

**MALAYAN UNITED INDUSTRIES BERHAD**

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2021 RM'000	30.09.2020 RM'000
Revenue	58,208	55,854
Cost of sales	(37,782)	(37,302)
Gross profit	20,426	18,552
Other income	3,459	17,766
Distribution costs	(1,793)	(1,984)
Administrative expenses	(17,871)	(21,119)
Other operating expenses	(1,064)	-
Impairment reversal/(loss) on financial assets [Note A4(b)]	481	(284)
Finance costs	(9,590)	(9,411)
Share of results of associates and joint venture	(847)	(603)
Profit/(Loss) before taxation	(6,799)	2,917
Taxation	(1,685)	(1,067)
Profit/(Loss) after taxation	(8,484)	1,850
Attributable to:		
Owners of the Company	(12,437)	(4,896)
Non-controlling interests	3,953	6,746
	(8,484)	1,850
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.42)	(0.17)

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2021 RM'000	30.09.2020 RM'000
Profit/(Loss) after taxation	(8,484)	1,850
Other comprehensive income/(expenses), net of tax:		
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Fair value gain/(loss) on equity instruments	(72)	598
<u>Items that will be reclassified subsequently to profit or loss</u>		
Derecognition of a subsidiary	796	-
Foreign currency translation differences	124	(2,976)
Other comprehensive income/(expenses)	848	(2,378)
Total comprehensive expenses for the financial period	(7,636)	(528)
Attributable to:		
Owners of the Company	(11,318)	(8,229)
Non-controlling interests	3,682	7,701
Total comprehensive expenses for the financial period	(7,636)	(528)

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

# MALAYAN UNITED INDUSTRIES BERHAD

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## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	30.09.2021 RM'000	30.06.2021 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	633,002	646,717
Investment properties	67,255	67,246
Associates	188,992	189,859
Joint venture	150	150
Other investments	10,007	6,386
Inventories	33,930	33,930
Goodwill on consolidation	18,290	18,290
Deferred tax assets	1,916	2,162
	953,542	964,740
<b>Current Assets</b>		
Inventories	108,270	112,734
Trade and other receivables	116,638	119,954
Contract assets	35,236	24,876
Right to recover returned goods	539	537
Contract costs	2,218	1,710
Other investments	36,237	48,831
Short term investments	11,569	6,464
Current tax assets	3,955	4,251
Deposits, bank balances and cash	141,799	149,361
	456,461	468,718
Assets classified as held for sale	309	309
	456,770	469,027
<b>TOTAL ASSETS</b>	1,410,312	1,433,767
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share capital	3,152,866	3,152,866
Accumulated losses and reserves	(3,068,027)	(3,056,709)
	84,839	96,157
<b>Non-Controlling Interests</b>	233,537	236,160
<b>Total Equity</b>	318,376	332,317
<b>Non-Current Liabilities</b>	795,411	807,040
<b>Current Liabilities</b>		
Trade and other payables	192,590	184,141
Contract liabilities	1,343	1,347
Refund liabilities	957	957
Borrowings	100,417	106,525
Employee benefits	508	482
Current tax liabilities	710	958
	296,525	294,410
<b>Total Liabilities</b>	1,091,936	1,101,450
<b>TOTAL EQUITY AND LIABILITIES</b>	1,410,312	1,433,767
	<b>RM</b>	<b>RM</b>
Net assets per share attributable to owners of the Company	0.03	0.03

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 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 30 SEPTEMBER 2021

	Attributable to Owners of the Company				Non- Controlling Interests	Total Equity
	Share Capital	Non- Distributable Reserves	Accumulated Losses	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000		
At 1 July 2021	3,152,866	(13,605)	(3,043,104)	96,157	236,160	332,317
Profit/(loss) after taxation	-	-	(12,437)	(12,437)	3,953	(8,484)
Derecognition of a subsidiary	-	796	-	796	-	796
Fair value loss on equity instruments	-	(45)	-	(45)	(27)	(72)
Foreign currency translations	-	368	-	368	(244)	124
Total comprehensive income/(expenses)	-	1,119	(12,437)	(11,318)	3,682	(7,636)
Transaction with owners:						
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(6,305)	(6,305)
At 30 September 2021	3,152,866	(12,486)	(3,055,541)	84,839	233,537	318,376
At 1 July 2020	3,152,866	(20,260)	(2,944,446)	188,160	232,010	420,170
Profit/(loss) after taxation	-	-	(4,896)	(4,896)	6,746	1,850
Fair value gain/(loss) on equity instruments	-	(156)	544	388	210	598
Foreign currency translations	-	(3,721)	-	(3,721)	745	(2,976)
Total comprehensive income/(expenses)	-	(3,877)	(4,352)	(8,229)	7,701	(528)
Transaction with owners:						
Changes in a subsidiary's ownership interests	-	(8)	2,390	2,382	252	2,634
At 30 September 2020	3,152,866	(24,145)	(2,946,408)	182,313	239,711	419,642

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 2021 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 30 SEPTEMBER 2021

	CUMULATIVE 3 MONTHS	
	30.09.2021	30.09.2020
	RM'000	RM'000
<b>Operating Activities</b>		
Profit/(Loss) before taxation	(6,799)	2,917
Net adjustments	11,822	(43)
Operating profit before working capital changes	5,023	2,874
Net change in working capital	4,835	3,544
Cash generated from operations	9,858	6,418
Employee benefits paid	(51)	(123)
Interest expense	(18)	(173)
Interest income	206	402
Net tax paid	(1,874)	(1,617)
Net cash from operating activities	8,121	4,907
<b>Investing Activities</b>		
Dividend received	170	41
Interest received	383	573
Proceeds from disposal of:		
- other investments	-	12,072
- property, plant and equipment	-	7,757
Purchase of:		
- other investments	(3,679)	(660)
- property, plant and equipment	(294)	(3,368)
- short term investments	(5,105)	-
Utilisation of restricted fund	5,243	-
Withdrawal/(Placement) of term deposits	(16)	54
Net cash from/(for) investing activities	(3,298)	16,469
<b>Financing Activities</b>		
Dividend paid to non-controlling interests of subsidiaries	(6,305)	-
Interest paid	(8,888)	(9,229)
Proceeds from drawdown of bank borrowings	-	6,014
Payment of lease liabilities and hire-purchase	(918)	(137)
Repayment of bank borrowings	(5,692)	(15,285)
Net cash for financing activities	(21,803)	(18,637)
Net increase/(decrease) in cash and cash equivalents	(16,980)	2,739
<b>Cash and cash equivalents at beginning of financial period</b>		
As previously reported	158,770	168,413
Effects of exchange rate changes	2,067	594
As restated	160,837	169,007
Cash and cash equivalents at end of financial period	143,857	171,746

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 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 and Significant Accounting Policies

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 2021. 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 2021.

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 2021, except for the following:

<u>MFRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>
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 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

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>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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

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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 business of Metrojaya have seasonal peaks in tandem with various festive seasons and sales promotions;
- (b) The business of Corus hotels 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 Group's chocolate and confectionery business under Network Foods 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 30 September 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 30 September 2021 other than the following items:

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

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at 30 September 2021.

- (b) Impairment Reversal/(Loss) on Financial Assets

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2021	30.09.2020
	RM'000	RM'000
Reversal of impairment/(Impairment) on:		
- amount owing by an associate	481	(294)
- receivables	-	10
	<hr/>	<hr/>
	481	(284)

## 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 30 September 2021.

## A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2021 (30 September 2020: Nil).

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## A7 Operating Segments

Three months ended 30 September 2021

### (a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	5,000	-	5,000	(3,388)	1,612
Hotel	29,055	-	29,055	-	29,055
Food	9,288	-	9,288	-	9,288
Property	18,271	(18)	18,253	-	18,253
Others (Investment holding)	1,638	(1,623)	15	(15)	-
<b>Total</b>	<b>63,252</b>	<b>(1,641)</b>	<b>61,611</b>	<b>(3,403)</b>	<b>58,208</b>

### (b) Results

	Segment Results RM'000	Impairment Reversal/(Loss) on Financial Assets RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	(2,385)	-	(11)	6	(2,390)
Hotel	3,974	-	(1,195)	-	2,779
Food	(1,776)	-	(19)	-	(1,795)
Property	4,980	-	-	-	4,980
Others (Investment holding)	(1,636)	481	(8,365)	(853)	(10,373)
<b>Total</b>	<b>3,157</b>	<b>481</b>	<b>(9,590)</b>	<b>(847)</b>	<b>(6,799)</b>

### (c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	21,645	6,192	27,837
Hotel	568,635	-	568,635
Food	82,102	150	82,252
Property	317,569	-	317,569
Others (Investment holding)	225,348	182,800	408,148
	<b>1,215,299</b>	<b>189,142</b>	<b>1,404,441</b>
Unallocated corporate assets			5,871
<b>Total Assets</b>			<b>1,410,312</b>



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Three months ended 30 September 2020

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	10,647	-	10,647	(3,136)	7,511
Hotel	19,602	-	19,602	-	19,602
Food	13,046	-	13,046	-	13,046
Property	15,713	(18)	15,695	-	15,695
Others (Investment holding)	1,750	(1,708)	42	(42)	-
<b>Total</b>	<b>60,758</b>	<b>(1,726)</b>	<b>59,032</b>	<b>(3,178)</b>	<b>55,854</b>

(b) Results

	Segment Results RM'000	Impairment Reversal/(Loss) on Financial Assets RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	(2,759)	7	(9)	177	(2,584)
Hotel	(2,288)	-	(581)	-	(2,869)
Food	521	-	(6)	(1)	514
Property	4,852	3	-	-	4,855
Others (Investment holding)	12,889	(294)	(8,815)	(779)	3,001
<b>Total</b>	<b>13,215</b>	<b>(284)</b>	<b>(9,411)</b>	<b>(603)</b>	<b>2,917</b>

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	50,309	6,032	56,341
Hotel	511,240	-	511,240
Food	126,756	448	127,204
Property	316,608	-	316,608
Others (Investment holding)	225,913	181,469	407,382
	<b>1,230,826</b>	<b>187,949</b>	<b>1,418,775</b>
Unallocated corporate assets			5,393
<b>Total Assets</b>			<b>1,424,168</b>

## A8 Events Subsequent to the End of the Financial Period

There were no material events subsequent to the end of the financial period ended 30 September 2021 that have not been reflected in the interim financial statements for the said period as at the date of this report except for the corporate proposal disclosed in Note B8.

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## A9 Changes in the Composition of the Group

- (a) MUI Continental Berhad, a dormant 52.21%-owned subsidiary, was dissolved on 24 May 2021 pursuant to Section 459(5) of the Companies Act, 2016, with no material impact on the earnings and net assets of the Group.
- (b) On 6 August 2021, Davson Limited, a dormant wholly-owned subsidiary incorporated in Hong Kong, was deregistered pursuant to Section 751 of the Companies Ordinance. A loss on derecognition of RM977,000 has been recognised under other operating expenses in the current quarter.

Other than the above, there were no other changes in the composition of the Group during the financial period ended 30 September 2021.

## A10 Contingent Liabilities

	30.09.2021 RM'000	30.06.2021 RM'000
(a) Bank guarantees issued by a subsidiary to third parties	341	349
(b) On 13 February 2006, Regent Corporation (Regent), an associate of the Group, was selected by the State of South Carolina (State) for a nexus investigation. The State completed its investigation and issued a proposed assessment in the amount of approximately USD16,000,000 for income taxes and license fees due, including interest and penalties. The management of Regent believes that the amounts due are considerably less. In 2007, Regent submitted a formal protest to the State asserting its position that Regent owes less than USD600,000.  Regent believes that an adverse settlement could be as high as USD3,427,084 at 30 June 2021 and accordingly, has accrued such amount which is reported as license fees payable in its accompanying consolidated statements of financial position. The indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement is not disclosed as it is not practicable to do so.		
(c) London Vista Hotel Limited and certain of its subsidiaries (LVH Group), which are indirect subsidiaries of the Company in the United Kingdom (UK), received notification from The Pensions Regulator (TPR) in the UK in respect of pension liability of another UK group, on the basis that LVH Group is supposedly connected with or an associate of that other party, for the purposes of pensions legislation. LVH Group has, through its legal advisers, replied that it is not connected with or an associate of that other party. The financial exposure to LVH Group, if any, is currently unknown. The estimate of its financial effect, indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement is not disclosed as it is not practicable to do so.		

## A11 Capital Commitments

As at 30 September 2021, the Group has capital commitment in respect of a subscription of interest as a limited partner of Genesis Alternative Ventures I L.P. (with Ringgit Malaysia equivalent) as follows:

	USD'000	RM'000
Capital committed to invest	2,000	8,374
Capital invested	(843)	(3,530)
Balance of commitment	1,157	4,844

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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 AND CUMULATIVE 3 MONTHS			
	30.09.2021	30.09.2020	Changes	
	(Q1FY22)	(Q1FY21)	RM'000	%
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
Retailing	1,612	7,511	(5,899)	(78.50)
Hotel	29,055	19,602	9,453	48.20
Food	9,288	13,046	(3,758)	(28.80)
Property	18,253	15,695	2,558	16.30
	<b>58,208</b>	<b>55,854</b>	<b>2,354</b>	<b>4.20</b>
<b>Profit/(Loss) before taxation ("PBT / (LBT)")</b>				
Retailing	(2,390)	(2,584)	194	7.50
Hotel	2,779	(2,869)	5,648	196.90
Food	(1,795)	514	(2,309)	(449.20)
Property	4,980	4,855	125	2.60
Others (Investment holding)	(10,373)	3,001	(13,374)	(445.70)
	<b>(6,799)</b>	<b>2,917</b>	<b>(9,716)</b>	<b>(333.10)</b>

#### Q1FY22 vs Q1FY21

Group revenue improved by 4.2% or RM2.4 million, the increase coming from the property development project in Bandar Springhill, Negeri Sembilan and the hotel operations in the UK. Both these segments recorded a combined PBT of RM7.8 million. However, these were dragged down by the weak performance of the Retailing and the Food segments. As a result, the Group reported an LBT of RM6.8 million for the current quarter compared to a PBT of RM2.9 million in Q1FY21. The PBT in Q1FY21 was mainly from gains of RM11.8 million from various disposal of assets whereas there is no disposal in Q1FY22. Excluding the effects of such gains, the LBT of RM6.8 million for Q1FY22 is lower than the LBT of RM8.9 million for Q1FY21.

#### Retailing

Metrojaya Group's revenue was RM1.6 million in Q1FY22, 78.5% lower than the revenue reported in Q1FY21 as the business was closed from 1 June 2021 to 18 August 2021. The footfall for our stores remained low after the business reopened in the second half of August 2021. Despite the substantially lower revenue, the division narrowed its LBT to RM2.4 million in Q1FY22 from an LBT of RM2.6 million in Q1FY21 mainly due to the cost saving measures undertaken.

#### Hotel

The Group's hotel business in the UK have started to recover after the relaxation of restrictions by the UK government in May 2021. The average room occupancy rate for our UK hotels went up to 40.7% in Q1FY22 from 21.9% in Q1FY21. On the other hand, the Group's hotels in Malaysia comprising Corus KL and Corus PD continued to face difficulties as travel restrictions were not eased by the Malaysian Government until 28 August 2021. The current quarter's revenue of Corus Hotels in Malaysia largely represented one month's operation for September 2021. Overall, the hotel segment recorded an improved performance, with revenue up by RM9.4 million or 48.2% compared to Q1FY21 and swung to a PBT of RM2.8 million from an LBT of RM2.9 million previously.

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### Food

Revenue for Q1FY22 dropped by 28.8% to RM9.3 million compared to Q1FY21 mainly due to the decline in export sales and also restrictions in the factory operating capacity to comply with the MCO-related standard operating procedures (SOPs). The lower export sales was due to the continued lockdown in certain countries causing some orders to be rolled over or even cancelled. The 60% manpower limit in the manufacturing sector from MCO 3.0 on 12 May 2021 caused a shortfall in output to meet the domestic demand.

LBT for Q1FY22 amounted to RM1.8 million compared to PBT for Q1FY21 of RM0.5 million due to lower revenue and higher raw material prices.

### Property

The property segment's revenue of RM18.3 million for Q1FY22 was RM2.6 million higher than Q1FY21 of RM15.7 million. The increase was mainly due to higher progress billings of the on-going Phase E6 and new Phase E5 in Bandar Springhill, Negeri Sembilan. The PBT improved marginally from RM4.9 million to RM5.0 million compared to Q1FY21.

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

	Quarter Ended			
	30.09.2021	30.06.2021	Changes	
	(Q1FY22)	(Q4FY21)	RM'000	%
	RM'000	RM'000		
<b>Revenue</b>				
Retailing	1,612	4,544	(2,932)	(64.5)
Hotel	29,055	13,879	15,176	109.3
Food	9,288	6,895	2,393	34.7
Property	18,253	19,425	(1,172)	(6.0)
	<b>58,208</b>	<b>44,743</b>	<b>13,465</b>	<b>30.1</b>
<b>Profit/(Loss) before taxation ("PBT / (LBT)")</b>				
Retailing	(2,390)	(2,871)	481	16.8
Hotel	2,779	(16,840)	19,619	116.5
Food	(1,795)	(15,158)	13,363	88.2
Property	4,980	5,390	(410)	(7.6)
Others (Investment holding)	(10,373)	(16,930)	6,557	38.7
	<b>(6,799)</b>	<b>(46,409)</b>	<b>39,610</b>	<b>85.3</b>

The Group registered a higher revenue of RM58.2 million in Q1FY22 compared to RM44.7 million in Q4FY21. This was substantially contributed by the Group's UK hotels where business has continued to pick up since the relaxation of restrictions by the UK government in May 2021. The food segment also saw improved revenue in Q1FY22, mainly driven by higher domestic sales especially in Sabah and Sarawak and lifting of the 60% manpower limit in the factory from 10 August 2021 in accordance with the MCO-related SOPs. Due to the higher revenue and absence of asset impairment and exchange loss, the Group narrowed its LBT from RM46.4 million last quarter to RM6.8 million in the current quarter. A net exchange gain of RM0.9 million was recorded in the current quarter, compared to a net exchange loss of RM4.1 million in the preceding quarter.

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### **B3 Prospects for the Financial Year Ending 30 June 2022**

#### Retailing

In the retail sector, footfall in shopping malls has improved with all states moving into either Phase 3 or 4 of the National Recovery Plan.

The Management is intensifying collaborations with vendors and brand partners to launch new and more exciting product categories, while revamping the online and offline presence to strengthen the Metrojaya brand and reach.

In line with our efforts to evolve our retail stores, Metrojaya launched its own online shopping platform metrojaya.com.my in FY2021, in addition to other e-retailing platforms such as Zalora and Shopee where our products are also available.

#### Hotel

The local hotel industry is looking at a fruitful year ahead as Malaysia plans to reopen its international borders by early 2022 after the introduction of the Vaccinated Travel Lane with Singapore. Also, the RM1.6 billion allocated to the Ministry of Tourism, Arts and Culture under Budget 2022 for tourism activities will help the recovery of the travel sector. In readiness, we have re-established our business connections with local and international travel agents, apart from the continued drive to draw domestic visitors.

In the UK, the country's economic growth is expected to continue in the current financial year with international business returning in 2022, as more countries are added to UK's green list and rules are relaxed for fully vaccinated individuals.

London, which traditionally relies on international travellers, is seeing a slow return of business with domestic leisure leading the way. UK residents are taking advantage of low rates and low occupancy levels in London and we expect this trend to hold for the first six months of this financial year. Our regional hotels have recorded a spike in business due to strong domestic demand.

#### Food

Consumer sentiment is expected to improve with the country's economic recovery in sight, spurred on by the success of our National COVID-19 Vaccination Programme. The export market, however, is expected to remain challenging with heightened competition among industry players and lower margin pressures. As the pandemic has brought about changes in consumption patterns and market trends, staying relevant is imperative. Our Group will leverage on the shift in consumer taste preference through continuous product development and product expansion.

#### Property

Given the gradual reopening of the economy together with the recent Budget 2022 announcement, including a RM2 billion allocation under the Housing Credit Guarantee Scheme and removal of real property gains tax for Malaysian individuals and permanent residents after the fifth year of acquisition, a faster recovery is expected of the local property market in the year ahead. Apart from banking on its affordable landed properties to drive sales, the Group is also targeting to launch its industrial project in 2022.

### **B4 Variance of Actual Profit from Forecast Profit**

Not applicable.

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## B5 Profit/(Loss) Before Taxation

Included in the profit/(loss) before taxation were the followings items:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2021 RM'000	30.09.2020 RM'000	Changes %
Capital distribution received from a subsidiary	-	313	(100.0)
Depreciation	(4,358)	(4,233)	(3.0)
Gain on disposal of:			
- assets classified as held for sale	-	4,159	(100.0)
- other investments	-	7,674	(100.0)
- property, plant and equipment	-	3	(100.0)
Gain/(loss) on short term investments:			
- realised	119	-	100.0
- unrealised	(87)	5	(1,840.0)
Interest expense	(9,590)	(9,411)	(1.9)
Interest income	589	975	(39.6)
Loss on derecognition of a subsidiary	(977)	-	(100.0)
Net gain on foreign exchange	889	3,299	(73.1)
Net inventories written down	(962)	(1,344)	28.4
Property, plant and equipment written off	-	(49)	100.0
	<b>_____</b>	<b>_____</b>	

## 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:

	30.09.2021 RM'000	30.06.2021 RM'000	Changes %
Current (Not past due)	16,564	14,015	18.2
Past due:			
1 to 30 days	1,214	4,384	(72.3)
31 to 60 days	777	9,359	(91.7)
61 to 90 days	937	2,387	(60.7)
91 to 120 days	1,622	1,964	(17.4)
More than 120 days	7,465	1,174	535.9
	<b>_____</b>	<b>_____</b>	
	<b>28,579</b>	<b>33,283</b>	<b>(14.1)</b>

## B7 Taxation

Taxation comprises:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2021 RM'000	30.09.2020 RM'000	Changes %
Current taxation			
- Malaysia	(1,450)	(1,228)	(18.1)
- Foreign	-	(4)	100.0
Deferred tax	(238)	80	(397.5)
	<b>_____</b>	<b>_____</b>	
	<b>(1,688)</b>	<b>(1,152)</b>	<b>(46.5)</b>
Overprovision in respect of prior years	3	85	(96.5)
	<b>_____</b>	<b>_____</b>	
	<b>(1,685)</b>	<b>(1,067)</b>	<b>(57.9)</b>

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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

- (a) On 23 September 2021, Pan Malaysia Corporation Berhad (PMC), a 66.51%-owned subsidiary of the Company, entered into a sale and purchase agreement with Inter Mark Resources Sdn Bhd to acquire 31,620,000 ordinary shares representing 51% of the total issued share capital of A&W (Malaysia) Sdn Bhd for a purchase consideration of RM21,037,500, to be satisfied via a combination of cash amounting to RM11,570,625 and transfer of 63,112,500 of PMC's treasury shares at RM0.15 per share amounting to RM9,466,875. The transaction is pending completion.
- (b) Metrojaya Berhad ("MJB"), a 97.41%-owned subsidiary of the Company will subject to the requisite approvals being obtained from all relevant authorities, undertake a selective capital reduction pursuant to Section 116 of the Companies Act 2016 via the reduction of its issued and paid-up share capital from RM128,802,792.00 comprising 124,921,000 ordinary shares of MJB ("MJB Shares") to RM128,479,705.30 comprising 121,690,133 MJB Shares by way of cancellation of 3,230,867 MJB Shares held by the shareholders of MJB ("Entitled Shareholders"), other than Libertyray (M) Sdn Bhd, Ample Line Sdn Bhd and Regal Classic Sdn Bhd, whose names appear in the record of depository as at the close of business on an entitlement date to be determined by the Board of Directors of MJB. This will be effected via a capital repayment of RM0.10 in cash for each existing MJB Share held by the Entitled Shareholders amounting to RM323,086.70. Upon completion, MJB will be a wholly-owned subsidiary of the Company. The proposal is pending MJB shareholders' approval at its AGM on 9 December 2021 and thereafter the Court's approval.

### B9 Group Borrowings and Lease Liabilities

	30.09.2021			30.06.2021		
	Long Term RM'000	Short Term RM'000	Total RM'000	Long Term RM'000	Short Term RM'000	Total RM'000
Secured						
- Term loan	668,480	32,729	701,209	678,727	36,090	714,817
- Revolving credit	26,149	31,900	58,049	26,149	34,200	60,349
- Bank overdraft	-	372	372	-	389	389
	694,629	65,001	759,630	704,876	70,679	775,555
Unsecured						
- Revolving credit	26,069	34,350	60,419	26,069	34,525	60,594
Hire-purchase	886	209	1,095	886	287	1,173
Total borrowings	721,584	99,560	821,144	731,831	105,491	837,322
Lease liabilities	64,175	857	65,032	65,514	1,034	66,548
Total	785,759	100,417	886,176	797,345	106,525	903,870

Foreign borrowing and lease liabilities in Ringgit Malaysia equivalent as at 30 September 2021 included in the above was as follows:

	30.09.2021		30.06.2021	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	88,522	498,104	88,584	508,853
Lease liabilities	11,430	64,317	11,439	65,707

The foreign borrowing and lease liabilities 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 30 September 2021.

## B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 30 September 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 11 January 2022.

## B13 Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2021 (30 September 2020: Nil).

## B14 Basic Loss Per Share

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2021	30.09.2020
Weighted average number of ordinary shares in issue ('000)	2,932,561	2,932,561
Loss after taxation attributable to owners of the Company (RM'000)	(12,437)	(4,896)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.42)	(0.17)

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 2021 was unmodified.

**On behalf of the Board**

**MALAYAN UNITED INDUSTRIES BERHAD**

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

**Date: 29 November 2021**