

MALAYAN UNITED INDUSTRIES BERHAD
Company No: 3809-W
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
FOURTH QUARTER ENDED 31 DECEMBER 2009
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	236,135	239,191	908,025	953,069
Cost of sales	(163,226)	(182,826)	(647,232)	(684,997)
Gross profit	72,909	56,365	260,793	268,072
Other income	5,862	9,176	22,015	34,317
Distribution costs	(9,197)	(7,086)	(20,983)	(17,885)
Administrative expenses	(16,687)	(8,232)	(82,051)	(87,037)
Other operating expenses	(29,705)	(38,511)	(108,973)	(129,167)
Profit from operations	23,182	11,712	70,801	68,300
Exceptional items (refer Note A5)	(20,892)	(37,474)	(15,499)	(50,054)
Finance cost	(13,386)	(27,217)	(58,845)	(103,020)
Share of results of associated companies	25,847	5,707	30,735	12,890
Profit/(Loss) before taxation	14,751	(47,272)	27,192	(71,884)
Tax income / (expense)	4,732	(8,280)	(4,310)	(15,540)
Profit/(Loss) for the financial period	19,483	(55,552)	22,882	(87,424)
Attributable to:				
Equity holders of the Company	17,915	(47,857)	3,518	(74,142)
Minority interest	1,568	(7,695)	19,364	(13,282)
	19,483	(55,552)	22,882	(87,424)
Earnings/(Loss) per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic	0.92	(2.47)	0.18	(3.82)
Fully diluted	0.63	N/A	0.12	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 2008 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 31 DECEMBER 2009

	31.12.2009	31.12.2008
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	469,949	695,350
Investment properties	90,036	92,894
Prepaid land lease payments	46,520	29,518
Investments in associates	265,458	267,711
Investments	257,243	230,015
Land held for property development	35,263	35,263
Goodwill on consolidation	225,996	223,648
Deferred tax assets	1,972	4,410
	1,392,437	1,578,809
Current Assets		
Property development costs	78,811	76,073
Inventories	100,721	100,061
Trade and other receivables	334,220	333,137
Government securities and bonds	45,024	52,421
Short term investments	59,589	11,191
Tax recoverable	1,899	3,202
Deposits, bank balances and cash	484,310	639,175
	1,104,574	1,215,260
Assets Classified As Held For Sale	256,702	42,560
	1,361,276	1,257,820
TOTAL ASSETS	2,753,713	2,836,629
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	(1,992,661)	(2,005,427)
	684,350	671,584
Minority Interest	295,807	276,518
Total Equity	980,157	948,102
Non-Current Liabilities	763,468	708,056
Current Liabilities		
Trade and other payables	254,876	234,780
Provisions	103,630	78,741
Bank borrowings	581,533	802,838
Tax liabilities	14,040	25,922
Reserves for unearned premium	56,009	38,190
	1,010,088	1,180,471
Total Liabilities	1,773,556	1,888,527
TOTAL EQUITY AND LIABILITIES	2,753,713	2,836,629
	RM	RM
Net Assets Per Share Attributable to Equity Holders of The Company	0.35	0.35

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 2008 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009

CUMULATIVE 12 MONTHS	Attributable to Equity Holders of the Company					Minority Interest	Total Equity	
	Share Capital RM'000	ICULS [#] RM'000	Non-Distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	
At 1 January 2009	1,940,532	736,479	299,562	25,257	(2,330,246)	671,584	276,518	948,102
Adoption of new accounting policy	-	-	-	-	(2,226)	(2,226)	(2,207)	(4,433)
	1,940,532	736,479	299,562	25,257	(2,332,472)	669,358	274,311	943,669
Group's share of post-acquisition reserves of associated companies	-	-	124	-	-	124	-	124
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	11,350	-	-	11,350	4,387	15,737
Net income recognised directly in equity	-	-	11,474	-	-	11,474	4,387	15,861
Acquisition of additional interest in subsidiary companies	-	-	-	-	-	-	(561)	(561)
Disposal of interest in a subsidiary company	-	-	-	-	-	-	456	456
Dividends paid to minority interest	-	-	-	-	-	-	(2,150)	(2,150)
Profit for the financial period	-	-	-	-	3,518	3,518	19,364	22,882
At 31 December 2009	1,940,532	736,479	311,036	25,257	(2,328,954)	684,350	295,807	980,157
At 1 January 2008	1,940,532	736,479	374,983	25,257	(2,256,104)	821,147	301,314	1,122,461
Group's share of post-acquisition reserves of associated companies	-	-	1,996	-	-	1,996	-	1,996
Difference on translation of net assets of overseas subsidiary and associated companies	-	-	(76,804)	-	-	(76,804)	(3,761)	(80,565)
Under provision of deferred tax liabilities on revaluation surplus in prior year	-	-	(613)	-	-	(613)	(329)	(942)
Net expense recognised directly in equity	-	-	(75,421)	-	-	(75,421)	(4,090)	(79,511)
Share buyback by a subsidiary company	-	-	-	-	-	-	(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	-	-	-	-	(74,142)	(74,142)	(13,282)	(87,424)
At 31 December 2008	1,940,532	736,479	299,562	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 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 2008 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHAD

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009

	CUMULATIVE 12 MONTHS	
	31.12.2009	31.12.2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	27,192	(71,884)
Net adjustments	61,218	131,648
	<hr/>	<hr/>
Operating profit before working capital changes	88,410	59,764
Net change in working capital	17,576	(20,195)
	<hr/>	<hr/>
Net cash from operating activities	105,986	39,569
Cash Flows From Investing Activities		
Acquisition of additional interest in a subsidiary	(2,931)	(6,184)
Cost incurred on investment properties	(5)	(51)
Cost incurred on non-current assets held for sale	-	(23)
Dividends received	17,241	33,446
Interest received	10,519	25,096
Prepayment of land lease	(17,547)	-
Proceeds from disposal of property, plant and equipment	2,916	15,520
Proceeds from disposal of investment property	2,900	-
Proceeds from disposal of non-current assets held for sale	39,000	-
Proceeds from disposal of investments	20,118	45,440
Proceeds from disposal of interest in a subsidiary	9,300	-
Proceeds from disposal of government bonds and securities	7,471	5,000
Purchase of government bonds and securities	-	(29,851)
Purchase of investments	(61,641)	(24,457)
Purchase of property, plant and equipment	(29,049)	(28,882)
	<hr/>	<hr/>
Net cash (used in) / from investing activities	(1,708)	35,054
Cash Flows From Financing Activities		
Dividends paid to minority shareholders of subsidiaries	(2,151)	(4,476)
Interest paid	(57,039)	(98,282)
Net repayments of bank borrowings	(194,875)	(48,988)
Share buy back by a subsidiary company	-	(988)
	<hr/>	<hr/>
Net cash used in financing activities	(254,065)	(152,734)
Effects of exchange rate changes	(2,688)	24,274
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(152,475)	(53,837)
Cash and cash equivalents at 1 January		
As previously reported	581,617	659,759
Effects of exchange rate changes on cash and cash equivalents	2,848	(24,305)
As restated	<hr/>	<hr/>
	584,465	635,454
Cash and cash equivalents at 31 December	<hr/>	<hr/>
	431,990	581,617

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008 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 statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

The accounting policies, methods of computation and basis of consolidation applied in this unaudited interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2008 except for the adoption of the Risk-Based Capital Framework issued by Bank Negara Malaysia from 1 January 2009 by the insurance subsidiary company of the Group as detailed below.

Claim 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 equalization or catastrophe reserves is recognized. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

Pursuant to the Risk-Based Capital Framework, which required a change in its accounting policy as at 1 January 2009, a net amount of RM4.4 million has been recognised as additional net claims incurred on 1 January 2009 and the corresponding amount has been taken up in the retained profits brought forward.

A2 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2008 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 2009 other than the exceptional items as follows:-

Exceptional items	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	(98)	(78)	(98)	(78)
Gain/(Loss) on disposal of investments	264	(3,941)	1,930	(3,047)
Gain on disposal of a subsidiary company	-	-	7,844	-
Gain/(Loss) on disposal of properties	(28)	3,426	806	3,690
Impairment of property, plant and equipment	(18,293)	(287)	(18,293)	(287)
Impairment of investment in an associated company	(1,007)	-	(1,007)	-
Inventories written down	(2,578)	911	(5,334)	(1,437)
Loss on foreign exchange	(213)	(9,211)	(2,580)	(8,822)
Negative goodwill recognised	-	-	340	1,269
Non-recurring expenses for repair and maintenance of a development project	-	(484)	-	(484)
Writeback of / (Allowance for) doubtful debts	228	(11,948)	60	(11,616)
Writeback of / (Allowance for) diminution in value of investments	833	(15,862)	833	(29,242)
	<u>(20,892)</u>	<u>(37,474)</u>	<u>(15,499)</u>	<u>(50,054)</u>

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 2009.

A7 Dividend Paid

No dividend was paid by the Company during the financial period ended 31 December 2009 (31 December 2008 : Nil).

A8 Segment Information

The analysis of the Group's operations for the financial period ended 31 December 2009 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	954,700*	185,489	70,794	223,937	16,654	7,549	47,561	1,506,684
Inter-segment revenue	-	(275)	-	(2,259)	(192)	(1,360)	(7,902)	(11,988)
Net	<u>954,700</u>	<u>185,214</u>	<u>70,794</u>	<u>221,678</u>	<u>16,462</u>	<u>6,189</u>	<u>39,659</u>	<u>1,494,696</u>
Less: Group's share of associated companies' revenue								(586,671)
								<u>908,025</u>
RESULTS								
Segment results	20,417	20,570	698	29,600	4,133	(101)	(15,876)	59,441
Interest income	612	49	509	7,111	315	11	2,753	11,360
Exceptional items	(4,143)	(18,468)	(743)	(287)	1,246	124	6,772	(15,499)
Finance cost	(800)	(1,360)	(25)	-	(126)	(21)	(56,513)	(58,845)
Share of results of associated companies	16,042*	-	-	(2,361)	-	-	17,054	30,735
Profit/(Loss) before taxation	<u>32,128</u>	<u>791</u>	<u>439</u>	<u>34,063</u>	<u>5,568</u>	<u>13</u>	<u>(45,810)</u>	<u>27,192</u>

* 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 2009 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

- (a) On 30 January 2009, the Group completed the disposal of the entire equity interest in Two Holdings Sdn Bhd, a wholly-owned subsidiary of MUI Properties Bhd ("MPB"). The details of the disposal are mentioned in Note B8(a).
- (b) Resona Resources Berhad, a wholly-owned subsidiary of MPB, and Syahdu Pinta Berhad, a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC"), which were placed under members' voluntary winding-up on 31 January 2005 were dissolved on 1 March 2009 pursuant to Section 272(5) of the Companies Act, 1965.
- (c) MUI Media Limited ("MML"), a dormant wholly-owned subsidiary of the Group incorporated in United Kingdom ("UK") was dissolved on 12 May 2009 following an earlier application by MML to the Companies House in UK for its dissolution by way of voluntary striking-off.
- (d) The following dormant/inactive subsidiary companies were dissolved on 27 July 2009:-
- Wholly-owned subsidiary companies of the Company
- Malayan United Nominees (Asing) Sdn Bhd
 - Vista Hotels Sdn Bhd
 - Megah Nominees (Tempatan) Sdn Bhd
- Wholly-owned subsidiary companies of MPB
- Bashan Sdn Bhd
 - Dondang Sayang Holdings Sdn Bhd
- (e) PMRI Investments (Singapore) Pte Ltd, a wholly-owned subsidiary of PMC, incorporated a subsidiary on 8 December 2009 in the United Kingdom by the name of Tudor Gold Limited with a paid-up share capital of £1.00.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 December 2009.

A12 Contingent Liabilities

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

A13 Capital Commitments

As at 31 December 2009, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Contracted but not provided for	405
Authorised but not contracted for	<u>1,390</u>
	<u>1,795</u>

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B. NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance of the Company and its Principal Subsidiaries

For the year ended 31 December 2009, the Group recorded revenue of RM908.0 million compared with RM953.1 million last year. Despite the lower revenue, the Group recorded a pre-tax profit of RM27.2 million compared with pre-tax loss of RM71.9 million in the same period last year. This improvement was mainly attributable to lower interest expense, lower allowances for investments and doubtful debts, gain on disposal of a subsidiary company and better performance of the investment activities of the insurance operations.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") demonstrated its resilience in a challenging consumer environment in UK. It reported that for its first half year to 1 August 2009, total Group sales were up by £7.6 million (RM41.7 million) or 6.3% to £127.8 million, compared with £120.2 million in the previous year. This growth has primarily been driven by improved product offering, increased selling space from its store realignment programme and targeted promotional activities during the period. The underlying gross margins have remained broadly flat. However, Laura Ashley's results have been adversely affected by foreign exchange losses for the said period resulting in the company recording profit before taxation and after exceptional gain of £1.1 million (RM6.0 million) compared with a profit before taxation of £4.7 million (RM29.9 million) in the same period last year. Laura Ashley has also reported that for its first 19 weeks of the second half year to 12 December 2009, total UK retail sales increased by 8.8% year-on-year. In Malaysia, Metrojaya Berhad also recorded a growth in sales but margins were affected by the various promotional activities to boost consumer spending.

The Group's hotel operations in Malaysia continued to perform well and managed to maintain its profitability despite the difficult and declining market. Trading conditions for hotels in UK have been affected by the economic downturn. However, the performance of Corus Hotel Hyde Park in London has shown improvement, bucking the trend of central London hotels.

Under the financial services division, the universal broking operation was affected by the low trading activity on Bursa Securities in the first quarter, but this was mitigated by a rebound in the equities market since then. The insurance operation performed well with improvements in both its investment portfolio and underwriting results.

The food & confectionery operations recorded lower revenue due to rationalisation of its product portfolio and the soft retail market.

The property development operations also recorded satisfactory results amidst a softening property market. The plan to establish an "education township" with UCSI University at Bandar Springhill, Negeri Sembilan, has increased the interest of Bandar Springhill development, 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 RM236.1 million and profit before tax of RM14.8 million for the current quarter. These were around the same levels as the preceding quarter which recorded revenue of RM245.1 million and profit before tax of RM12.8 million.

B3 Prospects for Year 2010

The Group has undertaken a series of streamlining and rationalisation exercises which have substantially reduced the overall borrowings of the Group thus enabling the Group to channel resources for the expansion of its core businesses. This has put the Group in a much better financial position and as the major economies show signs of recovery following the global financial crisis, the Board expects that the Group's various business operations will perform better in year 2010.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 Taxation

Taxation comprises:-

		FOURTH QUARTER		CUMULATIVE 12 MONTHS	
		31.12.2009	31.12.2008	31.12.2009	31.12.2008
		RM'000	RM'000	RM'000	RM'000
Current taxation	- Malaysia	4,869	9,132	14,259	16,174
	- foreign	(6)	(1,246)	732	27
Deferred taxation		3,081	(4,830)	1,972	(5,906)
		<u>7,944</u>	<u>3,056</u>	<u>16,963</u>	<u>10,295</u>
(Over) / Under provision in respect of prior years		(12,676)	5,224	(12,653)	5,245
		<u>(4,732)</u>	<u>8,280</u>	<u>4,310</u>	<u>15,540</u>

The tax provision of the Group for the financial period ended 31 December 2009 is higher than the statutory rate of tax applicable mainly due to losses by certain subsidiaries where no group relief on losses are available.

B6 Sale of Investments and/or Properties

There were no sale of investments and/or properties for the financial period ended 31 December 2009 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 2009 other than those of the insurance subsidiary, are as follows:-

	RM'000
(i) Total purchases	16,132
(ii) Total disposals	2,743
Total gain on disposals (net)	<u>1,930</u>

(b) Total investments in quoted securities by the Group as at 31 December 2009, other than those by the insurance subsidiary, are as follows:-

	RM'000
At cost	158,737
Less: Allowance for diminution in value	<u>108,777</u>
At book value	<u>49,960</u>
Market value	<u>71,775</u>

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 was completed on 20 July 2009.

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 2009 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	752,025
<i>Short Term Borrowings</i>	
- Secured	135,195
- Unsecured	446,338
	<u>581,533</u>

(b) Foreign borrowings in Ringgit equivalent as at 31 December 2009 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	<u>464,402</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 21,237,432 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. The trial on the Interveners' claims commenced in September 2009 and is scheduled to continue in March 2010. The Group's solicitors are of the opinion, based on documents available, that the Group has a good answer to the claims of the Interveners.

B12 Dividend

No dividend has been declared by the Board for the financial period ended 31 December 2009 (31 December 2008: Nil).

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
(Incorporated in Malaysia)

B13 Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
Profit/(Loss) for the financial period attributable to equity holders of the Company	17,915	(47,857)	3,518	(74,142)
Weighted average number of ordinary shares in issue ('000)	1,940,532	1,940,532	1,940,532	1,940,532
Earnings/(Loss) per share (sen)	0.92	(2.47)	0.18	(3.82)

(b) Diluted earnings per share

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
Profit/(Loss) for the financial period attributable to the equity holders of the Company	17,915	(47,857)	3,518	(74,142)
Weighted average number of ordinary shares in issue ('000)	1,940,532	1,940,532	1,940,532	1,940,532
Effect of dilution :-				
Irredeemable convertible unsecured loan stocks	887,324	887,324	887,324	887,324
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,827,856	2,827,856	2,827,856	2,827,856
Diluted earnings per share (sen)	0.63	*	0.12	*

* Diluted earnings per share is not disclosed as it is antidilutive.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Leong Park Yip
Company Secretary

Date: 24 February 2010