

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2022**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	84,301	36,526	224,520	135,966
Cost of sales	(51,391)	(32,359)	(143,390)	(103,386)
Gross profit	32,910	4,167	81,130	32,580
Other income	9,985	1,633	16,743	26,015
Distribution costs	(2,414)	(1,922)	(6,677)	(5,865)
Administrative expenses	(26,984)	(19,134)	(63,404)	(59,228)
Other operating expenses	(3)	(18,330)	(980)	(12,477)
Impairment reversal on financial assets [Note A4(b)]	-	803	354	3,968
Finance costs	(9,396)	(10,940)	(29,396)	(28,614)
Share of results of associates and joint venture	(342)	(246)	(633)	(217)
Profit/(loss) before taxation	3,756	(43,969)	(2,863)	(43,838)
Taxation	(1,988)	(6,642)	(5,715)	(9,303)
Profit/(loss) after taxation	1,768	(50,611)	(8,578)	(53,141)
Attributable to:				
Owners of the Company	(3,317)	(48,763)	(21,394)	(59,907)
Non-controlling interests	5,085	(1,848)	12,816	6,766
	1,768	(50,611)	(8,578)	(53,141)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.11)	(1.66)	(0.73)	(2.04)

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

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Profit/(loss) after taxation	1,768	(50,611)	(8,578)	(53,141)
Other comprehensive income/(expenses), net of tax:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value gain/(loss) on equity instruments	117	(146)	(218)	452
<i>Items that will be reclassified subsequently to profit or loss</i>				
Derecognition of a subsidiary	-	-	796	-
Foreign currency translation differences	(5,522)	13,518	(3,436)	7,588
Other comprehensive income/(expenses)	(5,405)	13,372	(2,858)	8,040
Total comprehensive expenses for the financial period	(3,637)	(37,239)	(11,436)	(45,101)
Attributable to:				
Owners of the Company	(6,528)	(37,503)	(22,342)	(55,545)
Non-controlling interests	2,891	264	10,906	10,444
Total comprehensive expenses for the financial period	(3,637)	(37,239)	(11,436)	(45,101)

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

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	31.03.2022 RM'000	30.06.2021 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	636,800	646,717
Investment properties	67,253	67,246
Associates	189,266	189,859
Joint venture	149	150
Other investments	11,436	6,386
Inventories	33,930	33,930
Goodwill on consolidation	36,631	18,290
Intangible assets	6,117	-
Deferred tax assets	5,114	2,162
	986,696	964,740
Current Assets		
Inventories	109,029	112,734
Trade and other receivables	125,377	119,954
Contract assets	50,549	24,876
Right to recover returned goods	537	537
Contract costs	2,008	1,710
Other investments	6,136	48,831
Short term investments	12,546	6,464
Current tax assets	2,353	4,251
Deposits, bank balances and cash	159,766	149,361
	468,301	468,718
Assets classified as held for sale	35,734	309
	504,035	469,027
TOTAL ASSETS	1,490,731	1,433,767
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	3,158,866	3,152,866
Accumulated losses and reserves	(3,079,177)	(3,056,709)
	79,689	96,157
Non-Controlling Interests	250,488	236,160
Total Equity	330,177	332,317
Non-Current Liabilities	823,370	807,040
Current Liabilities		
Trade and other payables	246,308	184,141
Contract liabilities	1,470	1,347
Refund liabilities	957	957
Borrowings	87,291	106,525
Employee benefits	437	482
Current tax liabilities	721	958
	337,184	294,410
Total Liabilities	1,160,554	1,101,450
TOTAL EQUITY AND LIABILITIES	1,490,731	1,433,767
Net assets per share attributable to owners of the Company * (RM)	0.03	0.03

* Net assets per share attributable to owners of the Company is computed based on equity attributable to owners of the Company divided by the total number of ordinary shares in issue. As at 31 March 2022, the total number of ordinary share in issue is 3,050,439,192.

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	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 2021	3,152,866	(13,605)	(3,043,104)	96,157	236,160	332,317
Profit/(loss) after taxation	-	-	(21,394)	(21,394)	12,816	(8,578)
Derecognition of a subsidiary	-	796	-	796	-	796
Fair value loss on equity instruments	-	(136)	-	(136)	(82)	(218)
Foreign currency translations	-	(1,608)	-	(1,608)	(1,828)	(3,436)
Total comprehensive income/(expenses)	-	(948)	(21,394)	(22,342)	10,906	(11,436)
Transaction with owners:						
Acquisition of a subsidiary	-	-	-	-	1,378	1,378
Changes in a subsidiary's ownership interests	-	88	(214)	(126)	8,349	8,223
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(6,305)	(6,305)
Issued pursuant to private placement	6,000	-	-	6,000	-	6,000
At 31 March 2022	3,158,866	(14,465)	(3,064,712)	79,689	250,488	330,177
At 1 July 2020	3,152,866	(20,260)	(2,944,446)	188,160	232,010	420,170
Profit/(loss) after taxation	-	-	(59,907)	(59,907)	6,766	(53,141)
Fair value gain/(loss) on 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 a subsidiary's ownership interests	-	-	(532)	(532)	4,835	4,303
Dividend paid to a non-controlling interest of a subsidiary	-	-	-	-	(4,104)	(4,104)
At 31 March 2021	3,152,866	(16,442)	(3,004,341)	132,083	243,185	375,268

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021
	RM'000	RM'000
Operating Activities		
Loss before taxation	(2,863)	(43,838)
Net adjustments	29,713	26,559
Operating profit/(loss) before working capital changes	26,850	(17,279)
Net change in working capital	6,521	1,861
Cash generated from/(for) operations	33,371	(15,418)
Employee benefits paid	(99)	(338)
Interest expense	(46)	(484)
Interest income	718	643
Net tax paid	(3,818)	(6,340)
Net cash from/(for) operating activities	30,126	(21,937)
Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	(6,943)	-
Dividend received	229	84
Interest received	1,258	2,041
Proceeds from capital distribution of investments	-	732
Proceeds from disposal of:		
- assets held for sales	2,176	33,231
- other investments	-	13,633
- property, plant and equipment	-	4,871
Purchase of:		
- other investments	(5,209)	(1,520)
- property, plant and equipment	(2,471)	(3,848)
- short term investments	(6,082)	(84)
Utilisation of restricted fund	14,492	2,465
Placement of term deposits with tenure of more than 3 months	(20,179)	-
Net cash from/(for) investing activities	(22,729)	51,605
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	(6,305)	(4,104)
Interest paid	(29,350)	(28,130)
Drawdown of bank borrowings	3,056	6,035
Payment of lease liabilities and hire-purchase	(1,658)	(499)
Proceeds from issuance of shares pursuant to private placement	6,000	-
Repayment of bank borrowings	(20,809)	(26,345)
Net cash for financing activities	(49,066)	(53,043)
Net decrease in cash and cash equivalents	(41,669)	(23,375)
Cash and cash equivalents at beginning of financial period		
As previously reported	158,770	168,413
Effects of exchange rate changes	1,366	5,016
As restated	160,136	173,429
Cash and cash equivalents at end of financial period	118,467	150,054

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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.
- (d) The fast food chain business is affected by major festive seasons and school holidays.

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 2022.

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 2022 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 the reporting date.

- (b) Impairment Reversal on Financial Assets

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Reversal of impairment on:				
- amount owing by an associate	-	606	354	3,759
- receivables	-	197	-	209
	-	803	354	3,968

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

During the financial period, the issued and paid-up ordinary shares increased from RM3,152,866,600 to RM3,158,866,590 by way of issuance of 117,878,000 new ordinary shares pursuant to the private placement.

As at 31 March 2022, the number of issued and paid up ordinary share capital of the Company is 3,050,439,192 ordinary shares.

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 2022.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2022 (31 March 2021: Nil).

A7 Operating Segments

Nine months ended 31 March 2022

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	33,869	-	33,869	(17,190)	16,679
Hotel	82,238	-	82,238	-	82,238
Food	39,768	-	39,768	-	39,768
Fast food chain	12,622	-	12,622	-	12,622
Property	73,267	(54)	73,213	-	73,213
Investment holding	4,971	(4,944)	27	(27)	-
Total	246,735	(4,998)	241,737	(17,217)	224,520

(b) Results

	Segment Results RM'000	Impairment Reversal on Financial Assets RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	126	-	(1,713)	1,939	352
Hotel	7,256	-	(22,158)	-	(14,902)
Food	(2,289)	-	(46)	(1)	(2,336)
Fast food chain	486	-	(213)	-	273
Property	20,606	-	(282)	-	20,324
Investment holding	627	354	(4,984)	(2,571)	(6,574)
Total	26,812	354	(29,396)	(633)	(2,863)

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	22,581	6,251	28,832
Hotel	543,206	-	543,206
Food	83,720	150	83,870
Fast food chain	101,483	-	101,483
Property	333,289	-	333,289
Investment holding	209,570	183,014	392,584
	1,293,849	189,415	1,483,264
Unallocated corporate assets			7,467
Total Assets			1,490,731

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Nine months ended 31 March 2021

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	33,838	-	33,838	(15,867)	17,971
Hotel	33,045	-	33,045	-	33,045
Food	27,875	-	27,875	-	27,875
Property	57,129	(54)	57,075	-	57,075
Investment holding	5,670	(5,548)	122	(122)	-
Total	157,557	(5,602)	151,955	(15,989)	135,966

(b) Results

	Segment Results RM'000	Impairment Reversal on Financial Assets RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	267	7	(1,923)	2,138	489
Hotel	(18,895)	1	(20,666)	-	(39,560)
Food	(11,168)	-	(61)	(3)	(11,232)
Property	16,735	4	(117)	-	16,622
Investment holding	(5,914)	3,956	(5,847)	(2,352)	(10,157)
Total	(18,975)	3,968	(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
Investment holding	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 2022 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 proposals disclosed in Note B8.

A9 Changes in the Composition of the Group

- MUI Continental Berhad, a dormant 52.21%-owned subsidiary of Novimax (M) Sdn Bhd, which is in turn a wholly-owned subsidiary of the Company, 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.
- 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, resulting in a loss on derecognition of RM977,000.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

- (c) On 28 December 2021, East India Company Clothing (Malaysia) Sdn Bhd, a dormant wholly-owned subsidiary of Metrojaya Berhad, which is in turn an indirect 97.41%-owned subsidiary of the Company, had 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 16 February 2022, Metrojaya Department Stores Sdn Bhd, a dormant wholly-owned subsidiary of Metrojaya Berhad, had 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.
- (e) During the financial period, Pan Malaysia Corporation Berhad (PMC), a 66.51%-owned subsidiary of the Company, acquired 31,620,000 ordinary shares representing 51% of the total issued share capital of A & W (Malaysia) Sdn Bhd (A&W) for a purchase consideration of RM21.0 million. A&W became an indirect subsidiary of the Company with effect from 9 March 2022.

A&W has contributed the following results to the Group for the current financial period:

<u>From the date of acquisition</u>	RM'000
Profit for the period	273
<u>At the date of acquisition</u>	RM'000
Total net assets	2,812
Less: Non-controlling interests	(1,378)
Group's share of assets	1,434
Goodwill arising on acquisition	18,341
Total purchase consideration	19,775
Less: Purchase consideration satisfied by treasury shares of PMC	(8,204)
Total purchase consideration satisfied by cash	11,571
Less: Cash & cash equivalents of A&W, net of bank overdraft	(4,628)
Cash outflow on acquisition	6,943

- (f) On 13 April 2022, Carulli Holdings Sdn Bhd, a dormant wholly-owned subsidiary of the Company, was dissolved pursuant to Section 459(5) of the Companies Act 2016, with no material impact on the earnings and net assets of the Group.

Other than the above, there were no other changes in the composition of the Group during the financial period ended 31 March 2022.

A10 Contingent Liabilities

	31.03.2022	30.06.2021
	RM'000	RM'000
(a) Bank guarantees issued by a subsidiary to third parties	301	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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

- (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 31 March 2022, 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 (with Ringgit Malaysia equivalent):

	USD'000	RM'000
Capital committed to invest	2,000	8,412
Capital invested	(1,130)	(4,753)
Balance of commitment	<u>870</u>	<u>3,659</u>

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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			
	31.03.2022	31.03.2021	Changes	
	(Q3FY22)	(Q3FY21)	RM'000	%
	RM'000	RM'000		
Revenue				
Retailing	6,580	4,390	2,190	49.90
Hotel	23,855	3,729	20,126	539.70
Food	14,021	4,846	9,175	189.30
Fast food chain	12,622	-	12,622	100.00
Property	27,223	23,561	3,662	15.50
	84,301	36,526	47,775	130.80
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	408	(2,673)	3,081	115.30
Hotel	(6,991)	(17,858)	10,867	60.90
Food	800	(8,980)	9,780	108.90
Fast food chain	273	-	273	100.00
Property	7,824	6,817	1,007	14.80
Investment holding	1,442	(21,275)	22,717	106.80
	3,756	(43,969)	47,725	108.50

Q3FY22 vs Q3FY21

The Group's revenue increased significantly from RM36.5 million in Q3FY21 to RM84.3 million in Q3FY22, representing an increase of 130.8% due to the relaxation of restrictions by the government of the UK and Malaysia since May 2021 & August 2021 respectively. For the quarter under review, the Group reported a PBT of RM3.8 million compared to an LBT of RM44.0 million in Q3FY21.

Retailing

Spurred by the increasing footfall in shopping malls coupled with the Chinese New Year promotional activities during the festival period, Metrojaya Group's revenue rose by RM2.2 million from RM4.4 million in Q3FY21, to RM6.6 million in the current quarter. The division reported a PBT of RM0.4 million in Q3FY22 compared to an LBT of RM2.6 million in Q3FY21.

Hotel

With the strong pickup in room occupancy rates by our hotels after the relaxation of restrictions by the government of the UK and Malaysia, the division reported a revenue of RM23.9 million for Q3FY22 which is more than 5 fold above that of Q3FY21. In tandem with the higher revenue, the LBT of the Group's hotel business was narrowed from RM17.9 million in Q3FY21 to RM7.0 million in Q3FY22, a reduction of 60.9%. The average room occupancy rate of our hotels in the UK, Kuala Lumpur and Port Dickson for the current quarter was 41.0%, 38.5% and 31.5% respectively, compared with 7.2%, 12.2% and 11.4% in Q3FY21.

Food

As the international borders gradually open, the Group's Food business revenue has seen an improvement of RM9.2 million or 189.3% to RM14.0 million for Q3FY22. This was contributed by both the export and domestic market. As a result of an improvement of the market conditions under the national endemic phase, a PBT of RM0.8 million was reported compared to an LBT of RM9.0 million in Q3FY21. During the same quarter last year, the continuing effects of Covid-19 hampered consumer demands for certain categories of goods and services, and with the combination of higher advertising and promotion expenses, it contributed to a LBT of RM9.0 million.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Fast food chain

As the Group completed its acquisition of a 51% stake in A & W (Malaysia) Sdn. Bhd. on 9 March 2022, a revenue of RM12.6 million, and a PBT of RM0.3 million under the Fast Food Chain division was recognised for the first time.

Property

The property segment's revenue of RM27.2 million for Q3FY22 was RM3.6 million higher than Q3FY21 revenue of RM23.6 million. The increase mainly came from the on-going Phases E6, E5B and E5C at Bandar Springhill. As for PBT, the division recorded RM7.8 million for Q3FY22, which was RM1.0 million or 14.8% higher than the Q3FY21 PBT of RM6.8 million, in line with the higher revenue.

	CUMULATIVE 9 MONTHS			
	31.03.2022 (9MFY22) RM'000	31.03.2021 (9MFY21) RM'000	Changes	
			RM'000	%
Revenue				
Retailing	16,679	17,971	(1,292)	(7.20)
Hotel	82,238	33,045	49,193	148.90
Food	39,768	27,875	11,893	42.70
Fast food chain	12,622	-	12,622	100.00
Property	73,213	57,075	16,138	28.30
	224,520	135,966	88,554	65.10
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	352	489	(137)	(28.00)
Hotel	(14,902)	(39,560)	24,658	62.30
Food	(2,336)	(11,232)	8,896	79.20
Fast food chain	273	-	273	100.00
Property	20,324	16,622	3,702	22.30
Investment holding	(6,574)	(10,157)	3,583	35.30
	(2,863)	(43,838)	40,975	93.50

9MFY22 vs 9MFY21

The Group's revenue for 9MFY22 was up by 65.1% or RM88.6 million from the same period last year, mainly contributed by improvements in the business divisions and the acquisition of a 51% stake in A & W. As a result, the Group reported a lower LBT of RM2.9 million for 9MFY22 compared to an LBT of RM43.8 million in 9MFY21.

Retailing

Metrojaya Group's revenue was RM16.7 million in 9MFY22 compared to RM18.0 million in 9MFY21. The revenue for the current financial period represented less than 9 months of revenue as the retail outlets were mostly closed from 1 June 2021 to 18 August 2021. The division reported a PBT of RM0.4 million in 9MFY22 compared to a PBT of RM0.5 million in 9MFY21 which included a one-off gain of RM7.1 million from the disposal of a property in Kompleks Bukit Jambul, Penang.

Hotel

Our UK hotels saw a major increase in their revenue after the relaxation of restrictions by the UK Government in May 2021. The Group's hotels in Malaysia also registered an increase in revenue compared to the same period last year. Overall, the revenue for the Group's hotel operations was increased from RM33.0 million for 9MFY21 to RM82.2 million in 9MFY22, representing an increase of 148.9%. In line with the higher revenue, the LBT narrowed substantially by RM24.7 million from RM39.6 million in 9MFY21 to RM14.9 million in 9MFY22. The average room occupancy rate of our hotels in the UK, Kuala Lumpur and Port Dickson for the current financial period was 41.3%, 25.9% and 25.0% respectively, compared with 18.0%, 20.0% and 26.1% in 9MFY21.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Food

Revenue improved by RM11.9 million or 42.7% compared to the previous corresponding period due to better sales by the export and domestic market. As a result, the division managed to report a lower LBT of RM2.3 million compared with an LBT of RM11.2 million. The LBT for the current quarter included a one-off gain of RM1.9 million from the disposal of a property in Penang.

Fast food chain

Given that the Group completed its acquisition of a 51% stake in A & W on 9 March 2022, a revenue of RM12.6 million and a PBT of RM0.3 million under the Fast Food Chain division was recognised for the first time.

Property

For 9MFY22, the property segment recorded revenue of RM73.2 million, up by RM16.1 million compared with RM57.1 million in 9MFY21. The property segment continued to benefit from the strong demand for its affordably-priced landed homes. The segment's PBT of RM20.3 million in 9MFY22 was higher by RM3.7 million compared to RM16.6 million in 9MFY21, in tandem with the higher revenue.

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

	Quarter Ended			
	31.03.2022 (Q3FY22) RM'000	31.12.2021 (Q2FY22) RM'000	Changes	
			RM'000	%
Revenue				
Retailing	6,580	8,487	(1,907)	(22.5)
Hotel	23,855	29,328	(5,473)	(18.7)
Food	14,021	16,459	(2,438)	(14.8)
Fast food chain	12,622	-	12,622	100.0
Property	27,223	27,737	(514)	(1.9)
	84,301	82,011	2,290	2.8
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	408	2,912	(2,504)	(86.0)
Hotel	(6,991)	(4,824)	(2,167)	(44.9)
Food	800	(1,341)	2,141	159.7
Fast food chain	273	-	273	100.0
Property	7,824	7,701	123	1.6
Investment holding	1,442	(4,268)	5,710	133.8
	3,756	180	3,576	1,986.7

For the current quarter under review, the Group's revenue increased by RM2.3 million from RM82.0 million in the preceding quarter to RM84.3 million mainly due to the acquisition of a 51% stake in A & W. The Group reported a higher PBT of RM3.8 million for Q3FY2022 compared to RM0.2 million in the preceding quarter mainly due to a higher net exchange gain and a one-off gain of RM1.9 million from the disposal of a property in Penang.

B3 Prospects for the Financial Year Ending 30 June 2022

Retailing

The footfall of shopping malls has increased considerably since the reopening of borders and festive seasons in the transition to the endemic phase beginning 1 April 2022.

The management will continue collaborating with vendors and brand partners to launch new and more exciting product categories, revamping and realigning Metrojaya's on-line and off-line stores to strengthen its various brands and reach.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Hotel

With the international borders of Malaysia reopening on 1 April 2022, the Group's hotel operations in Malaysia expect their revenue to gradually improve. However, the results are expected to be weighed down by the higher cost of sales including the new minimum wages implemented by the Government from 1 May 2022.

For the hotel operations in the UK, the fourth quarter of the financial year is expected to be strong especially when more international travellers start returning to London. This trend is already showing in May 2022.

Food

With the gradual reopening of international borders, the supply to overseas has picked up since the current quarter and would continue to improve due to a revived confidence in international travel and tourism. However, the management of the food division expects the financial results to be weighed down by the higher cost of services attributed by the new minimum wages implemented by the Government from 1 May 2022, and the major price increase of raw materials. Rising freight costs caused by supply chain issues would partly increase the costs of export sales. Continuous efforts to improve the factory efficiency, more trade activities and a gradual price increase have been put in place to cushion these impacts.

Fast food chain

The implementation of minimum wages and the major price increase in raw materials have also affected our newly acquired fast food chain division. The management is looking into making improvements by offering more varieties of food products to attract new and existing consumers. More outlets will be opened in strategic and high footfall locations, especially in East Malaysia.

Property

The property division is well-positioned to accelerate its product launches following the good demand for its landed homes and industrial properties. As at 31 March 2022, unbilled sales amounted to RM129.1 million in Bandar Springhill.

The increase in building material costs, labour shortages and supply chain disruption will pose challenges to the division's results. The Group will mitigate these through strict cost control measures and intensive project management.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

B5 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:

	31.03.2022	30.06.2021	Changes
	RM'000	RM'000	%
Current (Not past due)	17,932	14,015	27.9
Past due:			
1 to 30 days	2,675	4,384	(39.0)
31 to 60 days	2,406	9,359	(74.3)
61 to 90 days	1,201	2,387	(49.7)
91 to 120 days	1,171	1,964	(40.4)
More than 120 days	2,784	1,174	137.1
	<u>28,169</u>	<u>33,283</u>	(15.4)

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

B6 Profit/(Loss) Before Taxation

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

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2022	31.03.2021	Changes	31.03.2022	31.03.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Capital distribution received from a subsidiary	-	-	-	-	482	(100.0)
Depreciation	(5,313)	(5,381)	1.3	(13,579)	(13,767)	1.4
Gain/(loss) on disposal of:						
- assets held for sale	1,867	-	100.0	1,867	11,240	(83.4)
- other investments	-	-	-	-	7,596	(100.0)
- property, plant and equipment	-	(604)	100.0	3	(599)	100.5
Gain/(loss) on short term investments:						
- realised	192	247	(22.3)	584	331	76.4
- unrealised	696	(83)	938.6	314	731	(57.0)
Interest expense	(9,396)	(10,940)	14.1	(29,396)	(28,614)	(2.7)
Interest income	661	908	(27.2)	1,976	2,684	(26.4)
Loss on derecognition of subsidiaries	-	(6,863)	100.0	(977)	(6,863)	85.8
Net gain/(loss) on foreign exchange	6,063	(10,826)	156.0	7,085	(4,973)	242.5
Net inventories write back / (written down)	525	(431)	221.8	1,814	(1,566)	215.8
Property, plant and equipment written off	(27)	(3)	(800.0)	(81)	(108)	25.0

B7 Taxation

Taxation comprises:

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2022	31.03.2021	Changes	31.03.2022	31.03.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation						
- Malaysia	(2,069)	(2,344)	11.7	(5,371)	(5,549)	3.2
- Foreign	-	(12)	100.0	(8)	(30)	73.3
Deferred tax	114	(2,792)	104.1	(261)	(2,501)	89.6
	(1,955)	(5,148)	62.0	(5,640)	(8,080)	30.2
Underprovision in respect of prior years	(33)	(1,494)	97.8	(75)	(1,223)	93.9
	(1,988)	(6,642)	70.1	(5,715)	(9,303)	38.6

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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 (SPA) 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 has been completed on 9 March 2022 in accordance with the terms of the SPA.
- (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 has been approved by MJB's shareholders at its AGM held on 9 December 2021, and is currently pending submission for Court's approval.
- (c) On 31 December 2021, The Regency Hotel Hospitality Limited, an indirect wholly-owned subsidiary of the Company, had entered into a conditional asset purchase agreement with Westbourne Leisure Limited for the disposal of its freehold land together with a 111-room hotel (The Regency Hotel) in Shirley, Solihull, West Midlands, England, United Kingdom for a cash consideration of GBP6,500,000 (equivalent to RM36,219,950). The disposal has been completed on 9 May 2022.
- (d) On 27 January 2022, the Company announced a Private Placement of not more than 10% of the Company's total number of issued shares. The new shares will be placed to independent third-party investor(s).

Bursa Securities vide its letter dated 9 February 2022, had approved the listing of and quotation for up to 293,256,000 number of shares to be issued pursuant to the Private Placement subject to the conditions set out by Bursa Securities.

The Company had raised a total gross proceeds of RM8,999,987 pursuant to the Private Placement with the following status of utilisation as at the date of this report:

Utilisation purposes	Proposed Utilisation	As at 31 May 2022				
		Total proceeds raised	Actual Utilisation		Unutilised Balance	
		RM'000	RM'000	RM'000	%	RM'000
	(A)	(B)		(A) - (B)		
Repayment of bank borrowings and related	18,087	8,025	7,927	89.68	98	60.87
Working capital	800	800	800	9.05	-	-
Expenses for the Private Placement	175	175	112	1.27	63	39.13
Total	19,062	9,000	8,839	100.00	161	100.00

Pending utilisation, the remaining proceeds raised amounting to RM161,000 is currently placed in short term money market deposit.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

(e) On 3 March 2022, Company announced a proposal to undertake the Proposed Capital Reduction pursuant to Section 117 of the Act via the cancellation of the Company's paid-up share capital which is substantially unrepresented by available assets of RM3,070,000,000.

The shareholders of the Company has approved the Proposed Capital Reduction in an Extraordinary General Meeting convened on 18 April 2022, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act. The Proposed Capital Reduction is still pending for completion at the reporting date.

B9 Group Borrowings and Lease Liabilities

	31.03.2022			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	679,759	26,851	706,610	678,727	36,090	714,817
- Revolving credit	26,149	27,600	53,749	26,149	34,200	60,349
- Bank overdraft	-	2,714	2,714	-	389	389
	705,908	57,165	763,073	704,876	70,679	775,555
Unsecured						
- Revolving credit	26,069	29,350	55,419	26,069	34,525	60,594
Hire-purchase	3,654	286	3,940	886	287	1,173
Total borrowings	735,631	86,801	822,432	731,831	105,491	837,322
Lease liabilities	78,329	490	78,819	65,514	1,034	66,548
Total	813,960	87,291	901,251	797,345	106,525	903,870

Foreign borrowing and lease liabilities in Ringgit Malaysia equivalent as at 31 March 2022 included in the above are as follows:

	31.03.2022		30.06.2021	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	88,936	490,811	88,584	508,853
Lease liabilities	11,413	62,987	11,439	65,707

The foreign borrowing and lease liabilities were taken by a foreign subsidiary of the Group.

B10 Derivative Financial Instruments

There were no derivative financial instruments as at 31 March 2022.

B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 31 March 2022.

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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 Court of Appeal adopted the same view as that of the High Court that the termination of tenancy by the Defendant was not wrongful and had on 12 April 2022 dismissed the Plaintiff's Appeal with cost of RM30,000.00.

The Plaintiff has decided not to appeal against the decision made by the Court of Appeal on 12 April 2022.

The dismissal of the Plaintiff's claim will not have any material financial or operational effect on the Group for the financial year ending 30 June 2022.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2022 (31 March 2021: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Weighted average number of ordinary shares in issue ('000)	2,935,836	2,932,561	2,933,637	2,932,561
Loss after taxation attributable to owners of the Company (RM'000)	(3,317)	(48,763)	(21,394)	(59,907)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.11)	(1.66)	(0.73)	(2.04)

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.

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: 31 May 2022