

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022**

(The figures are unaudited)

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

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	140,339	82,011	275,366	140,219
Cost of sales	(79,420)	(54,217)	(151,487)	(91,999)
Gross profit	60,919	27,794	123,879	48,220
Other income	55,658	3,386	53,417	6,758
Distribution costs	(20,608)	(2,470)	(41,713)	(4,263)
Administrative expenses	(28,877)	(18,549)	(58,732)	(36,420)
Other operating expenses	(29)	-	(48)	(977)
Impairment reversal/(loss) on financial assets [Note A4(b)]	-	(127)	-	354
Finance costs	(14,684)	(10,410)	(26,157)	(20,000)
Share of results of associates and joint venture	2,393	556	2,661	(291)
Profit/(Loss) before taxation	54,772	180	53,307	(6,619)
Taxation	(2,655)	(2,042)	(4,862)	(3,727)
Profit/(Loss) after taxation	52,117	(1,862)	48,445	(10,346)
Attributable to:				
Owners of the Company	34,810	(5,640)	25,485	(18,077)
Non-controlling interests	17,307	3,778	22,960	7,731
	52,117	(1,862)	48,445	(10,346)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	1.08	(0.19)	0.79	(0.62)

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.

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 DECEMBER 2022

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Profit/(Loss) after taxation	52,117	(1,862)	48,445	(10,346)
Other comprehensive income/(expenses), net of tax:				
<i><u>Items that will not be reclassified subsequently to profit or loss</u></i>				
Fair value gain/(loss) on equity instruments	517	(263)	755	(335)
<i><u>Items that will be reclassified subsequently to profit or loss</u></i>				
Derecognition of subsidiaries	-	-	-	796
Foreign currency translation differences	(3,737)	1,962	1,887	2,086
Other comprehensive income/(expenses)	(3,220)	1,699	2,642	2,547
Total comprehensive income/(expenses) for the financial period	48,897	(163)	51,087	(7,799)
Attributable to:				
Owners of the Company	30,392	(4,496)	27,341	(15,814)
Non-controlling interests	18,505	4,333	23,746	8,015
Total comprehensive income/(expenses) for the financial period	48,897	(163)	51,087	(7,799)

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	31.12.2022 RM'000	30.06.2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	583,181	630,459
Investment properties	67,297	67,218
Associates	188,383	185,508
Joint venture	135	140
Other investments	15,786	14,976
Inventories	33,930	33,930
Goodwill on consolidation	27,438	27,438
Intangible assets	6,427	6,324
Deferred tax assets	5,681	5,919
	928,258	971,912
Current Assets		
Inventories	122,594	111,136
Trade and other receivables	122,288	124,563
Contract assets	66,979	46,567
Right to recover returned goods	537	539
Contract costs	990	1,490
Other investments	3,959	6,505
Short term investments	15,033	13,103
Current tax assets	2,818	2,442
Deposits, bank balances and cash	196,428	168,412
	531,626	474,757
Assets classified as held for sale	17,703	-
	549,329	474,757
TOTAL ASSETS	1,477,587	1,446,669
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	98,084	93,866
Accumulated losses and reserves	(9,768)	(33,753)
	88,316	60,113
Non-Controlling Interests	255,302	253,555
Total Equity	343,618	313,668
Non-Current Liabilities	326,370	341,974
Current Liabilities		
Trade and other payables	276,543	240,679
Contract liabilities	842	842
Refund liabilities	953	957
Borrowings	526,986	547,100
Employee benefits	773	846
Current tax liabilities	1,502	603
	807,599	791,027
Total Liabilities	1,133,969	1,133,001
TOTAL EQUITY AND LIABILITIES	1,477,587	1,446,669
Net assets per share attributable to owners of the Company * (RM)	0.03	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 31 December 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.

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 DECEMBER 2022

	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 2022	93,866	(10,575)	(23,178)	60,113	253,555	313,668
Profit after taxation	-	-	25,485	25,485	22,960	48,445
Fair value gain on equity instruments	-	489	-	489	266	755
Foreign currency translations	-	1,367	-	1,367	520	1,887
Total comprehensive income	-	1,856	25,485	27,341	23,746	51,087
Transaction with owners:						
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(31,502)	(31,502)
Impact from the changes in the stake of subsidiaries	-	439	(3,795)	(3,356)	9,503	6,147
Issued pursuant to private placement	4,218	-	-	4,218	-	4,218
At 31 December 2022	98,084	(8,280)	(1,488)	88,316	255,302	343,618
At 1 July 2021	3,152,866	(13,605)	(3,043,104)	96,157	236,160	332,317
Profit/(loss) after taxation	-	-	(18,077)	(18,077)	7,731	(10,346)
Derecognition of subsidiaries	-	796	-	796	-	796
Fair value loss on equity instruments	-	(219)	-	(219)	(116)	(335)
Foreign currency translations	-	1,686	-	1,686	400	2,086
Total comprehensive income/(expenses)	-	2,263	(18,077)	(15,814)	8,015	(7,799)
Transaction with owners:						
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(6,305)	(6,305)
At 31 December 2021	3,152,866	(11,342)	(3,061,181)	80,343	237,870	318,213

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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

	CUMULATIVE 6 MONTHS	
	31.12.2022	31.12.2021
	RM'000	RM'000
Operating Activities		
Profit/(Loss) before taxation	53,307	(6,619)
Net adjustments	(9,589)	24,864
Operating profit before working capital changes	43,718	18,245
Net change in working capital	2,615	19,198
Cash generated from operations	46,333	37,443
Employee benefits paid	(87)	(83)
Interest expense	(116)	(34)
Interest income	628	492
Net tax paid	(4,091)	(3,593)
Net cash from operating activities	42,667	34,225
Investing Activities		
Dividend received	252	223
Interest received	892	823
Proceeds from disposal of:		
- investment in subsidiaries	6,438	-
- other investments	815	-
- property, plant and equipment	78,738	-
Purchase of:		
- other investments	(630)	(4,434)
- property, plant and equipment	(24,253)	(733)
- short term investments	(104)	(5,123)
Utilisation of restricted fund	-	10,779
Withdrawal of term deposits with tenure of more than 3 months	11,787	842
Net cash from investing activities	73,935	2,377
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	(31,502)	(6,305)
Interest paid	(24,278)	(19,966)
Drawdown of bank borrowings	-	3,071
Drawdown of lease liabilities	475	-
Payment of lease liabilities and hire-purchase	(6,995)	(1,816)
Proceeds from issuance of shares pursuant to private placement	4,218	-
Repayment of bank borrowings	(21,522)	(10,667)
Net cash for financing activities	(79,604)	(35,683)
Net increase in cash and cash equivalents	36,998	919
Cash and cash equivalents at beginning of financial period		
As previously reported	152,323	158,770
Effects of exchange rate changes	(91)	2,634
As restated	152,232	161,404
Cash and cash equivalents at end of financial period	189,230	162,323

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.

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 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

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 December 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 December 2022 other than the following items:

Impairment Reversal/(Loss) on Financial Assets

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Impairment reversal/(loss) on amount owing by an associate	-	(127)	-	354

A5 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 31 December 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 31 December 2022.

A6 Dividends Paid

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

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

A7 Operating Segments

Six months ended 31 December 2022

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	34,536	-	34,536	(16,690)	17,846
Hotel	70,969	-	70,969	-	70,969
Food	33,527	-	33,527	-	33,527
Fast food chain	99,474	-	99,474	-	99,474
Property	53,586	(36)	53,550	-	53,550
Investment holding	2,408	(2,394)	14	(14)	-
Total	2,408	(2,394)	292,070	(14)	275,366

(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	935	-	(1,142)	4,508	4,301
Hotel	55,507	-	(17,855)	-	37,652
Food	(432)	-	(172)	(5)	(609)
Fast food chain	9,726	-	(2,252)	-	7,474
Property	13,204	-	(115)	-	13,089
Investment holding	(2,137)	-	(4,621)	(1,842)	(8,600)
Total	76,803	-	(26,157)	2,661	53,307

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	28,538	7,987	36,525
Hotel	478,273	-	478,273
Food	99,796	135	99,931
Fast food chain	100,479	-	100,479
Property	344,509	-	344,509
Investment holding	228,975	180,396	409,371
	1,280,570	188,518	1,469,088
Unallocated corporate assets			8,499
Total Assets			1,477,587

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Six months ended 31 December 2021

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	22,458	-	22,458	(12,359)	10,099
Hotel	58,383	-	58,383	-	58,383
Food	25,747	-	25,747	-	25,747
Property	46,026	(36)	45,990	-	45,990
Investment holding	3,267	(3,246)	21	(21)	-
Total	155,881	(3,282)	152,599	(12,380)	140,219

(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	(298)	-	(1,169)	1,411	(56)
Hotel	7,225	-	(15,136)	-	(7,911)
Food	(3,101)	-	(34)	(1)	(3,136)
Property	12,760	-	(260)	-	12,500
Investment holding	(3,268)	354	(3,401)	(1,701)	(8,016)
Total	13,318	354	(20,000)	(291)	(6,619)

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	26,227	6,208	32,435
Hotel	558,413	-	558,413
Food	84,482	150	84,632
Property	331,865	-	331,865
Investment holding	225,550	183,356	408,906
	1,226,537	189,714	1,416,251
Unallocated corporate assets			5,872
Total Assets			1,422,123

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 December 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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

- (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 wholly-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 joint venture company 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.
- (g) On 9 December 2022, M Kingdom Holdings Pte Ltd has incorporated a new direct wholly-owned subsidiary namely Tree Time Ventures Sdn Bhd in Malaysia. The total issued share capital is RM2 divided into 2 ordinary shares. Its principal activity is agriculture farming and investment.
- (h) On 6 January 2023, Pan Malaysia Holdings Berhad, a 68.32%-owned subsidiary of the Company, announced that its associate companies, Pan Malaysia Capital Berhad ("PM Capital") and PM Asset Management Sdn Bhd had entered into share sale and purchase agreements with NewParadigm Capital Ventures Sdn Bhd to dispose of the entire issued and paid-up share capital of PM Securities Sdn Bhd, PCB Asset Management Sdn Bhd and Miranex Sdn Bhd for a total cash consideration of RM90,000,003 ("Disposal"). PM Capital has obtained the shareholders' approval for the Disposal during the Extraordinary General Meeting held on 8 February 2023.
- (i) On 11 January 2023, Danau Gelombang Sdn Bhd, a dormant indirect wholly-owned subsidiary of PMC, 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.

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

	31.12.2022	30.06.2022
	RM'000	RM'000
(a) Bank guarantees issued by a subsidiary to third parties	377	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 31 December 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.

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 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 December 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	8,780
Capital invested	(1,621)	(7,116)
Balance of commitment	<u>379</u>	<u>1,664</u>

[The Remainder Of This Page Is Intentionally Left Blank]

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			
	31.12.2022	31.12.2021	Changes	
	(Q2FY23)	(Q2FY22)	RM'000	%
	RM'000	RM'000		
Revenue				
Retailing	11,237	8,487	2,750	32.40
Hotel	33,112	29,328	3,784	12.90
Food	15,975	16,459	(484)	(2.90)
Fast food chain	50,332	-	50,332	100.00
Property	29,683	27,737	1,946	7.00
	140,339	82,011	58,328	71.10
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	4,556	2,912	1,644	56.50
Hotel	37,950	(4,824)	42,774	886.70
Food	(1,194)	(1,341)	147	11.00
Fast food chain	5,486	-	5,486	100.00
Property	7,210	7,701	(491)	(6.40)
Investment holding	764	(4,268)	5,032	117.90
	54,772	180	54,592	30,328.90

Q2FY23 vs Q2FY22

The Group's revenue increased by 71.1% to RM140.3 million in Q2FY23, mainly contributed by the newly acquired A&W fast food restaurant chain. The Group's PBT for the current quarter was RM54.8 million, which is significantly higher than the PBT of RM0.2 million in Q2FY22, mainly due to the one-time gain of RM44.8 million from the disposal of The Belsfield Hotel in the UK.

Retailing

Metrojaya's revenue for Q2FY23 increased to RM11.2 million, up 31% from Q2FY22 due to the easing of movement restrictions, leading to higher foot traffic in shopping malls. The division's PBT also rose to RM4.6 million from RM2.9 million in Q2FY22, mainly because of the higher profits generated by the Group's associates in the current quarter.

Hotel

Corus Hotel's operations in the UK and Malaysia have seen improvements in occupancy rates and room rates for the current quarter compared to the same period last year. This was mainly due to the easing of travel restrictions by both governments, resulting in an increase in hotel revenue from RM29.3 million in Q2FY22 to RM33.1 million in the current quarter. The division reported a PBT of RM38.0 million in Q2FY23 compared to an LBT of RM4.8 million in Q2FY22. Additionally, there was a one-time gain of RM44.8 million from the disposal of The Belsfield Hotel in the UK, which was reported in Q2FY23.

Food

The food division reported slightly lower revenue of RM16.0 million in Q2FY23 compared to the same period last year, due to shipment delays in the overseas market caused by an additional import application requirement. Despite this, the division managed to narrow its LBT to RM1.2 million in the current quarter from RM1.3 million in Q2FY22.

Fast food chain

For Q2FY23, A&W Malaysia contributed a revenue of RM50.3 million and a PBT of RM5.5 million.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Property

The property division's revenue in Q2FY23 increased to RM29.7 million from RM27.7 million in Q2FY22. The growth was primarily due to higher progress billings in the properties segment from the ongoing phases in Bandar Springhill, Negeri Sembilan, such as E7-3 (Peony 2), E5-C (Aurora 2), and E5-B (Nebula).

Despite recorded higher revenue, the property division's PBT of RM7.2 million in Q2FY23 was lower by RM0.5 million as compared to RM7.7 million in Q2FY22.

	CUMULATIVE 6 MONTHS			
	31.12.2022	31.12.2021	Changes	
	(6MFY23)	(6MFY22)	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	17,846	10,099	7,747	76.70
Hotel	70,969	58,383	12,586	21.60
Food	33,527	25,747	7,780	30.20
Fast food chain	99,474	-	99,474	100.00
Property	53,550	45,990	7,560	16.40
	275,366	140,219	135,147	96.40
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	4,301	(56)	4,357	7,780.40
Hotel	37,652	(7,911)	45,563	575.90
Food	(609)	(3,136)	2,527	80.60
Fast food chain	7,474	-	7,474	100.00
Property	13,089	12,500	589	4.70
Investment holding	(8,600)	(8,016)	(584)	(7.30)
	53,307	(6,619)	59,926	905.40

6MFY23 vs 6MFY22

The Group's revenue increased by 96.4% to RM275.4 million for 6MFY23 from RM140.2 million in 6MFY22, driven by contributions from all divisions and the newly acquired A&W fast food restaurant chain. The Group's PBT for 6MFY23 was RM53.3 million compared to an LBT of RM6.6 million in 6MFY22. The increase in PBT was mainly due to a one-time gain of RM44.8 million from the disposal of The Belsfield Hotel in the UK.

Retailing

Metrojaya Berhad reported a revenue of RM17.8 million for 6MFY23, representing an increase of 76.7% compared to 6MFY22. The revenue growth was primarily attributable to the gradual recovery of foot traffic in shopping malls. The division reported a PBT of RM4.3 million for 6MFY23, representing an improvement from the LBT of RM56,000 in the same period last year. The improved results were not solely due to the revenue increase but also due to the higher profits reported by the Group's associates.

Hotel

The Group's hotel operations in the UK and Malaysia saw improvement in its revenue from RM58.4 million in 6MFY22 to RM71.0 million for 6MFY23. The improvement was mainly attributed to the recovery of domestic tourism and an uptick in the number of international travellers. The Group's PBT for hotel division was RM37.6 million for 6MFY23 compared to an LBT of RM7.9 million in 6MFY22, mainly due to a one-time gain of RM44.8 million on the disposal of The Belsfield Hotel in the UK.

Food

The food division's revenue grew by 30.2% due to the lifting of pandemic restrictions and the opening of international borders. This resulted in an increase in revenue from RM25.7 million in 6MFY22 to RM33.5 million for 6MFY23, which is an increase of RM7.8 million. In line with the revenue growth, the division's LBT reduced to RM0.6 million from RM3.1 million in 6MFY22.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Fast food chain

For 6MFY23, A&W Malaysia contributed a revenue of RM99.5 million and a PBT of RM7.5 million.

Property

The property division's revenue for 6MFY23 was RM53.6 million, an increase of RM7.6 million from RM46.0 million in 6MFY22. The increase was mostly due to higher progress billings of the continuing development of phases in Bandar Springhill, Negeri Sembilan, particularly E7-3 (Peony 2), E5-C (Aurora 2), and E5-B (Nebula).

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

	Quarter Ended			
	31.12.2022	30.09.2022	Changes	
	(Q2FY23)	(Q1FY23)	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	11,237	6,609	4,628	70.0
Hotel	33,112	37,857	(4,745)	(12.5)
Food	15,975	17,552	(1,577)	(9.0)
Fast food chain	50,332	49,142	1,190	2.4
Property	29,683	23,867	5,816	24.4
	140,339	135,027	5,312	3.9
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	4,556	(255)	4,811	1,886.7
Hotel	37,950	(298)	38,248	12,834.9
Food	(1,194)	585	(1,779)	(304.1)
Fast food chain	5,486	1,988	3,498	176.0
Property	7,210	5,879	1,331	22.6
Investment holding	764	(9,364)	10,128	108.2
	54,772	(1,465)	56,237	3,838.7

In Q2FY23, the Group reported higher revenue of RM140.3 million compared to RM135.0 million in Q1FY23. The increase was due to higher revenue in the property, retailing, and fast food chain divisions. The property division's revenue improved due to higher progress billings for the ongoing phases of E7-3 (Peony 2), E5-C (Aurora 2), and E5-B (Nebula). The retailing division's revenue increased due to higher consumer spending during current quarter festive holidays, while the fast food chain division's revenue growth was mainly due to the opening of new restaurants by A&W Malaysia. As a result of the improved revenue and a one-time gain on the disposal of The Belsfield Hotel in the UK, the Group reported a PBT of RM54.8 million for Q2FY23, compared to an LBT of RM1.5 million in the preceding quarter.

B3 Prospects for the Financial Year Ending 30 June 2023

Retailing

The Metrojaya group has initiated a revamp of its business model by right-sizing its department stores and highlighting more contemporary, youthful, and next-generation brands. Furthermore, the group aim to create immersive experiences for their shoppers. The transformation towards this new business model will be an ongoing process.

Despite facing increased competition, the retailing group remains cautiously optimistic about improving its performance. Its focus will be on prioritizing hybrid shopping and seamless shopping experiences to enhance retail performance.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

Hotel

For the hotel in Malaysia, the reopening of China is expected to revive global tourism and economy outlook. 32 million Chinese tourists are expected to visit Southeast Asia with Malaysia ranked fifth. China agents expect arrivals into Malaysia beginning April 2023 onwards, which will benefit the Group's hotel in Malaysia.

The hotel industry in the UK is expected to improve due to the easing of COVID-19 restrictions, leading to increased demand and occupancy rates. However, domestic leisure markets may face challenges due to high inflation, while increased base rates by the Bank of England may impact the industry's cash flow.

Food

In the first half of 2023, the Network Foods group achieved revenue growth by successfully entering new industrial markets and benefiting from the lifting of pandemic restrictions that allowed for the re-opening of borders. However, the global economy is still under pressure due to ongoing supply chain disruptions, rising inflation, and geopolitical crisis. Despite these challenges, the Network Foods group strives to sustain its growth momentum. This will be achieved through efforts to further penetrate the market with its top-performing brands, Crispy and Tango chocolates, as well as expanding its Original Equipment Manufacturing (OEM) business.

Fast food chain

With the opening of new outlets, the fast food division is experiencing steady growth. The Group anticipates a year-on-year increase in revenue, driven by both the new and existing outlets. The Group aims to reach 100 outlets by June 2023.

Property

Due to the strong demand for its most recent launches of reasonably priced Bandar Springhill properties, the Group is confident about its prospects for the property sector in 2023.

The strong fundamental demand for properties from the young demographic supports a positive mid to long term outlook.

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:

	31.12.2022	30.06.2022	Changes
	RM'000	RM'000	%
Current (Not past due)	15,471	18,609	(16.9)
Past due:			
1 to 30 days	3,323	1,612	106.1
31 to 60 days	936	1,355	(30.9)
61 to 90 days	706	493	43.2
91 to 120 days	75	239	(68.6)
More than 120 days	269	2,239	(88.0)
	<u>20,780</u>	<u>24,547</u>	(15.3)

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 6 MONTHS		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation and amortisation	(7,554)	(4,075)	(85.4)	(15,659)	(8,266)	(89.4)
Net gain on disposal of:						
- property, plant and equipment	44,810	-	100.0	44,810	-	100.0
- unquoted investment	165	-	100.0	165	-	100.0
Gain/(loss) on short term investments:						
- realised	60	273	(78.0)	331	392	(15.6)
- unrealised	926	(295)	413.9	1,495	(382)	491.4
Interest expense	(14,684)	(10,410)	(41.1)	(26,157)	(20,000)	(30.8)
Interest income	811	726	11.7	1,520	1,315	15.6
Loss on derecognition of subsidiaries	-	-	-	-	(977)	100.0
Net gain on foreign exchange	4,780	133	3,494.0	40	1,022	(96.1)
Net inventories write back	327	2,251	(85.5)	724	1,289	(43.8)
Property, plant and equipment written off	(30)	(54)	44.4	(32)	(54)	40.7

B7 Taxation

Taxation comprises:

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31.12.2022	31.12.2021	Changes	31.12.2022	31.12.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Current taxation						
- Malaysia	(2,524)	(1,852)	(36.3)	(4,556)	(3,302)	(38.0)
- Foreign	(2)	(8)	75.0	(4)	(8)	50.0
Deferred tax	(75)	(137)	45.3	(248)	(375)	33.9
	(2,601)	(1,997)	(30.2)	(4,808)	(3,685)	(30.5)
Underprovision in respect of prior years	(54)	(45)	(20.0)	(54)	(42)	(28.6)
	(2,655)	(2,042)	(30.0)	(4,862)	(3,727)	(30.5)

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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

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 24 February 2023				
		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 has been completed on 12 December 2022.

(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, the Company 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, Network Foods Industries Sdn Bhd ("Vendor"), an indirect wholly-owned subsidiary of PMC, had entered into a Sale and Purchase Agreement with Amazing Blitz Sdn Bhd ("Purchaser") 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.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

On 6 February 2023, the Vendor and Purchaser mutually agreed to extend the completion period for a further period of 9 months commencing from the expiry of the current completion period on 6 February 2023 until 5 November 2023 free of interest ("Extended Completion Period"). The Vendor is required to relocate or remove a gas station located in the property which belongs to Gas Malaysia under a Gas Supply Agreement between Gas Malaysia Energy and Services Sdn Bhd and the Vendor. The relocation or removal of gas station is expected to be completed within the Extended Completion Period.

B9 Group Borrowings and Lease Liabilities

	31.12.2022			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	203,924	458,628	662,552	214,670	465,779	680,449
- Revolving credit	23,054	28,000	51,054	23,054	33,095	56,149
- Bank overdraft	-	3,567	3,567	-	3,217	3,217
	226,978	490,195	717,173	237,724	502,091	739,815
Unsecured						
- Revolving credit	17,336	28,950	46,286	17,336	32,583	49,919
Hire-purchase	3,717	1,595	5,312	3,636	3,087	6,723
Total borrowings	248,031	520,740	768,771	258,696	537,761	796,457
Lease liabilities	69,425	6,246	75,671	70,347	9,339	79,686
Total	317,456	526,986	844,442	329,043	547,100	876,143

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

	31.12.2022		30.06.2022	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	84,187	445,568	86,373	462,320
Lease liabilities	11,319	59,908	11,325	60,617

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 December 2022.

B11 Fair Value Changes of Financial Liabilities

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

B12 Material Litigation

On 14 February 2023, the Company received an Originating Summons ("Action") and Notice of Application for Interim Injunction ("Injunction Application"), having the same suit number of WA-24NCC-73-02/2023 filed in Kuala Lumpur High Court by Chan Weng Fui ("the Plaintiff") against Malayan United Industries Berhad ("MUIB"), the current entire Board of Directors of MUIB and 10 others.

The Originating Summons was filed pursuant to the Companies Act 2016, the Rules of Court 2012 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the matters disclosed in the Company announcement made on Bursa Malaysia's website.

Further to our announcement made on 14 February 2023, pursuant to the Case Management of the Action and Injunction Application on 16 February 2023, the Court has fixed the next Case Management date on 27 February 2023.

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

The Company categorically denies any impropriety alleged/insinuated by the Plaintiff through the Action. In this regard, the Company has engaged its legal counsel to defend the Company against the Action and to oppose the Injunction Application filed by the Plaintiff.

The Company's position is that the alleged claims made by the Plaintiff are without merit. The Company shall take all necessary steps to vigorously defend itself against the various claims and shall pursue all legal recourse available stemming from the Action as appropriate.

B13 Dividend

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

B14 Basic Earnings/(Loss) Per Share

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Weighted average number of ordinary shares in issue ('000)	3,225,817	2,932,561	3,211,092	2,932,561
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	34,810	(5,640)	25,485	(18,077)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	1.08	(0.19)	0.79	(0.62)

The Company has not issued any potentially dilutive ordinary shares and hence, the diluted earnings/(loss) per share is equal to the basic earnings/(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: 24 February 2023