

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2021**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	36,526	59,953	135,966	265,282
Cost of sales	(32,359)	(45,974)	(103,386)	(172,179)
Gross profit	4,167	13,979	32,580	93,103
Other income	1,633	19,365	21,595	23,767
Distribution costs	(1,922)	(2,360)	(5,865)	(6,976)
Administrative expenses	(19,134)	(35,213)	(59,228)	(96,253)
Other operating expenses	(18,330)	(123,420)	(12,477)	(127,636)
Net reversal of impairment/(impairment) losses on financial assets [Note A4(b)]	803	(238)	8,388	1,646
Finance costs	(10,940)	(11,377)	(28,614)	(33,828)
Share of results of associates	(246)	38	(214)	(4,331)
Share of results of joint venture	-	-	(3)	(15)
Loss before taxation	(43,969)	(139,226)	(43,838)	(150,523)
Taxation	(6,642)	(366)	(9,303)	(5,736)
Loss after taxation	(50,611)	(139,592)	(53,141)	(156,259)
Loss after taxation attributable to:				
Owners of the Company	(48,763)	(138,472)	(59,907)	(162,909)
Non-controlling interests	(1,848)	(1,120)	6,766	6,650
	(50,611)	(139,592)	(53,141)	(156,259)
Basic/diluted loss per share attributable to owners of the Company (sen)	(1.66)	(4.72)	(2.04)	(5.56)

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Loss after taxation	(50,611)	(139,592)	(53,141)	(156,259)
Other comprehensive income, net of tax:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value gain/(loss) of equity instruments	(146)	270	452	(1,313)
<i>Items that will be reclassified subsequently to profit or loss</i>				
Derecognition of an associate	-	(10,793)	-	(10,793)
Foreign currency translation differences	13,518	26,180	7,588	28,279
Share of other comprehensive expenses of an associate	-	(372)	-	(372)
Other comprehensive income	13,372	15,285	8,040	15,801
Total comprehensive expenses for the financial period	(37,239)	(124,307)	(45,101)	(140,458)
Attributable to:				
Owners of the Company	(37,503)	(123,527)	(55,545)	(147,431)
Non-controlling interests	264	(780)	10,444	6,973
Total comprehensive expenses for the financial period	(37,239)	(124,307)	(45,101)	(140,458)

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	31.03.2021 RM'000	30.06.2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	660,433	575,564
Investment properties	67,271	67,281
Associates	187,983	188,173
Joint venture	196	449
Other investments	6,469	6,335
Inventories	35,263	35,263
Goodwill on consolidation	24,974	24,974
Deferred tax assets	2,254	1,923
	984,843	899,962
Current Assets		
Inventories	116,516	136,580
Trade and other receivables	126,541	135,586
Contract assets	22,832	3,622
Right to recover returned goods	537	538
Contract costs	1,859	275
Other investments	35,227	16,157
Short term investments	6,488	5,372
Current tax assets	4,092	4,707
Deposits, bank balances and cash	165,255	206,494
	479,347	509,331
Assets classified as held for sale	-	21,964
	479,347	531,295
TOTAL ASSETS	1,464,190	1,431,257
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	3,152,866	3,152,866
Accumulated losses and reserves	(3,016,517)	(2,960,439)
	136,349	192,427
Non-Controlling Interests	243,027	231,852
Total Equity	379,376	424,279
Non-Current Liabilities	815,293	710,751
Current Liabilities		
Trade and other payables	176,663	181,448
Contract liabilities	1,430	1,453
Refund liabilities	956	958
Borrowings	89,196	110,829
Employee benefits	578	642
Current tax liabilities	698	897
	269,521	296,227
Total Liabilities	1,084,814	1,006,978
TOTAL EQUITY AND LIABILITIES	1,464,190	1,431,257
	RM	RM
Net assets per share attributable to owners of the Company	0.05	0.07

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Attributable to Owners of the Company				Non-Controlling Interests	Total Equity
	Share Capital RM'000	Non-Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
At 1 July 2020	3,152,866	(20,288)	(2,940,151)	192,427	231,852	424,279
Profit/(loss) after taxation	-	-	(59,907)	(59,907)	6,766	(53,141)
Fair value gain/(loss) of equity instruments	-	(253)	544	291	161	452
Foreign currency translations	-	4,071	-	4,071	3,517	7,588
Total comprehensive income/(expenses)	-	3,818	(59,363)	(55,545)	10,444	(45,101)
Transaction with owners:-						
Changes in ownership interests of subsidiaries	-	-	(533)	(533)	4,835	4,302
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	(4,104)	(4,104)
At 31 March 2021	3,152,866	(16,470)	(3,000,047)	136,349	243,027	379,376
At 1 July 2019	3,152,866	(34,490)	(2,742,863)	375,513	228,723	604,236
Profit/(loss) after taxation	-	-	(162,909)	(162,909)	6,650	(156,259)
Derecognition of an associate	-	(8,236)	(2,557)	(10,793)	-	(10,793)
Fair value gain/(loss) of equity instruments	-	(2,229)	1,346	(883)	(430)	(1,313)
Foreign currency translations	-	27,526	-	27,526	753	28,279
Share of other comprehensive expenses of an associate	-	(372)	-	(372)	-	(372)
Total comprehensive income/(expenses)	-	16,689	(164,120)	(147,431)	6,973	(140,458)
Transaction with owners:-						
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	(5,330)	(5,330)
At 31 March 2020	3,152,866	(17,801)	(2,906,983)	228,082	230,366	458,448

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	31.03.2021 RM'000	31.03.2020 RM'000
Operating Activities		
Loss before taxation	(43,838)	(150,523)
Net adjustments	26,559	124,694
Operating loss before working capital changes	<u>(17,279)</u>	<u>(25,829)</u>
Net change in working capital	1,861	19,846
Cash used in operations	<u>(15,418)</u>	<u>(5,983)</u>
Employee benefits paid	(338)	(468)
Interest paid	(484)	(530)
Interest received	643	440
Net tax refunded/(paid)	<u>(6,340)</u>	<u>818</u>
Net cash used in operating activities	(21,937)	(5,723)
Investing Activities		
Dividend received	84	-
Interest received	2,041	3,743
Investment in an associate	-	(6,039)
Proceeds from capital distribution received from:		
- joint venture	250	-
- other investment	-	137
- subsidiaries	482	-
Proceeds from disposal of:		
- other investments	13,633	-
- property, plant and equipment	38,102	39,087
- short term investments	-	180
Purchase of:		
- other investments	(1,520)	-
- property, plant and equipment	(3,848)	(8,472)
- short term investments	(84)	(5,184)
Utilisation of restricted fund	2,465	-
Net cash from investing activities	51,605	23,452
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	(4,104)	(5,330)
Interest paid	(28,130)	(33,298)
Net repayments of bank borrowings	(20,809)	(9,916)
Net cash used in financing activities	<u>(53,043)</u>	<u>(48,544)</u>
Net decrease in cash and cash equivalents	(23,375)	(30,815)
Cash and cash equivalents at beginning of financial period		
As previously reported	168,413	184,568
Effects of exchange rate changes	5,016	28,622
As restated	<u>173,429</u>	<u>213,190</u>
Cash and cash equivalents at end of financial period	<u>150,054</u>	<u>182,375</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 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 condensed consolidated financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. The Condensed Report, other than for financial instruments has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 Financial Instruments.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 30 June 2020, except for the following:

<u>MFRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

<u>MFRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023*

* The effective date has been deferred from annual reporting periods beginning on or after 1 January 2022 to 1 January 2023 pursuant to the amendments to MFRS 101 issued by the MASB, namely 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date'.

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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 Malaysia have seasonal peaks in tandem with various festive seasons and sales promotions approved by the government;
- (b) The hotel operations and hospitality business in the United Kingdom ("UK") normally experience low seasonality after the festive and holiday seasons of Christmas and New Year. Additionally, winter period will also experience a decline in trading; and
- (c) The food operations of the Group is affected by seasonal factors.

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 financial period ended 31 March 2021.

A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other 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 2021 other than the following items:

- (a) Coronavirus Disease 2019 (COVID-19)

The current outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporary closure of businesses, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in a reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess the extent in which these series of events provide additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities as at 31 March 2021.

- (b) Net Reversal of Impairment/(Impairment) Losses on Financial Assets

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Reversal of impairment/(Impairment) on:				
- amount owing by an associate	606	130	3,759	1,932
- overseas investment	-	-	4,420	-
- quoted investment	-	(312)	-	(312)
- receivables	197	9	209	91
- unquoted investment	-	(65)	-	(65)
	<u>803</u>	<u>(238)</u>	<u>8,388</u>	<u>1,646</u>

A5 Issuances, Repurchases and 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 March 2021.

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A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2021 (31 March 2020: Nil).

A7 Operating Segments

The analysis of the Group's operations for the financial period ended 31 March 2021 is as follows:

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	22,446	-	22,446	(4,475)	17,971
Hotel	33,045	-	33,045	-	33,045
Food	27,875	-	27,875	-	27,875
Property	57,129	(54)	57,075	-	57,075
Others	17,062	(5,548)	11,514	(11,514)	-
Total	157,557	(5,602)	151,955	(15,989)	135,966

(b) Results

	Segment Results RM'000	Net reversal of impairment losses on financial assets RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	267	7	-	320	594
Hotel	(18,894)	1	(1,778)	-	(20,671)
Food	(11,168)	-	(61)	(3)	(11,232)
Property	16,703	4	-	-	16,707
Others	(10,303)	8,376	(26,775)	(534)	(29,236)
Total	(23,395)	8,388	(28,614)	(217)	(43,838)

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	33,829	6,393	40,222
Hotel	578,530	-	578,530
Food	132,545	196	132,741
Property	322,653	-	322,653
Others	202,108	181,590	383,698
	1,269,665	188,179	1,457,844
Unallocated corporate assets			6,346
Total Assets			1,464,190

A8 Events Subsequent to the End of the Financial Period

There were no material events subsequent to the end of the financial period ended 31 March 2021 that have not been reflected in the interim financial statements for the said period as at the date of this report.

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A9 Changes in the Composition of the Group

- (a) The following dormant indirect subsidiaries incorporated in United Kingdom (all non-consolidated) have been dissolved by way of voluntary strike-off, with no material impact on the earnings and net assets of the Group:

	<u>Date of Dissolution</u>
(i) Rose & Crown VCT Limited	27 October 2020
(ii) Shandwick Leisure Limited	27 October 2020
(iii) Styletune Limited	27 October 2020
(iv) The Restaurant Partnership plc	16 March 2021
(v) No.1 Cigar Club Limited	30 March 2021

- (b) The following inactive wholly-owned subsidiaries of Pan Malaysia Holdings Berhad, which is in turn a partly-owned subsidiary of the Company, have been dissolved pursuant to Section 459(5) of the Companies Act, 2016, with no financial and operational effect on the Group:

	<u>Date of Dissolution</u>
(i) Pan Malaysia Travel & Tours Sdn Bhd	7 January 2021
(ii) Pengkalen Foodservices Sdn Bhd	13 January 2021

- (c) On 7 January 2021, Superex Sdn Bhd, an inactive indirect wholly-owned subsidiary of MUI Properties Berhad ("MUIP"), which is in turn a partly-owned subsidiary of the Company, has been dissolved pursuant to Section 459(5) of the Companies Act, 2016, with no material impact on the earnings and net assets of the Group.

- (d) On 22 March 2021, the following companies which were incorporated in Australia and dormant indirect wholly-owned subsidiaries of MUIP, have been deregistered from the Australian Securities and Investments Commission pursuant to Section 601AA(4) of the Corporations Act 2001:

- (i) Dirnavy Pty Limited
- (ii) MUI Australia Pty Ltd

A loss on deregistration for both Australian companies amounting to RM6.9 million has been taken up in the financial statements of the Group for the financial period ended 31 March 2021.

- (e) During the financial period, the Group reduced its ownership interests in the following subsidiaries:

	No. of shares disposed of (<u>'000</u>)	Total consideration (<u>RM'000</u>)	Changes in ownership interests	
			Before disposal	After disposal
(i) Pan Malaysia Holdings Berhad	8,149	2,647	69.19%	68.32%
(ii) MUI Properties Berhad	15,819	6,498	74.32%	72.27%
(iii) Metrojaya Berhad	1,000	100	98.21%	97.41%

Other than the above, there were no other changes in the composition of the Group during the financial period ended 31 March 2021.

A10 Contingent Liabilities

There were no material contingent liabilities not provided for as at 31 March 2021.

A11 Capital Commitments

As at 31 March 2021, the Group has capital commitment in respect of a subscription of interest as a limited partner of Genesis Alternative Ventures I L.P. as follows:

	<u>USD'000</u>	<u>RM'000</u>
Capital committed to invest	2,000	8,292
Capital invested	(591)	(2,450)
Balance of commitment	<u>1,409</u>	<u>5,842</u>

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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1 Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED			
	31.03.2021	31.03.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	4,390	9,850	(5,460)	(55.40)
Hotel	3,729	26,966	(23,237)	(86.20)
Food	4,846	10,997	(6,151)	(55.90)
Property	23,561	12,140	11,421	94.10
	36,526	59,953	(23,427)	(39.10)
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(2,563)	(116,437)	113,874	97.80
Hotel	(9,816)	5,742	(15,558)	(271.00)
Food	(8,980)	(1,286)	(7,694)	(598.30)
Property	6,785	2,541	4,244	167.00
Others	(29,395)	(29,786)	391	1.30
	(43,969)	(139,226)	95,257	68.40

Current Quarter Ended 31 March 2021

The Group's overall business performance continued to be adversely affected by the coronavirus pandemic as governments the world over enforced strict measures and restrictions in a bid to contain the virus. The Group generated a total revenue of RM36.5 million in the current quarter, 39.1% lower than last year. However, LBT was reduced by 68.4% in the current quarter compared to the same quarter last year, which saw the derecognition of an associate that resulted in a one-off loss of RM111.8 million.

Retailing

The decrease in revenue of 55.4% for the current quarter compared to the same quarter last year was mainly due to the temporary closure of stores to comply with Movement Control Orders. Despite lower revenue, the divisional LBT was reduced to RM2.6 million in the current quarter from RM116.4 million reported in the same quarter last year. Excluding the one-off loss of RM111.8 million from the derecognition of an associate in the UK last year, the lower loss in the current quarter was due to lower administrative expenses.

Hotel

The Group's hotel room occupancy in the current quarter was severely affected by the pandemic causing revenue to decrease by 86.2% compared to the previous year's corresponding quarter. The division reported an LBT of RM9.8 million in the current quarter compared to a PBT of RM5.7 million in the same quarter last year. This was mainly due to a one-off RM16.0 million gain on disposal of land in the UK that was reported last year.

Food

Revenue in the third quarter dropped by 55.9% while LBT widened further compared to the same quarter last year mainly due to sluggish demand and substantially higher advertising and promotion expenses. This was primarily due to the continuing effects of COVID-19 hampering consumer demand for certain categories of goods and services.

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Property

The improved revenue in the current quarter compared to the corresponding quarter in 2020 was mainly due to the on-going Phase E6 whereas revenue last year was mainly from Phase E7-2 which was at completion stage. Accordingly, a higher PBT of RM6.8 million was reported by the division compared to RM2.5 million in the previous corresponding quarter.

	CUMULATIVE 9 MONTHS			
	31.03.2021	31.03.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	17,971	41,492	(23,521)	(56.70)
Hotel	33,045	119,051	(86,006)	(72.20)
Food	27,875	46,646	(18,771)	(40.20)
Property	57,075	58,093	(1,018)	(1.80)
	135,966	265,282	(129,316)	(48.70)
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	594	(128,547)	129,141	100.50
Hotel	(20,671)	18,481	(39,152)	(211.90)
Food	(11,232)	(242)	(10,990)	(4,541.30)
Property	16,707	17,528	(821)	(4.70)
Others	(29,236)	(57,743)	28,507	49.40
	(43,838)	(150,523)	106,685	70.90

Cumulative Year-To-Date Ended 31 March 2021

For the cumulative year-to-date, the Group reported an overall decrease of 48.7% in revenue due to the prolonged adverse impact of the COVID-19 pandemic, which included prolonged closure of some businesses as governments enforced various restrictions to curb the spread. However, the LBT was narrowed to RM43.8 million in the current financial period compared to the previous year, which was mainly due to a one-off loss of RM111.8 million from the derecognition of an associate in the UK reported last year.

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

	Quarter Ended			
	31.03.2021	31.12.2020	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	4,390	6,070	(1,680)	(27.7)
Hotel	3,729	9,714	(5,985)	(61.6)
Food	4,846	9,983	(5,137)	(51.5)
Property	23,561	17,819	5,742	32.2
	36,526	43,586	(7,060)	(16.2)
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(2,563)	5,856	(8,419)	(143.8)
Hotel	(9,816)	(7,986)	(1,830)	(22.9)
Food	(8,980)	(2,766)	(6,214)	(224.7)
Property	6,785	5,067	1,718	33.9
Others	(29,395)	(2,957)	(26,438)	(894.1)
	(43,969)	(2,786)	(41,183)	(1,478.2)

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The implementation of travel and movement restrictions by the government has disrupted the economy, which saw the total revenue of the Group down by 16.2% compared to the preceding quarter. The higher LBT in the current quarter was mainly due to lower revenue, a net loss on foreign exchange, and losses on derecognition of foreign subsidiaries.

B3 Prospects for the Financial Year Ending 30 June 2021

Signs of recovery were in the horizon with April results showing some improvement. However, the hotel industry in Malaysia was struck yet again by another setback as rising cases of COVID-19 saw the government placing the whole country under Movement Control Order.

Retailing

The retail sector remains challenging and somewhat unpredictable. Recovery will also be affected by government policies on movement restrictions, among others.

The management will rebuild and refresh Metrojaya's brand presence in light of the current trends in shopping behaviours, including its e-commerce segment.

Hotel

Both Corus Hotel Kuala Lumpur and Corus Paradise Resort Port Dickson will continue to implement cost savings measures during this lockdown period, whilst generating revenue opportunities from takeaway food and beverages.

In the UK, a significant uplift for domestic travel and staycations are expected once strict lockdown measures are loosened as seen earlier during the later part of 2020. Typical holiday destinations are expected to fare well as demand for short holidays increases. The promotion of luxury breaks and small meetings is expected to help stabilise performance.

Food

The prospects for the remaining quarter remain challenging. Nevertheless, the management will continue to focus on opening new business channels and improvements in the Group's products and operational efficiency as part of the turnaround plans.

Property

The year 2020 has been a challenging one for the property market given the impact of the COVID-19 pandemic. Nevertheless, the Group is optimistic that market sentiments will improve and foresee that the recovery momentum will continue with the ongoing national COVID-19 immunisation programme. The Group will continue to build quality and affordable properties, in line with market demands, in its Bandar Springhill township in Negeri Sembilan.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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B5 Loss Before Taxation

Included in the loss before taxation were the followings items:

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2021	31.03.2020	Changes	31.03.2021	31.03.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Bad debts written off	-	-	-	-	(20)	100.0
Capital distribution received from:						
- subsidiaries	-	261	(100.0)	482	261	84.7
- other investment	-	4	(100.0)	-	137	(100.0)
Depreciation	(5,381)	(4,617)	(16.5)	(13,767)	(12,433)	(10.7)
Gain/(loss) on disposal of:						
- investment property	-	-	-	7,096	-	100.0
- property, plant and equipment	(604)	16,783	(103.6)	3,545	16,783	(78.9)
- quoted equity investment	-	-	-	3,176	-	100.0
Gain/(loss) on short term investments:						
- realised	247	22	1,022.7	331	22	1,404.5
- unrealised	(83)	-	(100.0)	731	-	100.0
Interest expense	(10,940)	(11,377)	3.8	(28,614)	(33,828)	15.4
Interest income	908	1,395	(34.9)	2,684	4,183	(35.8)
Loss on derecognition of:						
- an associate	-	(111,830)	100.0	-	(111,830)	100.0
- subsidiaries	(6,863)	-	(100.0)	(6,863)	-	(100.0)
Net loss on foreign exchange	(10,762)	(11,590)	7.1	(4,909)	(15,786)	68.9
Net inventories written down	(431)	(1,014)	57.5	(1,566)	(3,708)	57.8
Property, plant and equipment written off	(3)	-	(100.0)	(108)	(26)	(315.4)

B6 Trade Receivables

(a) The credit term of trade receivables range from 7 to 120 days.

(b) The ageing of trade receivables of the Group was as follows:

	31.03.2021	30.06.2020	Changes
	RM'000	RM'000	%
Current (Not past due)	20,472	25,262	(19.0)
Past due:			
1 to 30 days	3,875	4,218	(8.1)
31 to 60 days	2,744	1,531	79.2
61 to 90 days	1,563	3,968	(60.6)
91 to 120 days	1,828	1,490	22.7
More than 120 days	2,256	1,447	55.9
	<u>32,738</u>	<u>37,916</u>	(13.7)

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B7 Taxation

Taxation comprises:

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2021	31.03.2020	Changes	31.03.2021	31.03.2020	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation						
- Malaysia	(2,344)	(1,534)	(52.8)	(5,549)	(6,474)	14.3
- Foreign	(12)	12	(200.0)	(30)	(482)	93.8
Deferred tax	(2,792)	465	(700.4)	(2,501)	526	(575.5)
	<u>(5,148)</u>	<u>(1,057)</u>	<u>(387.0)</u>	<u>(8,080)</u>	<u>(6,430)</u>	<u>(25.7)</u>
Overprovision/(Underprovision) in respect of prior years	(1,494)	691	(316.2)	(1,223)	694	(276.2)
	<u>(6,642)</u>	<u>(366)</u>	<u>(1,714.8)</u>	<u>(9,303)</u>	<u>(5,736)</u>	<u>(62.2)</u>

The Group's effective tax rate for the current quarter and previous year corresponding period were higher than the statutory tax rate of the respective periods mainly due to losses incurred by certain subsidiaries where no group relief on losses were available.

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

	31.03.2021			30.06.2020		
	Long Term	Short Term	Total	Long Term	Short Term	Total
	RM'000	RM'000	Borrowings RM'000	RM'000	RM'000	Borrowings RM'000
Secured						
- Term loan	673,170	12,424	685,594	636,042	19,788	655,830
- Revolving credit	34,695	27,600	62,295	34,695	34,900	69,595
- Bank overdraft	-	14,756	14,756	-	15,984	15,984
	<u>707,865</u>	<u>54,780</u>	<u>762,645</u>	<u>670,737</u>	<u>70,672</u>	<u>741,409</u>
Unsecured						
- Revolving credit	29,594	33,265	62,859	29,594	39,880	69,474
Lease liabilities and hire-purchase	65,216	1,151	66,367	-	277	277
Total borrowings	<u>802,675</u>	<u>89,196</u>	<u>891,871</u>	<u>700,331</u>	<u>110,829</u>	<u>811,160</u>

Foreign borrowing in Ringgit Malaysia equivalent as at 31 March 2021 included in the above was as follows:

	31.03.2021		30.06.2020	
	£'000	RM'000	£'000	RM'000
Total foreign borrowing	<u>86,259</u>	<u>492,882</u>	<u>85,981</u>	<u>452,732</u>

The foreign borrowing above was taken by a foreign subsidiary of the Group.

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B10 Derivative Financial Instruments

There were no derivative financial instruments as at 31 March 2021.

B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 31 March 2021.

B12 Material Litigation

On 28 February 2019, MJ Department Stores Sdn Bhd (hereinafter referred to as the Plaintiff), a wholly-owned subsidiary of Metrojaya Berhad which is in turn an indirect 97.41%-owned subsidiary of the Company, had taken legal proceedings against UDA Holdings Berhad (hereinafter referred to as the Defendant) vide a Writ of Summons filed at the High Court of Kuala Lumpur ("the High Court").

The Plaintiff was the anchor and largest tenant in BB Plaza for some 33 years. Since 1981 until January 2015, the Plaintiff operated a Metrojaya Department Store at BB Plaza. The last formal Tenancy Agreement entered into by the Plaintiff with the Defendant for the premises at BB Plaza was on 6 May 2010.

Pursuant to the Tenancy Agreement, the Plaintiff had the option to renew for 5 terms of 3 years each. However, the Defendant had prematurely terminated the Plaintiff's tenancy at BB Plaza with effect from 19 January 2015. The Plaintiff's total claim amounts to RM24,221,098, of which RM16,159,204 is for loss of profit. The rate of interest on the total claim by the Plaintiff shall be at such rate and for such period as the High Court may award as it deems fit.

On 30 January 2020, the High Court dismissed the Plaintiff's claim with costs of RM30,000.00 subject to allocator's fees.

The Plaintiff has on 5 February 2020 filed a Notice of Appeal to the Court of Appeal against the High Court's decision to dismiss the Plaintiff's claim. The matter is now fixed for hearing at the Court of Appeal on 16 June 2021.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2021 (31 March 2020: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561	2,932,561	2,932,561
Loss after taxation attributable to owners of the Company (RM'000)	(48,763)	(138,472)	(59,907)	(162,909)
Basic/diluted loss per share attributable to owners of the Company (sen)	(1.66)	(4.72)	(2.04)	(5.56)

The Company has not issued any potentially dilutive ordinary shares and hence, the diluted loss per share is equal to the basic loss per share.

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B15 Auditors' Report

The auditors' report on the financial statements for the financial year ended 30 June 2020 was unmodified.

On behalf of the Board

MALAYAN UNITED INDUSTRIES BERHAD

**Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries**

Date: 28 May 2021