

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2022 RM'000	30.09.2021 RM'000
Revenue	135,027	58,208
Cost of sales	(72,067)	(37,782)
Gross profit	62,960	20,426
Other income	2,499	3,459
Distribution costs	(21,105)	(1,793)
Administrative expenses	(29,857)	(17,871)
Other operating expenses	(4,757)	(1,064)
Reversal of impairment loss on financial assets [Note A4(b)]	-	481
Finance costs	(11,473)	(9,590)
Share of results of associates and joint venture	268	(847)
Loss before taxation	(1,465)	(6,799)
Taxation	(2,207)	(1,685)
Loss after taxation	(3,672)	(8,484)
Attributable to:		
Owners of the Company	(9,325)	(12,437)
Non-controlling interests	5,653	3,953
	(3,672)	(8,484)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.29)	(0.42)

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 2022 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 30 SEPTEMBER 2022**

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2022 RM'000	30.09.2021 RM'000
Loss after taxation	(3,672)	(8,484)
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	238	(72)
<u>Items that will be reclassified subsequently to profit or loss</u>		
Derecognition of subsidiaries	-	796
Foreign currency translation differences	5,624	124
Other comprehensive income	5,862	848
Total comprehensive income/(expenses) for the financial period	2,190	(7,636)
Attributable to:		
Owners of the Company	(3,051)	(11,318)
Non-controlling interests	5,241	3,682
Total comprehensive income/(expenses) for the financial period	2,190	(7,636)

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	30.09.2022 RM'000	30.06.2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	592,712	630,459
Investment properties	67,347	67,218
Associates	185,917	185,508
Joint venture	140	140
Other investments	15,629	14,976
Inventories	33,930	33,930
Goodwill on consolidation	27,438	27,438
Intangible assets	6,440	6,324
Deferred tax assets	5,753	5,919
	935,306	971,912
Current Assets		
Inventories	115,234	111,136
Trade and other receivables	127,218	124,563
Contract assets	52,000	46,567
Right to recover returned goods	538	539
Contract costs	1,145	1,490
Other investments	5,069	6,505
Short term investments	13,967	13,103
Current tax assets	2,735	2,442
Deposits, bank balances and cash	160,874	168,412
	478,780	474,757
Assets classified as held for sale	32,779	-
	511,559	474,757
TOTAL ASSETS	1,446,865	1,446,669
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	98,084	93,866
Accumulated losses and reserves	(33,270)	(33,753)
	64,814	60,113
Non-Controlling Interests	249,752	253,555
Total Equity	314,566	313,668
Non-Current Liabilities	336,314	341,974
Current Liabilities		
Trade and other payables	266,874	240,679
Contract liabilities	842	842
Refund liabilities	959	957
Borrowings	525,137	547,100
Employee benefits	845	846
Current tax liabilities	1,328	603
	795,985	791,027
Total Liabilities	1,132,299	1,133,001
TOTAL EQUITY AND LIABILITIES	1,446,865	1,446,669
Net assets per share attributable to owners of the Company * (RM)	0.02	0.02

* 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 30 September 2022, the total number of ordinary share in issue is 3,225,817,192.

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 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	
At 1 July 2022	93,866	(10,575)	(23,178)	60,113	253,555	313,668
Profit/(loss) after taxation	-	-	(9,325)	(9,325)	5,653	(3,672)
Fair value gain on equity instruments	-	168	-	168	70	238
Foreign currency translations	-	6,106	-	6,106	(482)	5,624
Total comprehensive income/(expenses)	-	6,274	(9,325)	(3,051)	5,241	2,190
Transaction with owners:						
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(5,187)	(5,187)
Impact from the changes in the stake of a subsidiary	-	-	3,534	3,534	(3,857)	(323)
Issued pursuant to private placement	4,218	-	-	4,218	-	4,218
At 30 September 2022	98,084	(4,301)	(28,969)	64,814	249,752	314,566
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 subsidiaries	-	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

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 2022 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 2022

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2022 RM'000	30.09.2021 RM'000
Operating Activities		
Loss before taxation	(1,465)	(6,799)
Net adjustments	22,027	11,822
Operating profit before working capital changes	20,562	5,023
Net change in working capital	10,519	4,835
Cash generated from operations	31,081	9,858
Employee benefits paid	(19)	(51)
Interest expense	(64)	(18)
Interest income	256	206
Net tax paid	(1,605)	(1,874)
Net cash from operating activities	29,649	8,121
Investing Activities		
Dividend received	114	170
Interest received	453	383
Purchase of:		
- other investments	-	(3,679)
- property, plant and equipment	(14,155)	(294)
- short term investments	(24)	(5,105)
Utilisation of restricted fund	-	5,243
Withdrawal/(Placement) of term deposits with tenure of more than 3 months	3,880	(16)
Net cash for investing activities	(9,732)	(3,298)
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	(5,187)	(6,305)
Interest paid	(11,144)	(8,888)
Drawdown of lease liabilities	479	-
Payment of lease liabilities and hire-purchase	(3,267)	(918)
Proceeds from issuance of shares pursuant to private placement	4,218	-
Repayment of bank borrowings	(6,079)	(5,692)
Net cash for financing activities	(20,980)	(21,803)
Net decrease in cash and cash equivalents	(1,063)	(16,980)
Cash and cash equivalents at beginning of financial period		
As previously reported	152,323	158,770
Effects of exchange rate changes	(3,781)	2,067
As restated	148,542	160,837
Cash and cash equivalents at end of financial period	147,479	143,857

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 2022. 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 2022.

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 2022, except for the following:

<u>MFRSs and/or IC Interpretations (including The Consequential Amendments)</u>	<u>Effective Date</u>
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

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 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
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024

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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.
- (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 30 September 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 30 September 2022 other than the following items:

Reversal of Impairment Loss on Financial Assets

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2022	30.09.2021
	RM'000	RM'000
Reversal of impairment loss on amount owing by an associate	-	481

A5 Issuances, Repurchases and Repayments of Debts and Equity Securities

During the financial year, the issued and paid-up ordinary shares increased from RM93,866,585 to RM98,084,107 by way of issuance of 76,608,300 new ordinary shares pursuant to the private placement.

As at 30 September 2022, the number of issued and paid up ordinary share capital of the Company is 3,225,817,192 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 30 September 2022.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2022 (30 September 2021: Nil).

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A7 Operating Segments

Three months ended 30 September 2022

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	12,243	-	12,243	(5,634)	6,609
Hotel	37,857	-	37,857	-	37,857
Food	17,552	-	17,552	-	17,552
Fast food chain	49,142	-	49,142	-	49,142
Property	23,885	(18)	23,867	-	23,867
Investment holding	1,205	(1,197)	8	(8)	-
Total	141,884	(1,215)	140,669	(5,642)	135,027

(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	(893)	-	(553)	1,191	(255)
Hotel	7,595	-	(7,893)	-	(298)
Food	604	-	(19)	-	585
Fast food chain	2,851	-	(863)	-	1,988
Property	5,926	-	(47)	-	5,879
Investment holding	(6,343)	-	(2,098)	(923)	(9,364)
Total	9,740	-	(11,473)	268	(1,465)

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	22,328	7,278	29,606
Hotel	504,270	-	504,270
Food	83,347	140	83,487
Fast food chain	111,039	-	111,039
Property	329,345	-	329,345
Investment holding	201,991	178,639	380,630
	1,252,320	186,057	1,438,377
Unallocated corporate assets			8,488
Total Assets			1,446,865

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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
Investment holding	1,638	(1,623)	15	(15)	-
Total	63,252	(1,641)	61,611	(3,403)	58,208

(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	(2,385)	-	(589)	6	(2,968)
Hotel	3,974	-	(7,061)	-	(3,087)
Food	(1,776)	-	(19)	-	(1,795)
Property	4,980	-	(181)	-	4,799
Investment holding	(1,636)	481	(1,740)	(853)	(3,748)
Total	3,157	481	(9,590)	(847)	(6,799)

(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
Investment holding	225,348	182,800	408,148
	1,215,299	189,142	1,404,441
Unallocated corporate assets			5,871
Total Assets			1,410,312

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 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

(a) On 8 July 2022, A & W (Malaysia) Sdn Bhd, a 51%-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC"), which is in turn a 55.50%-owned subsidiary of the Company, had incorporated an indirect new subsidiary namely A & W (East) Sdn Bhd ("A & W East"). The total issued share capital is RM100 divided into 100 ordinary shares. The principal activity of A & W East is to operate a chain of restaurants in East Malaysia.

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- (b) On 19 July 2022, Metrojaya Berhad (“MJB”), a wholly-owned subsidiary of the Company, had incorporated an indirect new subsidiary namely Someshinybrand Sdn Bhd (“SSB”). The total issued share capital is RM2 divided into 2 ordinary shares. The principal activity of SSB is to develop, promote and sell licensed brands in Malaysia.
- (c) On 19 September 2022, MUI Property Services Sdn Bhd, a wholly-owned dormant subsidiary of the MUI Properties Berhad, which is in turn a 72.27%-owned subsidiary of the Company, was placed under members' voluntary winding-up pursuant to Section 439 (1) (b) of Companies Act 2016 with no material effect on the earnings and net assets of the Group for the financial year ending 30 June 2023.
- (d) On 25 October 2022, the Company incorporated a new direct wholly-owned subsidiary namely Multiverse Holdings Pte Ltd in Singapore. The total issued share capital is SGD1 divided into 1 ordinary share. Its principal activity is an investment holding company.
- (e) On 24 November 2022, MJB had incorporated an indirect partly-owned subsidiary namely MJ East Ventures Sdn Bhd (MJEV). The total issued share capital is RM2 divided into 2 ordinary shares. The principal activity of MJEV is to developing, promoting and expanding Metrojaya brands in East Malaysia.
- (f) On 30 November 2022, the Company incorporated a new indirect partly-owned subsidiary namely M Kingdom Holdings Pte Ltd in Singapore. The total issued share capital is USD2 divided into 2 ordinary shares. Its principal activity is an investment holding company in special purpose vehicles to be set up to carry out various projects relating to Web 3.0 venture businesses including, but not limited to digital ventures, assets and marketplace platforms in the Southeast Asia region.

Other than the above, there were no other changes in the composition of the Group as at the date of this report.

A10 Contingent Liabilities

	30.09.2022	30.06.2022
	RM'000	RM'000
(a) Bank guarantees issued by a subsidiary to third parties	266	266
(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 USD3,481,084 at 30 September 2022 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.		

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A11 Capital Commitments

As at 30 September 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	9,268
Capital invested	(1,479)	(6,854)
Balance of commitment	<u>521</u>	<u>2,414</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 AND CUMULATIVE 3 MONTHS			
	30.09.2022 (Q1FY23) RM'000	30.09.2021 (Q1FY22) RM'000	Changes	
			RM'000	%
Revenue				
Retailing	6,609	1,612	4,997	310.00
Hotel	37,857	29,055	8,802	30.30
Food	17,552	9,288	8,264	89.00
Fast food chain	49,142	-	49,142	100.00
Property	23,867	18,253	5,614	30.80
	135,027	58,208	76,819	132.00
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(255)	(2,968)	2,713	91.40
Hotel	(298)	(3,087)	2,789	90.30
Food	585	(1,795)	2,380	132.60
Fast food chain	1,988	-	1,988	100.00
Property	5,879	4,799	1,080	22.50
Investment holding	(9,364)	(3,748)	(5,616)	(149.80)
	(1,465)	(6,799)	5,334	78.50

Q1FY23 vs Q1FY22

The 132% jump in revenue was due to the recent 51% acquisition of A&W fast food chain as well as significant improvement in performance of all the Group's business divisions. As a result, the Group reported a lower LBT of RM1.5 million for the current quarter compared to an LBT of RM6.8 million in Q1FY22.

Retailing

Metrojaya reported a higher revenue of RM6.6 million for Q1FY23 compared with RM1.6 million in Q1FY22 following the lifting of movement restrictions implemented by the government in the first half year of 2022, which led to higher footfalls in shopping malls. The retailing group also recorded a share of higher profits reported by its associates in the current quarter. Consequently, the LBT of its retailing division narrowed to RM0.3 million for Q1FY23 compared to RM3.0 million in Q1FY22.

Hotel

The business performance for our Corus Hotel operations in the UK and Malaysia saw improvements in revenue compared to the same quarter last year. The Group's hotel revenue in the current quarter improved due to higher occupancy and average room rates as a result of travelling relaxation by the governments of both countries. This division's revenue rose to RM37.9 million compared with RM29.1 million in Q1FY22. Correspondingly, the hotel division reduced its LBT to RM0.3 million, down from RM3.1 million same quarter last year.

Food

The food division achieved significant revenue growth as a result of the lifting of pandemic restrictions and the opening of international borders. In tandem with the revenue growth, the division reported a PBT of RM0.6 million in the current quarter compared to an LBT of RM1.8 million in Q1FY22.

Fast food chain

The 51% acquisition of A&W Malaysia in March 2022 contributed significantly to the revenue of the Group. A&W Malaysia contributed RM2.0 million of profit in Q1FY23.

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Property

The property division's revenue of RM23.9 million for Q1FY23 was RM5.6 million higher than Q1FY22 of RM18.3 million. The increase was mainly due to higher progress billings of the on-going Peony 2 and Aurora 2 phases in Bandar Springhill, Negeri Sembilan. In line with the higher revenue, its PBT improved by RM1.1 million from RM4.8 million in Q1FY22 to RM5.9 million in Q1FY23.

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

	Quarter Ended			
	30.09.2022 (Q1FY23) RM'000	30.06.2022 (Q4FY22) RM'000	Changes RM'000 %	
Revenue				
Retailing	6,609	8,303	(1,694)	(20.4)
Hotel	37,857	38,249	(392)	(1.0)
Food	17,552	11,630	5,922	50.9
Fast food chain	49,142	42,213	6,929	16.4
Property	23,867	14,364	9,503	66.2
	135,027	114,759	20,268	17.7
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(255)	(848)	593	69.9
Hotel	(298)	(1,633)	1,335	81.8
Food	585	(3,320)	3,905	117.6
Fast food chain	1,988	676	1,312	194.1
Property	5,879	3,851	2,028	52.7
Investment holding	(9,364)	(14,549)	5,185	35.6
	(1,465)	(15,823)	14,358	90.7

The Group reported a higher revenue of RM135.0 million in Q1FY23 compared to RM114.8 million in Q4FY22. The increase in revenue was contributed by the food division, fast food chain and property division. The increase in revenue for the food division was mainly due to improvement in business performance for both domestic and export. As for the fast food chain, the revenue growth was mainly due to the opening of new restaurants. The property division also saw a significant improvement in its revenue, mainly due to higher progress billings of the on-going Peony 2, Aurora 2 and the Aurora & Nova phases. As a result of improved revenue and, in the absence of asset impairments in the current quarter, the Group's LBT decreased significantly to RM1.5 million for Q1FY23 compared to RM15.8 million in the preceding quarter.

B3 Prospects for the Financial Year Ending 30 June 2023

The economic growth for Malaysia is forecast to moderate to between 4 and 5 percent from an estimated 6.9 percent in 2022. This forecast is in tandem with expectations of further slowing down in global GDP growth from an estimated 3.6 percent in 2022 to 2.7 percent in 2023. The combined effects of this year's challenges posed by global inflation, supply chain disruptions, high energy costs, rising interest rates and geopolitical conflicts will continue to impact the world economy adversely in 2023. Against this backdrop, most businesses including those under the Group, will face some headwinds.

Retailing

The early part of 2022 saw a slight boom for the retail industry attributed to pent-up shopping. It has since moderated.

The Metrojaya group has begun to revamp its business model - right-sizing its department stores and featuring more modern, youthful and next-generation brands as well as creating immersive experiences for shoppers. The transformation towards this new business model will be a continuing exercise.

Despite growing competition, the retailing group is cautiously optimistic of improving its performance.

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Hotel

The hotel division of the Group will continue to see recovery in 2023. In Malaysia, the Corus hotels expect improved performance, benefiting from continuing economic growth, increasing tourist arrivals, recovery of international MICE events (Meeting, Incentive, Conference and Exhibition) as well as the anticipated drive by the Government to boost Malaysian economy.

The Group's UK hotels, in particular the flagship London hotel, will continue to leverage on the international travellers to drive better performance.

Food

The Network Foods group's chocolate confectionery business is expected to face challenges. However, it will strive to improve the market penetration of its two top performing brands – Crispy and Tango chocolates. It will also seek to expand its OEM (Original Equipment Manufacturing) business. It has exceeded its first quarter budget and is cautiously optimistic of maintaining its performance.

Fast food chain

A&W Malaysia will continue to grow with the opening of new outlets. It expects to show a revenue growth as well as improved performance of existing outlets.

Property

The general outlook for the Malaysian property sector will remain challenging in light of current global economic conditions due to supply chain disruptions, inflation, interest rate hikes and the prospects of worldwide recession. Despite this challenging outlook, the property division's township development in Negeri Sembilan is expected to remain strong in the current financial year.

In addition to its profitable residential development, the indirect joint-venture subsidiary, West Synergy Sdn Bhd, has launched Springhill Industrial Park which is also expected to contribute to the property division's profitability.

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:

	30.09.2022	30.06.2022	Changes
	RM'000	RM'000	%
Current (Not past due)	14,465	18,609	(22.3)
Past due:			
1 to 30 days	1,980	1,612	22.8
31 to 60 days	1,246	1,355	(8.0)
61 to 90 days	434	493	(12.0)
91 to 120 days	157	239	(34.3)
More than 120 days	684	2,239	(69.5)
	<u>18,966</u>	<u>24,547</u>	(22.7)

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B6 Loss Before Taxation

Included in the loss before taxation were the followings items:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Depreciation and amortisation	(8,105)	(4,191)	(93.4)
Gain/(loss) on short term investments:			
- realised	271	119	127.7
- unrealised	569	(87)	754.0
Interest expense	(11,473)	(9,590)	(19.6)
Interest income	709	589	20.4
Loss on derecognition of subsidiaries	-	(977)	100.0
Loss on disposal of property, plant and equipment	(2)	-	(100.0)
Net gain/(loss) on foreign exchange	(4,740)	889	(633.2)
Net inventories write back/(written down)	397	(962)	141.3

B7 Taxation

Taxation comprises:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Current taxation			
- Malaysia	(2,032)	(1,450)	(40.1)
- Foreign	(2)	-	(100.0)
Deferred tax	(173)	(238)	27.3
	(2,207)	(1,688)	(30.7)
Overprovision in respect of prior years	-	3	(100.0)
	(2,207)	(1,685)	(31.0)

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 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.

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The Company had raised a total gross proceeds of RM15,217,507 pursuant to the Private Placement with the following status of utilisation as at the date of this report:

Utilisation purposes	Proposed Utilisation	As at 30 November 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	14,271	14,271	93.8	-	-
Working capital	800	800	800	5.2	-	-
Expenses for the Private Placement	175	147	147	1.0	-	-
Total	19,062	15,218	15,218	100.0	-	-

(b) On 22 August 2022, Belsfield LLP, an indirect 61.11%-owned limited liability partnership of the Company held via its subsidiaries, had entered into a conditional asset purchase agreement with Belsfield Propco Limited and Belsfield Opco Limited for the disposal of the business of operating the trade of the 62-room hotel erected on 1 lot of freehold land in Windermere, Cumbria, England, the UK for a cash consideration of up to GBP15,100,000 (equivalent to RM82,503,380). The disposal has been approved by shareholders at an EGM convened on 28 November 2022 and pending completion at the reporting date.

(c) MJB, subject to the requisite approvals being obtained from all relevant authorities, undertook a selective capital reduction ("SCR") 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.

On 23 August 2022, the High Court of Malaya had granted an order confirming the SCR pursuant to Section 116 of the Companies Act 2016. The SCR became effective upon the lodgement of a copy of the sealed Court Order with the Registrar of Companies pursuant to Section 116(6) of the Companies Act 2016 on 27 September 2022. A capital repayment of RM0.10 in cash for each existing MJB share held had been made on 31 October 2022 to the Entitled Shareholders whose names appear on the Record of Depositors on 21 October 2022 other than Libertyray (M) Sdn Bhd, Ample Line Sdn Bhd and Regal Classic Sdn Bhd. The SCR has been completed arising from the payment.

(d) On 5 October 2022, Oriental Omega Sdn Bhd, a wholly-owned subsidiary of the Company, disposed its 43,000,000 ordinary shares representing 5.57% of the total issued share capital of PMC to Fortress Opportunistic Growth Fund for a total cash consideration of RM6,450,000 ("Disposal"). Following the Disposal, MUIB and its subsidiaries now hold a total of 428,146,200 ordinary shares of PMC representing about 55.50% equity interest in PMC.

(e) On 7 November 2022, PMC had entered into a Sale and Purchase Agreement with Amazing Blitz Sdn Bhd for the disposal of the leasehold land held under H.S.(D) 324738, Pt[-], Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 24,295.208 square meters and the buildings erected thereon together with the fixtures and fittings for a total disposal consideration of RM41,000,000. The transaction is pending completion as at the reporting date.

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B9 Group Borrowings and Lease Liabilities

	30.09.2022			30.06.2022		
	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	214,254	452,136	666,390	214,670	465,779	680,449
- Revolving credit	23,054	30,095	53,149	23,054	33,095	56,149
- Bank overdraft	-	2,966	2,966	-	3,217	3,217
	<u>237,308</u>	<u>485,197</u>	<u>722,505</u>	<u>237,724</u>	<u>502,091</u>	<u>739,815</u>
Unsecured						
- Revolving credit	17,336	30,233	47,569	17,336	32,583	49,919
Hire-purchase	3,820	2,483	6,303	3,636	3,087	6,723
Total borrowings	<u>258,464</u>	<u>517,913</u>	<u>776,377</u>	<u>258,696</u>	<u>537,761</u>	<u>796,457</u>
Lease liabilities	66,084	9,497	75,581	70,347	9,339	79,686
Total	<u>324,548</u>	<u>527,410</u>	<u>851,958</u>	<u>329,043</u>	<u>547,100</u>	<u>876,143</u>

Foreign borrowing and lease liabilities in Ringgit Malaysia equivalent as at 30 September 2022 included in the above are as follows:

	30.09.2022		30.06.2022	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	86,311	448,662	86,373	462,320
Lease liabilities	<u>11,322</u>	<u>58,854</u>	<u>11,325</u>	<u>60,617</u>

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 30 September 2022.

B11 Fair Value Changes of Financial Liabilities

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

B12 Material Litigation

There was no material litigation involving the Group as at the date of this report

B13 Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2022 (30 September 2021: Nil).

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B14 Basic Loss Per Share

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2022	30.09.2021
Weighted average number of ordinary shares in issue ('000)	3,196,368	2,932,561
Loss after taxation attributable to owners of the Company (RM'000)	(9,325)	(12,437)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.29)	(0.42)

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 2022 was unmodified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries
Date: 30 November 2022