

MALAYAN UNITED INDUSTRIES BERHADCompany No: 3809-W
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2010**

(The figures are unaudited)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	245,252	215,480	245,252	215,480
Cost of sales	(180,746)	(159,782)	(180,746)	(159,782)
Gross profit	64,506	55,698	64,506	55,698
Other income	4,294	5,732	4,294	5,732
Distribution costs	(4,967)	(2,745)	(4,967)	(2,745)
Administrative expenses	(19,497)	(21,387)	(19,497)	(21,387)
Other operating expenses	(27,932)	(30,976)	(27,932)	(30,976)
Profit from operations	16,404	6,322	16,404	6,322
Exceptional items (refer Note A4)	3,423	10,551	3,423	10,551
Finance cost	(13,125)	(17,692)	(13,125)	(17,692)
Share of results of associates	643	(517)	643	(517)
Profit/(Loss) before taxation	7,345	(1,336)	7,345	(1,336)
Tax expense	(6,229)	(740)	(6,229)	(740)
Profit/(Loss) for the financial period	1,116	(2,076)	1,116	(2,076)
Profit/(Loss) attributable to:				
Equity holders of the Company	(1,009)	(9,706)	(1,009)	(9,706)
Minority interests	2,125	7,630	2,125	7,630
Profit/(Loss) for the financial period	1,116	(2,076)	1,116	(2,076)
Loss per share attributable to equity holders of the Company:-	Sen	Sen	Sen	Sen
Basic	(0.05)	(0.50)	(0.05)	(0.50)
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 2009 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 STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period	1,116	(2,076)	1,116	(2,076)
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign subsidiaries	(36,111)	16,959	(36,111)	16,959
Fair value of available-for-sale investments	511	-	511	-
Share of other comprehensive (loss)/income of associates	(926)	1,061	(926)	1,061
Other comprehensive (loss)/income for the financial period	<u>(36,526)</u>	<u>18,020</u>	<u>(36,526)</u>	<u>18,020</u>
Total comprehensive (loss)/income for the financial period	<u>(35,410)</u>	<u>15,944</u>	<u>(35,410)</u>	<u>15,944</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(35,487)	7,554	(35,487)	7,554
Minority interests	<u>77</u>	<u>8,390</u>	<u>77</u>	<u>8,390</u>
Total comprehensive (loss)/income for for the financial period	<u>(35,410)</u>	<u>15,944</u>	<u>(35,410)</u>	<u>15,944</u>

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009 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 STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2010

	31.03.2010	31.12.2009
	RM'000	RM'000 (restated)
ASSETS		
Non-Current Assets		
Property, plant and equipment	486,540	517,234
Investment properties	89,792	90,036
Investments in associates	266,469	280,984
Other investments	278,749	257,271
Land held for property development	35,263	35,263
Goodwill on consolidation	225,996	225,996
Deferred tax assets	2,557	2,547
	1,385,366	1,409,331
Current Assets		
Property development costs	77,199	76,555
Inventories	104,325	102,744
Trade and other receivables	335,072	327,817
Held-to-maturity investments	45,297	45,024
Other investments	60,029	59,589
Tax recoverable	1,895	1,851
Deposits, bank balances and cash	436,562	483,518
	1,060,379	1,097,098
Assets Classified As Held For Sale	230,526	256,702
	1,290,905	1,353,800
TOTAL ASSETS	2,676,271	2,763,131
EQUITY AND LIABILITIES		
Equity Attributable To Equity Holders Of The Company		
Share capital	2,019,149	1,940,532
ICULS#	671,227	736,479
Reserves	(2,012,606)	(1,978,461)
	677,770	698,550
Minority Interest	305,165	296,395
Total Equity	982,935	994,945
Non-Current Liabilities	728,722	784,977
Current Liabilities		
Trade and other payables	224,580	240,347
Provisions	105,456	102,755
Borrowings	554,243	568,918
Tax liabilities	14,990	15,180
Reserves for unearned premium	65,345	56,009
	964,614	983,209
Total Liabilities	1,693,336	1,768,186
TOTAL EQUITY AND LIABILITIES	2,676,271	2,763,131
	RM	RM
Net Assets Per Share Attributable to Equity Holders of The Company	0.34	0.36

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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009 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 MARCH 2010

CUMULATIVE 3 MONTHS	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	Interests RM'000	Equity RM'000
At 1 January 2010							
As previously stated	1,940,532	736,479	325,454	25,257	(2,329,172)	296,395	994,945
- effect of adopting FRS 139	-	-	14,662	-	45	8,693	23,400
As restated	1,940,532	736,479	340,116	25,257	(2,329,127)	305,088	1,018,345
Total comprehensive (loss)/income for the financial period	-	-	(34,478)	-	(1,009)	77	(35,410)
Conversion of Class AI ICULS to ordinary shares	78,617	(78,617)	-	-	-	-	-
Discount on Class AI ICULS upon issuance debited to accumulated losses upon conversion	-	13,365	-	-	(13,365)	-	-
At 31 March 2010	2,019,149	671,227	305,638	25,257	(2,343,501)	305,165	982,935
At 1 January 2009	1,940,532	736,479	299,562	25,257	(2,330,246)	276,518	948,102
Total comprehensive income/(loss) for the financial period	-	-	17,260	-	(9,706)	8,390	15,944
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(555)	(555)
Disposal of interest in a subsidiary	-	-	-	-	-	456	456
At 31 March 2009	1,940,532	736,479	316,822	25,257	(2,339,952)	284,809	963,947

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 2009 and the accompanying explanatory notes attached to the interim financial statements.

MALAYAN UNITED INDUSTRIES BERHADCompany No: 3809-W
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	7,345	(1,336)
Net adjustments	18,904	14,852
Operating profit before working capital changes	26,249	13,516
Net change in working capital	(27,374)	(12,258)
Net cash from operating activities	(1,125)	1,258
Cash Flows From Investing Activities		
Acquisition of additional interest in a subsidiary	-	(1,164)
Dividends received	338	211
Interest received	1,835	2,972
Proceeds from disposal of property, plant and equipment	43	11
Proceeds from disposal of non-current assets held for sale	-	39,000
Proceeds from disposal of investments	4,121	5,722
Proceeds from disposal of interest in a subsidiary	-	9,300
Proceeds from disposal of government bonds and securities	-	2,500
Purchase of investments	(3,760)	(26,924)
Purchase of property, plant and equipment	(4,801)	(3,535)
Net cash (used in)/from investing activities	(2,224)	28,093
Cash Flows From Financing Activities		
Interest paid	(12,482)	(17,222)
Net repayments of bank borrowings	(21,292)	(198,658)
Net cash used in financing activities	(33,774)	(215,880)
Effects of exchange rate changes	161	(3,722)
Net decrease in cash and cash equivalents	(36,962)	(190,251)
Cash and cash equivalents at 1 January		
As previously reported	431,408	581,617
Effects of exchange rate changes on cash and cash equivalents	(6,495)	5,502
As restated	424,913	587,119
Cash and cash equivalents at 31 March	387,951	396,868

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2009 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 2009.

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 2009 except for the adoption of the following new/revised Financial Reporting Standards ("FRSs"), IC Interpretations and Amendments to FRSs and IC Interpretations and Improvements to FRSs with effect from 1 January 2010:-

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvements to FRSs issued in 2009 in respect of various FRSs including Amendments to FRS 117: Leases	

Other than for the adoption of FRS 8, FRS 101, FRS 139 and Amendments to FRS117, the adoption of the above FRSs, Amendments to FRSs and IC Interpretation did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a results, the Group's segmental reporting had been presented based on the internal reporting to the management who makes decisions on the allocation of resources and assess the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of 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.

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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.

(c) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effect arising from the adoption of this Standard has been accounted for by adjusting the opening balances of reserves/retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below.

Other Investments

(i) Available-for-sale investments

Prior to 1 January 2010, the Group classified its investments which were held for non-trading purposes as long term investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 January 2010 as available-for-sale investments and accordingly are stated at their fair values as at that date. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of reserves as at 1 January 2010. Investments whose fair value cannot be reliably measured continued to be carried at cost less impairment losses as at 1 January 2010.

(ii) Investments at fair value through profit or loss

Prior to 1 January 2010, the Group categorised its short term investments into short term investments and held-for-trading investments. Upon adoption of FRS 139, these investments are designated at 1 January 2010 as Investments at fair value through profit or loss upon initial recognition and held-for-trading investments.

(a) Designated as Investments at fair value through profit or loss upon initial recognition

The Group classified its quoted investments, except for the investments held by insurance subsidiary, which were held for short term as short term investments. Such investments were carried at the lower of cost and market value. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 as investment at fair value through profit or loss. As the previous year carrying amounts of these investments have been stated at market value, no adjustments to their previous year carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010.

(b) Held-for-trading investments

The Group classified its quoted investments held by insurance subsidiary, which were held for trading purposes as held-for-trading investments in accordance to Risk-Based Capital Framework issued by Bank Negara Malaysia. Such investments were stated at fair values, determined based on active market using quoted market prices as representing actual market transactions on an arm's length basis. Upon the adoption of FRS 139, these investments continued to be designated as held-for-trading investments. As the previous year carrying amounts of these investments have been stated at fair value, no adjustments to their previous year carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010.

Held-to-maturity investments

Prior to 1 January 2010, investments in Government securities and bonds are measured at amortised cost using the effective interest method in accordance to Risk-Based Capital Framework issued by Bank Negara Malaysia. Upon the adoption of FRS 139, these investments continued to be designated as held-to-maturity investments. As the previous year carrying amounts of these investments have been stated at amortised cost using the effective interest method, no adjustments to their previous year carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010.

Borrowings

Prior to 1 January 2010, the Group non-current fixed rate borrowings were carried at cost. Upon adoption of FRS 139, borrowings are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses arising from the derecognition of the borrowings, effective interest rate amortisation and impairment losses are recognised in the income statement.

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Impact on opening balances

In accordance with the transitional provision of FRS 139, the above changes are applied prospectively and the comparative figures of the Group as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following balances in the statement of financial position as at 1 January 2010.

	← At 1 January 2010 →		
	As previously stated RM'000	Effects of FRS 139 RM'000	As restated RM'000
Assets			
Other investments	257,271	23,332	280,603
Investment in associates	280,984	40	281,024
Liabilities			
Non-current liabilities	784,977	(28)	784,949
Equity			
Other reserves	325,454	14,662	340,116
Accumulated losses	(2,329,172)	45	(2,329,127)
Minority interest	296,395	8,693	305,088

(d) Amendments to FRS 117: Leases

The Group has adopted the amendments to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendments to FRS 117:

Group	← At 31 December 2009 →	
	As previously stated RM'000	As restated RM'000
Cost		
Property, plant and equipment	470,714	517,234
Prepaid land lease payments	46,520	-

A2 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.

A3 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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A4 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 March 2010 other than the exceptional items as follows:-

Exceptional items	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts	(104)	(27)	(104)	(27)
Gain on disposal of investments	-	1,594	-	1,594
Gain on disposal of a subsidiary	-	7,844	-	7,844
Gain on disposal of property, plant & equipment	43	11	43	11
Gain on foreign exchange	4,241	795	4,241	795
Inventories writeback / (written down)	299	(560)	299	(560)
Negative goodwill recognised	-	340	-	340
Settlement under a compromise in respect of an Executive Share Option Scheme of a subsidiary	(1,060)	-	(1,060)	-
Writeback of allowance for diminution in value of investments	4	554	4	554
	<u>3,423</u>	<u>10,551</u>	<u>3,423</u>	<u>10,551</u>

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

During the financial period ended 31 March 2010, the Company has issued 78,617,000 ordinary shares of RM1.00 each arising from the conversion of the Class A1 ICULS with nominal value totalling RM78,617,000 exercised by the holders of the Class A1 ICULS.

Other than the above, 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 March 2010.

A6 Dividend Paid

No dividend was paid by the Company during the financial period ended 31 March 2010 (31 March 2009 : Nil).

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A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2010 is as follows:-

	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	Total RM'000
REVENUE								
Gross revenue	182,018*	36,861	21,479	77,756	6,678	2,765	8,648	336,205
Inter-segment revenue	-	(39)	-	(985)	-	(458)	(221)	(1,703)
Net	182,018	36,822	21,479	76,771	6,678	2,307	8,427	334,502
Less: Group's share of associates' revenue								(89,250)
								245,252
RESULTS								
Segment results	5,445	3,101	59	6,850	2,367	78	(3,464)	14,436
Interest income	182	15	72	1,277	53	1	368	1,968
Exceptional items	42	-	43	(108)	257	-	3,189	3,423
Finance cost	(182)	(315)	(12)	-	(55)	(5)	(12,556)	(13,125)
Share of results of associates	479*	-	-	(645)	-	-	809	643
Profit/(Loss) before taxation	5,966	2,801	162	7,374	2,622	74	(11,654)	7,345
ASSETS								
Segment assets	364,754	261,253	173,277	400,595	198,569	1,750	774,626	2,174,824
Non-current assets held for sale	-	230,526	-	-	-	-	-	230,526
Investments in associates	131,663	-	-	51,883	-	-	82,923	266,469
Unallocated corporate assets								4,452
								2,676,271

* Includes estimated results in an associate

A8 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 March 2010 that have not been reflected in the financial statements for the said period as at the date of this report.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2010.

A10 Contingent Liabilities

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

A11 Capital Commitments

As at 31 March 2010, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Contracted but not provided for	396
Authorised but not contracted for	7,102
	<u>7,498</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 3 months ended 31 March 2010, the Group recorded revenue of RM245.3 million and profit before tax of RM7.3 million compared with revenue of RM215.5 million and loss before tax of RM1.3 million in the same period last year. The better performance by the Group's various business operations and the lower interest expenses have contributed to the improvement in the revenue and profitability of the Group.

In retailing, Laura Ashley Holdings plc ("Laura Ashley") reported continued growth in revenue in all its product categories despite difficult economic environment. Its revenue for its 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 continued to maintain a strong balance sheet. For the 8 weeks to 27 March 2010, total UK retail sales increased by 5.6%. For the same period, like-for-like UK retail sales improved by 4.6% due to targeted promotional activity. In Malaysia, Metrojaya Berhad continued to record sales growth. Sales and profits grew by 4.9% and 137.4% respectively in the current period under review compared with the same period last year, mainly driven by the various promotional activities.

The Group's hotel operations in Malaysia continued to perform well and achieved improved profitability with better occupancies and room rates. The hotels in UK continued to trade under challenging environment. However, the performance of Corus Hotel Hyde Park in London has shown improvement.

Under the financial services division, the insurance operation registered a strong performance in its underwriting operations and investment activities with commendable growth in both revenue and profitability. However, the universal broking operation remained challenging but has shown some improvements following the reorganisation of its operations undertaken in the previous year.

The food & confectionery operations recorded higher revenue due to better sales following the major rebranding exercise for several of their products. The rebranding exercise has elevated the products brand positioning and improved market acceptance.

The property development operations continued to perform satisfactorily. Sale performance for the Bandar Springhill development project was encouraging in the current period under review. The development to establish the education township in Bandar Springhill with UCIS is expected to commence soon with approval by the State Government for the development of the university and private hospital.

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

The Group recorded revenue of RM245.3 million and profit before tax of RM7.3 million for the current quarter compared with revenue of RM236.1 million and profit before tax of RM15.2 million in the preceding quarter. The higher revenue in the current quarter was mainly due to better revenue by the insurance operation. However, the Group recorded a higher profit in the preceding quarter due to higher profit from the investment activities of the insurance operations and share of higher profits from associates.

B3 Prospects for the current financial year

With the prospect of a better business environment following the recovery of the United States and Asian economies, the Group expects its various business operations to continue with the improved performance for the remaining periods in the financial year. However, the Group remains cautious of the business environment amidst the current financial crisis in Europe including United Kingdom.

The Group will continue with the streamlining and rationalisation exercises to reduce further the overall gearing and strengthen further its financial position.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

MALAYAN UNITED INDUSTRIES BERHAD

Company No: 3809-W
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B5 Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Malaysia	6,076	1,666	6,076	1,666
- foreign	-	367	-	367
Deferred taxation	200	(1,221)	200	(1,221)
	6,276	812	6,276	812
Over provision in respect of prior years	(47)	(72)	(47)	(72)
	6,229	740	6,229	740

The tax provision of the Group for the financial period ended 31 March 2010 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 Unquoted Investments and/or Properties

There were no sale of unquoted investments and/or properties for the financial period ended 31 March 2010 other than as disclosed in Note A4.

B7 Quoted Securities

(a) Total purchases and disposals of quoted securities of the Group for the financial period ended 31 March 2010, other than those of the insurance subsidiary, are as follows:-

	RM'000
(i) Total purchases	15
(ii) Total disposals	-
Total gain on disposals (net)	-

(b) Total investments in quoted securities by the Group as at 31 March 2010, other than those by the insurance subsidiary, are as follows:-

	RM'000
At cost	158,968
Less: Allowance for diminution in value	85,527
At book value	73,441
Market value	72,773

B8 Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

B9 Group Borrowings

(a) Total Group borrowings as at 31 March 2010 are as follows:-

	RM'000
<i>Long Term Borrowings</i>	
- Secured	708,840
<i>Short Term Borrowings</i>	
- Secured	126,377
- Unsecured	427,866
	554,243

(b) Foreign borrowings in Ringgit equivalent as at 31 March 2010 included in (a) above are as follows:-

Currency	RM'000
Sterling Pounds	416,127

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

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(Incorporated in Malaysia)

B10 Off Balance Sheet Financial Instruments

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 material litigation involving the Group as at the date of this report.

B12 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2010 (31 March 2009: Nil).

B13 Loss Per Share

(a) Loss per share

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Loss for the financial period attributable to equity holders of the Company (RM'000)	(1,009)	(9,706)	(1,009)	(9,706)
Weighted average number of ordinary shares in issue ('000)	2,000,459	1,940,532	2,000,459	1,940,532
Loss per share (sen)	(0.05)	(0.50)	(0.05)	(0.50)

(b) Diluted earnings per share

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

B14 Auditors' Report

The auditors' report on the financial statements for the financial year ended 31 December 2009 was not qualified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Leong Park Yip
Company Secretary

Date: 26 May 2010