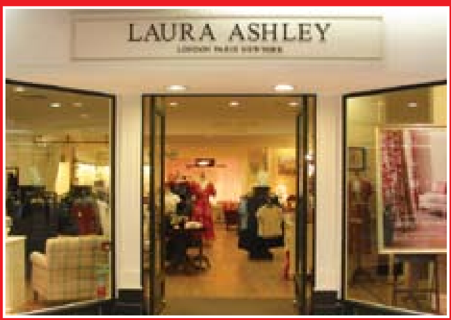
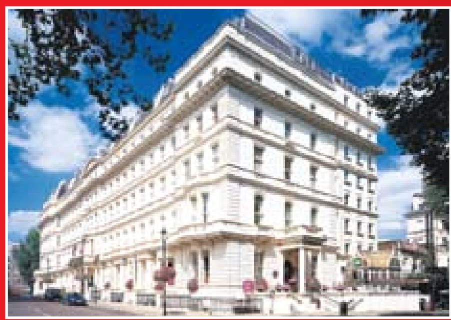
Malayan United Industries Berhad

Company No: 3809 - W







LAPORAN TAHUNAN 2009 ANNUAL REPORT

CONTENTS

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 28 June 2010 at 4.30 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 2009.

2. To approve Directors' Fees of RM319,548. **(Resolution 1)**

3. To consider and, if thought fit, pass the following resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   (i) "THAT pursuant to Section 129(6) of the Companies Act, 1965, 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 2)**

   (ii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dr Ngui Chon Hee be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 3)**

   (iii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Paduka Nik Hashim Nik Yusoff be re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(Resolution 4)**

4. To re-elect Dato' Dr Tan Kee Kwong, who is retiring in accordance with Article 109 of the Company's Articles of Association. **(Resolution 5)**

5. To re-elect the following Directors who are retiring in accordance with Article 90 of the Company's Articles of Association:-
   (i) Mr Chan Choung Yau **(Resolution 6)**
   (ii) Mr Andrew Khoo Boo Yeow **(Resolution 7)**

6. To re-appoint Messrs BDO as auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 8)**

As Special Business

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

7. 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 authorized 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 9)**

8. 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 2009, 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 Main Market 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 authorized 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 authorization 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 10)**

9. Special Resolution
   - Proposed amendments to the Articles of Association of the Company

   "THAT the Articles of Association of the Company be and are hereby amended in the manner as set out in Appendix 1 on page 6 of the Company's 2009 Annual Report." **(Resolution 11)**

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

By order of the Board

Leong Park Yip
Company Secretary

Kuala Lumpur
4 June 2010

NOTICE OF MEETING (Cont'd)

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 authorized 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 authorized 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 authorized 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 7 is a renewal of the general authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965. If passed, it 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.

   The Company has not issued any new shares under the general authority which was approved at the Thirty-Eighth AGM held on 30 June 2009 and which will lapse at the conclusion of the Thirty-Ninth AGM to be held on 28 June 2010.

   The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

2. The Ordinary Resolution proposed under item 8, if passed, will empower the Directors of the Company to purchase Malayan United Industries Berhad shares through Bursa Securities up to ten per centum (10%) of the issued and paid-up share capital of the Company.

3. The Special Resolution proposed under item 9, if passed, will bring the Articles of Association of the Company in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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)	Dr Ngui Chon Hee	– Retiring pursuant to Section 129 of the Companies Act, 1965
(c)	Dato' Paduka Nik Hashim Nik Yusoff	– Retiring pursuant to Section 129 of the Companies Act, 1965
(d)	Dato' Dr Tan Kee Kwong	– Retiring pursuant to Article 109 of the Company's Articles of Association
(e)	Mr Chan Choung Yau	– Retiring pursuant to Article 90 of the Company's Articles of Association
(f)	Mr Andrew Khoo Boo Yeow	– Retiring pursuant to Article 90 of the Company's Articles of Association

2. Further details on the Directors standing for re-appointment/re-election are set out on pages 8 to 10 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 2009. Details of attendance of the Directors are set out in the Profile of Directors on pages 8 to 10 of the Annual Report.

4. The Thirty-Ninth Annual General Meeting of the Company will be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 28 June 2010 at 4.30 p.m.

APPENDIX 1

The details of the proposed amendments to the Articles of Association of the Company are as follows:

ARTICLE NO.	EXISTING ARTICLES	AMENDED ARTICLES
Article 134 Dividend warrant may be sent by post and unpaid dividend to bear no interest	Unless otherwise directed by the Company in general meeting any dividend may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled as appearing in the Register, or in the case of joint holders, to the registered address of any one of such joint holders; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. No unpaid dividend or unpaid interest shall bear interest as against the Company.	Any dividend may be paid by cheque or warrant sent through the post to the last registered address of the Member or person entitled as appearing in the Register, or in the case of joint holders, to the registered address of any one of such joint holders or by way of telegraphic transfer or electronic transfer or remittance; and every cheque or warrant or telegraphic transfer or electronic transfer or remittance so sent shall be made payable to the order of the person to whom it is sent. No unpaid dividend or unpaid interest shall bear interest as against the Company. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.
Article 142 Copy of accounts to be sent to Members	A copy of every balance sheet and profit and loss account which is to be laid before an Annual General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the Company under provisions of the Act or of these presents; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document shall at the same time be forwarded to the Exchange.	A copy of every balance sheet and profit and loss account which is to be laid before an Annual General Meeting of the Company (including every document required by law to be annexed thereto) together with a copy of every report of the Auditors relating thereto and of the Directors' report shall not less than twenty-one (21) days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices from the Company under provisions of the Act or of these presents; provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of joint holders, but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. The requisite number of copies of each such document shall at the same time be forwarded to the Exchange. A copy of each such document may be sent to the Members and debenture holders in printed or in CD-ROM form or such other form of electronic media or any combination thereof.

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*
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.
Chan Choung Yau
Andrew Khoo Boo Yeow

Company Secretary

Leong Park Yip

Auditors

BDO *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 71. 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 Pan Malaysian Industries Berhad, 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 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. Is the brother-in law of Dr Ngui Chon Hee and the father of Andrew Khoo Boo Yeow, who are both Non-Executive Directors of Malayan United Industries Berhad. Attended all the five (5) Board Meetings held during the financial year.

Dr Ngui Chon Hee

Age 76. 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.

Dato' Paduka Nik Hashim Nik Yusoff

Age 72. 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 all the five (5) Board Meetings held during the financial year.

Khet Kok Yin

Age 63. 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 three (3) Board Meetings held during the financial year.

Tan Sri Dato' Paduka Dr Mazlan bin Ahmad

Age 66. 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 63. 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.

PROFILE OF DIRECTORS (Cont'd)

Chan Choung Yau

Age 47. Non-Independent Non-Executive Director. Appointed as Director on 24 July 2009. He is a Chartered Accountant with the Malaysian Institute of Accountants and a Fellow of The Association of Chartered Certified Accountants, United Kingdom. He has more than twenty-nine years experience mainly in finance and accounting, audit, corporate secretarial and general management. He is currently a Senior Vice President of Malayan United Management Sdn Bhd and the Executive Director of Pan Malaysia Corporation Berhad and Pan Malaysia Holdings Berhad. He also sits on the Boards of Pan Malaysia Capital Berhad, Metrojaya Berhad and MUI Continental Insurance Berhad. He is an alternate Director on the Board of Pan Malaysian Industries Berhad. Prior to joining The MUI Group in January 2006, he was the Financial Controller of IOI Oleochemical Industries Berhad. He has also served Escoy Holdings Berhad Group, Plantation Agencies Sdn Bhd and Deloitte KassimChan in various capacities. Attended all the two (2) Board Meetings held since his appointment as Director.

Andrew Khoo Boo Yeow

Age 37. Non-Independent Non-Executive Director. Appointed as Director on 24 July 2009. Holds a Barrister-At-Law, Lincoln's Inn, United Kingdom and a Degree in Law and Master of Arts from Cambridge University, United Kingdom. He also holds Master of Business Administration from Seattle Pacific University, United States of America, a Bachelor of Arts - Major in Political Science, University of Victoria, Canada and AHMA Hotel Diploma - Major in Sales & Marketing, London Hotel School, United Kingdom. He was previously the General Manager of County Hotel Epping Forest, London and the Special Assistant to the Chief Executive Officer in Corus Hotels Limited, Milton Keynes. Was Director of Corporate Affairs in Laura Ashley Holdings plc, London and President and Chief Executive Officer of Cambridge Alliance Holdings Ltd, a property development company in Canada. He is currently the Executive Director of Network Foods International Ltd, Singapore. He also sits on the Boards of Pan Malaysia Corporation Berhad and Laura Ashley Holdings plc. He is the son of Tan Sri Dato' Khoo Kay Peng, the Chairman & Chief Executive of Malayan United Industries Berhad. Attended all the two (2) Board Meetings held since his appointment as Director.

Note:-
Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.
None of the Directors 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 except for Mr Andrew Khoo Boo Yeow who holds an Australian citizenship.

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 2009. Details of the attendance of the Directors are disclosed on pages 8 to 10 of the Annual Report.

1.2 Board Balance

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

- One (1) Chairman and Chief Executive
- Four (4) Independent Non-Executive Directors
- Three (3) 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") Main Market Listing Requirements ("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 8 to 10 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.

Mr Khet Kok Yin 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 2009 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.

1.4 Appointments to the Board

The members of the Nomination Committee are as follows:-

Chairman	Dr Ngui Chon Hee	–	Non-Independent Non-Executive Director
Members	Datuk Yong Ming Sang (Resigned on 15 April 2010)	–	Independent Non-Executive Director
	Dato' Paduka Nik Hashim Nik Yusoff	–	Independent Non-Executive Director

The duties and functions of the Nomination Committee are:-

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

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

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

1.5 Directors' Training

All Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. An in-house seminar on "Directorship: What To Look Out For" was organized for members of the Board in May 2009. During the year, all the Directors attended training that aid in the discharge of their duties as Directors.

There is a familiarization 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.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

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 (Resigned on 15 April 2010)	–	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

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 2009, the aggregate of remuneration received by Directors of the Company from the Company and the subsidiaries categorized into appropriate components are as follows:-

	Salaries RM'000	*Fees RM'000*	*Benefits-in-kind RM'000*	*Others RM'000*	*Total RM'000*
Executive Director					
Receivable from					
- Company	300	–	3	105	408
- Subsidiaries	840	122	26	1,791	2,779
	1,140	122	29	1,896	3,187
Non-Executive Directors					
Receivable from					
- Company	–	–	–	15	15
- Subsidiaries	205	24	21	157	407
	205	24	21	172	422
	1,345	146	50	2,068	3,609

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

	Number of Directors	
Range of Remuneration	***Executive***	***Non-Executive***
Below RM50,000	–	5
RM150,001 to RM200,000	–	2
RM3,150,001 to RM3,200,000	1	–

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' and the Company's 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 15.26(a) of Bursa Securities Listing Requirements is set out on page 16 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 recognizes the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits.

The Board recognizes that risks cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing 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 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 recognizes 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 associates, 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.

Malayan United Industries Berhad
3809-W
Incorporated in Malaysia

CORPORATE SOCIAL RESPONSIBILITY

The MUI Group is firmly committed to the principles and the practice of corporate social responsibility (CSR). Our CSR initiatives are rooted in the universal belief that every organization owes 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 summarized here under the following broad headings:

Community

Through its various operating companies, the Group has initiated, organized and participated in many charitable and social projects. These efforts take various forms ranging from donations in cash or in kind made to various charities, the undertaking of fundraising campaigns, bringing festive cheer to the orphans, the underprivileged, the homeless and the destitute. The Group has also involved itself in projects initiated by Government and non-government organizations for social betterment. For over a decade, the Group has offered patronage, encouragement and support for the Malaysian performing arts.

Workplace

Mindful of employee welfare, the Group maintains practices that comply with the accepted standards of 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 deal with occupational safety & health, hygiene & sanitation, first aid and fire-fighting.

Customers

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

Environment

Conscious of the importance of proper care for environment, the Group supports efforts that help maintain a cleaner environment in day-to-day operations. Procedures that ensure sound environmental practices are encouraged in its hotels, manufacturing plant and property development.

Corporate Governance

The MUI Group values sound and responsible business practices and encourages strong corporate governance. It seeks to create a corporate culture defined by three key concepts: Strong, Efficient and Trustworthy.

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 2009 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 2009, non-audit fees paid to the external auditors by the Company and its subsidiaries amounted to RM515,000 (2008: RM1,010,000).

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

REPORT OF THE AUDIT COMMITTEE

MEMBERS

Name	*Designation*
Datuk Yong Ming Sang - *Chairman* (Resigned on 15 April 2010)	*Independent Non-Executive Director*
Dato' Dr Tan Kee Kwong	*Independent Non-Executive Director*
Khet Kok Yin	*Independent Non-Executive Director*

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 authorized by the Board to investigate any activity within its terms of reference. It is authorized 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 authorized 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 2009, five (5) Audit Committee Meetings were held. 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 2009

The Audit Committee reviewed and deliberated four (4) 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 2010. 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 cost incurred for the internal audit function for the financial year ended 31 December 2009 is RM356,000.

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

Lai Chee Leong
Executive Director
Office of Group Chief Executive
Group Chief Financial Officer

Ng Kwan Cheong
President
Laura Ashley Inc, United States of America

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

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

James Wong Nyen Faat
Senior Vice President
Office of Group Chief Executive

Pel Loh
Senior Vice President
Corus Hotels Malaysia

Richard Khoo Leong Theam
Chief Executive Officer
PM Securities Sdn Bhd

Nick Kaloyirou
Joint Chief Operating Officer
Laura Ashley Holdings plc , United Kingdom

Clive Barrett
Joint Chief Operating Officer
Laura Ashley Holdings plc , United Kingdom

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

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 2009.

ECONOMIC REVIEW

Following the unprecedented global financial crisis that brought down a number of large global financial institutions in late 2008, the world economy suffered its sharpest post-war contraction in the first quarter of 2009. The severity of the worldwide recession and the credit crunch resulting from the financial turmoil led to concerted efforts by governments and central banks to introduce large fiscal stimuli. These measures stabilized the global economy in the middle of the year and led to some economic recovery in the second half of 2009. Overall, the world economy declined by 0.8% and world trade contracted by 12.3% in 2009.

Reflecting its relative openness to world trade, the Malaysian economy declined steeply by 6.2% in the first quarter of 2009, largely due to double-digit declines in its exports and industrial production. However, the prompt implementation by the Government of stimulus measures totalling RM67 billion and aggressive easing of monetary policy eventually led to economic recovery in the second half year. Consequently, the Malaysian economy experienced a moderate contraction of 1.7% in 2009.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2009, the Group recorded a revenue of RM908.0 million compared with RM953.1 million in the previous year. Despite the lower revenue, the Group achieved a profit before tax of RM27.6 million compared with a loss of RM71.9 million recorded in the previous year. The improvement in performance was mainly attributable to lower interest expense, lower losses in foreign exchange and allowances for investments and doubtful debts, gain on disposal of a subsidiary company and better performance of the investment activities of the insurance operations.

As at 31 December 2009, the Group's total assets and shareholders' funds stood at RM2.8 billion and RM698.6 million respectively.

REVIEW OF OPERATIONS

The Group's core businesses continue to be in retailing, hotels, food & confectionery, financial services, property and travel & tourism. Internationally, the Group operates in the United Kingdom, Continental Europe, the United States, China and the Asia Pacific region.

Retailing

Under its retailing division, the Group operates two established businesses – the internationally-renowned Laura Ashley and Metrojaya, one of Malaysia's leading department stores.

Laura Ashley Holdings plc, an associated company of the Group, is a UK-based international retailer listed on the London Stock Exchange. Its business comprises four main product categories: Furniture, Home Accessories, Decorating and Fashion.

For the period under review, Laura Ashley reported continued growth in revenue in all its product categories despite difficult economic environment. Its group revenue for the financial year ended 30 January 2010 increased by £7.9 million or 3.0% to £268.4 million (RM1.5 billion) for 52 weeks compared with the previous year of £260.5 million (RM1.6 billion) for 53 weeks. The higher revenue was primarily due to better performance by its UK stores and internet sales, which grew by 3.1% and 30.0% respectively. Profit before tax rose by 7.8% to £11.0 million (RM60.6 million) from £10.2 million (RM63.0 million) last year.

Laura Ashley ended the year with a strong balance sheet with £17.4 million (RM95.9 million) in net cash compared to £7.9 million (RM39.7 million) last year. Gross margin declined by 1.8 percentage points against last year, largely due to the weakness of the Sterling and the impact of planned promotions.

The company plans to expand the Laura Ashley lifestyle brand both in the UK and internationally. During the year, the company introduced its first branded Laura Ashley Gift & Accessory store located at the Liverpool Street train station. Customer feedback has been extremely positive. The company will continue to track the performance of this new concept store with a view to rolling out more such stores in the future.

As part of its expansion, six new stores were opened in the UK and three in France in 2009, bringing the total number of Laura Ashley stores to 238. In addition, there are 230 franchised stores in 26 countries which also include China and United Arab Emirates.

Laura Ashley (North America), Inc. is a wholly-owned subsidiary of Regent Corporation, an associated company of the group. The company licenses the use of Laura Ashley trademark and copyrighted designs in North and South America. For the year ended 31 December 2009, licensing revenues declined 5.4% from the prior year to US$9.1 million (RM32.2 million) due to weak consumer sentiments. Despite the lower revenue, the company improved its profit before tax by 2.9% to US$4.5 million (RM16.1 million).

In Malaysia, Metrojaya Berhad operates seven department stores under the name of Metrojaya, three MJ concept stores and over 90 specialty stores under the established names of East India Company, Somerset Bay, Cape Cod, Reject Shop and Living Quarters. The Metrojaya group also operates six franchised Laura Ashley stores in Malaysia and Singapore.

The consolidated sales of the Metrojaya group increased by RM17.5 million or 4.4% to RM414.4 million for 2009. The growth in revenue was largely driven by promotions of Metrojaya department stores, additional revenue from the new store openings by Reject Shop, Living Quarters and Laura Ashley as well as improved performance by Metrojaya's anchor stores in Mid Valley and The Curve in the Klang Valley and Plaza Pelangi in Johor Bahru.

Operating expenses increased due to the opening of new department and specialty stores, warehouse sales and promotions. Consequently, Metrojaya recorded a lower profit before tax of RM15.9 million for the year under review compared to RM18.8 million in the previous year.

During the year, Metrojaya made its maiden expansion into East Malaysia with the opening of its 125,000 sq ft department store in Suria Sabah, Kota Kinabalu. A full-range Laura Ashley store also made its debut in Great World City in Singapore, whilst two department stores and three specialty stores were closed.

Hotels

The Corus hotel brand is wholly owned by the Group. It comprises ten hotels in the United Kingdom and two in Malaysia. While the performance of our UK hotel group declined in tandem with industry trends, the two hotels in Malaysia improved and outperformed the industry.

The UK encountered its most severe recession since the 1930s which resulted in huge contractions to travel spends by corporate and leisure travellers alike.

Hotel trading conditions were aggravated by adverse weather conditions during the winter and summer months as well as the outbreak of the Influenza A (HINI) pandemic in June. The combination of these occurrences led to an unprecedented reduction in the travel trade which, in turn, adversely affected the hotel industry. As a result, the room yield of our UK hotel group declined by 1.9%, compared to a steeper contraction of 9.1% in the UK hotel industry.

The group undertook new initiatives to fill the gaps created. It was effective in developing new products such as advanced purchase plans for accommodation as well as driving food business and wedding packages.

The performance of Corus Hotel Hyde Park in London was satisfactory in the light of challenging trading conditions especially in the first half of the year.

Its average room rate improved 5.8% against an average decline of 6.0% experienced by Central London hotels while its occupancy improved by 4.1% versus an industry's rise of 1.4%. Consequently, the room yield of Corus Hotel Hyde Park rose 11.8% against a fall of 4.8% in Central London.

The Malaysian hotels performed well and achieved improved results despite the severe economic downturn that affected the entire hotel industry.

Corus Hotel Kuala Lumpur, the Group's flagship hotel in Malaysia, reported a 6.1% increase in net profit before tax to RM15.6 million. Its average room rate improved 2.0% against a drop of 5.2% among four and five-star hotels in the city. Due to falling room demand, its occupancy fell by 3.5% compared with a decline of 6.5% experienced by the industry.

Corus Paradise Resort Port Dickson bucked industry trend and achieved a 5.2% growth in revenue in 2009. It reported a higher profit of RM1.3 million compared with a profit of RM0.5 million in the previous year.

Food & Confectionery

The Group's food & confectionery business is undertaken by its listed subsidiary, Pan Malaysia Corporation Berhad, which owns Network Foods International Ltd (NFIL), based in Singapore. NFIL has four subsidiaries operating in Malaysia, Singapore and Hong Kong.

Its subsidiary in Malaysia, Network Foods Industries Sdn Bhd (NFI) manufactures chocolate and confectionery products under established brands such as Tudor Gold, Crispy, Tango, Kandos and Kiddies.

During the year under review, NFI's revenue decreased by 30.1% to RM47.5 million due to weak market sentiments in the domestic market. However, exports continued to increase and contributed 50% of its total sales.

During the year, the company undertook a major rebranding exercise for several of its products. This undertaking, which involved the improvement of product quality, taste and packaging, successfully elevated their brand positioning and greatly improved market acceptance.

For the financial year under review, the company recorded a reduced profit of RM3.2 million. The lower profit was due to the significantly higher advertising and promotion expenditure that was necessary to relaunch the upgraded products.

As part of the company's continual effort to grow its markets, NFI will strive to secure ISO22000:2005 standards so as to be able to export to Britain and the European Union countries. ISO22000:2005 is a Food Safety Management System in the International Organization for Standardization and will be used in tandem with our existing ISO9001:2008 and HACCP certifications.

Summer collections by Laura Ashley

Network Foods (Malaysia) Sdn Bhd (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, NFM recorded a lower revenue of RM32.9 million due to temporary market disruptions as a result of its product rationalization strategy as well as the group's rebranding exercise. Consequently, NFM suffered a loss before tax of RM4.3 million. During this transitional period, NFM continued to relaunch some existing house brands while adding new agency lines, and creating new house brands on other food items. It expects to return to profitability in this financial year.

NFI completed the acquisition of the piece of property adjoining its existing factory in Shah Alam. The enlarged site will allow for the Group's manufacturing, sales and distribution divisions to be situated in one central location. This will result in improved efficiencies and better synergies in the operations of the two companies as well as making adequate allowance for future growth in manufacturing and warehousing capacity. Construction is expected to commence in the second half of 2010.

The operations of the Network Foods group in Singapore and Hong Kong are undertaken by Network Foods Distribution Pte Ltd (NFD) and Network Foods (Hong Kong) Ltd (NFHK) respectively. During the year under review, NFD undertook aggressive marketing to establish the revamped Tudor Gold and Crispy brands. This has led to an improvement in revenue and profitability in the fourth quarter of 2009. Despite operating under a difficult economic environment in Hong Kong, NFHK performed satisfactorily in 2009 and managed to record a revenue and a profit which are comparable to the previous year.

Financial Services

The Group's insurance business continued to show robust growth while its universal broking business was affected by the volatile swings of global economic turmoil in 2009.

MUI Continental Insurance Berhad (MCI), a 52.21% subsidiary of the Group, has 13 branch offices throughout Malaysia and offers a comprehensive range of general insurance products including fire, marine, health, engineering, motor, liability and other classes of insurance. For its financial year ended 31 December 2009, MCI reported a 10.8% increase in gross written premiums to RM214.6 million. The strong performance from its insurance underwriting operations and investment activities underpinned the company's profit before tax which grew nearly ninefold to an unprecedented RM36.5 million from RM4.2 million in the previous year. The record performance, coupled with the selective underwriting and prudent investment strategies, enabled the company to cushion the impact arising from the adoption of the new Risk-Based Capital Framework imposed by Bank Negara Malaysia effective from 1 January 2009.

PM Securities Sdn Bhd (PM Securities), a 99.99%-owned subsidiary of Pan Malaysia Capital Berhad, has a Universal Broker's licence. Though its primary business is stockbroking, it also offers financial services that include corporate advisory services. Its stockbroking services are offered through a network of nine offices located in Kuala Lumpur, Seremban, Puchong, Penang, Johor Bahru, Melaka, Klang, Batu Pahat and an Electronic Access Facility in Jelebu. With this office network, the company has a wide market reach in the country. In addition, the company offers on-line trading access for clients.

Reflecting the equity market recovery in the second half year, the revenue of PM Securities increased slightly to RM26.1 million in 2009 from RM25.5 million in 2008, with net brokerage income increasing to RM13.1 million from RM11.9 million.

PM Securities has now successfully expanded its trading capabilities to make available trading in foreign markets as an additional product offering. This provides a new revenue stream for the company.

Following a company-wide review of its business, PM Securities undertook a reorganization of its operations, resulting in the right-sizing of branches and bringing a better focus to its earnings base. As a result, PM Securities is now well positioned to capitalize on new opportunities amidst a challenging environment.

Top: Metrojaya department store in Mid Valley Megamall
Bottom: Printed satin cheongsam with ruche detail by Emanuelle

Properties

The Group's flagship property development is Bandar Springhill, a township project being developed by West Synergy Sdn Bhd, which is a joint-venture subsidiary of MUI Properties Berhad (MPB).

An integrated township, Bandar Springhill is being developed on a 1990-acre tract of prime freehold land strategically located between Seremban town and Port Dickson with easy access from the Seremban-Port Dickson highway and also from a major trunk road.

The township is envisaged to become a thriving suburban centre linking Seremban and Port Dickson to form a dynamic growth corridor in the State of Negri Sembilan.

When completed, the township will have about 15,000 residential homes, a town centre, commercial and industrial areas, a private hospital and a university campus. A leading private education institution, UCSI, has already announced the development of a university campus with a 400-bed medical facility in Bandar Springhill. Once these projects get underway, they will help accelerate the township development.

Reflecting the housing trend across the country, Bandar Springhill development experienced a severe downturn in the first three quarters of 2009. Sales value plunged 56.5% during this period compared with the same period in the preceding year. However, sales in the fourth quarter recovered strongly as the country's economy bounced back. The launch of a new phase of homes in the last quarter was successful.

For the financial year under review, Bandar Springhill made a profit of RM4.6 million, a decline from RM6.2 million in 2008. Oil palm harvesting from its undeveloped land continued to be a significant contributor to the company's revenue and profit.

Travel & Tourism

The tourism industry was adversely affected by the global economic downturn and compounded by the outbreak of the Influenza A (H1N1) pandemic.

As a result, Pan Malaysia Travel & Tours Sdn Bhd (PMTT), a full-fledged licensed travel agency of the Group, saw its revenue plunge by 36.7%. However, due to improvement in margins and stringent cost controls, PMTT turned around with a small profit for the financial year under review compared with a loss in the previous financial year.

PROSPECTS FOR 2010

With the resumption of growth towards the end of 2009, global output and world trade are envisaged to grow by 3.9% and 6.0% respectively in 2010. The Malaysian economy is projected to grow by between 4.5% and 5.5% in 2010, underpinned by improving external demand and stronger domestic demand.

The streamlining and rationalization exercises implemented by the Group have substantially reduced the overall borrowings, thus putting the Group in a stronger financial footing and also allowing the Group to channel its resources to expand its core businesses. With the prospects of a stable global financial system and an improving world economy, the Board expects that the Group's various business operations will perform better in year 2010.

DIRECTORATE

The Board wishes to express its sincere appreciation to Datuk Yong Ming Sang, who resigned as director of the Company on 15 April 2010, for his immense contribution to the Company since 1980. The Board also would like to record its gratitude to Datuk Yong's alternate director, Encik Mohamad Faiz bin Abdul Hamid, for his service to the Company. The Board is happy to welcome Mr Andrew Khoo Boo Yeow and Mr Chan Choung Yau who joined the Board on 24 July 2009. With their knowledge and experience, the Board looks forward to their contributions to the development of the Group.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I wish to express my sincere appreciation to our staff for their hard work, dedication and loyalty. I would also like to thank our customers, shareholders, bankers and business associates for their continuing support and confidence. To my fellow Directors, I wish to convey my deepfelt gratitude for their unwavering support and wise counsel.

In GOD We Trust

Tan Sri Dato' Khoo Kay Peng
Chairman
16 May 2010

Top: Fashion by Somerset Bay
Bottom: Tea set by Living Quarters

Corus Hotel Hyde Park, London

PENYATA PENGERUSI

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan penyata kewangan Syarikat dan Kumpulan bagi tahun kewangan berakhir 31 Disember 2009.

TINJAUAN EKONOMI

Berikutan krisis kewangan global yang telah menjatuhkan sebilangan institusi kewangan global terkemuka di hujung tahun 2008, ekonomi dunia telah menyaksikan pengecutan pasca-perang paling buruk di suku tahun pertama 2009. Mudarat kemelesetan ekonomi sedunia dan keruncingan kredit akibat kegawatan kewangan telah mendorong kepada pelbagai usaha dilaksanakan oleh pihak kerajaan dan bank-bank pusat untuk memperkenalkan stimulus fiskal besar-besaran. Langkah-langkah ini telah menstabilkan ekonomi global di pertengahan tahun dan membawa kepada sedikit pemulihan ekonomi di separuh tahun kedua 2009. Secara keseluruhannya, ekonomi dunia telah susut 0.8% manakala perdagangan sedunia telah merosot 12.3% pada tahun 2009.

Sambil mencerminkan keterbukaan relatif kepada perdagangan sedunia, ekonomi Malaysia mengecut dengan curam sebanyak 6.2% pada suku pertama tahun 2009, yang terutamanya disebabkan oleh susutan dua-angka dalam jumlah eksport dan pengeluaran industri. Walau bagaimanapun, pelaksanaan segera langkah-langkah stimulus oleh Kerajaan berjumlah RM67 bilion dan perlonggaran agresif dasar monetari telah menjurus kepada pemulihan ekonomi di separuh tahun kedua. Seterusnya, ekonomi Malaysia telah mengalami susutan sederhana sebanyak 1.7% pada tahun 2009.

PENCAPAIAN KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2009, Kumpulan mencatat hasil pendapatan RM908.0 juta berbanding RM953.1 juta pada tahun sebelumnya. Meskipun berlaku penurunan dalam jumlah hasil pendapatan, Kumpulan memperoleh keuntungan sebelum cukai RM27.6 juta berbanding kerugian RM71.9 juta yang dicatat pada tahun sebelumnya. Penambahbaikan dalam prestasi ini dihubungkaitkan terutamanya dengan perbelanjaan faedah yang lebih rendah, kerugian yang lebih rendah dalam pertukaran matawang asing dan elaun bagi pelaburan dan hutang ragu, gandaan atas penjualan sebuah syarikat subsidiari dan prestasi kegiatan pelaburan yang lebih memberangsangkan bagi operasi insurans.

Pada 31 Disember 2009, jumlah aset dan dana pemegang saham Kumpulan masing-masingnya berada di paras RM2.8 bilion dan RM698.6 juta.

TINJAUAN OPERASI

Perniagaan teras Kumpulan masih kekal dalam bidang peruncitan, hotel, makanan & konfeksi, perkhidmatan kewangan, hartanah dan pengembaraan & pelancongan. Di arena antarabangsa, Kumpulan beroperasi di United Kingdom, Eropah Kontinental, Amerika Syarikat, China dan rantau Asia Pasifik.

Peruncitan

Dalam bidang peruncitan, Kumpulan mengoperasi dua buah gedung perniagaan terkemuka - Laura Ashley yang memiliki jenama terkemuka antarabangsa dan Metrojaya, salah sebuah gedung beli-belah terkemuka di Malaysia.

Laura Ashley Holdings plc, sebuah syarikat sekutu Kumpulan, merupakan sebuah syarikat peruncitan antarabangsa yang berpangkalan di UK dan tersenarai di Bursa Saham London. Perniagaannya merangkumi empat kategori produk utama: Perabot, Aksesori Rumah, Hiasan dan Fesyen.

Bagi tempoh yang sedang dalam tinjauan, Laura Ashley melaporkan pertumbuhan berterusan dalam jumlah hasil pendapatan bagi semua kategori produk meskipun menghadapi suasana ekonomi yang cukup mencabar. Hasil pendapatan kumpulan bagi tahun kewangan berakhir 30 Januari 2010 meningkat £7.9 juta atau 3.0% ke tahap £268.4 juta (RM1.5 bilion) untuk tempoh 52 minggu berbanding pencapaian tahun sebelumnya sebanyak £260.5 juta (RM1.6 bilion) bagi tempoh 53 minggu. Peningkatan hasil pendapatan ini adalah terutamanya disebabkan oleh prestasi yang lebih baik bagi gedung-gedungnya di UK dan juga jualan melalui internet, yang masing-masingnya tumbuh 3.1% dan 30.0%. Keuntungan sebelum cukai telah bertambah 7.8% kepada £11.0 juta (RM60.6 juta) dari £10.2 juta (RM63.0 juta) pada tahun lepas.

Laura Ashley mengakhiri tahun dengan lembaran imbangan yang kukuh dengan £17.4 juta (RM95.9 juta) tunai bersih berbanding £7.9 juta (RM39.7 juta) pada tahun lepas. Jidar kasar telah merosot 1.8 mata peratus berbanding tahun lepas, yang terutamanya disebabkan oleh kelemahan matawang Sterling dan kesan promosi yang dirancang.

Syarikat merancang untuk memperluaskan jenama gaya hidup Laura Ashley baik di UK mahupun di pasaran antarabangsa. Pada tahun kewangan, syarikat memperkenalkan gedung Hadiah & Aksesori berjenama Laura Ashley yang pertama di stesen keretapi Liverpool Street. Maklumbalas pelanggan ternyata amat positif. Syarikat akan terus menjejaki prestasi gedung konsep baru ini dengan tujuan mendirikan lebih banyak lagi gedung seumpamanya di masa depan.

Sejajar dengan langkah perluasan, sebanyak enam buah gedung baru telah dibuka di UK dan tiga buah di Perancis pada tahun 2009, sekaligus membawa jumlah gedung Laura Ashley ke angka 238. Selain itu, terdapat 230 gedung francais di 26 buah negara yang turut termasuk negara China dan Emeriah Arab Bersatu.

Laura Ashley (North America), Inc. ialah sebuah syarikat subsidiari milik-penuh Regent Corporation, sebuah syarikat sekutu Kumpulan. Syarikat melesenkan penggunaan tanda perniagaan Laura Ashley dan reka bentuk berhakcipta di Amerika Utara dan Selatan. Bagi tahun berakhir 31 Disember 2009, hasil pendapatan pelesenan telah merosot 5.4% dari tahun sebelumnya ke angka US$9.1 juta (RM32.2 juta) disebabkan sentimen pengguna yang lemah. Meskipun mencatat kemerosotan dalam hasil pendapatan, keuntungan sebelum cukai syarikat telah bertambah 2.9% ke tahap US$4.5 juta (RM16.1 juta).

Di Malaysia, Metrojaya Berhad mengoperasi sebanyak tujuh buah gedung beli-belah di bawah nama Metrojaya, tiga buah gedung konsep MJ dan lebih 90 buah gedung barangan khas di bawah nama-nama terkemuka East India Company, Somerset Bay, Cape Cod, Reject Shop dan Living Quarters. Kumpulan Metrojaya juga mengoperasi enam buah gedung francais Laura Ashley di Malaysia dan Singapura.

Jumlah jualan secara keseluruhan bagi Kumpulan Metrojaya telah bertambah RM17.5 juta atau 4.4% ke tahap RM414.4 juta pada tahun 2009. Pertumbuhan dalam hasil pendapatan ini terutamanya dipacu oleh promosi gedung-gedung beli-belah Metrojaya, hasil pendapatan tambahan dari pembukaan gedung-gedung baru Reject Shop, Living Quarters dan Laura Ashley serta penambahbaikan prestasi gedung utama Metrojaya di Mid Valley dan The Curve di Lembah Klang dan Plaza Pelangi di Johor Bahru.

Perbelanjaan operasi telah meningkat disebabkan pembukaan gedung-gedung beli-belah dan barangan khas baru serta jualan gudang dan promosi. Berikutan itu, Metrojaya mencatat keuntungan sebelum cukai yang lebih rendah sebanyak RM15.9 juta bagi tahun yang sedang dipertimbangkan berbanding RM18.8 juta pada tahun sebelumnya.

Pada tahun kewangan, Metrojaya telah memperluaskan sayapnya buat julung-julung kalinya ke Malaysia Timur dengan pembukaan gedung beli-belah seluas 125,000 kaki persegi di Suria Sabah, Kota Kinabalu. Sebuah gedung Laura Ashley serba lengkap juga telah dibuka di Great World City di Singapura, manakala dua buah gedung beli-belah dan tiga buah gedung barangan khas telah ditutup.

Hotel

Jenama hotel Corus adalah dimiliki sepenuhnya oleh Kumpulan. Ianya merangkumi sepuluh buah hotel di United Kingdom dan dua buah di Malaysia. Sementara prestasi kumpulan hotel UK mencatat kemerosotan sejajar dengan arah aliran industri, manakala prestasi dua buah hotel di Malaysia pula telah memaparkan peningkatan dan ternyata lebih menyerlah dari tahap industri.

UK telah menempuhi kemelesetan paling teruk sejak tahun 1930an, sekaligus menyebabkan pengecutan mendadak dalam perbelanjaan pengembaraan oleh pihak korporat mahupun para pengembara melancong.

Suasana perdagangan hotel telah diburukkan lagi oleh keadaan cuaca yang memudaratkan sewaktu musim sejuk dan musim panas serta penularan wabak Influenza A (HINI) pada bulan Jun. Kombinasi antara kejadian-

kejadian ini telah membawa kepada pengurangan besar dalam perdagangan pengembaraan, yang sebaliknya pula telah menjejaskan industri perhotelan. Akibatnya, kadar hasil bilik bagi kumpulan hotel di UK telah menyusut 1.9%, berbanding pengecutan yang lebih mencuram sebanyak 9.1% dalam industri perhotelan UK.

Kumpulan telah melaksanakan pelbagai inisiatif baru untuk memenuhi jurang yang wujud. Ianya ternyata berjaya membangunkan pelbagai produk baru seperti pelan pembelian terdahulu bagi penginapan serta merangsang perniagaan makanan dan pakej perkahwinan.

Prestasi Corus Hotel Hyde Park di London adalah memuaskan meskipun terpaksa mengharungi keadaan perdagangan yang mencabar khususnya di separuh tahun pertama 2009.

Kadar purata bilik telah bertambah baik sebanyak 5.8% berbanding kemerosotan purata 6.0% yang dialami oleh hotel-hotel di Central London sementara kadar langganan pula meningkat 4.1% berbanding peningkatan industri sebanyak 1.4%. Berikutan itu, kadar hasil bilik Corus Hotel Hyde Park telah meningkat 11.8% berbanding kejatuhan 4.8% di Central London.

Hotel-hotel di Malaysia telah mencatat prestasi yang baik dan mencapai keputusan yang meningkat naik meskipun menghadapi kegawatan ekonomi yang teruk yang telah menjejaskan seluruh industri perhotelan.

Corus Hotel Kuala Lumpur, hotel mercutanda Kumpulan di Malaysia, mencatat pertumbuhan 6.1% dalam keuntungan sebelum cukai bersih ke tahap RM15.6 juta. Kadar purata biliknya telah meningkat 2.0% berbanding susutan 5.2% di kalangan hotel-hotel bertaraf empat dan lima bintang di sekitar bandaraya. Akibat penurunan permintaan bilik, kadar langganannya telah menurun 3.5% berbanding kemerosotan 6.5% yang dialami oleh industri.

Corus Paradise Resort Port Dickson telah berjaya melepasi arah aliran industri dengan pencapaian pertumbuhan 5.2% dalam jumlah pendapatan pada tahun 2009. Hotel tersebut melaporkan keuntungan yang lebih tinggi sebanyak RM1.3 juta berbanding keuntungan RM0.5 juta pada tahun sebelumnya.

Top: The Belsfield Hotel, Lake Windermere
Bottom: Burnham Beeches Hotel, Burnham

Makanan dan Konfeksi

Perniagaan makanan & konfeksi dikendalikan oleh syarikat subsidiarinya yang tersenarai iaitu Pan Malaysia Corporation Berhad, yang memiliki Network Foods International Ltd (NFIL), iaitu yang berpangkalan di Singapura. NFIL mempunyai empat buah syarikat subsidiari di Malaysia, Singapura dan Hong Kong.

Syarikat subsidiarinya di Malaysia, Network Foods Industries Sdn Bhd (NFI) mengeluarkan produk coklat dan konfeksi di bawah jenama terkemuka seperti Tudor Gold, Crispy, Tango, Kandos dan Kiddies.

Pada tahun yang sedang ditinjau, hasil pendapatan NFI telah merosot 30.1% ke tahap RM47.5 juta disebabkan sentimen pasaran yang lemah di pasaran domestik. Walau bagaimanapun, jumlah eksport telah terus bertambah dan menyumbang 50% daripada jumlah jualan.

Pada tahun kewangan, syarikat telah melaksanakan program penjenamaan semula secara besar-besaran bagi beberapa produknya. Pelaksanaan yang melibatkan penambahbaikan kualiti, rasa dan pembungkusan produk ini telah berjaya merangsang kedudukan jenama di samping meningkatkan penerimaan pasaran.

Pada tahun kewangan yang sedang ditinjau, syarikat mencatat tahap keuntungan yang lebih rendah iaitu RM3.2 juta. Keuntungan yang menurun ini adalah disebabkan perbelanjaan pengiklanan dan promosi yang jauh lebih tinggi yang diperlukan untuk melancarkan semula produk-produk yang dinaik-taraf itu.

Sebagai sebahagian daripada usaha syarikat yang berkesinambungan untuk memperluaskan pasarannya, NFI akan menggembeleng daya tenaganya untuk meraih pengiktirafan piawaian ISO22000:2005 demi membolehkannya mengeksport ke Britain dan negara-negara Kesatuan Eropah. ISO22000:2005 merupakan Sistem Pengurusan Keselamatan Makanan di Organisasi Pempiawaian Antarabangsa dan akan digunakan sejajar dengan pengesahan ISO9001:2008 dan HACCP yang sedia ada.

Network Foods (Malaysia) Sdn Bhd (NFM) adalah syarikat pemasaran dan pengedaran operasi makanan & konfeksi Kumpulan dan juga bertindak untuk talian agensi lain dalam usaha mengedar produk masing-masing.

Pada tahun kewangan yang sedang ditinjau, NFM mencatat hasil pendapatan yang lebih rendah sebanyak RM32.9 juta disebabkan gangguan sementara dalam pasaran akibat strategi rasionalisasi produk serta program penjenamaan semula kumpulan. Seterusnya, NFM mengalami kerugian sebelum cukai sebanyak RM4.3 juta. Sepanjang tempoh peralihan ini, NFM telah terus melancarkan semula beberapa jenama dalaman yang sedia ada di samping mewujudkan jenama dalaman baru bagi lain-lain produk makanan. Syarikat dijangka kembali mencecah tahap keberuntungan pada tahun kewangan ini.

NFI telah menyempurnakan pengambilalihan sebuah hartanah bersebelahan kilangnya yang sedia ada di Shah Alam. Tapak yang lebih besar tersebut akan membolehkan bahagian-bahagian pengeluaran, jualan dan pengedaran Kumpulan ditempatkan di satu lokasi berpusat. Ini akan membawa kepada tahap kecekapan dan strategi yang lebih menyerlah dalam operasi kedua-dua buah syarikat tersebut di samping membuat peruntukan untuk pertumbuhan masa depan dalam kapasiti pembuatan dan pergudangan. Pembinaan dijangka bermula pada separuh tahun kedua 2010.

Operasi kumpulan Network Foods di Singapura dan Hong Kong di tangani masing-masingnya oleh Network Foods Distribution Pte Ltd (NFD) dan Network Foods (Hong Kong) Ltd (NFHK). Pada tahun kewangan yang sedang ditinjau, NFD telah melaksanakan pemasaran yang agresif untuk mengasaskan jenama Tudor Gold dan Crispy yang dirombak semula. Usaha ini telah membawa kepada penambahbaikan dalam hasil pendapatan dan keberuntungan di suku tahun keempat 2009. Meskipun beroperasi dalam suasana ekonomi yang serba sukar di Hong Kong, NFHK menunjukkan prestasi yang memuaskan pada tahun 2009 dan berjaya mencatat hasil pendapatan dan keuntungan yang sehebat tahun sebelumnya.

Top: Corus Hotel Kuala Lumpur
Bottom: Corus Paradise Resort Port Dickson

Perkhidmatan Kewangan

Perniagaan insurans Kumpulan terus memaparkan pertumbuhan yang cergas manakala perniagaan pembrokerannya pula terjejas akibat ayunan meruap kegawatan ekonomi global pada tahun 2009.

MUI Continental Insurance Berhad (MCI), sebuah syarikat subsidiari Kumpulan milik 52.21%, mempunyai sebanyak 13 pejabat cawangan di seluruh Malaysia dan menawarkan pelbagai produk insurans am termasuk insurans kebakaran, marin, kesihatan, kejuruteraan, kenderaan bermotor, liabiliti dan lain-lain kelas insurans. Bagi tahun kewangan berakhir 31 Disember 2009, MCI telah melaporkan peningkatan 10.8% dalam premium tertulis kasar ke tahap RM214.6 juta. Prestasi kukuh dari operasi penanggungan insurans dan kegiatan pelaburan telah menggalas tahap keuntungan sebelum cukai yang bertambah hampir sembilan kali ganda ke paras RM36.5 juta daripada RM4.2 juta pada tahun sebelumnya. Prestasi yang mencapai rekod baru ini, dengan diiringi strategi penanggungan selektif dan strategi pelaburan yang dirancang rapi telah membolehkan syarikat meringankan kesan penerapan Rangka Kerja Berasas-Risiko baru yang dikuatkuasakan oleh Bank Negara Malaysia mulai 1 Januari 2009.

PM Securities Sdn Bhd (PM Securities), sebuah syarikat subsidiari 99.99% milik Pan Malaysia Capital Berhad, yang memiliki lesen firma Broker Universal. PM Securities mempunyai ibu pejabat di Kuala Lumpur dan mengoperasi tujuh buah pejabat cawangan di Seremban, Puchong, Klang, Melaka, Johor Baru, Batu Pahat dan Pulau Pinang, selain mengendalikan Kemudahan Akses Elektronik di Jelebu.

Berikutan pemulihan pasaran ekuiti di separuh tahun kedua, hasil pendapatan PM Securities mencatat sedikit peningkatan ke paras RM26.1 juta pada tahun 2009 daripada RM25.5 juta pada tahun 2008, dengan pendapatan pembrokeran bersih mencecah angka RM13.1 juta daripada tahap RM11.9 juta.

PM Securities kini berjaya memperkembangkan keupayaan perdagangannya untuk menyediakan perdagangan di pasaran asing sebagai satu penawaran produk tambahan. Ini menyediakan saluran hasil pendapatan baru kepada syarikat.

Berikutan peninjauan semula perniagaan di seluruh syarikat, PM Securities telah melaksanakan penyusunan semula operasi, sekaligus menghasilkan pensaizan cawangan yang tepat sambil membawa lebih tumpuan kepada asas pendapatannya, Justeru, PM Securities kini berada di kedudukan yang lebih unggul untuk meraih dan memanfaatkan pelbagai peluang yang ada meskipun menghadapi suasana serba mencabar.

Hartanah

Projek pembangunan hartanah mercutanda Kumpulan iaitu Bandar Springhill, adalah sebuah projek perbandaran yang dibangunkan oleh syarikat subsidiari usaha-sama MUI Properties Berhad (MPB) iaitu West Synergy Sdn Bhd.

Sebagai sebuah perbandaran bersepadu, Bandar Springhill sedang dibangunkan di sebuah tapak 1,990 ekar tanah pegangan bebas yang terletak begitu strategik di antara bandar Seremban dan Port Dickson dengan akses mudah dari Lebuhraya Seremban-Port Dickson dan sebuah jalan raya utama.

Perbandaran ini bakal menjadi pusat pinggir bandar serba maju yang menghubungkan Seremban dengan Port Dickson lalu membentuk koridor pertumbuhan dinamik di Negeri Sembilan.

Apabila siap kelak, perbandaran ini akan menempatkan kira-kira 15,000 bangunan rumah kediaman, sebuah pusat Bandar, kawasan komersial dan perindustrian, sebuah hospital swasta dan sebuah kampus universiti. USCI telah membuat pengumuman tentang pembangunan kampus universiti dengan kemudahan perubatan 400-katil di Bandar Springhill. Setelah projek-projek ini berjalan, pembangunan perbandaran ternyata bertambah pesat.

Sejajar dengan arah aliran perumahan di seluruh negara, pembangunan Bandar Springhill telah mengalami kelembapan serius sepanjang tiga suku tahun pertama 2009. Nilai jualan telah menjunam 56.5% dalam tempoh tersebut berbanding tempoh yang sama tahun lepas. Walau bagaimanapun, jualan di suku tahun keempat memaparkan pemulihan hebat sejajar dengan pemulihan ekonomi negara. Pelancaran fasa baru perumahan di suku tahun terakhir ternyata berjaya dan memberangsangkan.

Pada tahun kewangan yang sedang ditinjau, Bandar Springhill mencatat keuntungan RM4.6 juta, merosot daripada RM6.2 juta pada tahun 2008. Hasil jualan buah kelapa sawit dari tanah miliknya yang masih belum dibangunkan terus menjadi penyumbang utama dalam hasil pendapatan dan keuntungan syarikat.

Pengembaraan & Pelancongan

Industri pelancongan telah terjejas oleh kegawatan ekonomi global, apatah lagi diburukkan lagi oleh penularan wabak Influenza A (H1N1).

Justeru, Pan Malaysia Travel & Tours Sdn Bhd (PMTT), sebuah agensi pengembaraan berlesen sepenuhnya milik Kumpulan, telah mengalami kejatuhan sebanyak 36.7% dalam hasil pendapatan. Walau bagaimanapun, penambahbaikan dalam jidar dan langkah-langkah kawalan kos yang ketat telah membolehkan PMTT pulih dengan catatan keuntungan kecil bagi tahun kewangan yang sedang ditinjau berbanding tahun kewangan sebelumnya.

PROSPEK BAGI TAHUN 2010

Berikutan pemulihan pertumbuhan sekitar hujung tahun 2009, kadar hasil global dan dagangan sedunia dijangka tumbuh masing-masingnya sebanyak 3.9% dan 6.0% pada tahun 2010. Ekonomi Malaysia diunjurkan tumbuh sebanyak antara 4.5% dan 5.5% pada tahun 2010, dengan digalas permintaan luaran yang semakin cergas dan permintaan domestik yang semakin kukuh.

Program penyusunaturan dan rasionalisasi yang dilaksanakan oleh Kumpulan telah banyak membantu dalam pengurangan pinjaman keseluruhan, sekaligus membawa Kumpulan kepada asas kewangan yang lebih padu sambil membolehkan Kumpulan menyalurkan sumber-sumber yang ada untuk memperluaskan perniagaan terasnya. Berkat wujudnya prospek sistem kewangan global yang stabil dan ekonomi dunia yang beransur pulih, Lembaga Pengarah menjangkakan bahawa operasi pelbagai perniagaan Kumpulan akan meraih prestasi yang lebih baik pada tahun 2010.

Top: Lobby area, Corus Hotel Kuala Lumpur
Bottom: Guest room, Corus Paradise Resort Port Dickson

Bandar Springhill, an integrated township in Negeri Sembilan

DIREKTORAT

Lembaga Pengarah ingin merakamkan setinggi-tinggi penghargaan kepada Datuk Yong Ming Sang, yang telah meletakkan jawatan sebagai pengarah Syarikat pada 15 April 2010, di atas sumbangan cemerlang beliau kepada Syarikat sejak tahun 1980. Lembaga Pengarah turut berterima kasih kepada pengarah silihan Datuk Yong iaitu Encik Mohamad Faiz bin Abdul Hamid, di atas segala perkhidmatan beliau kepada Syarikat. Lembaga Pengarah juga dengan sukacitanya mengalu-alukan En. Andrew Khoo Boo Yeow dan En. Chan Choung Yau yang menyertai Lembaga Pengarah pada 24 Julai 2009. Berdasarkan pengalaman dan pengetahuan yang ada pada diri mereka, Lembaga Pengarah berharap mereka dapat menyumbang kepada kemajuan Kumpulan.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, izinkan saya untuk merakamkan setinggi-tinggi penghargaan kepada seluruh tenaga kakitangan di atas sumbangan, dedikasi dan kesetiaan mereka. Saya juga ingin berterima kasih kepada para pelanggan, pemegang saham, jurubank dan sekutu perniagaan di atas sokongan dan keyakinan mereka yang berkesinambungan kepada Kumpulan. Kepada rakan-rakan seperjuangan saya dalam Lembaga Pengarah, terimalah ucapan penghargaan tulus ikhlas saya di atas sokongan padu dan pedoman yang diberi kepada Kumpulan.

Kepada TUHAN Kita Bertawakal

Tan Sri Dato' Khoo Kay Peng
Pengerusi
16 Mei 2010

主席献词

我荣幸代表董事部同人向各位提呈本公司与集团截至2009年12月31日财务年度的年报及财务表。

经济评论

在2008年杪，全球发生前所未有的金融危机，致多家大型全球金融机构倒闭后，世界经济在2009年第一季度出现自第2次大战后以来最剧烈的萎缩。由于严重的全球经济衰退和金融危机引发的信贷紧缩，促使各国政府及中央银行纷纷推出财务刺激配套。这些对策在年中稳定了全球经济，而在2009年下半部促使经济稍微复苏。整体上，在2009年全球经济下挫0.8%，而世界贸易则萎缩12.3%。

由于马来西亚经济对世界贸易的相对开放，以致在2009年第一季度萎缩6.2%。这主要是由于出口和工业生产减少双位数的原故。不过，在政府迅速推出总值670亿令吉的经济刺激措施以及大舉放宽货币政策下，经济终于在下半年复苏，以致马来西亚经济在2009年只出现适度的1.7%萎缩。

财务表现

在截至2009年12月31日财务年，集团收入共达9亿零800万令吉，而上一年是9亿5310万令吉。尽管收入减少，集团取得税前盈利2760万令吉，相比之下，上一年则蒙受亏损7190万令吉。集团业绩改善，主要是由于利息开销减少，外汇亏损和投资及疑账拨备降低，出售子公司获取盈余以及保险业务的投资活动业绩提升所致。

截至2009年12月31日，集团的总资产和股东资金分别共达28亿令吉和6亿9860万令吉。

业务评论

集团的核心业务继续集中于零售、酒店、食品及糖果业、财务服务，房地产，以及旅游业。在国际上，集团的业务涵盖英国、欧洲大陆、美国、中国及亚太地区。

零售业

集团的零售部门共经营两项业务，即国际知名的 Laura Ashley 以及马来西亚首要百货商店——美罗(Metrojaya)。

集团联号 Laura Ashley 控股有限公司是一家在伦敦股市挂牌，以及总部设在英国的国际零售公司，其业务涵盖四大产品类别：即家庭用品、家具、装饰及服装。

虽然经济环境艰巨，Laura Ashley 在检讨中的财务年的各项产品收入继续增长；截至2010年1月30日财务年的集团52周收入增加790万英镑或3.0%至2亿6840万英镑(15亿令吉)，上一年53周的集团收入为2亿6050万英镑(16亿令吉)。收入增加主要是由于集团在英国的商店业绩提升3.1%以及网上销量增加30.0%所致。集团的扣税前盈余比上一年的1020万英镑(6300万令吉)增加7.8%至1100万英镑(6060万令吉)。

截至财务年终，Laura Ashley 在资产负债表中的净现金从上一年的790万英镑(3970万令吉)增至1740万英镑(9590万令吉)。毛盈利率比上一年逊退1.8百分点，这主要是由于英镑汇率疲弱以及计划促销活动的影响所致。

Laura Ashley 计划在英国及国际上扩展它的生活方式品牌。在本财务年内，该公司在利物浦路火车站设立了首间品牌 Laura Ashley 礼品及饰物商店。顾客对此商店的反应甚为极积。该公司将继续跟进此新概念商店的业绩，以期将来推出更多类似的商店。

Laura Ashley的扩充计划包括于2009年在英国设立六间新店以及在法国设立三间新店，使到Laura Ashley商店的总数达到238间。此外,公司在全球26个国家，包括中国及联合阿拉伯酋长国共设有230间加盟店。

Laura Ashley(北美洲)是集团的联号Regent公司的独资子公司。该公司的业务是发出许可权，以在北、南美洲使用Laura Ashley的商标及版权设计。截至2009年12月31日，由于消费人情绪疲弱，该公司的许可权收入比上一年减少5.4%至910万美元(3220万令吉)。然而，该公司的盈利则增加2.9%至450万美元(1610万令吉)。

在马来西亚，美罗经营七间以美罗为商号的百货商店、三间MJ概念商店及超过90间以East India Company、 Somerset Bay、 Cape Cod、Reject Shop 及 Living Quarters等著名品牌的专卖店。美罗集团也在马来西亚及新加坡经营六间加盟的Laura Ashley商店。

美罗集团在2009年的综合营销额增加1750万令吉或4.4%至4亿1440万令吉。这主要是由于美罗百货商店举行各项促销，以及新开张的Reject Shop、 Living Quarters 和 Laura Ashley 商店贡献的额外销售额，以及美罗设在巴生谷的谷中城、The Curve 及新山的彩虹广场的主力商店的业绩提高所致。

新设立的百货商店和专卖店、货仓大减价及促销等，导致营运开销增加。因此，美罗在检讨中财务年的扣税前盈利从上一年的1880万令吉降至1590万令吉。

在检讨中财务年内，美罗首次向东马进军，在沙巴州亚庇的 Suria Sabah 开设面积125,000方呎的百货商店。此外,一间产品齐全的 Laura Ashley商店也在新加坡的大世界城亮相，同时两间百货商店及三间专卖店则关闭。

Top: Bandar Springhill - Akasia double storey terraced house
Bottom: Vila Sri Ukay - exclusive homes amidst lush surroundings in the city of Kuala Lumpur

酒店业

集团独资拥有的Corus酒店品牌包括在英国的十间酒店及在马来西亚的两间酒店。虽然英国酒店集团的业绩，随对酒店业的行情走低而逊退，但是在马来西亚的两间酒店业绩提升，超越了国内酒店业的整体行情。

英国遭遇了自20世纪30年代以来最严峻的经济衰退，以致团体及休闲旅客的旅游开销大幅度缩减。

冬夏季恶劣的气候及6月份爆发的甲型流感，导致旅游交易出现前所未有的消沉，冲击了酒店业，使到酒店交易的情况益加艰难。故此，集团的英国酒店集团的客房收入减少1.9%，而英国酒店业的整体降幅是9.1%。

为了填补缺口，集团采取了新主动，有效地开发了新产品，例如预先购买住宿计划以及餐食业务及结婚配套等。

虽然面对极其挑战性的交易条件，尤其是在财务年上半部，伦敦海德公园的Corus酒店业绩令人满意。

该酒店的平均客房租金率增加5.8%，相比之下，伦敦中区酒店的客房租金率平均减少6.0%。该酒店的租用率则增加4.1%；比较之下，酒店业的客房租用率上升1.4%.。因此，海德公园Corus酒店的客房收入增加11.8%，而伦敦中区酒店客房收入下降4.8%。

虽然经济出现严重衰退，影响整个酒店业，集团在马来西亚的酒店表现可观，业绩有所增加。

集团在马来西亚的旗舰酒店吉隆坡Corus酒店的扣税前盈余增加6.1%至1560万令吉。该酒店的平均房费提高2.0%，而市内四、五星级酒店的房费则下跌5.2%。由于客房需求减少，客房租用率下降3.5%；比较之下，整个酒店业的客房租用率下滑6.5%。

在2009年，波德申的 Corus Paradise 渡假村在艰难的营业环境中，逆游而上，收入增加5.2%，盈利从上一年的50万令吉增至130万令吉。

食品及糖果业

集团的食品及糖果业务由集团上市子公司--泛马企业有限公司负责。该公司旗下设在新加坡的 Network Foods International 有限公司(“NFIL”)属下四间子公司在马来西亚、新加坡及香港经营食品及糖果业务。

NFIL在马来西亚的子公司——Network食品工业有限公司(NFI)制造各种名牌巧克力和糖果产品，如 Tudor Gold、 Crispy、 Tango、Kandos 及Kiddies。

在检讨中的财务年内，国内市场行情淡静，导致NFI的收入减少30.1%至4750万令吉。不过出口持续增长，占公司总营销额的50%。

在本财务年内，该公司为其中几个产品实行重大的品牌再塑造计划，包括改良产品质量、味道及包装，成功地提升了品牌定位和大大改善市场接纳度。

在检讨中财务年内，由于重新推介改良的产品所需，广告及促销开销增加，导致该公司的盈利逊退至320万令吉。

作为该公司继续扩展市场的部份努力，NFI将致力于争取ISO22000:2005标准，以便把产品外销至英国及欧盟国家。ISO22000:2005是国际标准组织的一项食品安全管理系统；配合公司现有的ISO9001:2008及HACCP认证同时使用。

Top: Network Foods Group in Shah Alam and some of its products

Network食品(马来西亚)有限公司(NFM)是集团食品及糖果业务的销售和分销机构，同时也拥有其他公司的代理权，分销其他产品。

在检讨中的财务年内，基于公司推行产品合理化策略及集团的品牌重新塑造计划，暂时干挠了市场，以致NFM的收入降至3290万令吉，并导致NFM蒙受430万令吉的扣税前亏损。在此过渡期间，NFM继续重新推出一些现有的本公司品牌，同时增加代理权，以及制造本身品牌的其他食品。公司预计在本财务年会反亏为盈。

NFI完成了收购该公司在沙亚南现有工厂毗邻的一块产业的计划。厂地扩大后，集团将能把制造、销售、分销部门同设于中心地点，提高这两家公司的效率及业务的协同作用，以及为公司未来制造业的成长和库存能力提供适当的空间。预计新工厂将在2010年下半部施工。

Network食品集团在新加坡及香港的业务分别由Network食品经销有限公司(NFD)和Network食品(香港)有限公司(NFHK)经营。在检讨中的财务年里，NFD采取极积的行销工作，以打造经过改良Tudor Gold和Crispy品牌，以致公司在2009年第四季度的收入及盈利提高。尽管香港的经济环境艰巨，NFHK在2009年的业绩令人满意，无论收入及盈利皆不逊于往年。

财务服务业

集团旗下的保险业务继续呈现强劲的成长，而集团的全方位证券经纪业务则受到2009年全球经济危机的剧烈波动所冲击。

集团持有52.21%股权的子公司马联大洲保险有限公司(MCI)在全马各地设有13间分行，提供全方位的普通保险产品，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。在截至2009年12月31日财务年内，MCI的毛额保费收入增加10.8%至2亿1460万令吉。在强劲的承保业务和投资活动的大力扶持下，该公司的扣税前盈利剧增将近九倍，从往年的420万令吉增至前所未有的3650万令吉。这项业绩新猷，加上选择性承保及谨慎的投资策略，使公司能够缓和马来西亚国家银行自2009年1月1日起实施的新风险为基础资金框架所造成的影响。

泛马资本有限公司拥有99.99%股权的子公司PM证券私人有限公司(PM证券)持有全方位证券经纪执照。虽然该公司的主要业务是证券经纪，该公司也提供各项财务服务，包括企业顾问服务。该公司通过遍及吉隆坡、芙蓉、蒲种、槟城、新山、马六甲、巴生、峇株巴辖的九间办事处网络以及在日叻务的一所电子使用设施，提供证券经纪服务。这个办事处网络使到该公司在国内拥有广大的市场范围。除此以外，该公司也为客户提供网上交易方便。

鑑于股市在2009年下半部回升，PM证券的收入从2008年的2550万令吉略增至2009年的2610万令吉；净经纪费收入从1190万令吉增至1310万令吉。

PM证券目前已成功扩展交易能力，提供在外国市场的交易，作为一项额外的产品，进而为公司带来新的收入来源。

PM证券对公司整体业务进出检讨后，进行重组，为各分行建立适当的规模，以及把业务焦点著重于收益基础。因此，PM证券目前更具备适当的条件以在充满挑战的环境中把握新的商机。

房地产

集团的旗舰房地产项目是由马联置业有限公司(MPB)的合资子公司West Synergy私人有限公司开发的《春泉镇》市镇项目。

春泉镇是个综合市镇，位于森美兰州芙蓉和波德申之间面积约1,990亩首选的永久拥有权土地上；可从芙蓉－波德申大道及其他主要主干公路顺畅往来。

此市镇预计将成为连贯芙蓉和波德申之间一个繁华的城郊中心，并构成森美兰州一条蓬勃的成长走廊。

在全面开发后，春泉镇将建有15,000间住宅和商业单位、一个市中心、工商业区、一所私立医院及一个大学校园。国内一家首要学府——思特雅国际大学学院(UCSI)已宣布在春泉镇发展一个拥有400张病床的医疗中心大学校园。上述各项项目开展后，将有助于加速春泉镇的发展。

在全国房屋业消沉的环境下，春泉镇亦不能幸免，以致业绩在2009年头三个季度出现严重下挫，销售额比上一年大幅度减少56.5%。不过由于国家经济回升，春泉镇的销量在第四季度强劲回扬，以致在最后一个季度推出的房屋成功发售。

在检讨中的财务年内，春泉镇获取的盈利从2008年的620万令吉降至460万令吉。与此同时，从未开发的地地上收割的油棕继续对公司的收入及盈利作出重要贡献。

Top: PM Securities, Seremban branch
Bottom: Pan Malaysia Travel & Tours, Menara PMI, Kuala Lumpur

Menara PMI, Kuala Lumpur

旅游业

全球經濟衰退，加上爆發甲型流感(H1N1)，沖擊了旅游業。因此，集團旗下的執照全方面旅行社泛馬旅游有限公司(PMTT)的收入激降36.7%。不過，由于利潤率提高及嚴格的成本控制措施，使該公司在財務年內轉虧為盈，獲取小額盈利。

2010年展望

隨著全球經濟在2009年杪恢復增長，預料全球產量及世界貿易將在2010年分別增長3.9%和6.0%。據預測，在外需不斷改善及更強大的內需扶持下，馬來西亞經濟在2010年的增幅將介于4.5%至5.5%之間。

集團經過精簡化及合理化計劃后，己大幅度減少整體的舉債，進一步鞏固了集團的財務狀況，同時讓集團得以把資源用來擴展核心業務。基于全球金融體系日趨穩定以及世界經濟日益好轉，董事部預期集团旗下各項業務在2010年會有更佳的業績。

董事部

董事拿督楊明生在2010年4月15辭職。董事部謹此由衷感謝他自1980年以來對本公司作出的莫大貢獻。董事部也要感謝拿督楊的輪值董事Encik Mohamad Faiz bin Abdul Hamid對本公司的服務。董事部很高興歡迎邱武耀及陈仲有先生在2009年7月24日加入董事部。憑著兩位的豐富知識和經驗，董事部期待他們對集團的發展作出貢獻。

致谢

我谨代表董事部同人，对集团全体员工的贡献、付出及忠于职守，致予诚恳的谢忱。同時也要谢谢全体忠诚的客戶、股东、银行界及同业的持续支持和信任。我也由衷感谢董事部的同事给予我的鼎力支持和金玉良言的賜教。

我们信赖主

丹斯里拿督邱继炳
主席

2010年5月16日

ANALYSIS OF SHAREHOLDINGS

As at 28 April 2010

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

Substantial Shareholders

as per Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Pan Malaysian Industries Berhad	199,490,000	9.87	188,597,260	9.33
2. KKP Holdings Sdn Bhd	-	-	978,624,927	48.42
3. Soo Lay Holdings Sdn Bhd	-	-	978,624,927	48.42
4. Tan Sri Dato' Khoo Kay Peng	-	-	978,624,927	48.42
5. Cherubim Investment (HK) Limited	264,481,131	13.09	37,500,000	1.86
6. Norcross Limited	288,556,536	14.28	37,500,000	1.86
7. Hope Foundation	41,518,101	2.05	406,127,260	20.10

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	-	-	978,624,927	48.42
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	-	-	118,073,133	94.52

Distribution of Shareholders

Holdings	*No. of Holders*	*%*	*No. of Shares*	*%*
Less than 100 shares	121	0.29	3,650	0.00
100 - 1,000 shares	5,840	13.77	5,658,263	0.28
1,001 - 10,000 shares	26,364	62.15	123,658,495	6.12
10,001 - 100,000 shares	9,061	21.36	286,995,936	14.20
100,001 to less than 5% of issued shares	1,028	2.42	851,614,603	42.15
5% and above of issued shares	3	0.01	752,527,667	37.25
Total	42,417	100.00	2,020,458,614	100.00

Thirty (30) Largest Registered Shareholders

	Name	*No. of Shares*	*%*
1.	Norcross Limited	288,556,536	14.28
2.	Cherubim Investment (HK) Limited	264,481,131	13.09
3.	Pan Malaysian Industries Berhad	199,490,000	9.87
4.	Plenary Investments Pte Ltd	67,038,800	3.32
5.	Permodalan Nasional Berhad	64,000,000	3.17
6.	Rigap Prima Sdn Bhd	46,000,000	2.28
7.	Peak Meadow Sdn Bhd	45,847,100	2.27
8.	PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Swift Progress Investments Limited	37,500,000	1.86
9.	Good Proffer Sdn Bhd	34,940,000	1.73
10.	Nada Saujana Sdn Bhd	22,830,000	1.13
11.	HLG Nominee (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	21,979,669	1.09
12.	CIMB Group Nominees (Tempatan) Sdn Bhd - Securities Account for Hope Foundation	21,370,000	1.06
13.	Kiwiton Sdn Bhd	20,000,000	0.99
14.	Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	16,233,368	0.80
15.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Liew Jun Kuan	16,000,000	0.79
16.	PM Nominees (Tempatan) Sdn Bhd - Morning Star Securities Limited for Hope Foundation	11,550,000	0.57
17.	UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	10,000,000	0.49
18.	Scopebright (M) Sdn Bhd	8,908,160	0.44
19.	Lembaga Tabung Angkatan Tentera	8,739,900	0.43
20.	UOBM Nominees (Tempatan) Sdn Bhd - Securities Account for Hope Foundation	8,500,000	0.42
21.	PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Prime View International Limited	8,040,000	0.40
22.	CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	7,964,401	0.39

ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 28 April 2010

23.	True Benefits Sdn Bhd	7,432,000	0.37
24.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Liew Jun Kuan	5,485,300	0.27
25.	Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Pamela Ling Yueh	5,325,000	0.26
26.	Milikita Sdn Bhd	5,279,000	0.26
27.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Kong Sii Ming @ Kong Chak Ming	5,000,000	0.25
28.	Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd for Glen Holdings (Pte) Ltd	4,674,000	0.23
29.	Yew Weng Wah	4,250,000	0.21
30.	Cheah See Han	4,129,675	0.20
	Total	1,271,544,040	62.93

ANALYSIS OF IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS HOLDINGS

As at 28 April 2010

Class of Securities	:	Class A1, 8-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS")
Nominal value of ICULS issued and outstanding	:	RM362,973,332
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 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 A1 ICULS

as per Register of Directors' Shareholdings

	Direct Interest Nominal value of ICULS (RM)	%	***Deemed Interest*** Nominal value of ICULS (RM)	%
Tan Sri Dato' Khoo Kay Peng	-	-	173,429,917	47.78
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	2,883	19.13	79,717	0.02
100 - 1,000	3,410	22.63	2,246,177	0.62
1,001 - 10,000	7,248	48.10	24,770,210	6.82
10,001 - 100,000	1,376	9.13	34,854,490	9.60
100,001 to less than 5% of issued ICULS	151	1.00	94,890,056	26.14
5% and above of issued ICULS	2	0.01	206,132,682	56.79
Total	15,070	100.00	362,973,332	100.00

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

As at 28 April 2010

Thirty (30) Largest Registered Class A1 ICULS Holders

	Name	*Nominal value of ICULS (RM)*	*%*
1.	Bonham Industries Limited	144,647,000	39.85
2.	Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	61,485,682	16.94
3.	Pan Malaysia Corporation Berhad	11,008,550	3.03
4.	PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	6,498,004	1.79
5.	Appreplex (M) Sdn Bhd	5,953,983	1.64
6.	Bahtera Muhibbah Sdn Bhd	3,983,212	1.10
7.	Chua Ah Moi @ Chua Sai Peng	3,847,939	1.06
8.	MUI Properties Berhad	3,783,671	1.04
9.	Kim Hin Joo Private Limited	3,157,415	0.87
10.	Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	3,150,439	0.87
11.	HLG Nominee (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	3,037,076	0.84
12.	UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	3,036,381	0.84
13.	United Pace Sdn Bhd	2,535,311	0.70
14.	Jagjit Singh A/L G S Sambhi	2,209,600	0.61
15.	Lim Kian Siong	1,775,396	0.49
16.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	1,526,067	0.42
17.	Jomuda Sdn Bhd	1,518,190	0.42
18.	Zulkifli bin Hussain	1,268,618	0.35
19.	Shoptra Jaya (M) Sdn Bhd	1,232,273	0.34
20.	Lee Yu Yong @ Lee Yuen Ying	1,033,963	0.28
21.	Lim Choon Cheng	1,015,219	0.28
22.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Securities Account for Lee Teck Hao	1,001,900	0.28
23.	Youn-Yeaw & Brothers Sdn Bhd	1,000,000	0.27
24.	CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	970,193	0.27
25.	Zulkifli bin Hussain	854,731	0.23
26.	Zainab bt Abdul Razak	756,492	0.21
27.	Mayban Securities Nominees (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	734,016	0.20
28.	Chen Tsu Peh @ Chin Fui	700,000	0.19
29.	HDM Nominees (Asing) Sdn Bhd - DBS Vickers Secs(s) for Suresh Nair	700,000	0.19
30.	Bank Kerjasama Rakyat Malaysia Berhad - Securities Account for Yayasan Islam Negeri Kedah	678,536	0.19
	Total	275,099,857	75.79

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	2,835	18.05	78,575	0.02
100 - 1,000	3,466	22.07	2,287,208	0.52
1,001 - 10,000	7,616	48.50	26,243,883	5.92
10,001 - 100,000	1,592	10.14	41,768,686	9.41
100,001 to less than 5% of issued ICULS	193	1.23	125,402,896	28.27
5% and above of issued ICULS	2	0.01	247,880,782	55.87
Total	15,704	100.00	443,662,030	100.00

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

As at 28 April 2010

Thirty (30) Largest Registered Class A2 ICULS Holders

	Name	*Nominal value of ICULS (RM)*	*%*
1.	Bonham Industries Limited	186,390,000	42.01
2.	Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	61,490,782	13.86
3.	Pan Malaysia Corporation Berhad	11,008,550	2.48
4.	HLG Nominee (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	9,153,354	2.06
5.	PM Nominees (Asing) Sdn Bhd - Morning Star Securities Limited for Noble Faith Foundation Inc	6,355,404	1.43
6.	Appreplex (M) Sdn Bhd	5,953,983	1.34
7.	Bahtera Muhibbah Sdn Bhd	3,983,212	0.90
8.	Mayban Securities Nominees (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	3,960,487	0.89
9.	Chua Ah Moi @ Chua Sai Peng	3,847,939	0.87
10.	MUI Properties Berhad	3,783,671	0.85
11.	Lee Yu Yong @ Lee Yuen Ying	3,294,963	0.74
12.	Kim Hin Joo Private Limited	3,157,415	0.71
13.	Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	3,146,173	0.71
14.	UOBM Nominees (Asing) Sdn Bhd - Securities Account for Prime View International Limited	3,036,381	0.68
15.	Lim Kian Siong	2,825,396	0.64
16.	United Pace Sdn Bhd	2,535,311	0.57
17.	Koperasi Polis Diraja Malaysia Berhad	2,168,843	0.49
18.	Lee Hong Choon & Sons Sdn Bhd	2,000,000	0.45
19.	Wong Soo Chai @ Wong Chick Wai	1,807,100	0.41
20.	Youn-Wen & Brothers Sdn Bhd	1,700,000	0.38
21.	Onn Ping Lan	1,660,000	0.37
22.	Shoptra Jaya (M) Sdn Bhd	1,542,173	0.35
23.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	1,526,067	0.34
24.	Jomuda Sdn Bhd	1,518,190	0.34
25.	CIMSEC Nominees (Asing) Sdn Bhd - For CIMB-GK Securities Pte Ltd	1,357,412	0.31
26.	Zulkifli bin Hussain	1,268,618	0.29
27.	Mah Siew Seong	1,077,099	0.24
28.	Zulkifli bin Hussain	1,060,431	0.24
29.	Lim Choon Cheng	1,015,219	0.23
30.	Ong Hock Siong @ Benny Ong Hock Siong	1,000,000	0.22
	Total	334,624,173	75.42

GROUP FINANCIAL HIGHLIGHTS
FIVE-YEAR SUMMARY

As at 31 December	**2009 RM'000**	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
ASSETS					
Property, Plant & Equipment and Land Held for Property Development	**505,977**	730,613	899,234	866,505	565,765
Investment Properties	**90,036**	92,894	101,613	32,441	32,629
Prepaid Land Lease Payments	**46,520**	29,518	29,948	15,967	-
Associates and Investments	**538,255**	497,726	585,390	598,769	804,903
Intangibles & Goodwill	**225,996**	223,648	218,155	79,307	37,144
Deferred Tax Assets	**2,547**	4,410	4,603	4,779	6,853
Current Assets	**1,097,098**	1,215,260	1,285,537	1,190,071	1,368,329
Non-Current Assets Held for Sale	**256,702**	42,560	43,377	145,647	1,428,123
Total Assets	**2,763,131**	2,836,629	3,167,857	2,933,486	4,243,746
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	736,479
Reserves	**(1,978,461)**	(2,005,427)	(1,855,864)	(1,825,278)	(1,809,627)
	698,550	671,584	821,147	851,733	867,384
Minority Interests	**296,395**	276,518	301,314	279,844	444,622
Total Equity	**994,945**	948,102	1,122,461	1,131,577	1,312,006
Non-Current Liabilities	**784,977**	708,056	793,121	494,359	236,850
Current Liabilities	**983,209**	1,180,471	1,252,275	1,307,550	2,694,890
Total Equity and Liabilities	**2,763,131**	2,836,629	3,167,857	2,933,486	4,243,746

Financial year ended 31 December	**2009 RM'000**	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
Revenue	**908,011**	953,069	778,241 #	743,962 #	1,222,091
Profit from Operations before Exceptional Items	**62,603**	68,300	85,716	44,889	77,616
Exceptional items	**(6,855)**	(50,054)	(1,838)	(178,664) +	(240,268)+
Profit/(Loss) Before Taxation	**27,621**	(71,884)	28,763 #	(246,694) #	(412,405)
Profit/(Loss) for the Financial Year	**22,713**	(87,424)	26,064	(237,236)	(355,126)
Profit/(Loss) Attributable to Equity Holders of the Company	**3,389**	(74,142)	10,356	(217,883)	(371,150)

* *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 "Impairment of Assets".*
\# *Include discontinued operation disclosed separately in income statement.*

In the above summary, 2005 to 2009 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 the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

Principal Activities

The Company is an investment holding company. The principal activities of its subsidiaries and associates 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

	Group RM'000	*Company RM'000*
Profit for the financial year	22,713	16,477
Attributable to:-		
Equity holders of the Company	3,389	16,477
Minority interest	19,324	-
	22,713	16,477

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 2009.

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.

Subsequent to the financial year, the Company has issued 80,688,698 ordinary shares of RM1.00 each during the period up to 27 April 2010 arising from the conversion of the Class A1, 8-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS") exercised by the holders of the Class A1 ICULS. The newly issued shares rank pari passu in all respects with the existing shares of the Company.

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 (Resigned on 15 April 2010)
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
Chan Choung Yau (Appointed on 24 July 2009)
Andrew Khoo Boo Yeow (Appointed on 24 July 2009)
Mohamad Faiz bin Abdul Hamid (alternate to Datuk Yong Ming Sang) (Ceased on 15 April 2010)

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	***Number of shares*** Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	913,752,500	580,277,667	(515,405,240)	978,624,927
Datuk Yong Ming Sang				
Direct	1,981,800	-	-	1,981,800
Indirect	549,640	-	(3,600)	546,040
Tan Sri Dato' Paduka Dr Mazlan bin Ahmad				
Direct	100,000	-	-	100,000

Ordinary shares of 20 sen each in MUI Properties Berhad	***Number of shares*** Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	550,862,661	-	-	550,862,661
Dr Ngui Chon Hee				
Direct	30,000	-	-	30,000
Indirect	84,000	-	-	84,000

Ordinary shares of 50 sen each in Pan Malaysia Corporation Berhad	***Number of shares*** Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	428,544,500	-	-	428,544,500

Ordinary shares of 10 sen each in Pan Malaysia Holdings Berhad	***Number of shares*** Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	638,572,986	4,760,534	(3,033)	643,330,487

Ordinary shares of RM1 each in MUI Continental Insurance Berhad	***Number of shares*** Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	52,226,568	-	-	52,226,568

Ordinary shares of RM1 each in Metrojaya Berhad	***Number of shares*** Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	118,068,133	5,000	-	118,073,133

Directors (Cont'd)

Class A1 Irredeemable Convertible Unsecured Loan Stocks in Malayan United Industries Berhad	*Nominal value (RM)* Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	173,429,917	-	-	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	*Nominal value (RM)* Balance at 1.1.2009	Bought	Sold	Balance at 31.12.2009
Tan Sri Dato' Khoo Kay Peng				
Deemed	215,172,917	-	-	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 subsidiaries 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 financial 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 other than those disclosed in Note 38 to the financial statements.

(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, 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

Chan Choung Yau

27 April 2010

STATEMENT BY DIRECTORS

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

We, Dato' Paduka Nik Hashim Nik Yusoff and Chan Choung Yau, 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 2009 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

Chan Choung Yau

27 April 2010

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 27 April 2010.

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 2009 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 judgement, 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 2009 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 page 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
AF: 0206
Chartered Accountants

Lim Seng Siew
2894/08/11 (J)
Chartered Accountants

Kuala Lumpur
27 April 2010

INCOME STATEMENTS

For the financial year ended 31 December 2009

	Note	Group **2009** **RM'000**	Group *2008* *RM'000*	Company **2009** **RM'000**	Company *2008* *RM'000*
Revenue	6	**908,011**	953,069	**5,191**	6,443
Cost of sales		**(651,210)**	(684,997)	**-**	-
Gross profit		**256,801**	268,072	**5,191**	6,443
Other income		**22,189**	34,317	**-**	1
Distribution costs		**(20,990)**	(17,885)	**-**	-
Administrative expenses		**(84,880)**	(87,037)	**(1,340)**	(1,966)
Other expenses		**(110,517)**	(129,167)	**-**	-
Profit from operations before exceptional items		**62,603**	68,300	**3,851**	4,478
Exceptional items	7	**(6,855)**	(50,054)	**3,274**	(10,321)
Profit/(Loss) from operations after exceptional items		**55,748**	18,246	**7,125**	(5,843)
Finance costs		**(59,430)**	(103,020)	**(1,184)**	(1,326)
Share of results of associates		**31,303**	12,890	**-**	-
Profit/(Loss) before taxation	8	**27,621**	(71,884)	**5,941**	(7,169)
Taxation	9	**(4,908)**	(15,540)	**10,536**	(1,116)
Profit/(Loss) for the financial year		**22,713**	(87,424)	**16,477**	(8,285)
Attributable to: -					
Equity holders of the Company		**3,389**	(74,142)	**16,477**	(8,285)
Minority interest		**19,324**	(13,282)	**-**	-
		22,713	(87,424)	**16,477**	(8,285)
Earnings/(Loss) Per Share attributable to equity holders of the Company: -					
		Sen	*Sen*		
Basic	10	**0.17**	(3.82)		
Diluted	10	**0.12**	*		

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

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

BALANCE SHEETS

As at 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	**470,714**	695,350	**-**	-
Investment properties	12	**90,036**	92,894	**-**	-
Prepaid land lease payments	13	**46,520**	29,518	**-**	-
Subsidiaries	14	**-**	-	**773,488**	774,655
Associates	15	**280,984**	267,711	**-**	-
Investments	16	**257,271**	230,015	**-**	-
Land held for property development	17	**35,263**	35,263	**-**	-
Goodwill on consolidation	18	**225,996**	223,648	**-**	-
Deferred tax assets	30	**2,547**	4,410	**-**	-
		1,409,331	1,578,809	**773,488**	774,655
CURRENT ASSETS					
Property development costs	17	**76,555**	76,073	**-**	-
Inventories	19	**102,744**	100,061	**-**	-
Trade and other receivables	20	**327,817**	333,137	**1,370,944**	1,365,036
Government securities and bonds	21	**45,024**	52,421	**-**	-
Short term investments	22	**59,589**	11,191	**-**	-
Current tax assets		**1,851**	3,202	**-**	-
Deposits, bank balances and cash	23	**483,518**	639,175	**49**	66
		1,097,098	1,215,260	**1,370,993**	1,365,102
Non-current assets held for sale	24	**256,702**	42,560	**-**	-
		1,353,800	1,257,820	**1,370,993**	1,365,102
TOTAL ASSETS		**2,763,131**	2,836,629	**2,144,481**	2,139,757
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	25	**1,940,532**	1,940,532	**1,940,532**	1,940,532
ICULS *	26	**736,479**	736,479	**736,479**	736,479
Reserves	27	**(1,978,461)**	(2,005,427)	**(557,065)**	(573,542)
		698,550	671,584	**2,119,946**	2,103,469
MINORITY INTEREST		**296,395**	276,518	**-**	-
TOTAL EQUITY		**994,945**	948,102	**2,119,946**	2,103,469
NON-CURRENT LIABILITIES					
Provisions	32	**8,247**	-	**-**	-
Borrowings	28	**764,429**	694,086	**-**	-
Employee benefits	29	**3,059**	3,502	**-**	-
Deferred tax liabilities	30	**9,242**	10,468	**-**	-
		784,977	708,056	**-**	-
CURRENT LIABILITIES					
Trade and other payables	31	**240,347**	234,780	**142**	109
Provisions	32	**102,755**	78,741	**-**	-
Borrowings	28	**568,918**	802,838	**20,000**	20,000
Current tax liabilities		**15,180**	25,922	**4,393**	16,179
Premium liabilities	33	**56,009**	38,190	**-**	-
		983,209	1,180,471	**24,535**	36,288
TOTAL LIABILITIES		**1,768,186**	1,888,527	**24,535**	36,288
TOTAL EQUITY AND LIABILITIES		**2,763,131**	2,836,629	**2,144,481**	2,139,757

* *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 2009

Group	*Attributable to Equity Holders of the Company*									***Minority Interest***	***Total Equity***
			Non-Distributable				*Distributable*				
2008	***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***	***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 associates	-	-	-	-	5,030	(3,034)	-	-	1,996	-	1,996
Difference on translation of net assets of overseas subsidiaries and associates	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	(691)	(691)
Share buyback by a subsidiary	-	-	-	-	-	-	-	-	-	(2,257)	(2,257)
Dividend 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.

Group

2009	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	Minority Interest RM'000	Total Equity RM'000
	Attributable to Equity Holders of the Company		Non-Distributable				Distributable				
At 1 January 2009	1,940,532	736,479	220,305	19,304	57,196	2,757	25,257	(2,330,246)	671,584	276,518	948,102
Effect of adopting new accounting policies *[Note 4(g) and 4(m)(iv)]*	-	-	-	-	-	-	-	(2,315)	(2,315)	(2,118)	(4,433)
	1,940,532	736,479	220,305	19,304	57,196	2,757	25,257	(2,332,561)	669,269	274,400	943,669
Group's share of post-acquisition reserves of associates	-	-	-	-	701	(131)	-	-	570	-	570
Difference on translation of net assets of overseas subsidiaries and associates	-	-	-	-	25,322	-	-	-	25,322	4,927	30,249
Profit/(Loss) recognised directly in equity	-	-	-	-	26,023	(131)	-	-	25,892	4,927	30,819
Profit for the financial year	-	-	-	-	-	-	-	3,389	3,389	19,324	22,713
Total recognised expenses	-	-	-	-	26,023	(131)	-	3,389	29,281	24,251	53,532
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	-	-	-	(561)	(561)
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-	456	456
Dividend paid to minority shareholders	-	-	-	-	-	-	-	-	-	(2,151)	(2,151)
At 31 December 2009	1,940,532	736,479	220,305	19,304	83,219	2,626	25,257	(2,329,172)	698,550	296,395	994,945

\# *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 2009

Company

			Non-Distributable			
	Share		***Share***	***Revaluation***	***Accumulated***	
	Capital	***ICULS #***	***Premium***	***Reserves***	***Losses***	***Total***
2008	***RM'000***	***RM'000***	***RM'000***	***RM'000***	***RM'000***	***RM'000***
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
2009						
At 1 January 2009	**1,940,532**	**736,479**	**220,305**	**26,264**	**(820,111)**	**2,103,469**
Profit for the financial year	**-**	**-**	**-**	**-**	**16,477**	**16,477**
At 31 December 2009	**1,940,532**	**736,479**	**220,305**	**26,264**	**(803,634)**	**2,119,946**

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

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

CASH FLOW STATEMENTS

For the financial year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash Flows From Operating Activities					
Profit/(Loss) before taxation		**27,621**	(71,884)	**5,941**	(7,169)
Adjustments for: -					
Accretion of premiums on government securities and bonds		**-**	(56)	**-**	-
Depreciation and amortisation: -					
- property, plant and equipment	11	**30,353**	30,725	**-**	-
- investment properties	12	**783**	913	**-**	-
- prepaid land lease payments	13	**545**	428	**-**	-
Dividend income		**(2,331)**	(1,908)	**(4,007)**	(5,116)
Exceptional items *[See (b) below]*		**11,628**	25,325	**(3,274)**	10,321
Gain on disposal of property, plant and equipment		**(186)**	(237)	**-**	-
(Gain)/Loss on disposal of short term investments		**(2,939)**	7,684	**-**	-
Interest expense		**59,430**	103,020	**1,184**	1,326
Interest income		**(14,105)**	(28,999)	**(1,184)**	(1,328)
Property, plant and equipment written off	11	**6,197**	401	**-**	-
Premium liabilities		**17,818**	5,422	**-**	-
Share of results of associates		**(31,303)**	(12,890)	**-**	-
(Writeback of)/Allowance for diminution in value of short term investments		**(15,281)**	1,449	**-**	-
(Writeback)/Provision for employee benefits	29	**(1,033)**	371	**-**	-
Operating profit/(loss) before working capital changes		**87,197**	59,764	**(1,340)**	(1,966)
Changes in working capital: -					
- receivables		**5,168**	(12,241)	**-**	5
- property development costs		**(482)**	(2,885)	**-**	-
- inventories		**(4,193)**	(4,736)	**-**	-
- short term investments		**(45,509)**	(22,716)	**-**	-
- payables		**25,635**	15,354	**33**	(82)
Cash from/(used in) operations		**67,816**	32,540	**(1,307)**	(2,043)
Employee benefits paid	29	**(746)**	(453)	**-**	-
Interest paid		**(1,805)**	(4,738)	**(1,184)**	(1,326)
Interest received		**3,397**	3,903	**1,184**	1,328
Tax refunded		**685**	2,460	**-**	-
Tax paid		**(13,947)**	(16,859)	**(249)**	-
Net cash from/(used in) operating activities		**55,400**	16,853	**(1,556)**	(2,041)

CASH FLOW STATEMENTS (Cont'd)

For the financial year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash Flows From Investing Activities					
Advances to subsidiaries		**-**	-	**(3,400)**	(14,642)
Net cash inflow from disposal of a subsidiary	14(c)	**9,299**	-	**-**	-
Cost incurred on non-current assets held for sale		**-**	(23)	**-**	-
Dividends received		**17,051**	33,446	**3,006**	3,785
Interest received		**10,708**	25,096	**-**	-
Purchase of: -					
- additional interest in subsidiaries		**(2,931)**	(6,184)	**-**	-
- government bonds and securities		**-**	(29,851)	**-**	-
- long term investments		**(16,291)**	(1,741)	**-**	-
- property, plant and equipment	11(e)	**(21,656)**	(28,882)	**-**	-
- investment properties	12	**(5)**	(51)	**-**	-
- prepaid land lease payments	13	**(17,547)**	-	**-**	-
Proceeds from disposal of: -					
- investments		**20,089**	45,440	**-**	-
- government bonds and securities		**7,397**	5,000	**-**	-
- property, plant and equipment		**205**	15,520	**-**	-
- investment properties		**2,900**	-	**-**	-
- non-current assets held for sale		**39,000**	-	**-**	-
Repayments from subsidiaries		**-**	-	**1,933**	12,843
Net cash from investing activities		**48,219**	57,770	**1,539**	1,986
Cash Flows From Financing Activities					
Dividends paid to minority shareholders of subsidiaries		**(2,151)**	(4,476)	**-**	-
Interest paid		**(57,625)**	(98,282)	**-**	-
Proceeds from drawdown of bank borrowings		**64,544**	205,398	**-**	-
Repayments of bank borrowings		**(259,419)**	(254,386)	**-**	-
Share buyback by a subsidiary		**-**	(988)	**-**	-
Net cash used in financing activities		**(254,651)**	(152,734)	**-**	-
Effects of exchange rate changes		**(2,024)**	24,274	**-**	(4)
Net decrease in cash and cash equivalents		**(153,056)**	(53,837)	**(17)**	(59)

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Cash and cash equivalents as at 1 January: -				
As previously reported	**581,617**	659,759	**66**	125
Effect of exchange rate changes on cash and cash equivalents	**2,847**	(24,305)	**-**	-
As restated	**584,464**	635,454	**66**	125
Cash and cash equivalents as at 31 December *[See (a) below]*	**431,408**	581,617	**49**	66

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

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Deposits, bank balances and cash	23	**483,518**	639,175	**49**	66
Bank overdrafts	28	**(52,110)**	(57,558)	**-**	-
		431,408	581,617	**49**	66

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Bad debts written off	**(79)**	(78)	**-**	-
Gain/(Loss) on disposal of: -				
- long term investments	**1,901**	(3,047)	**-**	-
- investments in a subsidiary	**7,844**	-	**-**	-
- property, plant and equipment	**-**	3,690	**-**	-
- investment properties	**806**	-	**-**	-
Impairment of: -				
- property, plant and equipment	**(15,384)**	(287)	**-**	-
- investments in associates	**(1,007)**	-	**-**	-
- investments in subsidiaries	**-**	-	**(1,167)**	(22,085)
Inventories written down	**(1,509)**	(1,437)	**-**	-
(Loss)/Gain on foreign exchange (unrealised)	**(5,168)**	15,423	**-**	(4)
Negative goodwill recognised	**340**	1,269	**-**	-
Writeback of/(Allowance for): -				
- diminution in value of long term investments	**702**	(29,242)	**-**	-
- doubtful debts	**(74)**	(11,616)	**-**	-
- doubtful debts on amounts owing by subsidiaries	**-**	-	**4,441**	11,768
	(11,628)	(25,325)	**3,274**	(10,321)

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

1. Principal Activities And General Information

The principal activity of the Company is investment holding whilst its subsidiaries and associates 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 Market 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 27 April 2010.

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 subsidiaries 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.

(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. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(d) Price Risk

The Group's principal exposure to equity price risk arises 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 and Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

The preparation of financial statements 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. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgement, estimates and assumption are disclosed in Note 5 to the financial statements. Actual results could differ from those estimates.

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") in Malaysia and the provisions of the Companies Act, 1965. The financial statements of the insurance subsidiary of the Group have also been prepared in accordance with the Insurance Act, 1996, Insurance Regulation, 1996 and Guidelines/Circulars issued by Bank Negara Malaysia ("BNM"), which include the Risk-Based Capital Framework.

The Risk-Based Capital Framework issued by BNM was implemented with effect from 1 January 2009. The insurance subsidiary of the Group has adopted the accounting policies on investments and general insurance liabilities as specified in the framework for the financial year. The effects of adopting these new accounting policies are disclosed in Notes 4(g) and 4(m)(iv) to the financial statements.

4. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation and Accounting (Cont'd)

(i) New/Revised FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following new/revised FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group: -

New/Revised FRSs, Amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 8	*Operating Segments*	1 July 2009
FRS 4	*Insurance Contracts*	1 January 2010
FRS 7	*Financial Instruments: Disclosures*	1 January 2010
FRS 101	*Presentation of Financial Statements (revised)*	1 January 2010
FRS 123	*Borrowing Costs (revised)*	1 January 2010
FRS 139	*Financial Instruments: Recognition and Measurement*	1 January 2010
Amendments to FRS 1	*First-time Adoption of Financial Reporting Standards: Cost of an investment in a subsidiary, jointly controlled entity or associate*	1 January 2010
Amendments to FRS 2	*Share-based Payment: Vesting Conditions and Cancellations*	1 January 2010
Amendments to FRS 7	*Financial Instruments: Disclosures: Reclassification of financial assets and reclassification of financial assets - effective date and transition*	1 January 2010
Amendments to FRS 127	*Consolidated and Separate Financial Statements: Cost of an investment in a subsidiary, jointly controlled entity or associate*	1 January 2010
Amendments to FRS 139	*Financial Instruments: Recognition and Measurement: Eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition and embedded derivatives*	1 January 2010
Amendments to FRS 132	*Financial Instruments: Presentation: Puttable financial instruments and obligations arising on liquidation and transitional provision relating to compound financial instrument*	1 January 2010
IC Interpretation 9	*Reassessment of Embedded Derivatives*	1 January 2010
IC Interpretation 10	*Interim Financial Reporting and Impairment*	1 January 2010
IC Interpretation 11	*FRS 2 - Group and Treasury Share Transactions*	1 January 2010
IC Interpretation 13	*Customer Loyalty Programmes*	1 January 2010
IC Interpretation 14	*FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2010
Amendments to IC Interpretation 9	*Reassessment of Embedded Derivatives: Embedded derivatives*	1 January 2010
Amendments to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
Amendments to FRS 8	*Operating Segments*	1 January 2010
Amendments to FRS 107	*Statement of Cash Flows*	1 January 2010

Amendments to FRS 108	*Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2010
Amendments to FRS 110	*Events after the Reporting Period*	1 January 2010
Amendments to FRS 116	*Property, Plant and Equipment*	1 January 2010
Amendments to FRS 117	*Leases*	1 January 2010
Amendments to FRS 118	*Revenue*	1 January 2010
Amendments to FRS 119	*Employee Benefits*	1 January 2010
Amendments to FRS 120	*Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2010
Amendments to FRS 123	*Borrowing Costs*	1 January 2010
Amendments to FRS 127	*Consolidated and Separate Financial Statements*	1 January 2010
Amendments to FRS 128	*Investments in Associates*	1 January 2010
Amendments to FRS 129	*Financial Reporting in Hyperinflationary Economies*	1 January 2010
Amendments to FRS 131	*Interests in Joint Ventures*	1 January 2010
Amendments to FRS 134	*Interim Financial Reporting*	1 January 2010
Amendments to FRS 136	*Impairment of Assets*	1 January 2010
Amendments to FRS 138	*Intangible Assets*	1 January 2010
Amendments to FRS 140	*Investment Properties*	1 January 2010
FRS 1	*First-time Adoption of Financial Reporting Standards (revised)*	1 July 2010
FRS 3	*Business Combinations (revised)*	1 July 2010
FRS 127	*Consolidated and Separate Financial Statements (revised)*	1 July 2010
Amendments to FRS 2	*Share-based Payment*	1 July 2010
Amendments to FRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 138	*Intangible Assets*	1 July 2010
IC Interpretation 12	*Service Concession Arrangements*	1 July 2010
IC Interpretation 15	*Agreements for the Construction of Real Estate*	1 July 2010
IC Interpretation 16	*Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17	*Distributions of Non-cash Assets to Owners*	1 July 2010
Amendments to IC Interpretation 9	*Reassessment of Embedded Derivatives*	1 July 2010
Amendments to FRS 132	*Financial Instruments: Presentation: Classification of rights issue*	1 March 2010
Amendments to FRS 7	*Improving Disclosures about Financial Instruments*	1 January 2011
Amendments to FRS 1	*First-time Adoption of Financial Reporting Standards: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011

(a) The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of the above FRSs, Amendments to FRSs and IC Interpretations except for FRS 8, FRS 4, FRS 7, FRS 101, Amendments to FRS 117, FRS 127, FRS 139 and Amendments to FRS 8.

(b) By virtue of the exemptions provided under paragraphs 41AA of FRS 4, 103AB of FRS 139 and 44AB of FRS 7, the impact on the consolidated financial statements upon first adoption of FRS 4, FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 are not disclosed.

4. **Significant Accounting Policies** (Cont'd)

(a) **Basis of Preparation and Accounting** (Cont'd)

(i) New/Revised FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective (Cont'd)

(c) 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. This 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.

This 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.

(d) The adoption of revised FRS 101 will have the following impact on the consolidated financial statements: -

- This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

- This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

- Additionally, FRS 101 require the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

- This Standard introduces a new requirement to disclose information on the objective, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

(e) Amendments to FRS 117 *Leases* remove the classification of leases of land and of buildings, and instead, require assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. As at the reporting date, the Group has carrying amount of prepaid lease payments for land of RM46,520,000 (see Note 13 to the financial statements). The Group expects to reclassify the prepaid lease payments for land as land held in accordance with FRS 116 upon adoption of this amendment and shall present a statement of financial position as at the beginning of the earliest comparative period in accordance with FRS 101.

(f) The adoption of revised FRS 127 *Consolidated and Separate Financial Statements* will have the following impact on the consolidated financial statements: -

- This Standard supersedes the existing FRS 127 and replaces the current term "minority interest" with a new term "non-controlling interest" which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

- Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

- As at the reporting date, the Group reports minority interest of RM296,395,000. The Group expects to reclassify this as non-controlling interest and remeasure the non-controlling interest prospectively in accordance with the transitional provisions of FRS 127.

(g) Amendments to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities.

(b) Basis Of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries for the financial year ended 31 December 2009, with the exception of those subsidiaries under members'/ creditors' voluntary winding-up or voluntary administration referred to in Note 14(f) and 14(g) to the financial statements. Subsidiaries 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 subsidiaries acquired or disposed off during the financial year are consolidated from the date on which control is transferred to the Group until the date that such control ceases. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Subsidiaries are consolidated using the purchased method of accounting. Under this method, the cost of an acquisition is measured at 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 assets, liabilities and contingent liabilities acquired is recorded as goodwill.

4. **Significant Accounting Policies** (Cont'd)

(b) **Basis Of Consolidation** (Cont'd)

If the cost of acquisition is less than the fair value of the identifiable assets, liabilities and contingent liabilities 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'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, 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, 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 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 subsidiaries attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, 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 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.

(c) Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

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

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 associate equals or exceeds its interest in the associate, including other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.

The results and reserves of the associates are based on the latest available audited or management accounts. Where the dates of the financial statements are not co-terminous, the share of results is arrived at using the latest audited financial statements for which the 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.

Unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate.

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

(d) Ordinary Shares

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

(e) Goodwill

Goodwill on acquisition of subsidiaries 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 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.

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.

(f) **Trade And Other Receivables**

Trade and other receivables, including any amounts owing by related parties, are carried at anticipated realisable value. Bad debts are written off when known and specific allowance for doubtful debts is made for those debts considered doubtful. For the insurance subsidiary, specific allowance for doubtful debts is also made for any premiums including agents and reinsurance balances which remain outstanding for more than six months from the date in which they became receivable and for motor premiums which remain outstanding for more than 30 days.

(g) **Investments**

Investments in subsidiaries and associates 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 subsidiaries which are stated at valuation, less impairment losses, if any.

Investments in other long term investments, except for the investements held by the insurance subsidiary, 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, except for the investments held by the insurance subsidiary, are stated at the lower of cost and market value.

In respect to investments (including Government Securities and Bonds) held by the insurance subsidiary, prior to 1 January 2009, investments were initially recognised at the purchase price and transaction costs. Subsequent to initial recognition: -

- Investments in Malaysian Government Securities and other unquoted unsecured bonds held to maturity are stated at cost adjusted for amortisation of premiums or accretion of discounts. The amortisation of premiums and accretion of discounts are recognised in the revenue account, and are calculated on a straight line basis over the period from the date of acquisition to the date of maturity of the securities.

- Quoted investments are stated at the lower of cost and market value determined on an aggregate portfolio basis by category of investments. Specific allowance for diminution in value of quoted investments will be made, if any, when the market value has been less than 80% of its cost at all times during the preceding 24 months, by writing down the cost of that quoted investment to the average median price for each month during that 24-month period.

Upon the adoption of the Risk-Based Capital Framework on 1 January 2009, the insurance subsidiary's investments are measured using new valuation bases as follows: -

(i) Held-for-Trading

An investment is categorised as held for trading if it is acquired with the intention to sell in the future.

Investments categorised as held for trading are stated at their fair value with changes in fair values during the reporting period being recognised in the revenue or income account. The fair values of such investments are determined based on active market using quoted market prices as representing actual market transactions on an arm's length basis.

Pursuant to the Risk-Based Capital Framework, the change in accounting policy on 1 January 2009 has resulted in the recognition of RM431,000 (net of deferred tax) in cumulative fair value gain and the corresponding amount is recognised as an adjustment to the retained earnings at the beginning of the financial year.

(ii) Held-to-Maturity

An investment with a fixed or determinable maturity date is categorised as held to maturity if it is acquired with the intention and ability to hold the investments to its maturity.

These investments are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the future cash payments or receipts through the expected life of the financial instrument to its carrying amount.

Pursuant to the Risk-Based Capital Framework, the change in accounting policy on 1 January 2009 has resulted in the recognition of RM385,000 (net of deferred tax) in cumulative loss and the corresponding amount is recognised as an adjustment to the retained earnings at the beginning of the financial year.

(iii) Available-for-Sale

An investment which is neither held for trading nor held to maturity is categorised as available for sale.

These investments are subsequently measured at their fair values with any gain or loss recognised in equity, except for impairment losses which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in equity is reclassified from equity to profit or loss.

Upon disposal of investments, 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 116$_{2004}$ *Property, Plant and Equipment* applied by the Group when the standard was first adopted by the MASB in year 1998.

4. **Significant Accounting Policies** (Cont'd)

(h) **Investment Properties** (Cont'd)

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**

All items 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 116_{2004} *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 116_{2004}) 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 and construction work-in-progress are 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. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4(w) to the financial statements on impairment of assets).

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. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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.

The sale is intended to qualify for recognition as a completed sale within one year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the 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.

Non-current assets held for sale are classified as current assets on the face of the balance sheet and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

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.

4. Significant Accounting Policies (Cont'd)

(k) Liabilities

Trade and other payables, including any amounts owing to related parties, 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 recognised as an expense on a straight-line basis over the lease term.

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, 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) Premium Liabilities

Premium liabilities are stated at the higher of the aggregate of the Unearned Premium Reserves for all classes of insurance and the best estimate value of the Unexpired Risk Reserves maintained at the required risk margin for adverse deviation. The Unexpired Risk Reserves was established pursuant to the Risk-Based Capital Framework which came into force on 1 January 2009.

(a) Unearned Premium Reserve ("UPR")

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.
- Non-annual policies are time-apportioned over the period of the risks.

The UPR calculation is adjusted for additional UPR as required under guidelines issued by BNM in respect of premiums ceded to overseas and other non-qualifying reinsurers.

(b) Unexpired Risk Reserves ("URR")

URR is the prospective estimate of the expected future payments arising from future events under the policies in force as at the valuation date and also includes allowance for the Company's expenses, such as overheads and cost of reinsurance which are expected to occur during the unexpired period of the policies and settling the relevant claims, and expected refunds on premiums.

4. **Significant Accounting Policies** (Cont'd)

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

(iv) Claims Liabilities

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the balance sheet date, whether reported or not, together with related claims handling costs and the reduction for expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these claims cannot be known with certainty at the balance sheet date. The liability is calculated at the reporting date by an independent actuary using a range of standard actuarial claim projection techniques based on empirical data and current assumptions that may include a margin for adverse deviation, which is maintained at no less than 75% confidence level of adequacy. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the contract expires, is discharged or is cancelled. Pursuant to the Risk-Based Capital Framework, the change in accounting policy as at 1 January 2009 has resulted in the recognition of RM4,479,000 (net of deferred tax) in additional net claims incurred on 1 January 2009 and the corresponding amount is recognised as an adjustment to the retained earnings at the beginning of the financial year. In addition, RM4,556,000 was also recognised in the net claims incurred for the financial year ended 31 December 2009 as a result of the change in accounting policies.

Estimating the outstanding claims provision involves projection of the insurance subsidiary'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, timing and amounts of claims settlement as well as uncertainties in the projection model and underlying assumptions.

Prior to 1 January 2009, claims handling costs were not included in the computation of the outstanding claims provision.

(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 premium liabilities, 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 subsidiaries 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, after 31 December 2009, if any.

4. **Significant Accounting Policies** (Cont'd)

(q) **Income Taxes** (Cont'd)

Taxes in the income statement comprises 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 substantively 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 statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(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 consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the functional and presentation currency of the Company.

In the Group financial statements, assets and liabilities of overseas subsidiaries 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 subsidiaries, associates 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 subsidiaries and associates), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of the asset's fair value less costs to sell and its 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. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. If the recoverable amount of CGU is estimated to be less than its carrying amount, the carrying amount of the CGU 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.

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 extend 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.

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.

In respect to the insurance subsidiary, the following assets are reviewed for impairment at the balance sheet date: -

(i) Held-to-Maturity ("HTM") Financial Assets

A HTM financial asset is impaired if there is an objective evidence that one or more events had occurred after the initial recognition which has either impaired or threatens to impair the expected cash flows derived from the asset resulting in a significant or prolonged decline in the fair value. When the present value of the estimated future cash flows discounted using the original effective interest rate are lower than the carrying amount of the asset, the impairment loss is recognised in profit or loss.

A reversal of impairment loss occurs when it can be objectively related to an event occuring after the impairment was recognised to the extent that the carrying amount does not exceed its amortised cost had the impairment not been recognised at the date the impairment is reversed. Such reversal is recognised in profit or loss.

(ii) Available-for-Sale ("AFS") Financial Assets

Impairment losses on assets classified as AFS are recognised when the current fair values are lower than the acquisition costs by transferring the differences between the acquisition costs and the current fair values of the financial instrument from equity to profit or loss, even though the asset has not been derecognised.

Reversals of impairment losses on debt instruments classified as available-for-sale are recognised in the income statement if the increase in fair value can be objectively related to an event occuring after the impairment loss was recognised in profit or loss.

4. Significant Accounting Policies (Cont'd)

(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.

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, equity instruments, 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 as set out in the Note 35(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 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 Judgements

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 CGU 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.

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

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

(iii) Impairment of Investments in Subsidiaries and Associates

The investments in subsidiaries and associates 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) Valuation of General Insurance Liabilities

Information on significant areas of estimation uncertainty and critical judgements in the valuation of general insurance liabilities 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.

(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.

(vii) Allowance for Diminution in Value of Investments

The Group makes allowance for dimimution in value of investments based on an assessment of whether there is a decline in the value of such investments that is 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.

(viii) Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

(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. Barring unforseen circumstances, the sale of such properties is intended to be completed within one year. Hence, the Group may continue to classify certain assets as non-current assets held for sale even though the sale has not been completed within one year if 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 of business.

6. Revenue

	Group		Company	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Revenue comprises the following: -				
Sales of goods	**484,053**	507,000	**-**	-
Gross written insurance premium	**212,381**	191,483	**-**	-
Revenue from hotel operations	**185,214**	210,066	**-**	-
Income recognised on property development	**10,270**	21,576	**-**	-
Income from sales of tickets and travel related services	**6,189**	9,720	**-**	-
Sales of oil palm fruits	**5,855**	6,977	**-**	-
Interest income	**2,556**	2,727	**1,184**	1,327
Property rental income	**1,412**	3,256	**-**	-
Dividend income	**-**	148	**4,007**	5,116
Others *	**81**	116	**-**	-
	908,011	953,069	**5,191**	6,443

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

7. Exceptional Items

		Group		Company	
		2009	*2008*	***2009***	*2008*
	Note	***RM'000***	*RM'000*	***RM'000***	*RM'000*
Bad debts written off		**(79)**	(78)	**-**	-
Compensation from closure of outlet		**2,730**	-	**-**	-
Gain/(Loss) on disposal of: -					
- long term investments		**1,901**	(3,047)	**-**	-
- investments in a subsidiary	14(c)	**7,844**	-	**-**	-
- property, plant and equipment		**-**	3,690	**-**	-
- investment properties		**806**	-	**-**	-
Impairment of: -					
- property, plant and equipment	11	**(15,384)**	(287)	**-**	-
- investments in associates		**(1,007)**	-	**-**	-
- investments in subsidiaries		**-**	-	**(1,167)**	(22,085)
Inventories written down		**(1,509)**	(1,437)	**-**	-
(Loss)/Gain in foreign exchange: -					
- unrealised		**(5,168)**	15,423	**-**	(4)
- realised		**2,043**	(24,245)	**-**	-
Negative goodwill recognised		**340**	1,269	**-**	-
Non-recurring expenses for repair and maintenance of a development project		**-**	(484)	**-**	-
Writeback of/(Allowance for): -					
- diminution in value of long term investments		**702**	(29,242)	**-**	-
- doubtful debts		**(74)**	(11,616)	**-**	-
- doubtful debts on amounts owing by subsidiaries		**-**	-	**4,441**	11,768
		(6,855)	(50,054)	**3,274**	(10,321)

8. Profit/(Loss) Before Taxation

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

		Group		Company	
		2009	2008	**2009**	2008
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Allowance for diminution in value of short term investments		**-**	1,449	**-**	-
Auditors' remuneration					
- current		**1,664**	1,572	**65**	65
- under provision in prior years		**51**	52	**-**	-
Depreciation/Amortisation					
- property, plant and equipment	11	**30,353**	30,725	**-**	-
- investment properties	12	**783**	913	**-**	-
- prepaid land lease payments	13	**545**	428	**-**	-
Directors' remuneration: -					
Directors of the Company					
Receivable from the Company					
- fees		**-**	324	**-**	324
- other emoluments		**315**	325	**315**	325
- defined contribution plan		**105**	96	**105**	96
Receivable from subsidiaries					
- fees		**146**	364	**-**	-
- other emoluments		**2,577**	2,192	**-**	-
- defined contribution plan		**416**	366	**-**	-
Directors of subsidiaries					
- fees		**164**	494	**-**	-
- other emoluments		**1,465**	2,321	**-**	-
- defined contribution plan		**84**	86	**-**	-
Interest expense					
- bank overdrafts		**1,805**	4,738	**-**	-
- term loans		**15,995**	39,215	**-**	-
- other borrowings		**41,630**	59,067	**1,184**	1,326
Loss on disposal of short term investments		**-**	7,684	**-**	-
Property, plant and equipment written off	11	**6,197**	401	**-**	-
Provision for employee benefits (net)	29	**-**	371	**-**	-
Rental of buildings		**51,360**	47,073	**-**	-
Rental of equipment		**1,325**	1,259	**-**	-
Staff costs					
- defined contribution plan		**6,484**	6,581	**-**	-
- salary, wages and other costs		**115,295**	125,531	**-**	-

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

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

		Group		Company	
	Note	**2009 RM'000**	2008 RM'000	**2009 RM'000**	2008 RM'000
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		**15,281**	-	**-**	-
Gain on disposal of short term investments		**2,939**	-	**-**	-
Gain on disposal of property, plant and equipment		**186**	237	**-**	-
Gross dividends received from					
Subsidiaries					
- quoted		**-**	-	**-**	1,044
- unquoted		**-**	-	**4,007**	4,072
Other investments					
- quoted in Malaysia		**1,711**	1,849	**-**	-
- quoted overseas		**528**	14	**-**	-
- unquoted		**92**	45	**-**	-
Interest income received from					
- subsidiaries		**-**	-	**1,184**	1,327
- fixed deposits		**8,578**	23,183	**-**	1
- others		**5,527**	5,816	**-**	-
Property rental income		**6,548**	5,852	**-**	-
Provision for employee benefits written back (net)	29	**1,033**	-	**-**	-

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 RM50,000 and RM3,000 (2008: RM31,000 and RM4,000) respectively.

9. Taxation

		Group		Company	
	Note	**2009 RM'000**	2008 RM'000	**2009 RM'000**	2008 RM'000
Current taxation					
- Malaysia		**16,156**	16,174	**869**	1,112
- Foreign		**-**	27	**-**	-
Deferred tax	30	**1,382**	(5,906)	**-**	-
		17,538	10,295	**869**	1,112
(Over)/Under provision in respect of prior years		**(12,630)**	5,245	**(11,405)**	4
Total		**4,908**	15,540	**(10,536)**	1,116

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

	Group		Company	
	2009	2008	**2009**	2008
	%	%	**%**	%
Tax at applicable tax rate on profit/(loss) before taxation	**25.00**	(26.00)	**25.00**	(26.00)
Tax effects of :				
Different tax rates on subsidiaries	**(6.84)**	(7.97)	**-**	-
Tax exempt income	**(36.58)**	(8.30)	**-**	-
Movement in deferred tax assets not recognised during the financial year	**4.43**	1.21	**-**	-
Changes in tax rates for previously recognised deferred tax assets	**-**	0.03	**-**	-
Crystallisation of revaluation surplus on property, plant and equipment	**(0.15)**	(1.68)	**-**	-
Taxable income not recognised in income statement	**10.62**	4.39	**-**	-
Non-allowable expenses	**93.70**	60.74	**15.52**	84.19
Income not subject to tax	**(26.68)**	(8.10)	**(25.89)**	(42.68)
	63.50	14.32	**14.63**	15.51
(Over)/Under provision in respect of prior years	**(45.73)**	7.30	**(191.92)**	0.05
Average effective tax rate	**17.77**	21.62	**(177.29)**	15.56

10. Earnings/(Loss) Per Share

(a) Basic

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

	Group	
	2009	2008
	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company	**3,389**	(74,142)
	Unit	Unit
	'000	'000
Weighted average number of ordinary shares in issue	**1,940,532**	1,940,532
	Sen	Sen
Basic earning/(loss) per share	**0.17**	(3.82)

(b) Diluted

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

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

(b) Diluted (Cont'd)

	Group	
	2009	*2008*
	RM'000	*RM'000*
Profit/(Loss) attributable to equity holders of the Company	**3,389**	(74,142)
	Unit	*Unit*
	'000	*'000*
Weighted average number of ordinary shares in issue	**1,940,532**	1,940,532
Dilutive effect of ICULS	**887,324**	887,324
Adjusted weighted average number of ordinary shares	**2,827,856**	2,827,856
	Sen	*Sen*
Diluted earnings per share	**0.12**	*

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

11. Property, Plant And Equipment

Group	Note	Freehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture Fittings & Equipment RM'000	Construction Work-In Progress RM'000	Renovation RM'000	Total 2009 RM'000	Total 2008 RM'000
Cost or Valuation										
At 1 January		269,732	493,353	48,504	11,786	189,454	1,068	83,170	1,097,067	1,272,004
Exchange difference		22,076	30,671	6	(15)	9,320	154	-	62,212	(195,595)
Reclassifications		-	504	(6)	-	6	(504)	-	-	-
		291,808	524,528	48,504	11,771	198,780	718	83,170	1,159,279	1,076,409
Transfer from/(to): -										
- Investment Properties	12	-	-	-	-	-	-	-	-	10,230
- Non-Current Assets Held for Sale		(117,971)	(154,749)	-	-	(54,378)	-	-	(327,098)	-
Additions		-	1,406	1,248	477	8,807	-	17,965	29,903	28,882
Disposals		-	-	(46)	(778)	(99)	-	-	(923)	(13,248)
Written off		-	(2,909)	(34)	(5)	(10,803)	-	(7,335)	(21,086)	(5,206)
At 31 December		173,837	368,276	49,672	11,465	142,307	718	93,800	840,075	1,097,067
Accumulated Depreciation										
At 1 January		-	74,201	42,216	9,243	167,977	-	66,415	360,052	364,754
Exchange difference		-	1,764	3	(12)	8,624	-	-	10,379	(31,332)
Reclassifications		-	16,657	-	-	(16,657)	-	-	-	55
		-	92,622	42,219	9,231	159,944	-	66,415	370,431	333,477
Transfer from/(to): -										
- Investment Properties	12	-	-	-	-	-	-	-	-	2,310
- Non-Current Assets Held for Sale		-	(6,508)	-	-	(46,368)	-	-	(52,876)	-
Charge for the financial year		-	6,134	1,446	935	14,637	-	7,201	30,353	30,725
Disposals		-	-	(46)	(778)	(80)	-	-	(904)	(1,655)
Written off		-	-	(34)	(5)	(10,119)	-	(4,731)	(14,889)	(4,805)
At 31 December		-	92,248	43,585	9,383	118,014	-	68,885	332,115	360,052
Accumulated Impairment										
At 1 January		1,477	36,657	-	-	3,531	-	-	41,665	43,279
Exchange difference		143	334	-	-	344	-	-	821	(1,846)
Reclassifications		-	-	-	-	-	-	-	-	(55)
		1,620	36,991	-	-	3,875	-	-	42,486	41,378
Transfer to Non-Current Assets Held for Sale		(1,620)	(17,813)	-	-	(1,191)	-	-	(20,624)	-
Recognised during the financial year		-	14,760	-	-	624	-	-	15,384	287
At 31 December		-	33,938	-	-	3,308	-	-	37,246	41,665
Net Book Value										
At 31 December 2009		173,837	242,090	6,087	2,082	20,985	718	24,915	470,714	-
At 31 December 2008		268,255	382,495	6,288	2,543	17,946	1,068	16,755	-	695,350

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

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

	Group 2009 RM'000	Group 2008 RM'000
Freehold land and buildings		
Valuation in 1983	**91,413**	91,413
Valuation in 1986	**16,960**	16,960
	108,373	108,373

The valuation in 1983 was 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 subsidiaries with net book values totalling RM359,412,000 (2008: RM569,504,000) are pledged to financial institutions for banking facilities granted to these subsidiaries and related companies.

(d) Property, plant and equipment of the Group with net book value totalling RM126,000 (2008: RM243,000) have been acquired under hire-purchase and lease arrangements.

(e) The additions of property, plant and equipment during the financial year totalling RM29,903,000 comprise the following: -

	Note	Group 2009 RM'000	Group 2008 RM'000
Total additions for the financial year as reported		**29,903**	28,882
Less: Provision for restoration cost of rented premises	32	**(8,247)**	-
As reported in cash flow statements		**21,656**	28,882

12. Investment Properties

	Note	Group 2009 RM'000	Group 2008 RM'000
Cost or Valuation			
At 1 January			
- at cost		**108,961**	119,061
- at valuation (1982)		**150**	150
		109,111	119,211
Transfer to Property, Plant and Equipment	11	**-**	(10,230)
Exchange difference		**17**	79
Additions		**5**	51
Disposals		**(2,094)**	-
At 31 December		**107,039**	109,111

	Note	Group 2009 RM'000	Group 2008 RM'000
Accumulated Depreciation			
At 1 January		**6,217**	7,598
Transfer to Property, Plant and Equipment	11	**-**	(2,310)
Exchange difference		**3**	16
Charge for the financial year		**783**	913
At 31 December		**7,003**	6,217
Accumulated Impairment			
At 1 January/31 December		**10,000**	10,000
Net Book Value			
At 31 December		**90,036**	92,894
Fair Value		**100,476**	111,184
Included in the above are:-			
Buildings		**28,598**	29,368
Freehold land		**50,827**	52,916
Construction work-in-progress		**10,611**	10,610
		90,036	92,894

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: -

	Group 2009 RM'000	Group 2008 RM'000
Rental Income	**2,507**	3,487
Direct operating expenses	**2,631**	4,112

The investment property at valuation of RM150,000 was based on revaluation in 1982 by independent professional valuers on the basis of open market value.

Fair value of investment properties was estimated by the Directors based on market values of comparable properties and valuation carried out by independent registered valuers.

13. Prepaid Land Lease Payments

	Group 2009 RM'000	Group 2008 RM'000
Cost		
At 1 January	**35,885**	35,885
Exchange difference	**6**	-
Additions	**17,547**	-
At 31 December	**53,438**	35,885
Accumulated Amortisation		
At 1 January	**3,994**	3,564
Exchange difference	**6**	2
Charge for the financial year	**545**	428
At 31 December	**4,545**	3,994

13. Prepaid Land Lease Payments (Cont'd)

	Group 2009 RM'000	Group 2008 RM'000
Accumulated Impairment		
At 1 January/31 December	**2,373**	2,373
Net Book Value		
At 31 December	**46,520**	29,518
Analysed as:-		
Long term leasehold land	**40,175**	23,159
Short term leasehold land	**6,345**	6,359
	46,520	29,518

Prepaid land lease payments with an aggregate carrying value of RM5,627,000 (2008: RM5,699,000) are pledged as securities for borrowings.

14. Subsidiaries

	Company 2009 RM'000	Company 2008 RM'000
Investments in subsidiaries		
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	**(271,222)**	(270,055)
	773,488	774,655
Market value of quoted shares	**51,455**	41,254

(a) Certain investments in subsidiaries are carried at revalued amounts based on valuations made by Directors then in 1983 and 1987. The valuation of the quoted investments in subsidiaries were based on the market values of the shares in the relevant subsidiaries at that point in time, whereas the valuations of the unquoted investments in subsidiaries were based on the adjusted net tangible assets of the relevant subsidiaries. The valuations have not been updated as the Company has not adopted a policy of regular revaluation. As FRS 125_{2004} *Accounting For Investments* became operative in Malaysia for financial statements covering period beginning on or after 1 January 1993, the investments in subsidiaries are stated at its previous valuations less impairment losses, if any.

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

(c) The Group completed the disposal of its entire investment in Two Holdings Sdn. Bhd. ("THSB"), a wholly-owned subsidiary of MUI Properties Berhad, on 30 January 2009. The details of the disposal are disclosed in Note 37(a).

The revenue and results of THSB for the financial year are as follows: -

	2009 Up to the date of disposal RM'000
Revenue	-
Operating costs	-
Loss after taxation	-

The effects of the disposal on the financial position of the Group are as follows:-

	2009 At the date of disposal RM'000
Goodwill	**362**
Deferred tax assets	**425**
Property development cost	**908**
Cash and bank balances	**1**
Other payables	**(696)**
Minority interest	**456**
Net assets disposed	**1,456**
Proceeds from disposal	**9,300**
Gain on disposal	**7,844**

Net cash inflow arising on disposal: -

	2009 At the date of disposal RM'000
Proceeds from disposal	**9,300**
Cash and bank balances disposed	**(1)**
	9,299

(d) MUI Media Limited ("MML"), a dormant wholly-owned subsidiary of the Group incorporated in the United Kingdom ("UK") was dissolved on 12 May 2009 following an earlier application by MML to the Companies House in the UK for its dissolution by way of voluntary striking-off.

The consolidated financial statements did not include MML with effect from the date when the subsidiary was placed under members' voluntary winding-up.

The effects of the deconsolidation of MML does not have a material impact on the financial results of the Group during the financial year.

(e) PMRI Investments (Singapore) Pte Ltd, a wholly-owned subsidiary of Pan Malaysia Corporation Berhad, incorporated a subsidiary known as Tudor Gold Limited on 8 December 2009 in the United Kingdom.

(f) The consolidated financial statements does not deal with the subsidiaries under or pending liquidation.

(g) The subsidiaries, including those companies under or pending liquidation as indicated, are listed on pages 127 to 136.

15. Associates

	Group 2009 RM'000	Group 2008 RM'000
Investments in associates		
Quoted shares, at cost		
Malaysia	**54,011**	54,011
Overseas	**304,353**	316,023
	358,364	370,034
Unquoted shares, at cost	**111,114**	111,114
	469,478	481,148
Group's share of post-acquisition reserves, net of dividend received	**(136,281)**	(162,231)
	333,197	318,917
Less: Impairment losses	**(52,213)**	(51,206)
	280,984	267,711
Market value of quoted shares		
Malaysia	**42,610**	26,986
Overseas	**195,572**	125,108
	238,182	152,094

The summarised financial information of the associates are as follows: -

	Group 2009 RM'000	Group 2008 RM'000
Assets and liabilities		
Total assets	**1,382,326**	1,115,491
Total liabilities	**745,579**	613,395
Results		
Revenue	**1,622,616**	1,710,559
Profit for the financial year	**42,964**	35,671

(a) The impairment of certain investments in associates is recognised in the previous financial year to reflect their recoverable amounts based on net assets of the associates which have declined due to losses incurred.

(b) Certain quoted shares in an overseas associate held by an overseas subsidiary were pledged to overseas financial institutions for credit facilities of RM308,967,000 (which were included in the credit facilities as mentioned in Note 28) granted to an overseas and a Malaysia subsidiary.

(c) The associates are listed on pages 128 to 134.

16. Investments

	Group 2009 RM'000	Group 2008 RM'000
Quoted shares		
Malaysia, at cost	**122,007**	193,969
Overseas, at cost	**61,863**	45,060
	183,870	239,029
Less: Allowance for diminution in value	**(133,901)**	(203,170)
	49,969	35,859

	Group 2009 RM'000	Group 2008 RM'000
Unquoted shares, at cost	**270,397**	252,066
Less: Allowance for diminution in value, net of investments written off of Nil (2008: RM127,907,000) for the Group	**(63,095)**	(57,910)
	207,302	194,156
Net carrying amount	**257,271**	230,015
Market value of quoted shares		
Malaysia	**40,982**	29,282
Overseas	**30,844**	373
	71,826	29,655

17. Land Held For Property Development And Property Development Costs

	Group 2009 RM'000	Group 2008 RM'000
(a) Land held for property development (Non-current)		
Freehold land, at cost		
At 1 January/31 December	**35,263**	35,263
(b) Property Development Costs (Current)		
Costs at 1 January		
Freehold land	**24,173**	24,406
Development costs	**66,222**	58,030
Exchange differences	**101**	149
	90,496	82,585
Costs incurred for the financial year		
Development costs	**11,600**	12,675
Accumulated costs reversed during the financial year in respect of completed projects		
Freehold land	**(262)**	(145)
Development costs	**(10,716)**	(2,838)
	(10,978)	(2,983)
Costs recognised in income statement		
At 1 January	**(7,971)**	(2,749)
Recognised for the financial year	**(5,372)**	(8,205)
Accumulated costs reversed during the financial year in respect of completed projects	**10,978**	2,983
At 31 December	**(2,365)**	(7,971)
Accumulated impairment		
At 1 January/31 December	**(6,500)**	(6,500)
Transfers at 31 December to inventories	**(5,698)**	(1,733)
At 31 December	**76,555**	76,073

18. Goodwill On Consolidation

	Group	
	2009	*2008*
	RM'000	*RM'000*
Cost		
At 1 January	**1,264,905**	1,259,412
Disposal of a subsidiary	**(362)**	-
Purchase of additional interest in subsidiaries	**2,710**	5,493
At 31 December	**1,267,253**	1,264,905
Accumulated Impairment		
At 1 January/31 December	**1,041,257**	1,041,257
Net Book Value		
At 31 December	**225,996**	223,648

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

In assessing the recoverable amounts of the subsidiaries 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 was determined based on adjusted net assets method where the net assets of the subsidiary 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.

(b) Value in use
Value in use was estimated by using cash flow projections based on the financial budgets and projected terminal value after five years approved by the Board of Directors covering a period of five years for a retailing subsidiary and twenty years for a food and confectionery subsidiary. The discount rate applied to the cash flow projections was 8% based on weighted average cost of capital of the Company.

In the previous financial year, the recoverable amounts of certain subsidiaries 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 2009 impairment of goodwill amounting to RM1.04 billion out of the total goodwill of RM1.27 billion.

19. Inventories

	Group 2009 RM'000	Group 2008 RM'000
At cost		
Retail trading merchandises	**53,726**	58,142
Completed development property units	**24,593**	20,076
Finished goods	**14,117**	11,975
Raw materials	**3,222**	3,119
Sundry stores and consumables	**2,118**	2,202
Work-in-progress	**1,738**	1,304
Food, beverages and hotel supplies	**1,134**	1,275
	100,648	98,093
At net realisable value		
Raw materials	**2,096**	1,968
	102,744	100,061

20. Trade And Other Receivables

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Trade receivables	**582,440**	579,127	-	-
Less: Allowance for doubtful debts, net of bad debts written off of RM169,000 (2008: RM525,000) for the Group	**(429,893)**	(430,046)	-	-
	152,547	149,081	-	-
Other receivables	**68,947**	83,938	-	-
Less: Allowance for doubtful debts, net of bad debts written off of RM26,000 (2008: RM2,169,000) for the Group	**(36,281)**	(41,778)	-	-
	32,666	42,160	-	-
Amounts owing by associates	**126,278**	123,622	-	-
Less: Allowance for doubtful debts	**(27)**	(27)	-	-
	126,251	123,595	-	-
Amounts owing by subsidiaries	-	-	**2,518,298**	2,516,831
Less: Allowance for doubtful debts	-	-	**(1,147,358)**	(1,151,799)
	-	-	**1,370,940**	1,365,032
Deposits & prepayments	**16,353**	18,301	**4**	4
	327,817	333,137	**1,370,944**	1,365,036

20. Trade And Other Receivables (Cont'd)

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

	Group	
	2009	2008
	RM'000	RM'000
Sterling Pound	**8,702**	6,232
Hong Kong Dollar	**2,508**	2,948
United States ("US") Dollar	**446**	1,383
Singapore Dollar	**2,584**	1,144
	14,240	11,707

(b) The amounts owing by associates, which were previously subsidiaries, represent balances arising from advances which are unsecured, repayable on demand and interest-free except for advances of RM54.4 million (2008: RM54.4 million) which bear interest at 4.7% (2008: 5.0%) per annum.

(c) The amounts owing by subsidiaries, which represent balances arising from advances and payments made on behalf by the Company, are unsecured, repayable on demand and interest-free except for amounts totalling RM20.0 million (2008: RM20.0 million) which bear interests at 5.83% to 6.57% per annum (2008: 5.74% to 6.88% 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

(a) Held-to-maturity

	Group	
	2009	2008
	RM'000	RM'000
Amortised Cost		
Malaysian Government Securities	**14,988**	-
Cagamas Bonds	**5,012**	-
Corporate Bonds	**25,024**	-
	45,024	-
Fair Value		
Malaysian Government Securities	**15,337**	-
Cagamas Bonds	**5,134**	-
Corporate Bonds	**26,876**	-
	47,347	-

(b) Other investments

	Group 2009 RM'000	Group 2008 RM'000
Malaysian Government Securities, at cost	-	22,378
Add: Accretion of discounts	-	43
	-	22,421
Cagamas Bonds, at cost	-	5,034
Add: Amortisation of premiums	-	(6)
	-	5,028
Unquoted Corporate Bonds , at cost	-	24,950
Add: Accretion of discounts	-	22
	-	24,972
	-	52,421
Market value		
Malaysian Government Securities and Cagamas Bonds	-	27,778

	Average effective annual interest rate %	Carrying Amount RM'000	Maturity Less than 1 year RM'000	1 to 2 years RM'000	2 to 3 years RM'000	3 to 4 years RM'000	4 to 5 years RM'000	More than 5 years RM'000
2009								
Financial assets: -								
Malaysian Government Securities	**3.71**	**14,988**	**-**	**4,982**	**4,997**	**5,009**	**-**	**-**
Cagamas Bonds	**4.33**	**5,012**	**-**	**-**	**5,012**	**-**	**-**	**-**
Corporate Bonds	**4.95**	**25,024**	**5,008**	**5,049**	**9,942**	**4,925**	**-**	**100**
		45,024	**5,008**	**10,031**	**19,951**	**9,934**	**-**	**100**
2008								
Financial assets: -								
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
		52,421	7,497	4,973	9,971	19,988	9,892	100

22. Short Term Investments

	Group	
	2009	*2008*
	RM'000	*RM'000*
Held-for-trading		
Quoted in Malaysia, at fair value	**35,458**	-
Quoted in outside Malaysia, at fair value	**24,111**	-
	59,569	-
Other investments		
Quoted in Malaysia, at cost	**20**	12,818
Less: Allowance for diminution in value	**-**	(1,627)
	20	11,191
	59,589	11,191
Market value of quoted shares	**59,634**	11,191

23. Deposits, Bank Balances And Cash

	Group		Company	
	2009	*2008*	**2009**	*2008*
	RM'000	*RM'000*	**RM'000**	*RM'000*
Term deposits with licensed banks	**440,292**	595,692	**22**	22
Bank balances and cash	**43,226**	43,483	**27**	44
	483,518	639,175	**49**	66

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

	Group 2009	Group 2008	Company 2009	Company 2008
Sterling Pound	**89,377**	77,196	**-**	7
Hong Kong Dollar	**11,345**	13,194	**26**	27
Singapore Dollar	**10,840**	9,249	**2**	2
Australia Dollar	**445**	2,398	**1**	1
US Dollar	**5,032**	1,954	**-**	-
Canada Dollar	**-**	85	**-**	-
	117,039	104,076	**29**	37

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

	Group 2009	Group 2008	Company 2009	Company 2008
	%	*%*	**%**	*%*
Term deposits with licensed banks	**2.04**	3.00	**0.25**	1.13
Bank balances and cash	**2.00**	2.00	**-**	-

The average maturity for deposits ranges from 7 days to 365 days (2008: 1 day to 365 days).

(c) Included in deposits, bank balances and cash of the Group are amounts totalling RM4,700,000 (2008: RM3,774,000) 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 RM31,000,000 (2008: RM224,500,000), which represents balance of proceeds from the disposal of the cement associates by a listed subsidiary. 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's application to revise the utilisation by repaying its bank borrowings and expanding its food and confectionery business. During the financial year, RM176,500,000 and RM17,000,000 have been utilised to repay bank borrowings and to finance the acquisition of a piece of property respectively.

24. Non-Current Assets Held For Sale

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

(i) At 31 December 2009, non-current assets held for sale comprise freehold land and buildings together with the furniture, fittings & equipments with a total carrying amount of RM256,702,000. These assets are ear-marked for disposal. They are currently being actively marketed for sale and the disposal is intended to take place within the next one year.

(ii) As at 31 December 2008, non-current assets held for sale with a total carrying amount of RM42,560,000 comprised the following: -

(a) The disposal of the entire issued and paid-up share capital of Two Holdings Sdn. Bhd., a wholly-owned subsidiary of MUI Properties Berhad, for a cash consideration of RM9.3 million.

(b) The disposal of the 15-storey office building situated on a piece of freehold land by Pan Malaysia Holdings Berhad for a cash consideration of RM39.0 million.

Both the above disposals were completed on 30 January 2009. Further details on the disposals are disclosed in Note 37(a) and (b).

(iii) The non-current assets held for sale with carrying amounts totalling RM254,660,000 (2008: RM39,000,000) are pledged to financial institutions for credit facilities granted to subsidiaries.

25. Share Capital

	Group/Company	
	2009	*2008*
	RM'000	*RM'000*
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

Subsequent to the financial year, the Company has issued 80,688,698 ordinary shares of RM1.00 each during the period up to 27 April 2010 arising from the conversion of the Class A1, 8-year Irredeemable Convertible Unsecured Loan Stocks ("ICULS") exercised by the holders of the Class A1 ICULS. The newly issued shares rank pari passu in all respects with the existing shares of the Company.

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

	Group/Company	
	2009	2008
	RM'000	RM'000
At nominal value		
Class A1, 8-year ICULS ("Class A1 ICULS")	**443,662**	443,662
Class A2, 8-year ICULS ("Class A2 ICULS")	**443,662**	443,662
Total	**887,324**	887,324
Less: Discount portion of ICULS	**(150,845)**	(150,845)
Net value of ICULS	**736,479**	736,479

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

The salient features of the ICULS are as follows: -

(i) The ICULS are non-interest bearing for their entire tenures;

(ii) The ICULS which were issued on 30 December 2004 ("Issue Date") shall mature on the day immediately preceding the eighth (8th) anniversary of their Issue Date. The maturity date shall be 28 December 2012 ("Maturity Date");

(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 months from the expiry of the fifth (5th) year from the Issue Date (i.e. 30 December 2009 to 30 June 2010)("First Conversion Period"). Any Class A1 ICULS not converted then shall be convertible into New MUI Shares during the period being the last six months of the eighth (8th) year from Issue Date (i.e. 27 June 2012 to 27 December 2012)("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 new fully paid-up ordinary share in MUI;

(vi) All outstanding ICULS on Maturity Date shall be automatically and mandatorily converted into New MUI Shares;

(vii) The Company shall issue additional ICULS designated as Class A3, 2½-year ICULS at nominal value upfront in year 6 as compensation in place of interest in cash for the 3-year period from years 6 to 8 on the outstanding unconverted Class A1 ICULS and Class A2 ICULS as at the end of the First Conversion Period (i.e. 30 June 2010). 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.

Subsequent to the financial year, some holders of the Class A1 ICULS have exercised their rights to convert their Class A1 ICULS. During the period up to 27 April 2010, Class A1 ICULS with nominal values totalling RM80,688,698 have been converted into 80,688,698 ordinary shares of RM1.00 each in the Company as mentioned in Note 25.

27. Reserves

	Group		Company	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
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	**83,219**	57,196	-	-
Capital reserve	**2,626**	2,757	-	-
Distributable				
General reserve	**25,257**	25,257	-	-
Accumulated losses	**(2,329,172)**	(2,330,246)	**(803,634)**	(820,111)
	(1,978,461)	(2,005,427)	**(557,065)**	(573,542)

(a) The capital reserve comprises mainly the Group's portion of the share premium arising from special issues to approved Bumiputera investors by subsidiaries in previous financial years.

(b) The general reserve comprises mainly gains from disposal of property, plant and equipment by subsidiaries in previous financial years.

28. Borrowings

	Group	
	2009	*2008*
	RM'000	*RM'000*
Non-Current		
Term loans and revolving credits		
- secured	**774,658**	753,066
Hire-purchase and lease liabilities	**124**	231
	774,782	753,297
Less: Current portion of term loans	**(10,353)**	(59,211)
	764,429	694,086

	Group		Company	
	2009	*2008*	***2009***	*2008*
	RM'000	*RM'000*	***RM'000***	*RM'000*
Current				
Bank overdrafts				
- secured	**32,120**	31,267	-	-
- unsecured	**19,990**	26,291	-	-
Bills payable - unsecured	-	72	-	-
Bank revolving credits and short term loans				
- secured	**80,000**	110,000	-	-
- unsecured	**426,348**	575,898	**20,000**	20,000
Current portion of term loans	**10,353**	59,211	-	-
Hire-purchase and lease liabilities	**107**	99	-	-
	568,918	802,838	**20,000**	20,000

28. Borrowings (Cont'd)

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

	Group 2009 RM'000	Group 2008 RM'000
Between 1 year to 2 years	**524,633**	210,843
Between 2 years to 3 years	**225,192**	301,813
Between 3 years to 4 years	**840**	181,199
Between 4 years to 5 years	**1,050**	-
More than 5 years	**12,590**	-
	764,305	693,855

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

	Group 2009 RM'000	Group 2008 RM'000
Hire-purchase and minimum lease payments		
Within 1 year	**120**	120
Between 1 year to 5 years	**129**	249
	249	369
Future finance charges	**(18)**	(39)
Present value of hire-purchase and finance lease liabilities	**231**	330
Portion payable: -		
Within 1 year (current)	**107**	99
Between 1 year to 5 years (non-current)	**124**	231
	231	330

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

	Group 2009 RM'000	Group 2008 RM'000
Sterling Pound	**464,191**	403,172
Singapore Dollar	**-**	522
	464,191	403,694

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

	Group 2009 %	Group 2008 %	Company 2009 %	Company 2008 %
Bank overdrafts	**5.3**	7.7	**-**	-
Bills payable	**-**	3.9	**-**	-
Bank revolving credits and short term loans	**4.5**	5.5	**5.9**	6.6
Term loans	**2.7**	7.3	**-**	-
Hire-purchase and lease liabilities	**7.8**	7.9	**-**	-

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Fixed rate borrowings	**15,820**	34,820	**-**	-
Floating rate borrowings	**1,317,296**	1,461,774	**20,000**	20,000
	1,333,116	1,496,594	**20,000**	20,000

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

(i) fixed charges over certain landed properties, fixed deposits, marketable securities, quoted shares in an associate and plant and machinery of the subsidiaries.

(ii) floating charges over all the other assets of these subsidiaries.

29. Employee Benefits

	Note	Group 2009 RM'000	Group 2008 RM'000
At 1 January		**6,770**	6,817
Reclassification		**195**	-
Exchange adjustments		**7**	35
(Writeback)/Provision for the financial year		**(1,033)**	371
Paid during the financial year		**(746)**	(453)
At 31 December		**5,193**	6,770
Less: Current portion included in provision	32	**(2,134)**	(3,268)
		3,059	3,502

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

	Note	Group 2009 RM'000	Group 2008 RM'000
At 1 January			
- as previously stated		**6,058**	12,725
- effect of adopting new accounting policies		**(1,493)**	-
- as restated		**4,565**	12,725
Exchange adjustments		**323**	(1,704)
Disposal of a subsidiary		**425**	-
Transfer to capital reserves		**-**	943
Transfer from/(to) income statement	9	**1,382**	(5,906)
At 31 December		**6,695**	6,058

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

	2009	2008
Deferred tax liabilities, net	**9,242**	10,468
Deferred tax assets, net	**(2,547)**	(4,410)
	6,695	6,058

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

(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

	Investment RM'000	*Property, plant and equipment RM'000*	*Total RM'000*
At 1 January 2008	-	43,652	43,652
Exchange adjustments	-	(8,546)	(8,546)
Recognised in income statement	-	(2,546)	(2,546)
Transfer from capital reserves	-	943	943
Transfer from deferred tax assets	-	240	240
At 31 December 2008/1 January 2009	**-**	**33,743**	**33,743**
Exchange adjustments	**-**	**2,582**	**2,582**
Disposal of subsidiary	**-**	**425**	**425**
Recognised in income statement	**3,522**	**(5,108)**	**(1,586)**
Transfer from deferred tax assets	**-**	**473**	**473**
At 31 December 2009	**3,522**	**32,115**	**35,637**

Deferred Tax Assets of the Group

	Advance Corporate Taxation RM'000	*Provisions RM'000*	*Unutilised Tax Losses And Capital Allowances RM'000*	*Others RM'000*	*Total RM'000*
At 1 January 2008	14,734	4,211	11,672	310	30,927
Exchange adjustments	(3,834)	(11)	(2,997)	-	(6,842)
Recognised in income statement	1,531	(36)	2,085	(220)	3,360
Transfer to deferred tax liabilities	-	210	30	-	240
At 31 December 2008/1 January 2009	**12,431**	**4,374**	**10,790**	**90**	**27,685**
Exchange adjustments	**1,214**	**1**	**1,044**	**-**	**2,259**
Tax effect of adopting the new accounting policies for claims liabilities and investments	**-**	**1,493**	**-**	**-**	**1,493**
Recognised in income statement	**1,245**	**(2,316)**	**(2,059)**	**162**	**(2,968)**
Transfer from/(to) deferred tax liabilities	**-**	**708**	**17**	**(252)**	**473**
At 31 December 2009	**14,890**	**4,260**	**9,792**	**-**	**28,942**

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

	Group	
	2009	2008
	RM'000	RM'000
Unutilised tax losses	**375,848**	369,286
Unutilised capital allowances	**14,114**	15,342
Other deductible temporary differences	**140**	585
	390,102	385,213

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

31. Trade And Other Payables

	Group		Company	
	2009	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000
Trade payables	**146,108**	142,608	**-**	-
Other payables	**48,993**	43,407	**142**	109
Accrued expenses	**26,442**	33,829	**-**	-
Tenant deposits	**104**	1,220	**-**	-
Amounts owing to associates	**18,700**	13,716	**-**	-
	240,347	234,780	**142**	109

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

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

	Group	
	2009	2008
	RM'000	RM'000
Sterling Pound	**14,237**	11,895
Hong Kong Dollar	**291**	840
US Dollar	**1,054**	497
Singapore Dollar	**2,093**	438
Euro	**95**	374
Australia Dollar	**-**	2
	17,770	14,046

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

32. Provisions

	Note	Group 2009 RM'000	Group 2008 RM'000
Non-Current			
Provision for restoration cost of rented premises		**8,247**	-
Current			
Claims liabilities in respect of insurance		**190,879**	180,838
Less: Recoverable from reinsurers thereon		**(91,418)**	(106,525)
Net outstanding claims		**99,461**	74,313
Provision for settlement under a compromise in respect of an Executive Share Option Scheme of a subsidiary		**1,160**	1,160
Employee benefits	29	**2,134**	3,268
		102,755	78,741

33. Premium Liabilities

	Group 2009 RM'000	Group 2008 RM'000
At 1 January	**38,190**	32,768
Movement in UPR recognised as expense	**17,819**	5,422
At 31 December	**56,009**	38,190

The above premium liabilities are in relation to fire, motor, marine, aviation & transit and other insurance.

34. 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 associate, 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.

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

2009	*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 Group RM'000*
Revenue									
External revenue	934,343	185,214	70,794	221,678	16,462	6,189	39,983	-	1,474,663
Inter-segment revenue	-	275	-	2,259	192	1,360	7,902	(11,988)	-
Total revenue	934,343	185,489	70,794	223,937	16,654	7,549	47,885	(11,988)	1,474,663
Less: Group's share of associates' revenue									(566,652)
									908,011
Results									
Segment results (external)	14,013	17,715	982	29,410	4,133	(101)	(15,098)	-	51,054
Interest income	612	49	509	7,301	315	11	2,752	-	11,549
Profit/(Loss) from operations before exceptional items	14,625	17,764	1,491	36,711	4,448	(90)	(12,346)	-	62,603
Exceptional items (*refer note 7*)	2,128	(15,620)	(1,027)	(287)	1,246	124	6,581	-	(6,855)
Profit/(Loss) from operations after exceptional items	16,753	2,144	464	36,424	5,694	34	(5,765)	-	55,748
Finance costs	(800)	(1,360)	(25)	-	(126)	(21)	(57,098)	-	(59,430)
Share of results of associates	11,237	-	-	(2,361)	-	-	22,427	-	31,303
Profit/(Loss) before taxation	27,190	784	439	34,063	5,568	13	(40,436)	-	27,621
Taxation									(4,908)
Profit for the financial year									22,713
Assets									
Segment assets	411,113	300,963	180,381	385,728	198,410	1,265	743,187	-	2,221,047
Non-current assets held for sale	-	256,702	-	-	-	-	-	-	256,702
Investments in associates	145,454	20	-	52,488	634	23,981	58,407	-	280,984
Unallocated corporate assets									4,398
Consolidated total assets									2,763,131
Liabilities									
Segment liabilities	95,834	585,483	16,335	266,121	3,657	761	775,573	-	1,743,764
Unallocated corporate liabilities									24,422
Consolidated total liabilities									1,768,186
Other Segment Information									
Capital expenditure	20,908	4,733	19,866	431	26	1	1,490	-	47,455
Depreciation and amortisation	10,916	16,502	2,237	632	103	158	1,133	-	31,681
Non-cash expenses other than depreciation	3,602	18,780	1,255	258	-	22	11,767	-	35,684

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

2008	*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 Group RM'000*
Revenue									
External revenue	962,847	210,066	111,375	200,521	30,664	9,720	21,716	-	1,546,909
Inter-segment revenue	-	53	-	2,303	2,030	2,175	854	(7,415)	-
Total revenue	962,847	210,119	111,375	202,824	32,694	11,895	22,570	(7,415)	1,546,909
Less: Group's share of associates' revenue									(593,840)
									953,069
Results									
Segment results (external)	20,345	26,843	7,619	(3,740)	9,084	(519)	(17,604)	-	42,028
Interest income	1,184	420	472	7,631	1,089	10	15,466	-	26,272
Profit/(Loss) from operations before exceptional items	21,529	27,263	8,091	3,891	10,173	(509)	(2,138)	-	68,300
Exceptional items (*refer note 7*)	(2,437)	(2,428)	5,235	175	318	(77)	(50,840)	-	(50,054)
Profit/(Loss) from operations after exceptional items	19,092	24,835	13,326	4,066	10,491	(586)	(52,978)	-	18,246
Finance costs	(387)	(1,356)	(456)	-	(431)	(60)	(100,330)	-	(103,020)
Share of results of associates	15,425	-	-	(1,739)	-	-	(796)	-	12,890
Profit/(Loss) before taxation	34,130	23,479	12,870	2,327	10,060	(646)	(154,104)	-	(71,884)
Taxation									(15,540)
Loss for the financial year									(87,424)
Assets									
Segment assets	386,602	509,584	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 associates	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	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	572	367	15	521	-	28,933
Depreciation and amortisation	8,820	19,343	1,899	619	204	159	1,022	-	32,066
Non-cash expenses other than depreciation	2,690	2,209	366	7,753	485	-	73,371	-	86,874

(ii) Geographical segments

	Revenue		Assets Employed		Capital Expenditure	
	2009	2008	**2009**	2008	**2009**	2008
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Malaysia	**706,180**	686,177	**1,603,897**	1,664,189	**43,600**	12,521
Asia-Pacific	**91,799**	130,246	**406,098**	480,471	**105**	120
Australia	**-**	-	**6,142**	5,393	**12**	-
North America	**16,340**	223	**217,695**	180,555	**-**	-
United Kingdom	**660,344**	730,263	**529,299**	506,021	**3,738**	16,292
Total	**1,474,663**	1,546,909	**2,763,131**	2,836,629	**47,455**	28,933
Less: Group's share of associates' revenue	**(566,652)**	(593,840)	**-**	-	**-**	-
	908,011	953,069	**2,763,131**	2,836,629	**47,455**	28,933

35. 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.

	Group	
	Carrying amount	Fair value
	RM'000	RM'000
2009		
Unquoted investments	**207,302**	*
2008		
Unquoted investments	194,156	*

* *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.

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.

35. Financial Instruments (Cont'd)

(a) Recognised financial instruments (Cont'd)

The Company provides corporate guarantees to financial institutions for banking facilities granted to subsidiaries of RM734.5 million as at 31 December 2009. The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the Directors are of the view that the fair values of the unsecured corporate guarantees are negligible.

(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, had 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 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.

36. Capital And Other Commitments

(a) Capital Commitments

	Group	
	2009	*2008*
	RM'000	*RM'000*
Approved but not contracted for	**1,390**	-
Contracted but not provided for	**775**	17,314
	2,165	17,314

(b) Operating Lease Commitments

Non-cancellable operating lease commitments not provided for in the financial statements:-		
Within 1 year	**30,571**	26,658
Between 1 year to 5 years	**33,308**	18,184
More than 5 years	**15,802**	12,994
	79,681	57,836

37. Significant Corporate Developments

(a) On 14 September 2007, MUI Properties Berhad entered into an agreement with Pan Malaysian Industries Berhad ("PMI") 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.

(c) On 17 July 2008, Network Foods Industries Sdn. Bhd., a 81.54% owned subsidiary of Pan Malaysia Corporation Berhad, entered into a sale and purchase agreement with Malaysia Plastics Sdn. Bhd. to acquire a piece of property held under H.S. (D) 167496 (Lot No.614), Mukim Damansara, District of Petaling, Selangor Darul Ehsan with buildings erected thereon for a cash consideration of RM17.0 million. The acquisition was completed on 20 July 2009.

38. 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 existing directors' for breach of directors' duties in conducting the affairs of PM Holdings during the period involved with the takeover offer by the Company through LDSB in respect of 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") are void ("Suit"). A consent order was recorded on 12 January 2006 that the parties to the Suit have agreed to effect a full and final settlement by way of a compromise ("Compromise"), 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.

A further consent order was recorded on 9 April 2010 whereby all the Interveners have now accepted the previous ex-gratia net cash offer of LDSB of RM0.25 per ESOS Share in terms of the previous Compromise in the earlier Consent Order dated 12 January 2006 in full and final settlement of their counterclaims ("Settlement"), where upon LDSB withdrew its claim under the Suit and the Interveners withdrew their respective counterclaims against the Company and PM Holdings without liberty to file afresh. Consequent to the Settlement, all proceedings under the Suit have now been terminated through the said withdrawals.

Company

At 31 December 2009, the Company has guaranteed bank credit facilities of subsidiaries for a total of RM734.5 million (2008: RM514.4 million). The guarantees are unsecured.

39. 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 subsidiaries and its associates.

Controlling related party relationship are as follows: -

(i) The corporate shareholder, PMI; and

(ii) Tan Sri Dato' Khoo Kay Peng, by virtue of his deemed interest in the Company and 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: -

	Group		*Company*	
	2009 RM'000	*2008 RM'000*	***2009 RM'000***	*2008 RM'000*
Major Corporate Shareholder: -				
Equipment rental income	**12**	12	-	-
Insurance premium income	**123**	124	-	-
Interest income	**460**	600	-	-
Office rental income	**4**	48	-	-
Office rental paid	**1,065**	-	-	-
Share registrar fees income	**10**	1	-	-
Associates: -				
Corporate advisory services fee paid	**1**	-	-	-
Interest income	**2,810**	2,973	-	-
Management fees paid	**471**	317	-	-
Office rental income	**172**	1,873	-	-
Share registrar fees income	**12**	31	-	-
Travel related revenue	**2,715**	4,002	-	-
Subsidiaries: -				
Dividend income	-	-	**4,007**	5,116
Interest income	-	-	**1,184**	1,327
Net advances	-	-	**1,466**	1,799
Travel related expenses	-	-	**94**	325

The related party transactions described above were carried out on negotiated terms and conditions.

(c) Compensation of key management personnel

	Group		*Company*	
	2009 RM'000	*2008 RM'000*	***2009 RM'000***	*2008 RM'000*
Short term employee benefits	**7,475**	8,802	**318**	653
Defined contributions plan	**872**	830	**105**	96
	8,347	9,632	**423**	749

SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD

At 31 December 2009

		Subsidiary	*Equity Interest* **2009** %	*Equity Interest* 2008 %	*Principal Activities*	*Country of Incorporation*
	1.	Acquiline 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	**94.52**	94.51	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

SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD (Cont'd)

At 31 December 2009

		Subsidiary	*Equity Interest 2009 %*	*2008 %*	*Principal Activities*	*Country of Incorporation*
^*	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**	60.48	Investment holding	Malaysia
	47.	Pan Malaysia Holdings Berhad	**69.19**	68.68	Investment 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

		Associate	*Equity Interest 2009 %*	*2008 %*	*Principal Activities*	*Country of Incorporation*
*	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**	35.17	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

Subsidiaries of Regent Corporation
(The list comprises major subsidiaries only)

		Subsidiary	*Equity Interest 2009 %*	*2008 %*	*Principal Activities*	*Country of Incorporation*
*	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.

Subsidiaries of Malayan United Industries Berhad which are under liquidation/process of striking-off and are not consolidated

		Subsidiary	*Equity Interest* 2009 %	2008 %	*Country of Incorporation*
o	1.	Malayan United Nominees (Asing) Sdn Bhd *(Dissolved on 27 July 2009)*	-	100	Malaysia
o	2.	Malayan United Trading Sdn Bhd	**100**	100	Malaysia
o	3.	Megah Nominees (Tempatan) Sdn Bhd *(Dissolved on 27 July 2009)*	-	100	Malaysia
#	4.	MUI Media Limited *(Dissolved on 12 May 2009)*	-	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 *(Dissolved on 27 July 2009)*	-	100	Malaysia

SUBSIDIARIES OF MUI PROPERTIES BERHAD

At 31 December 2009

		Subsidiary	*Equity Interest* 2009 %	2008 %	*Principal Activities*	*Country of Incorporation*
*	1.	AIGM Sdn Bhd	**100**	100	Inactive	Malaysia
*	2.	Appreplex (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 & trading	Malaysia
*	17.	Lunula Pty Limited	**100**	100	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

SUBSIDIARIES OF MUI PROPERTIES BERHAD (Cont'd)

At 31 December 2009

		Subsidiary	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
*	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	Property investment	Malaysia
*	36.	Unique Octagon Sdn Bhd	**100**	100	Investment holding	Malaysia
*	37.	West Synergy Sdn Bhd	**60**	60	Property investment & development	Malaysia

Subsidiaries of MUI Properties Berhad which are under liquidation and are not consolidated

		Subsidiary	Equity Interest 2009 %	2008 %	Country of Incorporation
o	1.	Bashan Sdn Bhd *(Dissolved on 27 July 2009)*	**-**	100	Malaysia
o	2.	Dondang Sayang Holdings Sdn Bhd *(Dissolved on 27 July 2009)*	**-**	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 *(Dissolved on 1 March 2009)*	**-**	100	Malaysia

SUBSIDIARIES OF PAN MALAYSIA CORPORATION BERHAD

At 31 December 2009

		Subsidiary	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
*	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

		Subsidiary	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
*	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.	Plumbline 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.	Tudor Gold Limited	**100**	-	Dormant	United Kingdom
*	25.	Tunas Juara Sdn Bhd	**100**	100	Investment holding	Malaysia
*	26.	United Pace Sdn Bhd	**100**	100	Investment holding	Malaysia
*	27.	Uniwell Nominees (Tempatan) Sdn Bhd	**100**	100	Inactive	Malaysia

Subsidiaries of Network Foods International Ltd

		Subsidiary	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
	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

SUBSIDIARIES OF PAN MALAYSIA CORPORATION BERHAD (Cont'd)

At 31 December 2009

Subsidiaries of Network Foods International Ltd (Cont'd)

		Subsidiary	***Equity Interest* 2009 %**	*Equity Interest 2008 %*	*Principal Activities*	*Country of Incorporation*
+	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

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

		Subsidiary	***Equity Interest* 2009 %**	*Equity Interest 2008 %*	*Country of Incorporation*
■	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 *(Dissolved on 1 March 2009)*	-	100	Malaysia
■	6.	Ultipac Sdn Bhd	**100**	100	Malaysia

Subsidiary of Pan Malaysia Corporation Berhad which is not consolidated

	Subsidiary	***Equity Interest* 2009 %**	*Equity Interest 2008 %*	*Country of Incorporation*
1.	Network Foods Limited *(Placed under voluntary administration on 7 May 2007 and administration ceased on 16 September 2009. Currently, the directors of the company intend to liquidate the company)*	**92.92**	92.92	Australia

Subsidiaries of Network Foods Limited which are not consolidated

	Subsidiary	***Equity Interest* 2009 %**	*Equity Interest 2008 %*	*Country of Incorporation*
1.	Balfour Grange Pty Ltd	-	100	Australia
2.	Dinnie Rundle Pty Ltd	-	100	Australia
3.	Universal Confectionery Pty Ltd	-	100	Australia

These companies were deregistered on 27 May 2009 following an earlier application by the said subsidiaries to the Australian Securities & Investments Commission for deregistration.

SUBSIDIARIES AND ASSOCIATES OF PAN MALAYSIA HOLDINGS BERHAD

At 31 December 2009

		Subsidiary	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
	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

		Associate	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
	1.	Pan Malaysia Capital Berhad	**34.84**	34.84	Investment holding	Malaysia
*	2.	Excelpac Industries Sdn Bhd *(a 25% associate of Pan Malaysia Travel & Tours Sdn Bhd)*	**20**	20	Inactive	Malaysia

Subsidiaries of Pan Malaysia Capital Berhad
(The list comprises major subsidiaries only)

	Subsidiary	Equity Interest 2009 %	2008 %	Principal Activities	Country of Incorporation
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

SUBSIDIARIES AND ASSOCIATES OF PAN MALAYSIA HOLDINGS BERHAD (Cont'd)

At 31 December 2009

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

	Subsidiary	*Equity Interest* **2009** %	*Equity Interest* *2008* %	*Country of Incorporation*
	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

Subsidiaries and Associate of Pengkalen (UK) Plc (under liquidation) which are not consolidated

	Subsidiary	*Equity Interest* **2009** %	*Equity Interest* *2008* %	*Country of Incorporation*
	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

Associate	*Equity Interest* **2009** %	*Equity Interest* *2008* %	*Country of Incorporation*
1. Desa Kuril Sdn Berhad	**50**	50	Malaysia

SUBSIDIARIES OF METROJAYA BERHAD

At 31 December 2009

		Subsidiary	*Equity Interest* **2009** %	*2008* %	*Principal Activities*	*Country of Incorporation*
*	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	**100**	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.	Laura Ashley (SEA) Sdn Bhd (formerly known as 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

SUBSIDIARIES OF CORUS HOTELS LIMITED

At 31 December 2009

		Subsidiary	Equity Interest 2009 %	Equity Interest 2008 %	Principal Activities	Country of Incorporation
*	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 and 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

+ *Subsidiaries audited by BDO Member Firms.*
* *Subsidiaries and associates not audited by BDO Malaysia or BDO Member Firms.*
△ *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.*
# *Applied for voluntary striking-off which was effected on 20 November 2008.*
< *Placed under members voluntary winding up on 31 January 2005.*
> *The entire equity interest in the subsidiary was disposed of on 30 January 2009 as detailed in Note 37(a).*

PROPERTIES OWNED BY THE MUI GROUP

At 31 December 2009

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Net Book Value RM'000*
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	25	62,917
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	26	1,348
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	17	8,675
1 lot of freehold land with a 10 units, four storey residential apartment building at 191, Jalan Ampang, Kuala Lumpur (Date of aquisition: July 2007)	3,056	15	24,717
State of Selangor Darul Ehsan			
6 lots of freehold land held for future development at Seksyen 3, Pekan Batu Tiga, Mukim Damansara, Selangor Darul Ehsan (Date of acquisition: December 1982)	771	-	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)	4,395	-	2,574
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	39	8,979
1 lot of leasehold industrial land with a factory and office building at Lot 614, Tapak Perusahan Shah Alam, Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2068) (Date of acquisition: July 2009)	24,295	42	17,430

PROPERTIES OWNED BY THE MUI GROUP (Cont'd)

At 31 December 2009

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Net Book Value RM'000*
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	26	2,631
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	26	9,215
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	-	10,820
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	24	2,204
Freehold retail space comprising basement and ground floor of Kompleks Bukit Jambul, Jalan Rumbia, Penang (Date of acquisition: August 2007)	13,549	13	25,822
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 2040) (Date of acquisition: September 1996)	976	28	1,162
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	16	508

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Net Book Value RM'000*
State of Negeri Sembilan Darul Khusus			
3 lots of freehold land with a 4-storey hotel building at 7 1/2 Mile, Jalan Pantai, Teluk Kemang, Port Dickson, Negeri Sembilan Darul Khusus (Year of last valuation: 1983)	11,892	35	11,482
1 lot of freehold land held for development at 5 1/2 Mile, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (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)	5,632,000	-	124,278
3 lots of leasehold land with a hotel known as Corus Paradise resort Port Dickson at Lots 286, 288 & 289, PT 5855, Batu 2 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of acquisition: September 1996)	55,745	14	31,208
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	-	28,353
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
4 apartments at Block E Equatorial Hill Resort Cameron Highlands, Pahang Darul Makmur. (Date of acquisition: May 2009)	582	-	1,279
A U S T R A L I A			
1 lot of freehold land with an existing hotel building at no. 20, Kirby Court, West Hobart, Tasmania (Date of acquisition: October 1996)	24,970	32	5,795

PROPERTIES OWNED BY THE MUI GROUP (Cont'd)

At 31 December 2009

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Net Book Value RM'000*
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	14	3,083
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 2047) (Date of acquisition: September 1996)	771	31	1,219
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	12	10,495
1 unit of leasehold residential apartment at no. 152, Prince Charles Crescent, Singapore (Lease expires in 2096) (Date of acquisition: July 1999)	194	9	2,911
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	158	13,784
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	58	2,040
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	258	8,209
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	68	9,923

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Net Book Value RM'000*
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	158	33,822
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	58	55,130
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)	2,003	58	15,436
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	158	28,359
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	58	67,038
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	-	22,962
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	108	274,988
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	108	1,312
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	108	761

This page is intentionally left blank.

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-Ninth Annual General Meeting of the Company to be held at Ballroom 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Monday, 28 June 2010 at 4.30 p.m. and at any adjournment thereof, and to vote as indicated below:-

Resolutions	For	Against
1. To approve Directors' Fees of RM319,548.		
2. To re-appoint Tan Sri Dato' Khoo Kay Peng 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 Dato' Dr Tan Kee Kwong as Director of the Company.		
6. To re-elect Mr Chan Choung Yau as Director of the Company.		
7. To re-elect Mr Andrew Khoo Boo Yeow as Director of the Company.		
8. To re-appoint Messrs BDO as auditors of the Company and to authorize the Directors to fix their remuneration.		
9. Proposed authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares.		
10. Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad.		
11. Proposed amendments to the Articles of Association of the Company.		

(Please indicate with (X) how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Seal

____
Signature

Date:

Notes:-

1. *A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company but if he is not a member, he must be a qualified legal practitioner, approved company auditor, a person approved by the Companies Commission of Malaysia in the particular case or a person approved by the Directors prior to the appointment.*
2. *A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorized 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 authorized 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 authorized 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