

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
THIRD QUARTER ENDED 30 SEPTEMBER 2007
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Revenue	220,550	179,943	499,381	571,503
Cost of sales	(158,186)	(134,782)	(371,746)	(429,629)
Gross profit	62,364	45,161	127,635	141,874
Other income	8,819	16,572	25,484	39,659
Distribution costs	(3,890)	(6,274)	(13,104)	(18,536)
Administrative expenses	(26,195)	(16,977)	(85,344)	(99,826)
Other expenses	(19,053)	(7,104)	(27,949)	(21,550)
Exceptional items (refer Note A5)	(302)	8,282	19,086	47,636
Finance cost	(27,534)	(32,777)	(77,634)	(113,198)
Share of results of associated companies	9,847	(2,833)	18,396	9,084
Profit / (Loss) before taxation	4,056	4,050	(13,430)	(14,857)
Taxation	(4,765)	(20,039)	(12,747)	4,408
Loss for the financial period	(709)	(15,989)	(26,177)	(10,449)
Attributable to:				
Equity holders of the Company	(2,259)	(10,047)	(33,652)	(3,056)
Minority interests	1,550	(5,942)	7,475	(7,393)
	(709)	(15,989)	(26,177)	(10,449)
Loss per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic	(0.12)	(0.52)	(1.73)	(0.16)
Fully diluted	N/A	N/A	N/A	N/A

N/A - Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
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CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 SEPTEMBER 2007

	30.09.2007	31.12.2006
		(Audited)
	RM'000	RM'000
		Restated
ASSETS		
Non-Current Assets		
Property, plant and equipment	831,005	830,349
Investment properties	117,446	33,463
Prepaid land lease payments	14,886	14,943
Investments in associates	305,506	311,331
Investments	290,376	287,438
Land held for property development	35,268	36,158
Goodwill on consolidation	241,125	79,307
Deferred tax assets	6,198	4,779
	<u>1,841,810</u>	<u>1,597,768</u>
Current Assets		
Property development costs	74,186	77,839
Inventories	111,355	65,610
Trade and other receivables	351,159	339,982
Government securities and bonds	27,599	27,727
Short term investments	22,541	24,661
Tax recoverable	2,429	6,455
Deposits, bank balances and cash	729,520	647,797
	<u>1,318,789</u>	<u>1,190,071</u>
Assets Classified As Held For Sale	106,529	145,647
	<u>1,425,318</u>	<u>1,335,718</u>
TOTAL ASSETS	<u>3,267,128</u>	<u>2,933,486</u>
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	1,940,532	1,940,532
ICULS #	736,479	736,479
Reserves	(1,856,909)	(1,825,278)
	<u>820,102</u>	<u>851,733</u>
Minority Interests	298,104	279,844
Total Equity	<u>1,118,206</u>	<u>1,131,577</u>
Non-Current Liabilities	863,677	494,359
Current Liabilities		
Trade and other payables	271,432	160,624
Provisions	64,142	67,000
Bank borrowings	873,976	1,020,856
Tax liabilities	41,232	31,935
Reserves for unearned premium	34,463	27,135
	<u>1,285,245</u>	<u>1,307,550</u>
Total Liabilities	<u>2,148,922</u>	<u>1,801,909</u>
TOTAL EQUITY AND LIABILITIES	<u>3,267,128</u>	<u>2,933,486</u>
	RM	RM
Net Assets Per Share Attributable to Equity Holders of The Company	0.42	0.44

ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks stated net of discount

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007

	Attributable to Equity Holders of the Company					Minority	Total	
	Share Capital RM'000	ICULS [#] RM'000	Non- Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Interests RM'000	Equity RM'000
At 1 January 2007	1,940,532	736,479	409,214	25,258	(2,259,749)	851,734	279,844	1,131,578
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	1,338	-	-	1,338	3,253	4,591
Effect of changes in tax rate	-	-	682	-	-	682	-	682
Net income recognised directly in equity	-	-	2,020	-	-	2,020	3,253	5,273
Acquisition of subsidiary company	-	-	-	-	-	-	10,991	10,991
Deconsolidation of subsidiary company	-	-	-	-	-	-	(319)	(319)
Dividend paid to minority interests	-	-	-	-	-	-	(3,140)	(3,140)
Loss for the financial period	-	-	-	-	(33,652)	(33,652)	7,475	(26,177)
At 30 September 2007	1,940,532	736,479	411,234	25,258	(2,293,401)	820,102	298,104	1,118,206
At 1 January 2006	1,940,532	736,479	433,300	25,258	(2,268,182)	867,387	444,622	1,312,009
Effects of adopting FRS 3	-	-	-	-	116,321	116,321	-	116,321
	1,940,532	736,479	433,300	25,258	(2,151,861)	983,708	444,622	1,428,330
Group's share of post-acquisition reserves of associated companies	-	-	(18,220)	-	-	(18,220)	-	(18,220)
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	3,821	-	-	3,821	(1,964)	1,857
Net expense recognised directly in equity	-	-	(14,399)	-	-	(14,399)	(1,964)	(16,363)
Share buyback by subsidiaries	-	-	-	-	-	-	(4,599)	(4,599)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	(19,533)	(19,533)
Changes in stake of an associated company	-	-	-	-	125,874	125,874	(125,874)	-
Dividend paid to minority interests	-	-	-	-	-	-	(2,581)	(2,581)
Loss for the financial period	-	-	-	-	(3,056)	(3,056)	(7,393)	(10,449)
At 30 September 2006	1,940,532	736,479	418,901	25,258	(2,029,043)	966,253	282,678	1,374,805

ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks stated net of discount.

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2007

	CUMULATIVE 9 MONTHS	
	30.09.2007 RM'000	30.09.2006 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(13,430)	(14,857)
Net adjustments	44,645	23,844
Operating profit before working capital changes	31,215	8,987
Net change in working capital	(6,577)	(69,456)
Net cash from / (used in) operating activities	24,638	(60,469)
Cash Flows From Investing Activities		
Dividends received	18,097	12,864
Utilisation of cash deposits in sinking funds	-	34,580
Proceeds from disposal of property, plant and equipment	70,586	985,120
Proceeds from disposal of investments	37,757	54,953
Proceeds from disposal of government bonds and securities	-	5,550
Purchase of government bonds and securities	-	(9,883)
Purchase of investments	(3,525)	(19,904)
Purchase of property, plant and equipment	(44,450)	(9,763)
Acquisition of subsidiary (refer to Note A12)	(255,748)	-
Bank overdraft net of bank balances and cash of a subsidiary not consolidated	6,450	-
Net cash (used in) / from investing activities	(170,833)	1,053,517
Cash Flows From Financing Activities		
Proceeds from bank borrowings	390,390	474,165
Repayment of bank borrowings	(111,068)	(1,542,468)
Share buy back by subsidiaries	-	(2,936)
Dividends paid to minority shareholders of subsidiaries	(3,140)	(2,581)
Net cash from / (used in) financing activities	276,182	(1,073,820)
Effects of exchange rate changes	2,085	51,251
Net increase / (decrease) in cash and cash equivalents	132,072	(29,521)
Cash and cash equivalents at 1 January		
As previously reported	533,276	552,482
Effects of exchange rate changes on cash and cash equivalents	(1,489)	4,223
As restated	531,787	556,705
Cash and cash equivalents at 30 September	663,859	527,184

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

1 Basis of preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with FRS 134 "Interim Financial Reporting". The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006.

The accounting policies, methods of computation and basis of consolidation adopted by the Group in this interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2006 except for the adoption of the following revised Financial Reporting Standards ("FRS") which are relevant to the Group effective for financial period beginning 1 October 2006:-

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of revised FRS 124 does not have any significant financial impact on the Group.

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

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

	Previously stated RM'000	FRS 117 RM'000	Restated RM'000
At 31 December 2006			
Property, plant and equipment	845,292	(14,943)	830,349
Prepaid land lease payments	-	14,943	14,943

2 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2006 was not qualified.

3 Seasonal or Cyclical Factors

The Group's businesses where seasonal or cyclical factors, other than economic factors, would have some effects on operations are as follows:-

- The retailing operations in United Kingdom normally record better sales in the fourth quarter of the financial year due to the Christmas season. Similarly, the retail operations in Malaysia have seasonal peaks in tandem with the various festive seasons and during sales promotions;
- The hotel operations in United Kingdom normally will experience low trading after Christmas, New Year and Easter due to the after effects of the holiday seasons. Additionally, winter periods will also experience a decline in trading; and
- The food and confectionery operations in Malaysia, Singapore and Hong Kong normally record better sales during the various festive seasons.

4 Changes in estimates

There were no significant changes in estimates of the amounts reported in prior financial years which have a material effect in the current financial period.

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5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the financial period ended 30 September 2007 other than the exceptional items as follows:-

Exceptional items

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of investments	211	433	5,866	4,859
(Loss) / Gain in foreign exchange	(1,412)	7,336	(1,024)	19,712
(Loss) / Gain on disposal of property, plant and equipment	45	9,037	(709)	29,901
Loss on disposal of subsidiaries	-	(30)	-	(1,997)
Loss on disposal of associated company	-	(5,556)	-	(5,556)
Inventories written down	-	-	(366)	-
Impairment of property, plant and equipment	-	-	(1,665)	-
Provision for contingent liabilities	-	-	(2,659)	-
Property, plant and equipment written off	-	(45)	-	(45)
Surplus arising from deconsolidation of a subsidiary	(115)	-	19,064	-
Writeback of allowance / (Allowance) for doubtful debts	221	(3,030)	(1,513)	(1,147)
Writeback of allowance for diminution in value of investments	748	137	2,092	1,909
	<u>(302)</u>	<u>8,282</u>	<u>19,086</u>	<u>47,636</u>

6 Issuances or Repayments of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2007.

7 Dividend Paid

No dividend has been paid by the Company during the financial period ended 30 September 2007 (30 September 2006 : Nil).

8 Segment Information

The analysis of the Group's operations for the financial period ended 30 September 2007 is as follows:-

	Retailing	Hotels	Food & Confectionery	Financial Services	Property	Travel & Tourism	Investment Holding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE								
Gross revenue	442,012*	172,251	98,735	148,597	15,898	27,127	7,868	912,488
Inter-segment revenue	-	(4)	-	(1,305)	(978)	(868)	(5,607)	(8,762)
Net	<u>442,012</u>	<u>172,247</u>	<u>98,735</u>	<u>147,292</u>	<u>14,920</u>	<u>26,259</u>	<u>2,261</u>	<u>903,726</u>
Less: Group's share of associated companies' revenue								<u>(404,345)</u>
								<u>499,381</u>
RESULTS								
Segment results	5,626	11,678	1,245	1,525	3,907	444	(14,211)	10,214
Interest income	289	769	341	5,606	364	-	9,139	16,508
Exceptional items	74	(817)	(4,976)	3,502	-	-	21,303	19,086
Finance costs	(75)	(1,627)	(963)	-	-	(41)	(74,928)	(77,634)
Share of results of associated companies	13,026*	70	-	4,868	517	20	(105)	18,396
Profit/(Loss) before taxation	<u>18,940</u>	<u>10,073</u>	<u>(4,353)</u>	<u>15,501</u>	<u>4,788</u>	<u>423</u>	<u>(58,802)</u>	<u>(13,430)</u>

* Includes estimated results in an associated company

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9 Property, Plant and Equipment

The valuations of land and buildings have been brought forward without amendment from the previous annual report.

10 Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the end of the financial period ended 30 September 2007 that have not been reflected in the financial statements for the said period as at the date of this report.

11 Changes in the Composition of the Group

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

Subsidiary companies of the Company

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

Subsidiary companies of MUI Properties Berhad

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

(b) From 14 August 2007 to 30 September 2007, Libertyray (M) Sdn Bhd, a wholly-owned subsidiary, has acquired and paid for 114,709,283 ordinary shares of RM1.00 each representing approximately 91.83% equity interest in Metrojaya Berhad ("MJB") at a total purchase consideration of RM275.3 million. MJB became a subsidiary of the Group with effect from 14 August 2007. Further details of the acquisition of MJB are disclosed in Note B8(a).

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 September 2007.

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12 Acquisition of Subsidiary

MJB was acquired as a subsidiary on 14 August 2007. The company is involved in operating department stores and specialty stores, property investment and investment holding.

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

	From date of acquisition
	RM'000
Revenue	76,264
Profit for the financial period	<u>4,308</u>

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

	At date of acquisition
	RM'000
Property, plant and equipment	55,563
Investment properties	37,077
Investments	7,362
Deferred tax assets	1,454
Goodwill	500
Inventories	54,419
Trade and other receivables	27,080
Cash and cash equivalents	19,556
Trade and other payables	(67,115)
Deferred tax liabilities	(345)
Tax liabilities	<u>(1,101)</u>
Total net assets	134,450
Less : Minority interest	<u>(10,991)</u>
Group's share of net assets	123,459
Goodwill arising on acquisition	<u>151,845</u>
Total purchase consideration satisfied by cash	275,304
Less : Cash and cash equivalents of MJB	<u>(19,556)</u>
Cash outflow on acquisition	<u>255,748</u>

13 Contingent Liabilities

There are no material contingent liabilities as at the date of this report.

14 Capital Commitments

As at 30 September 2007, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Contracted but not provided for	10,196
Authorised but not contracted for	<u>12,123</u>
	<u>22,319</u>

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B. NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

1 Review of Performance of the Company and its Principal Subsidiaries

For the financial period under review, the Group recorded revenue of RM499.4 million and loss before tax of RM13.4 million compared to revenue of RM571.5 million and loss before tax of RM14.9 million in the previous year corresponding period. The lower revenue was due to the disposal of several hotel assets in the United Kingdom ("UK") and the non-inclusion of the food operations in Australia since May 2007 as explained in Note B8(c), but was mitigated by the revenue from MJB which became a subsidiary of the Group from 14 August 2007. The effects of the lower revenue were offset by significant savings in various expenses and finance cost, and also by the positive contributions from MJB. Overall, the Group managed to trim its pre-tax loss by RM30.0 million after excluding exceptional items as it continues with its rationalisation exercise.

The rationalisation exercise undertaken by the Group is progressing well. In the current financial period under review, two hotel assets in UK were disposed off. Since 2003 and up to 30 September 2007, the proceeds from disposal of assets amounted to approximately RM3.0 billion and were substantially utilised in the reduction of bank borrowings of approximately RM2.3 billion.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") continued to report encouraging growth in its sales and margins. For its six month period ended 28 July 2007, Laura Ashley recorded profit before tax of £6.4 million (RM44.1 million), a 113% growth from £3.0 million (RM20.1 million) in its previous financial year corresponding period. Its sales grew by 6.9% to £113.9 million (RM784.2 million), primarily due to increased UK sales in almost all categories. The company has reported an increase of 4.5% in total UK retail sales in its current year's trading for the 32 weeks to 8 September 2007. Laura Ashley has again declared an interim dividend of 0.5 pence per share (10% of nominal value) which was paid on 12 October 2007. Together with the results of MJB, the Group's retailing segment recorded a two-fold improvement in pre-tax profit from RM9.0 million in the last year financial period to RM19.0 million for this current financial period.

The Group's hotel operations in Malaysia also performed well, whilst the hotel operations in UK continue to undergo the Group's assets rationalisation exercise.

Under the financial services division, the strong performance on Bursa Securities enabled both the insurance operations and the universal broking operations to record better results this financial period compared to the previous year corresponding period.

The results of the food and confectionery division in Malaysia and Hong Kong were within expectations amidst higher input costs and stiff competition.

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

The Group recorded revenue of RM220.6 million and profit before tax of RM4.1 million for the current quarter compared to revenue of RM132.1 million and profit before tax of RM5.2 million in the preceding quarter. The higher revenue in the current quarter was mainly due to inclusion of the results of MJB. The profit in the current quarter is marginally lower than the preceding quarter as the preceding quarter's profit included the surplus arising from deconsolidation of a subsidiary, NFL.

3 Prospects for Current Financial Year

The results of the various operating divisions of the Group have improved in the current financial year with focus on continuous improvement in productivity, operational and cost efficiency. In addition, the Group will normally record higher trading in the remaining quarter of the financial year.

The streamlining and rationalisation exercise of the Group, which has been progressing well, has put the Group in a better financial position. With the acquisition of MJB, the retailing division of the Group has been further strengthened and is expected to contribute positively to the revenue and earnings of the Group. Meanwhile, the Group will continue with the rationalisation exercise and streamlining its core businesses to improve earnings.

4 Variance of Actual Profit from Forecast Profit

Not applicable.

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5 Taxation

Taxation comprises:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Malaysia	2,903	186	5,303	1,328
- foreign	2,039	2,858	12,463	18,514
Deferred taxation	1,589	16,995	(5,097)	(26,888)
	<u>6,531</u>	<u>20,039</u>	<u>12,669</u>	<u>(7,046)</u>
(Over) / under provision in respect of prior years	(1,766)	-	78	2,638
	<u>4,765</u>	<u>20,039</u>	<u>12,747</u>	<u>(4,408)</u>

The tax provision of the Group for the financial period ended 30 September 2007 is mainly due to taxable profits of certain subsidiaries and the absence of group relief on losses incurred by other subsidiaries.

6 Sale of Investments and/or Properties

There were no gains on sale of investments and/or properties for the financial period ended 30 September 2007 other than as disclosed in Note A5.

7 Quoted Securities

(a) Total purchases and disposals of quoted securities of the Group for the financial period ended 30 September 2007, other than those of the insurance subsidiary, are as follows:-

	RM'000
(i) Total purchases	-
(ii) Total disposals	(17,362)
Total gain on disposals (net)	3,379

(b) Total investments in quoted securities by the Group as at 30 September 2007, other than those by the insurance subsidiary, are as follows:-

	RM'000
At cost	291,196
Less: Allowance for diminution in value	<u>244,573</u>
At book value	<u>46,623</u>
Market value	<u>85,666</u>

8 Status of Corporate Proposals

(a) *Malayan United Industries Berhad ("MUI")*

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

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

LMSB has on 30 October 2007 despatched to the remaining holders of the MJB shares who have not accepted the Offer, a notice under Subsection (1) of Section 34A of the Securities Commission Act, 1993 and in the manner prescribed under the Code where any such holders of the MJB shares may give notice to LMSB that he requires LMSB to acquire his MJB shares not later than 5.00 p.m. on 30 January 2008.

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(b) MUI Properties Berhad ("MPB")

- (i) On 3 August 2007, MPB announced a proposed share capital reduction pursuant to Section 64(1) of the Companies Act, 1965 (the "Act") involving the cancellation of RM0.30 of par value of each existing ordinary share of RM0.50 each of MPB in issue and a proposed reduction of its share premium account of up to RM164.1 million pursuant to Section 64(1) and 60(2) of the Act (collectively, the "Capital Reconstruction"). Upon the completion of its Capital Reconstruction, MPB's existing issued and paid-up share capital would be reduced from RM382.0 million to approximately RM152.8 million. The Proposed Capital Reconstruction has been approved by MPB's shareholders at an extraordinary general meeting held on 28 September 2007 and pending the sanction of the High Court of Malaya ("Court"). The Court has on 14 November 2007 approved the Company's application for dispensation pursuant to the provisions of Section 64(3) of the Companies Act, 1965 and that the hearing of the petition by the Court for its approval in relation to the Proposed Capital Reconstruction is fixed on 12 December 2007.
- (ii) On 14 September 2007, MPB announced the sale of 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, to PMI for a cash consideration of RM9.3 million. The proposal is subject to approvals to be obtained by PMI from the SC and from its shareholders at a general meeting to be convened.

(c) Pan Malaysia Corporation Berhad ("PMC")

On 7 May 2007, the Board of Directors of NFL, Australia had appointed Ms. Robin Erskine and Mr. Peter Goodin of Brooke Bird & Co, Chartered Accountants, as voluntary administrators under the Australian Corporations Act 2001 ("the Act"). Upon appointment, the administrators took control of the affairs of NFL and the powers of the directors of NFL were suspended.

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

In view of the above, the assets and liabilities of NFL are deconsolidated from the Consolidated Financial Statements of the Group with effect from 7 May 2007.

(d) Pan Malaysia Holdings Berhad ("PM Holdings")

On 14 September 2007, PM Holdings announced the proposed disposal of one (1) lot of freehold land held under Lot 1161, Geran 5573, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur together with a 15-storey purpose built office building erected thereon located at No.2, Jalan Changkat Ceylon, 50200 Kuala Lumpur to PMI for a cash consideration of RM39.0 million ("Proposed Disposal").

The Proposed Disposal is subject to the approvals of the shareholders of PM Holdings at a general meeting to be convened and from other relevant authorities or parties, if required. The Proposed Disposal is also subject to approvals to be obtained by PMI from the SC and from its shareholders at a general meeting to be convened.

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

9 Group Borrowings

- (a) Total Group borrowings as at 30 September 2007 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	835,081
<i>Short Term Borrowings</i>	
- Secured	85,543
- Unsecured	788,433
	<u>873,976</u>

- (b) Foreign borrowings in Ringgit equivalent as at 30 September 2007 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	539,488
Australian Dollars	14,987
Singapore Dollars	1,391
US Dollars	383
Hong Kong Dollars	229

The foreign borrowings above are taken by the foreign subsidiaries of the Group.

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10 Off Balance Sheet Financial Instruments

In accordance with the scheme of arrangement of PM Holdings, the indebtedness of the class of creditors referred to as the secured creditors and unsecured guarantee creditors were settled by issuance of new ordinary shares of RM1.00 each in PM Holdings ("New Shares") at par on a Ringgit-to-Ringgit basis. Also, in accordance with the scheme, MUI and a subsidiary, Loyal Design Sdn Bhd ("LDSB"), have on 27 December 1999 entered into put option agreements with the said creditors whereby MUI and LDSB granted put options to buy these New Shares at a maximum price of RM1.00 per share. These New Shares were issued on 29 December 1999. Currently, LDSB has outstanding put options on 25,997,943 New Shares.

Other than the above, the Group does not have any material financial instruments with off balance sheet risk as at the date of this report.

11 Material Litigation

There is no new material litigation involving the Group since the date of the last interim financial report. For reference purposes, the material litigation of the Group as at the date of this report is as follows:-

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

Former employees of PM Holdings 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 that the Company purchase from them the ESOS shares under the said takeover offer. The Group had filed their reply and defences to the counterclaims and this matter is now at case management stage. The Group's solicitors are of the opinion, based on documents available, that the Interveners entitlements are doubtful.

12 Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2007 (30 September 2006 : Nil).

13 Loss Per Share

(a) Basic loss per share

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Loss for the financial period attributable to the equity holders of the Company	(2,259)	(10,047)	(33,652)	(3,056)
Weighted average number of ordinary shares in issue ('000)	1,940,532	1,940,532	1,940,532	1,940,532
Loss per share (sen)	<u>(0.12)</u>	<u>(0.52)</u>	<u>(1.73)</u>	<u>(0.16)</u>

(b) Diluted loss per share

The diluted loss per ordinary share is not disclosed as it is antidilutive.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Leong Park Yip
Company Secretary

Date: 22 November 2007