

MALAYAN UNITED INDUSTRIES BERHAD
Company No: 3809-W
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
FOURTH QUARTER ENDED 31 DECEMBER 2008
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2008

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	235,157	278,860	949,035	763,586
Cost of sales	(166,029)	(197,662)	(668,200)	(556,128)
Gross profit	69,128	81,198	280,835	207,458
Other income	9,173	5,927	34,314	31,353
Distribution costs	(5,408)	(4,649)	(16,207)	(15,667)
Administrative expenses	(23,461)	(438)	(102,266)	(85,144)
Other operating expenses	(40,846)	(27,836)	(124,922)	(52,284)
Profit from operations	8,586	54,202	71,754	85,716
Exceptional items (refer Note A5)	(32,757)	(6,552)	(51,917)	(1,838)
Finance cost	(28,052)	(21,884)	(103,855)	(98,998)
Share of results of associated companies	4,123	22,638	11,306	41,034
(Loss) / Profit before taxation	(48,100)	48,404	(72,712)	25,914
Tax expense	(8,950)	10,048	(16,210)	(2,699)
(Loss) / Profit for the financial period from continuing operations	(57,050)	58,452	(88,922)	23,215
Discontinued Operation				
(Loss) / Profit for the financial period from discontinued operation	-	(6,211)	-	2,849
(Loss) / Profit for the financial period	(57,050)	52,241	(88,922)	26,064
Attributable to:				
Equity holders of the Company	(49,713)	44,008	(75,998)	10,356
Minority interest	(7,337)	8,233	(12,924)	15,708
	(57,050)	52,241	(88,922)	26,064
(Loss) / Earnings per share attributable to equity holders of the Company:-				
	Sen	Sen	Sen	Sen
Basic				
- from continuing operations	(2.56)	2.40	(3.92)	0.45
- from discontinued operation	N/A	(0.13)	N/A	0.09
	(2.56)	2.27	(3.92)	0.53
Diluted				
- from continuing operations	N/A	1.65	N/A	0.31
- from discontinued operation	N/A	(0.09)	N/A	0.06
	N/A	1.56	N/A	0.37

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 2007 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2008

	31.12.2008	31.12.2007
	RM'000	RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	695,065	863,971
Investment properties	92,894	101,613
Prepaid land lease payments	29,518	29,948
Investments in associates	296,136	292,280
Investments	229,848	293,110
Land held for property development	35,263	35,263
Goodwill on consolidation	223,648	218,155
Deferred tax assets	4,342	4,603
	<u>1,606,714</u>	<u>1,838,943</u>
Current Assets		
Property development costs	76,072	73,187
Inventories	100,984	96,762
Trade and other receivables	329,376	332,590
Government securities and bonds	52,421	27,514
Short term investments	11,191	27,503
Tax recoverable	3,040	4,167
Deposits, bank balances and cash	640,835	723,814
	<u>1,213,919</u>	<u>1,285,537</u>
Assets Classified As Held For Sale	42,560	43,377
	<u>1,256,479</u>	<u>1,328,914</u>
TOTAL ASSETS	2,863,193	3,167,857
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	(1,977,098)	(1,855,864)
	<u>699,913</u>	<u>821,147</u>
Minority Interest	277,269	301,314
Total Equity	977,182	1,122,461
Non-Current Liabilities	842,333	793,121
Current Liabilities		
Trade and other payables	232,533	229,674
Provisions	78,563	68,260
Bank borrowings	668,223	900,234
Tax liabilities	26,169	21,339
Reserves for unearned premium	38,190	32,768
	<u>1,043,678</u>	<u>1,252,275</u>
Total Liabilities	1,886,011	2,045,396
TOTAL EQUITY AND LIABILITIES	2,863,193	3,167,857
	RM	RM
Net Assets Per Share Attributable to Equity Holders of The Company	0.36	0.42

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 2007 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 31 DECEMBER 2008**

CUMULATIVE 12 MONTHS	Attributable to Equity Holders of the Company					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	ICULS [#] RM'000	Non- Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000			
At 1 January 2008	1,940,532	736,479	374,982	25,258	(2,256,104)	821,147	301,314	1,122,461
Group's share of post-acquisition reserves of associated companies	-	-	1,345	-	-	1,345	(3,697)	(2,352)
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	(46,148)	-	-	(46,148)	-	(46,148)
Effect of changes in tax rate	-	-	(433)	-	-	(433)	-	(433)
Net expense recognised directly in equity	-	-	(45,236)	-	-	(45,236)	(3,697)	(48,933)
Share buyback by subsidiaries	-	-	-	-	-	-	(2,257)	(2,257)
Acquisition of additional interest in a subsidiary company	-	-	-	-	-	-	(691)	(691)
Dividends paid to minority interest	-	-	-	-	-	-	(4,476)	(4,476)
Loss for the financial period	-	-	-	-	(75,998)	(75,998)	(12,924)	(88,922)
At 31 December 2008	1,940,532	736,479	329,746	25,258	(2,332,102)	699,913	277,269	977,182
At 1 January 2007	1,940,532	736,479	409,214	25,258	(2,259,749)	851,734	279,844	1,131,578
Group's share of post-acquisition reserves of associated companies	-	-	(12,946)	-	(6,711)	(19,657)	-	(19,657)
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	(22,081)	-	-	(22,081)	1,231	(20,850)
Effect of changes in tax rate	-	-	795	-	-	795	-	795
Net income recognised directly in equity	-	-	(34,232)	-	(6,711)	(40,943)	1,231	(39,712)
Acquisition of subsidiary company	-	-	-	-	-	-	7,989	7,989
Deconsolidation of subsidiary company	-	-	-	-	-	-	(318)	(318)
Dividends paid to minority interest	-	-	-	-	-	-	(3,140)	(3,140)
Profit for the financial period	-	-	-	-	10,356	10,356	15,708	26,064
At 31 December 2007	1,940,532	736,479	374,982	25,258	(2,256,104)	821,147	301,314	1,122,461

ICULS refers to Class A1 and Class A2, 8-year Irredeemable Convertible Unsecured Loan Stocks 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 2007 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 31 DECEMBER 2008

	CUMULATIVE 12 MONTHS	
	31.12.2008	31.12.2007
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit / (Loss) before taxation		
- from continuing operations	(72,712)	25,914
- from discontinued operation	-	2,849
	<u>(72,712)</u>	<u>28,763</u>
Net adjustments	131,465	44,670
	<u>58,753</u>	<u>73,433</u>
Operating profit before working capital changes	58,753	73,433
Net change in working capital	(244)	35,402
	<u>58,509</u>	<u>108,835</u>
Cash Flows From Investing Activities		
Dividends received	33,328	27,339
Interest received	25,124	21,845
Proceeds from disposal of property, plant and equipment	15,692	283
Proceeds from disposal of investment properties	-	650
Proceeds from disposal of non-current assets held for sale	-	70,389
Proceeds from disposal of investments	45,440	54,017
Proceeds from disposal of government bonds and securities	4,922	540
Purchase of government bonds and securities	(29,851)	(480)
Purchase of investments	(29,157)	(17,035)
Purchase of property, plant and equipment	(27,882)	(24,840)
Cost incurred on / Purchase of investment properties	(59)	(25,128)
Cost incurred on non-current assets held for sale	(23)	(1,656)
Acquisition of additional interest in a subsidiary	(1,484)	(4,700)
Acquisition of a subsidiary company	-	(262,330)
Net cash inflow from deconsolidation of a subsidiary company	-	6,450
	<u>36,050</u>	<u>(154,656)</u>
Cash Flows From Financing Activities		
Net (repayment) / proceeds from of bank borrowings	(18,102)	267,574
Share buy back by a subsidiary company	(989)	-
Dividends paid to minority shareholders of subsidiaries	(4,476)	(3,140)
Interest paid	(99,374)	(91,889)
	<u>(122,941)</u>	<u>172,545</u>
Effects of exchange rate changes	(99)	6,367
	<u>(28,481)</u>	<u>133,091</u>
Net (decrease) / increase in cash and cash equivalents		
Cash and cash equivalents at 1 January		
As previously reported	659,759	533,275
Effects of exchange rate changes on cash and cash equivalents	(22,886)	(6,607)
As restated	636,873	526,668
Cash and cash equivalents at 31 December	<u>608,392</u>	<u>659,759</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation

The interim financial 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 2007.

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 2007 except for the adoption of the following revised Financial Reporting Standards ("FRS") which are relevant to the Group effective for financial period beginning 1 July 2007:-

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

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

A2 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not qualified.

A3 Seasonal or Cyclical Factors

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

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

A4 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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A5 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 31 December 2008 other than the exceptional items as follows:-

Exceptional items	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Impairment of assets				
- Goodwill	-	(21,568)	-	(21,568)
- investment properties	-	(10,000)	-	(10,000)
- Property, plant & equipments	(1,655)	-	(1,655)	-
	(1,655)	(31,568)	(1,655)	(31,568)
Allowance / (Writeback of allowance) for doubtful debts	(11,385)	2,472	(11,053)	1,251
Bad debts written off	-	(669)	-	(669)
Deficit arising from deconsolidation of a subsidiary	-	-	-	(288)
Gain on disposal of investment properties	-	435	-	435
Gain on disposal of non-current assets held for sale	-	3	-	(851)
Gain / (Loss) on disposal of property, plant & equipment	3,426	(145)	3,690	-
Gain / (Loss) on foreign exchange	(8,389)	2,491	(8,000)	1,465
Gain / (Loss) on disposal of long term investments	(5,981)	6,314	(3,047)	12,180
Inventories written down	(2,248)	(5,215)	(4,596)	(5,215)
Negative goodwill recognised	-	-	1,269	-
Provision for contingent liabilities	(485)	-	(485)	-
Reversal on impairment of property, plant and equipment	1,368	5,597	1,368	5,597
Reversal on impairment of non-current assets held for sale	-	8,716	-	8,716
Writeback of allowance / (Allowance) for diminution in value of investments	(7,408)	5,017	(29,408)	7,109
	(32,757)	(6,552)	(51,917)	(1,838)
Discontinued Operation				
Impairment of property, plant and equipment	-	-	-	(1,666)
Allowance for doubtful debts	-	-	-	(292)
Inventories written down	-	-	-	(366)
Provision for contingent liabilities	-	-	-	(2,659)
Surplus arising from deconsolidation of a subsidiary	-	(6,209)	-	13,143
	-	(6,209)	-	8,160
Total exceptional items	(32,757)	(12,761)	(51,917)	6,322

A6 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 31 December 2008.

A7 Dividend Paid

No dividend was paid by the Company during the financial period ended 31 December 2008 (31 December 2007 : Nil).

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A8 Discontinued Operation

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

In view of the above, the financial statements of NFL were deconsolidated from the Consolidated Financial Statements of the Group with effect from 7 May 2007. Subsequently, the operation of NFL was discontinued.

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

Results of discontinued operation of NFL

	31/12/2007 Up to date of deconsolidation RM'000
Revenue	14,655
Operating costs	(19,504)
Other operating income	58
Exceptional items	(4,983)
Finance costs	(520)
Surplus arising from deconsolidation of this subsidiary	13,143
Profit for the financial period	2,849

A8 Segment Information

The analysis of the Group's operations for the financial period ended 31 December 2008 is as follows:-

	Retailing	Hotels	Food & Confectionery	Financial Services	Property	Travel & Tourism	Investment Holding	Total
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross revenue	915,068*	209,952	111,375	202,728	32,897	11,895	22,570	1,506,485
Inter-segment revenue	-	(10)	-	(2,303)	(2,030)	(2,175)	(854)	(7,372)
Net	915,068	209,942	111,375	200,425	30,867	9,720	21,716	1,499,113
Less: Group's share of associated companies' revenue								(550,078)
								949,035
RESULTS								
Segment results	23,842	26,724	9,113	(3,479)	6,739	(593)	(16,566)	45,780
Interest income	1,184	562	472	7,369	1,089	10	15,288	25,974
Exceptional items	(5,984)	(1,805)	5,235	175	318	-	(49,856)	(51,917)
Finance costs	(387)	(1,356)	(456)	-	(431)	(58)	(101,167)	(103,855)
Share of results of associated companies	13,687*	-	-	(1,585)	-	-	(796)	11,306
Profit/(Loss) before taxation	32,342	24,125	14,364	2,480	7,715	(641)	(153,097)	(72,712)

* Includes estimated results in an associated company

A9 Property, Plant and Equipment

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

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A10 Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the end of the financial period ended 31 December 2008 that have not been reflected in the financial statements for the said period as at the date of this report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 December 2008.

A12 Contingent Liabilities

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

A13 Capital Commitments

As at 31 December 2008, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Contracted but not provided for	17,314
Authorised but not contracted for	-
	<hr/>
	17,314

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B. NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

B1 Review of Performance of the Company and its Principal Subsidiaries

For the 12 months period ended 31 December 2008, the Group revenue increased to RM949.0 million compared with RM763.6 million in the same period last year, mainly due to the inclusion of Metrojaya Berhad ("MJB") which became a subsidiary of the Group in August 2007. All the business segments of the Group continued to record profits for the period under review except for travel and tourism which incurred a small operating loss. However, the results of the Group were affected by the current global economic and financial crisis. As a result, the Group had to make allowances for diminution in value of investments and incurred foreign exchange losses. After accounting for finance cost, the Group recorded a loss before tax of RM72.7 million for the 12 months period ended 31 December 2008 compared with a profit before tax of RM25.9 million in the same period last year.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") in UK reported an increase of 10.8% in its total UK store sales in its financial year ended 31 January 2009 as against last year largely due to the opening of new stores. However, Laura Ashley faced challenging trading conditions due to the continued deterioration of the UK economy which has impacted the retail sector and consumer confidence. As a consequence, Laura Ashley's profit before taxation for its financial year ended 31 January 2009 is anticipated to be in the region of £9.0 million as compared with £19.8 million last year. However, Laura Ashley's balance sheet remained strong as the company continues to focus on increasing revenue generation through its various channels, improving operational efficiencies, differentiating its product offering and continuing to invest in its store realignment programme. In Malaysia, MJB performed satisfactorily in the face of a slowdown in consumer spending.

The Group's hotel operations in Malaysia recorded better results with strong occupancy and higher average room rates. Trading conditions for hotels in UK have been challenging.

Under the financial services division, the weak performance on Bursa Securities affected the revenue of the universal broking operation. The insurance operation was similarly affected by the weak performance of the equity market, but its results were satisfactory under the circumstances.

The food & confectionery operations which are now concentrated in Malaysia, Singapore and Hong Kong, improved on their results following a series of measures taken to counter higher prices of raw materials, fuel and other input costs in the earlier part of the financial year.

The property development operations have showed some improvement in sales amidst a sluggish property market. The agreement by West Synergy Sdn Bhd with UCSI Education Sdn Bhd for the latter to establish an education township at Bandar Springhill, Negeri Sembilan, is expected to enhance the marketability of Bandar Springhill, which is currently the Group's main development project.

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

The Group recorded revenue of RM235.2 million and loss before tax of RM48.1 million for the current quarter compared with revenue of RM262.3 million and profit before tax of RM3.9 million in the preceding quarter. The lower revenue and the loss in the current quarter was mainly due to the impact of the global economic conditions which worsened in the current quarter.

B3 Prospects for 2009

The effects of current global unfavourable economic condition and financial crisis will continue to put pressure on the Group's performance. In view of this, the Group remains cautious of the general trading environment for the current financial year.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 Taxation

Taxation comprises:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
Current taxation - Malaysia	7,475	5,270	14,517	10,573
- foreign	809	(8,822)	2,082	3,641
Deferred taxation	(4,598)	(6,725)	(5,674)	(11,822)
	3,686	(10,277)	10,925	2,392
(Over) / Under provision in respect of prior years	5,264	229	5,285	307
	8,950	(10,048)	16,210	2,699

The tax provision of the Group for the financial period ended 31 December 2008 is mainly due to taxable profits of certain subsidiaries and the absence of group relief on losses incurred by other subsidiaries.

B6 Sale of Investments and/or Properties

There were no sale of investments and/or properties for the financial period ended 31 December 2008 other than as disclosed in Note A5.

B7 Quoted Securities

(a) Total purchases and disposals of quoted securities of the Group for the financial period ended 31 December 2008 other than those of the insurance subsidiary, are as follows:-

	RM'000
(i) Total purchases	1,761
(ii) Total disposals	18,732
Total loss on disposals (net)	(3,139)

(b) Total investments in quoted securities by the Group as at 31 December 2008, other than those by the insurance subsidiary, are as follows:-

	RM'000
At cost	214,056
Less: Allowance for diminution in value	178,388
At book value	35,668
Market value	29,698

B8 Status of Corporate Proposals

(a) MUI Properties Berhad ("MPB")

On 14 September 2007, MPB 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) Pan Malaysia Holdings Berhad ("PM Holdings")

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) Pan Malaysia Corporation Berhad ("PMC")

On 17 July 2008, Network Foods Industries Sdn Bhd, a 81.54% owned subsidiary of PMC, 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 is pending completion.

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

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B9 Group Borrowings

(a) Total Group borrowings as at 31 December 2008 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	828,701
<i>Short Term Borrowings</i>	
- Secured	59,810
- Unsecured	608,413
	<u>668,223</u>

(b) Foreign borrowings in Ringgit equivalent as at 31 December 2008 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	403,172
Singapore Dollars	<u>521</u>

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

B10 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.

B11 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 for an order that the Company purchases from them the ESOS shares under the said takeover offer. The Group had filed their reply and defences to the counterclaims and this matter is pending trial. The Group's solicitors are of the opinion, based on documents available, that the Interveners' alleged entitlements are doubtful.

B12 Dividend

No dividend has been declared by the Board for the financial period ended 31 December 2008 (31 December 2007 : Nil).

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

B13 (Loss) / Earnings Per Share

(a) Loss / Basic earnings per share

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	RM'000	RM'000	RM'000	RM'000
(Loss) / Profit for the financial period attributable to equity holders of the Company				
- from continuing operations	(49,713)	46,559	(75,998)	8,677
- from discontinued operation	-	(2,551)	-	1,679
	<u>(49,713)</u>	<u>44,008</u>	<u>(75,998)</u>	<u>10,356</u>
Weighted average number of ordinary shares in issue ('000)	1,940,532	1,940,532	1,940,532	1,940,532
(Loss) / Earnings per share (sen)				
- from continuing operations	(2.56)	2.40	(3.92)	0.45
- from discontinued operation	-	(0.13)	-	0.09
	<u>(2.56)</u>	<u>2.27</u>	<u>(3.92)</u>	<u>0.54</u>

(b) Diluted earnings per share

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
Weighted average number of ordinary shares in issue ('000)	1,940,532	1,940,532	1,940,532	1,940,532
Dilutive effect of ICULS	887,324	887,324	887,324	887,324
	<u>2,827,856</u>	<u>2,827,856</u>	<u>2,827,856</u>	<u>2,827,856</u>
Diluted earnings per share (sen)				
- from continuing operations	N/A	1.65	N/A	0.31
- from discontinued operation	N/A	(0.09)	N/A	0.06
	<u>N/A</u>	<u>1.56</u>	<u>N/A</u>	<u>0.37</u>

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

"N/A" denotes Not Applicable

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Leong Park Yip
Company Secretary

Date: 26 February 2009