000</i>	<i>RM'000</i>
Cost or Valuation			
At 1 January			
- at cost		119,061	32,732
- at valuation (1982)		150	150
		119,211	32,882
Transfer (to)/from Property, Plant and Equipment	11	(10,230)	15,699
Exchange difference		79	(3)
Additions		51	25,128
Disposals		-	(215)
Acquisition of a subsidiary company	14(c)	-	45,720
At 31 December		109,111	119,211
Accumulated Depreciation			
At 1 January		7,598	441
Transfer (to)/from Property, Plant and Equipment	11	(2,310)	3,226
Exchange difference		16	-
Charge for the financial year		913	359
Acquisition of a subsidiary company	14(c)	-	3,572
At 31 December		6,217	7,598



		<i>Group</i>	
	<i>Note</i>	<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Accumulated Impairment			
At 1 January		10,000	-
Recognised during the financial year		-	10,000
At 31 December		10,000	10,000
Net Book Value			
At 31 December		92,894	101,613
Fair Value		111,184	110,927
Included in the above are:			
Buildings		29,368	38,145
Freehold land		52,916	52,858
Construction work-in-progress		10,610	10,610
		92,894	101,613

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>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Rental Income	3,487	1,647
Direct operating expenses	4,112	1,094

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>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Cost			
At 1 January		35,885	20,463
Exchange difference		-	1
Acquisition of a subsidiary company	14(c)	-	15,421
At 31 December		35,885	35,885
Accumulated Amortisation			
At 1 January		3,564	2,123
Exchange difference		2	(1)
Charge for the financial year		428	327
Acquisition of a subsidiary company	14(c)	-	1,115
At 31 December		3,994	3,564
Accumulated Impairment			
At 1 January / 31 December		2,373	2,373



13. Prepaid Land Lease Payments (Cont'd)

	<i>Note</i>	<i>Group</i>	
		<i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Net Book Value			
At 31 December		29,518	29,948
Analysed as:			
Long term prepaid land lease payments		23,159	23,495
Short term prepaid land lease payments		6,359	6,453
		29,518	29,948

Prepaid land lease payment with an aggregate carrying value of RM5,699,000 (2007: RM5,771,000) are pledged as securities for borrowings.

14. Subsidiary Companies

		<i>Company</i>	
		<i>2008</i> <i>RM'000</i>	<i>2007</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		38,708	38,708
-1987		6,900	6,900
		739,682	739,682
Total investments		1,044,710	1,044,710
Less: Impairment losses		(270,055)	(247,970)
		774,655	796,740
Market value of quoted shares		41,254	80,530

(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.

(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

In 2007, Libertyray (M) Sdn Bhd, a wholly-owned subsidiary company, 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.

MJB has contributed the following results to the Group for the previous 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	<u>866</u>

The fair value of assets and liabilities and cash flow arising from the acquisition of MJB for the previous financial year were 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 (<i>Note 18</i>)	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
Less: Minority interest	(7,989)
Group's share of net assets	126,461
Goodwill arising on acquisition (<i>Note 18</i>)	155,425
Total purchase consideration satisfied by cash	281,886
Less: Cash and cash equivalents of MJB	(19,556)
Cash outflow on acquisition	<u>262,330</u>



14. Subsidiary Companies (Cont'd)

- (d) In the previous financial year, 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 on 7 May 2007. 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.

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

	2007 <i>Up to the date of deconsolidation</i> RM'000
Revenue (<i>Note 6</i>)	14,655
Operating costs	(19,504)
Other operating income	58
Exceptional items (<i>Note 7</i>)	(4,983)
Finance cost	(520)
Loss before taxation	(10,294)
Taxation	-
Loss after taxation	(10,294)
Surplus arising from deconsolidation of this subsidiary company	13,143
Profit for the financial year from discontinued operation	<u>2,849</u>

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

	2007 <i>Up to the date of deconsolidation</i> RM'000
Net cash from operating activities	2,034
Net cash used in investing activities	(52)
Net cash used in financing activities	(2,587)
Net cash used in discontinued operation	<u>(605)</u>

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

	2007 <i>At the date of deconsolidation</i> RM'000
Cash and bank balances	1,608
Bank overdrafts	(8,058)
	<u>(6,450)</u>

The effect of the deconsolidation on the financial position of the Group in the previous financial year were as follows:-

	2007 <i>At the date of deconsolidation</i> RM'000
Property, plant and equipment	212
Inventories	4,618
Trade and other receivables	5,291
Cash and bank balances	1,608
Trade and other payables	(13,331)



	<i>2007</i>
	<i>At the date of deconsolidation</i>
	<i>RM'000</i>
Bank overdrafts	(8,058)
Other bank borrowings	(3,165)
Minority interest	(318)
Decrease in Group net liabilities	<u>(13,143)</u>

(e) In 2007, 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 in the previous financial year were as follows: -

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



14. Subsidiary Companies (Cont'd)

The effects of the deconsolidation of these subsidiary companies on the financial position of the Group in the previous financial year were as follows:-

	<i>2007</i> <i>At the date of deconsolidation</i> <i>RM'000</i>
Assets disposed: -	
Goodwill on consolidation	195
Other receivables	93
Decrease in Group net assets	<u>288</u>

- (f) The consolidated financial statements do not deal with the subsidiary companies under liquidation or voluntary administration.
- (g) The subsidiary companies, including those companies under liquidation or voluntary administration as indicated, are listed on pages 127 to 136.

15. Associated Companies

	<i>Group</i> <i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Investments in associated companies		
Quoted shares, at cost		
Malaysia	54,011	54,011
Overseas	316,023	293,021
	<u>370,034</u>	347,032
Unquoted shares, at cost	111,114	111,114
	<u>481,148</u>	458,146
Group's share of post-acquisition reserves and retained profits less losses	(162,231)	(114,660)
	<u>318,917</u>	343,486
Less : Impairment losses	(51,206)	(51,206)
	<u>267,711</u>	292,280
Market value of quoted shares		
Malaysia	26,986	82,379
Overseas	125,108	423,865
	<u>152,094</u>	506,244

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

	<i>Group</i> <i>2008</i> <i>RM'000</i>	<i>2007</i> <i>RM'000</i>
Assets and liabilities		
Total assets	1,115,491	1,462,513
Total liabilities	<u>613,395</u>	830,320
Results		
Revenue	1,710,559	1,791,141
Profit for the financial year	<u>35,671</u>	118,007



- (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 have 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 RM331,198,000 (which were included in the credit facilities as mentioned in Note 28) granted to an overseas and a Malaysia subsidiary companies.
- (c) The associated companies are listed on pages 128 to 134.

16. Investments

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Quoted shares		
Malaysia, at cost	193,969	272,653
Overseas, at cost	45,060	43,962
	<u>239,029</u>	<u>316,615</u>
Less : Allowance for diminution in value	(203,170)	(258,014)
	<u>35,859</u>	<u>58,601</u>
Unquoted shares, at cost	252,066	417,466
Less: Allowance for diminution in value, net of investments written off of RM127,907,000 (2007: nil) for the Group	(57,910)	(182,957)
	<u>194,156</u>	<u>234,509</u>
Net carrying amount	<u>230,015</u>	<u>293,110</u>
Market value of quoted shares		
Malaysia	29,282	78,259
Overseas	373	555
	<u>29,655</u>	<u>78,814</u>

17. Land Held For Property Development And Property Development Costs

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
(a) Land held for property development (Non-current)		
Freehold land, at cost		
At 1 January	35,263	36,158
Transfer to Non-current assets held for sale (<i>Note 24(i)</i>)	-	(902)
Addition	-	7
At 31 December	<u>35,263</u>	<u>35,263</u>
(b) Property development costs (Current)		
Costs at 1 January		
Freehold land	24,406	28,791
Development costs	58,030	69,538
Exchange differences	149	(104)
	<u>82,585</u>	<u>98,225</u>



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

(b) Property development costs (Current) (Cont'd)

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Costs incurred for the financial year		
Development costs	12,675	4,560
Accumulated costs reversed during the financial year in respect of completed projects		
Freehold land	(145)	(4,189)
Development costs	(2,838)	(13,000)
	(2,983)	(17,189)
Costs recognised in income statement		
At 1 January	(2,749)	(13,990)
Recognised for the financial year	(8,205)	(5,948)
Accumulated costs reversed during the financial year in respect of completed projects	2,983	17,189
At 31 December	(7,971)	(2,749)
Accumulated impairment		
At 1 January / 31 December	(6,500)	(6,500)
Transfers at 31 December to inventories	(1,733)	(3,160)
Property Development Costs at 31 December	76,073	73,187

18. Goodwill On Consolidation

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Cost		
At 1 January	1,259,412	1,098,996
Exchange differences	-	(14)
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
Deconsolidation of a subsidiary company (<i>Note 14(e)</i>)	-	(195)
Purchase of additional shares in subsidiary companies	5,493	4,700
At 31 December	1,264,905	1,259,412
Accumulated impairment		
At 1 January	1,041,257	1,019,689
Recognised for the financial year	-	21,568
At 31 December	1,041,257	1,041,257
Net book value	223,648	218,155

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 based on adjusted net assets method where the net assets of the subsidiary company is based on its audited financial statements as at balance sheet date which have been fairly stated and adjusted for the valuation surplus on certain assets held by the subsidiary company.

(b) Value in use

Value in use was estimated by using cash flow projections based on the financial budgets and projected terminal value after 5 years 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 8.15% based on weighted average cost of capital of the Company.

In the previous financial year, the recoverable amounts of certain subsidiary companies have been estimated by reference to market price and cash flow projection based on the financial budgets approved by the Board of Directors.

On the above basis, the Group has recognised cumulatively up to 31 December 2008 impairment of goodwill amounting to RM1.04 billion out of the total goodwill of RM1.26 billion.

19. Inventories

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
At cost		
Retail trading merchandises	58,142	45,722
Completed development property units	20,076	25,430
Finished goods	11,975	14,639
Raw materials	3,119	4,918
Sundry stores and consumables	2,202	1,970
Work-in-progress	1,304	2,051
Food, beverages and hotel supplies	1,275	2,032
	98,093	96,762
At net realisable value		
Raw materials	1,968	-
	100,061	96,762

20. Trade And Other Receivables

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade receivables	579,127	584,989	-	-
Less: Allowance for doubtful debts, net of bad debts written off of RM525,000 (2007 : RM290,000) for the Group	(430,046)	(424,002)	-	-
	149,081	160,987	-	-



20. Trade And Other Receivables (Cont'd)

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Other receivables	83,938	65,334	-	5
Less: Allowance for doubtful debts, net of bad debts written off of RM2,169,000 (2007 : nil) for the Group	(41,778)	(32,290)	-	-
	42,160	33,044	-	5
Amounts owing by associated companies	123,622	120,982	-	-
Less: Allowance for doubtful debts	(27)	(27)	-	-
	123,595	120,955	-	-
Amounts owing by subsidiary companies	-	-	2,516,831	2,515,032
Less: Allowance for doubtful debts	-	-	(1,151,799)	(1,163,567)
	-	-	1,365,032	1,351,465
Sundry deposits & prepayments	18,301	17,604	4	4
	333,137	332,590	1,365,036	1,351,474

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

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Sterling Pound	6,232	10,070
Hong Kong Dollar	2,948	2,732
US Dollar	1,383	-
Singapore Dollar	1,144	782
	11,707	13,584

- (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 (2007 : RM54.4 million) which bear interest at 5.0% (2007 : 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 (2007 : RM20.0 million) which bear interests at 5.74% to 6.88% per annum (2007 : 5.64% to 5.80% per annum).
- (d) Normal trade credit terms ranges from 7 days to 120 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.



21. Government Securities And Bonds

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
At Cost		
Malaysian Government Securities - quoted	22,378	22,333
Cagamas Bonds - quoted	5,034	-
Corporate Bonds - unquoted	24,950	5,100
	<u>52,362</u>	<u>27,433</u>
Accretion of discounts/(Amortisation of premiums)		
Malaysian Government Securities	43	81
Cagamas Bonds	(6)	-
Corporate Bonds	22	-
	<u>59</u>	<u>81</u>
	<u>52,421</u>	<u>27,514</u>
Market value of quoted securities		
Malaysian Government Securities	22,844	22,545
Cagamas Bonds	4,934	-
	<u>27,778</u>	<u>22,545</u>

	<i>Average effective annual interest rate %</i>	<i>Amount RM'000</i>	<i>Maturity</i>					
			<i>Less than 1 year RM'000</i>	<i>1 to 2 years RM'000</i>	<i>2 to 3 years RM'000</i>	<i>3 to 4 years RM'000</i>	<i>4 to 5 years RM'000</i>	<i>More than 5 years RM'000</i>
2008								
Debt securities								
held to maturity: -								
Malaysian								
Government								
Securities	3.85	22,421	7,497	-	4,971	4,961	4,992	-
Cagamas bonds	3.45	5,028	-	-	-	5,028	-	-
Corporate Bonds	3.51	24,972	-	4,973	5,000	9,999	4,900	100
		<u>52,421</u>	<u>7,497</u>	<u>4,973</u>	<u>9,971</u>	<u>19,988</u>	<u>9,892</u>	<u>100</u>
2007								
Debt securities								
held to maturity: -								
Malaysian								
Government								
Securities	3.84	22,414	4,989	7,484	-	-	4,951	4,990
Corporate Bonds	6.30	5,100	-	-	-	-	5,000	100
		<u>27,514</u>	<u>4,989</u>	<u>7,484</u>	<u>-</u>	<u>-</u>	<u>9,951</u>	<u>5,090</u>



22. Short Term Investments

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Quoted shares, at cost less allowance for diminution in value of RM1,627,000 (2007 : RM682,000)	11,191	27,503
Market value of quoted shares	11,684	31,100

23. Deposits, Bank Balances And Cash

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Term deposits with licensed banks	595,692	641,546	22	93
Bank balances and cash	43,483	82,268	44	32
	639,175	723,814	66	125

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

Sterling Pound	77,196	162,734	7	9
Hong Kong Dollar	13,194	29,111	27	94
Singapore Dollar	9,249	8,503	2	1
Australia Dollar	2,398	19,063	1	1
US Dollar	1,954	1,938	-	-
Canada Dollar	85	39	-	-
	104,076	221,388	37	105

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

	%	%	%	%
Term deposits with licensed banks	3.00	3.53	1.13	2.00
Bank balances and cash	2.00	2.00	-	-

The average maturity for deposits ranges from 1 day to 365 days (2007 : 1 day to 365 days).

- (c) Included in deposits, bank balances and cash of the Group are amounts totalling RM3,774,000 (2007 : RM7,358,000) 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 RM224,500,000 (2007 : 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 approved utilisation of this amount is subject to the approval of Securities Commission ("SC"). The SC had vide its letter dated 15 December 2008 approved the listed subsidiary company's application to revise the utilisation by repaying its bank borrowings and expanding its food and confectionery business. During the financial year, RM64.0 million has been used to repay bank borrowings whilst subsequent to 31 December 2008 another RM176.5 million has been used for the same.



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.

- (i) 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. The disposal was completed on 30 January 2009. Further details on the disposal are disclosed in Note 37(a) to the financial statements.

The major asset of THSB comprising a piece of vacant freehold land with carrying amount of RM908,000 was reclassified as held for sale accordingly.

- (ii) 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. The disposal was completed on 30 January 2009. Further details on the disposal are disclosed in Note 37(b) to the financial statements.

The non-current assets held for sale with carrying amounts of RM39,000,000 (2007: RM39,000,000) are pledged to financial institutions for credit facilities granted to subsidiary companies.

25. Share Capital

	<i>Group/Company</i>	
	<i>2008</i>	<i>2007</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>2008</i>	<i>2007</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.



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

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");
- (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 up front 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 the 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>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</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	19,304	26,264	26,264
Exchange translation reserve	57,196	128,970	-	-
Capital reserve	2,757	6,404	-	-
Distributable				
General reserve	25,257	25,257	-	-
Accumulated losses	(2,330,246)	(2,256,104)	(820,111)	(811,826)
	(2,005,427)	(1,855,864)	(573,542)	(565,257)



- (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.

28. Borrowings

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current				
Bank overdrafts				
- secured	31,267	-	-	-
- unsecured	26,291	64,055	-	-
Bills payable - unsecured	72	1,739	-	-
Bank revolving credits and short term loans				
- secured	110,000	64,395	-	-
- unsecured	575,898	708,651	20,000	20,000
Current portion of term loans	59,211	61,304	-	-
Hire-purchase and lease liabilities	99	90	-	-
	802,838	900,234	20,000	20,000

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Non-Current		
Term loans and revolving credits		
- secured	753,066	832,985
Hire-purchase and lease liabilities	231	330
	753,297	833,315
Less: Current portion of term loans	(59,211)	(61,304)
	694,086	772,011

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

Between 1 year to 2 years	210,843	51,936
Between 2 years to 3 years	301,813	36,616
Between 3 years to 4 years	181,199	552,888
Between 4 years to 5 years	-	130,241
	693,855	771,681

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

Hire-purchase and minimum lease payments		
Within 1 year	120	120
Between 1 year to 5 years	249	369
	369	489
Future finance charges	(39)	(69)
Present value of hire-purchase and finance lease liabilities	330	420
Portion payable: -		
Within 1 year (current)	99	90
Between 1 year to 5 years (non-current)	231	330
	330	420



28. Borrowings (Cont'd)

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
(c) The foreign currency exposure profile of borrowings is as follows: -		
Sterling Pound	403,172	512,976
Singapore Dollar	522	1,076
Australia Dollar	-	14,395
Hong Kong Dollar	-	475
Others	-	275
	403,694	529,197

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
(d) The weighted average effective annual interest rates of borrowings during the financial year are as follows: -				
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Bank overdrafts	7.7	7.7	-	-
Bills payable	3.9	5.5	-	-
Bank revolving credits	5.5	6.2	6.6	5.7
Term loans	7.3	7.1	-	-
Hire-purchase and lease liabilities	7.9	7.9	-	-

(e) The interest risk exposure of borrowings (excluding hire-purchase and lease liabilities) is as follows: -				
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Fixed rate borrowings	34,820	200,639	-	-
Floating rate borrowings	1,461,774	1,471,186	20,000	20,000
	1,496,594	1,671,825	20,000	20,000

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

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

29. Employee Benefits

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
At 1 January	6,817	6,846
Exchange adjustments	35	(25)
Acquisition of a subsidiary company (<i>Note 14(c)</i>)	-	936
Deconsolidation of a subsidiary company (<i>Note 14(d)</i>)	-	(837)
Provision for the financial year	371	735
Paid during the financial year	(453)	(838)
At 31 December	6,770	6,817
Less : Current portion included in provision (<i>Note 32</i>)	(3,268)	(3,035)
	3,502	3,782



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>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
At 1 January	12,725	25,310
Acquisition of a subsidiary company (<i>Note 14(c)</i>)	-	(1,109)
Exchange adjustments	(1,704)	(609)
Transfer from tax provision account pursuant to foreign tax law	-	1,750
Transfer to capital reserves	943	-
Transfer to revaluation reserves	-	(795)
Transfer to income statement (<i>Note 9</i>)	(5,906)	(11,822)
At 31 December	6,058	12,725

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

Deferred tax liabilities, net	10,468	17,328
Deferred tax assets, net	(4,410)	(4,603)
	6,058	12,725

(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 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 2007/1 January 2008	43,652
Transfer to income statement	(2,546)
Transfer from capital reserves	943
Transfer from deferred tax assets	240
Exchange adjustments	(8,546)
At 31 December 2008	33,743



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 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 2007/1 January 2008	14,734	4,211	11,672	310	30,927
Recognised in income statement	1,531	(36)	2,085	(220)	3,360
Transfer to deferred tax liabilities	-	210	30	-	240
Exchange adjustments	(3,834)	(11)	(2,997)	-	(6,842)
At 31 December 2008	12,431	4,374	10,790	90	27,685

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

	<i>Group</i>	
	<i>2008 RM'000</i>	<i>2007 RM'000</i>
Unutilised tax losses	384,854	382,591
Unutilised capital allowances	13,287	10,286
Other deductible temporary differences	425	2,126
	398,566	395,003

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 26% (2007: 27%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate has been reduced to 26% from the previous year's rate of 27% for the fiscal year of assessment 2008, and to 25% for fiscal year of assessment 2009 onwards.
- (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.



31. Trade And Other Payables

	<i>Group</i>		<i>Company</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Trade payables	142,608	138,179	-	-
Other payables	43,407	41,298	109	191
Accrued expenses	33,829	33,167	-	-
Tenant deposits	1,220	1,120	-	-
Amounts owing to associated companies	13,716	15,910	-	-
	234,780	229,674	109	191

(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>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Sterling Pound	11,895	18,446
Hong Kong Dollar	840	594
US Dollar	497	615
Singapore Dollar	438	294
Euro	374	-
Australia Dollar	2	-
	14,046	19,949

(c) The normal trade credit term ranges from 14 to 90 days.

32. Provisions

	<i>Group</i>	
	<i>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Provision for outstanding claims	180,838	185,539
Less: Recoverable from reinsurers thereon	(106,525)	(121,474)
Net outstanding claims	74,313	64,065
Provision for settlement under a compromise in respect of an Executive Share Option Scheme of a subsidiary company (<i>Note 36</i>)	1,160	1,160
Employee benefits (<i>Note 29</i>)	3,268	3,035
	78,741	68,260



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.

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

	Continuing Operations								Total Group RM'000
	Retailing RM'000	Hotels RM'000	Confectionery RM'000	Food & RM'000	Financial Services RM'000	Property RM'000	Travel & Tourism RM'000	Investment Holding RM'000	Elimination RM'000
2008									
Revenue									
External revenue	962,847	210,066	111,375	111,375	200,521	30,664	9,720	21,716	-
Inter-segment revenue	-	53	-	-	2,303	2,030	2,175	854	(7,415)
Total revenue	962,847	210,119	111,375	111,375	202,824	32,694	11,895	22,570	1,546,909
Less : Group's share of associated companies' revenue									(593,840)
									953,069
Results									
Segment results (external)	20,345	26,843	7,619	7,619	(3,740)	9,084	(519)	(17,604)	-
Interest income	1,184	420	472	472	7,631	1,089	10	15,466	-
Profit/(Loss) from operations before exceptional items	21,529	27,263	8,091	8,091	3,891	10,173	(509)	(2,138)	-
Exceptional items (refer note 7)	(2,437)	(2,428)	5,235	5,235	175	318	(77)	(50,840)	-
Profit/(Loss) from operations after exceptional items	19,092	24,835	13,326	13,326	4,066	10,491	(586)	(52,978)	-
Finance costs	(387)	(1,356)	(456)	(456)	-	(431)	(60)	(100,330)	-
Share of results of associated companies	15,425	-	-	-	(1,739)	-	-	(796)	-
Profit/(Loss) before taxation	34,130	23,479	12,870	12,870	2,327	10,060	(646)	(154,104)	-
Taxation									(71,884)
Loss for the financial year									(15,540)
									(87,424)
Assets									
Segment assets	386,602	509,584	185,834	185,834	291,112	174,567	1,978	969,069	2,518,746
Non-current assets held for sale	-	2,652	-	-	-	39,908	-	-	42,560
Investments in associated companies	152,198	20	-	-	54,849	634	23,981	36,029	267,711
Unallocated corporate assets									7,612
Consolidated total assets									2,836,629
Liabilities									
Segment liabilities	82,220	534,991	20,510	20,510	197,834	2,463	891	1,013,228	1,852,137
Unallocated corporate liabilities									36,390
Consolidated total liabilities									1,888,527
Other Segment Information									
Capital expenditure	7,353	18,876	1,229	1,229	572	367	15	521	28,933
Depreciation and amortisation	8,820	19,343	1,899	1,899	619	204	159	1,022	32,066
Non-cash expenses other than depreciation	2,690	2,209	366	366	7,753	485	-	73,371	86,874





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

2007	Continuing Operations							Discontinued Operation			
								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	Total Group RM'000
Revenue											
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	1,319		28,457	111	28,568
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)

(ii) Geographical segments

	<i>Revenue</i>		<i>Assets Employed</i>		<i>Capital Expenditure</i>	
	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</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	686,177	469,598	1,664,189	1,702,004	12,521	36,980
Asia-Pacific	130,246	140,458	480,471	540,207	120	1,842
Australia	-	-	5,393	6,445	-	-
North America	223	722	180,555	205,105	-	20
United Kingdom	730,263	767,985	506,021	714,096	16,292	12,730
	1,546,909	1,378,763	2,836,629	3,167,857	28,933	51,572
<i>Discontinued Operation</i>						
Australia	-	14,655	-	-	-	52
Total	1,546,909	1,393,418	2,836,629	3,167,857	28,933	51,624
Less : Group's share of associated companies' revenue	(593,840)	(615,177)	-	-	-	-
	953,069	778,241	2,836,629	3,167,857	28,933	51,624

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 Carrying amount RM'000</i>	<i>Fair value RM'000</i>
2008		
Unquoted investments	194,156	*
2007		
Unquoted investments	234,509	*

* 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, which are disclosed in Notes 16, 21 and 22 to the financial statements.

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 expected to be 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>2008</i>	<i>2007</i>
	<i>RM'000</i>	<i>RM'000</i>
Approved but not contracted for	-	1,997
Contracted but not provided for	17,314	26,461
	17,314	28,458

(b) Operating Lease Commitments

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

Within 1 year	26,658	28,535
Between 1 year to 5 years	18,184	28,587
More than 5 years	12,994	12,084
	57,836	69,206



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 2008, the Company has guaranteed bank credit facilities of subsidiary companies for a total of RM514.4 million (2007 : RM439.3 million). The guarantees are unsecured.

37. Significant Corporate Developments

- (a) On 14 September 2007, MPB entered into an agreement with Pan Malaysian Industries Berhad ("PMI), a related party, to dispose to PMI the 385,000 ordinary shares of RM1.00 each representing the entire issued and paid-up capital of its wholly owned subsidiary, Two Holdings Sdn Bhd, for a cash consideration of RM9.3 million. The transaction was completed on 30 January 2009.
- (b) On 14 September 2007, PM Holdings entered into an agreement with PMI to dispose to PMI the office building located at No.2, Jalan Changkat Ceylon, Kuala Lumpur for a cash consideration of RM39.0 million. Approval for the transaction was obtained from the shareholders of PM Holdings on 19 June 2008. The transaction was completed on 30 January 2009.

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.



38. Related Party Disclosures (Cont'd)

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>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</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	-	-
Insurance premium income	124	720	-	-
Interest income	600	252	-	-
Office rental income	48	742	-	-
Share registrar fees income	1	-	-	-
Associates: -				
Corporate advisory services fee paid	-	11	-	-
Interest income	2,973	2,972	-	-
Management fees income	-	210	-	-
Management fees paid	302	330	-	-
Office rental income	1,873	1,826	-	-
Share registrar fees income	31	32	-	-
Travel related revenue	4,002	5,099	-	-
Subsidiaries: -				
Dividend income	-	-	5,116	39
Interest income	-	-	1,327	1,145
Net advances/(repayments)	-	-	1,799	(1,316)
Share registrar fees paid	-	-	-	2
Travel related expenses	-	-	325	235
(c) Compensation of key management personnel				
Short term employee benefits	8,802	8,468	653	299
Defined contributions plan	830	336	96	-
	9,632	8,804	749	299



SUBSIDIARY AND ASSOCIATED COMPANIES OF MALAYAN UNITED INDUSTRIES BERHAD

At 31 December 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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	94.51	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 Ltd	100	100	Investment holding	British Virgin Islands
^+ 38. MUI Philippines, Inc	100	100	Investment holding	Philippines
* 39. MUI Properties Berhad	74.35	74.35	Investment holding	Malaysia
40. MUI Sdn Bhd	100	100	Investment holding	Malaysia
+ 41. MUI Singapore Private Limited	100	100	Dormant	Singapore



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

At 31 December 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</i>		
	<i>%</i>	<i>%</i>		
^* 42. MUI (U.K.) Limited	100	100	Investment holding	United Kingdom
43. Natloyal (M) Sdn Bhd	100	100	Property investment	Malaysia
44. Novimax (M) Sdn Bhd	100	100	Investment holding	Malaysia
45. Oriental Omega Sdn Bhd	100	100	Investment holding	Malaysia
* 46. Pan Malaysia Corporation Berhad	60.48	60.07	Investment holding	Malaysia
47. Pan Malaysia Holdings Berhad	68.68	68.68	Investment, property holding & management company	Malaysia
48. Prizewood Sdn Bhd	100	100	Investment holding	Malaysia
49. Pure Capital Sdn Bhd	100	100	Investment holding	Malaysia
50. Regal Classic Sdn Bhd	100	100	Investment holding	Malaysia
51. Sergap Makmur Sdn Bhd	100	100	Investment holding	Malaysia
52. Southern Challenger (M) Sdn Bhd	100	100	Investment holding & trading	Malaysia
53. Tarrega Holdings Sdn Bhd	100	100	Investment holding	Malaysia
54. United Continental Properties Sdn Berhad	52.21	52.21	Property investment	Malaysia
55. United Review (M) Sdn Bhd	100	100	Investment holding	Malaysia
56. 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>2008</i>	<i>2007</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	35.17	34.82	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)

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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/process of striking-off and are not consolidated

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</i>	
	<i>%</i>	<i>%</i>	
o 1. Malayan United Nominees (Asing) Sdn Bhd	100	100	Malaysia
o 2. Malayan United Trading Sdn Bhd	100	100	Malaysia
o 3. Megah Nominees (Tempatan) Sdn Bhd	100	100	Malaysia
# 4. MUI Media Limited	100	100	United Kingdom
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 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</i>		
	<i>%</i>	<i>%</i>		
* 23. MUI Australia Pty Ltd	100	100	Inactive	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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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
< 8. Resona Resources Berhad	100	100	Malaysia

SUBSIDIARY COMPANIES OF PAN MALAYSIA CORPORATION BERHAD

At 31 December 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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>2008</i>	<i>2007</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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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 frozen/chilled products, confectionery products & snack 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 PAN MALAYSIA CORPORATION BERHAD (Cont'd)

At 31 December 2008

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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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>2008</i>	<i>2007</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)

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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 AND ASSOCIATED COMPANIES OF PAN MALAYSIA HOLDINGS BERHAD (Cont'd)

At 31 December 2008

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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</i>	
	<i>%</i>	<i>%</i>	
1. Asia Entertainment Network Sdn Bhd	60	60	Malaysia
2. Cocoa Specialities (Malaysia) Sdn Bhd	84.12	84.12	Malaysia
3. Grand Union Insurance Company Limited	55	55	Hong Kong
4. Office Business Systems (Malacca) Sdn Bhd	41.67	41.67	Malaysia
5. Office Business Systems (Penang) Sdn Bhd	64.10	64.10	Malaysia
6. Office Business Systems Sdn Bhd	64.10	64.10	Malaysia
7. Pengkalen Building Materials Sdn Bhd	100	100	Malaysia
8. Pengkalen Electronics Industries Sdn Bhd	67	67	Malaysia
9. Pengkalen Engineering & Construction Sdn Bhd	100	100	Malaysia
10. Pengkalen Heights Sdn Bhd	70	70	Malaysia
11. Pengkalen Pasar Borong Sdn Bhd	80	80	Malaysia
12. Pengkalen Raya Sdn Bhd	100	100	Malaysia
13. Pengkalen (UK) Plc	84.12	84.12	United Kingdom
14. Sensor Equipment Sdn Bhd	64.10	64.10	Malaysia
15. Technitone (M) Sdn Bhd	64.10	64.10	Malaysia

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

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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>2008</i>	<i>2007</i>	
	<i>%</i>	<i>%</i>	
1. Desa Kuril Sdn Berhad	50	50	Malaysia



SUBSIDIARY COMPANIES OF METROJAYA BERHAD

At 31 December 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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



SUBSIDIARY COMPANIES OF CORUS HOTELS LIMITED

At 31 December 2008

<i>Subsidiary Company</i>	<i>Equity Interest</i>		<i>Principal Activities</i>	<i>Country of Incorporation</i>
	<i>2008</i>	<i>2007</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	Hotel operations	United Kingdom
* 11. Etrop Grange Limited	100	100	Hotel & restaurant operations	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
*△15. 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	Hotel operations	United Kingdom
* 24. The Bowler Hat Limited	100	100	Hotel operations	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	Hotel operations	United Kingdom
* 32. Wright Hotels Limited	100	100	Investment holding & hotel operations	United Kingdom

+ Subsidiary companies audited by overseas member firms of BDO International.

* Subsidiary and associated companies not audited by member firms of BDO International.

△ 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 companies are used for the preparation of the Group's consolidated financial statements.

In the process of striking-off effected on 20 November 2008.

< Placed under members voluntary winding up on 31 January 2005 and was subsequently dissolved on 1 March 2009.

> The entire equity interest in the subsidiary company was disposed of on 30 January 2009 as detailed in Note 37(a).



PROPERTIES OWNED BY THE MUI GROUP

At 31 December 2008

<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	24	64,441
* 1 lot of freehold land at Section 43, Jalan Mayang, Kuala Lumpur, held for proposed condominium development (Date of acquisition: May 1981)	1,478	-	908
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	25	1,374
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	16	8,818
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	14	24,917
* 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	22	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)	4,841	-	3,264
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	38	9,246



PROPERTIES OWNED BY THE MUI GROUP (Cont'd)

At 31 December 2008

<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	25	2,683
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	25	9,355
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 at Penang Road, Georgetown (Lease expires in 2083) (Date of acquisition: August 2007)	2,245	-	10,892
3 lots of freehold land at Lots 201, 202 & 204, Penang Road, Georgetown, held for development at Phase 2E, Komtar, Georgetown (Date of acquisition: August 2007)	2,079	-	12,292
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	23	2,252
Freehold retail space comprising basement and ground floor of Kompleks Bukit Jambul, Jalan Rumbia, Penang (Date of acquisition: August 2007)	13,549	12	26,606
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	27	1,177



<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	15	519
State of Negeri Sembilan Darul Khusus			
3 lots of freehold land with a 4-storey hotel building at 7½ Mile, Jalan Pantai, Teluk Kemang, Port Dickson, Negeri Sembilan Darul Khusus (Year of last valuation: 1983)	11,892	34	11,749
1 lot of freehold land at 5½ 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)	5,596,355	-	118,541
3 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson at Lots 286, 288 & 289, PT 5855, Batu 2½, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of acquisition: September 1996)	55,745	13	31,454
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	-	28,349
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 hotel building at no. 20, Kirby Court, West Hobart, Tasmania (Date of acquisition: October 1996)	24,970	31	4,634



PROPERTIES OWNED BY THE MUI GROUP (Cont'd)

At 31 December 2008

<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	13	3,131
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	30	1,249
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	11	10,379
1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore (Lease expires in 2096) (Date of acquisition: July 1999)	194	-	2,968
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	157	14,696
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	57	2,272
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	257	7,791
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	67	10,466



<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	157	32,400
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	57	2,667
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	57	61,838
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	57	14,762
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	157	26,167
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	57	63,122
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	-	21,317
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	107	254,065
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	107	1,196
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	107	717

* These properties were disposed of on 30 January 2009 (refer Note 37 to the financial statements)



Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

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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-Eighth Annual General Meeting of the Company to be held at Crystal Ballroom, Corus hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Tuesday, 30 June 2009 at 3.30 p.m. and at any adjournment thereof, and to vote as indicated below:-

Resolutions	For	Against
1. To re-appoint Tan Sri Dato' Khoo Kay Peng as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965.		
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 Tan Sri Dato' Paduka Dr Mazlan bin Ahmad 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.		

(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
