

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 MARCH 2023**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	109,951	84,301	385,317	224,520
Cost of sales	(62,361)	(51,391)	(213,848)	(143,390)
Gross profit	47,590	32,910	171,469	81,130
Other income	3,633	9,985	57,050	16,743
Distribution costs	(21,041)	(2,414)	(62,754)	(6,677)
Administrative expenses	(32,007)	(26,984)	(90,739)	(63,404)
Other operating expenses	(3,597)	(3)	(3,645)	(980)
Impairment reversal on financial assets [Note A4]	-	-	-	354
Finance costs	(11,609)	(9,396)	(37,766)	(29,396)
Share of results of associates and joint venture	513	(342)	3,174	(633)
Profit/(Loss) before taxation	(16,518)	3,756	36,789	(2,863)
Taxation	(2,655)	(1,988)	(7,517)	(5,715)
Profit/(Loss) after taxation	(19,173)	1,768	29,272	(8,578)
Attributable to:				
Owners of the Company	(18,998)	(3,317)	6,487	(21,394)
Non-controlling interests	(175)	5,085	22,785	12,816
	(19,173)	1,768	29,272	(8,578)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	(0.59)	(0.11)	0.20	(0.73)

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 31 MARCH 2023

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2023 RM'000	31.03.2022 RM'000	31.03.2023 RM'000	31.03.2022 RM'000
Profit/(Loss) after taxation	(19,173)	1,768	29,272	(8,578)
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	103	117	858	(218)
<i>Items that will be reclassified subsequently to profit or loss</i>				
Derecognition of subsidiaries	-	-	-	796
Foreign currency translation differences	1,034	(5,522)	2,921	(3,436)
Other comprehensive income/(expenses)	1,137	(5,405)	3,779	(2,858)
Total comprehensive income/(expenses) for the financial period	(18,036)	(3,637)	33,051	(11,436)
Attributable to:				
Owners of the Company	(22,622)	(6,528)	4,719	(22,342)
Non-controlling interests	4,586	2,891	28,332	10,906
Total comprehensive income/(expenses) for the financial period	(18,036)	(3,637)	33,051	(11,436)

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 31 MARCH 2023

	31.03.2023 RM'000	30.06.2022 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	597,616	630,459
Investment properties	67,291	67,218
Associates	188,991	185,508
Joint venture	135	140
Other investments	16,361	14,976
Inventories	33,930	33,930
Goodwill on consolidation	27,438	27,438
Intangible assets	6,670	6,324
Deferred tax assets	5,919	5,919
	944,351	971,912
Current Assets		
Inventories	129,641	111,136
Trade and other receivables	126,527	124,563
Contract assets	77,764	46,567
Right to recover returned goods	538	539
Contract costs	1,260	1,490
Other investments	2,974	6,505
Short term investments	16,653	13,103
Current tax assets	2,614	2,442
Deposits, bank balances and cash	147,674	168,412
	505,645	474,757
Assets classified as held for sale	17,703	-
	523,348	474,757
TOTAL ASSETS	1,467,699	1,446,669
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	98,084	93,866
Accumulated losses and reserves	(34,180)	(33,753)
	63,904	60,113
Non-Controlling Interests	264,411	253,555
Total Equity	328,315	313,668
Non-Current Liabilities	331,154	341,974
Current Liabilities		
Trade and other payables	272,724	240,679
Contract liabilities	842	842
Refund liabilities	957	957
Borrowings	531,509	547,100
Employee benefits	765	846
Current tax liabilities	1,433	603
	808,230	791,027
Total Liabilities	1,139,384	1,133,001
TOTAL EQUITY AND LIABILITIES	1,467,699	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 31 March 2023, 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 31 MARCH 2023

	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	-	-	6,487	6,487	22,785	29,272
Fair value gain on equity instruments	-	571	-	571	287	858
Foreign currency translations	-	(2,339)	-	(2,339)	5,260	2,921
Total comprehensive income/(expenses)	-	(1,768)	6,487	4,719	28,332	33,051
Transaction with owners:						
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(36,957)	(36,957)
Impact from the changes in the stake of subsidiaries	-	995	(6,141)	(5,146)	19,481	14,335
Issued pursuant to private placement	4,218	-	-	4,218	-	4,218
At 31 March 2023	98,084	(11,348)	(22,832)	63,904	264,411	328,315
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 subsidiaries	-	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

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 31 MARCH 2023

	CUMULATIVE 9 MONTHS	
	31.03.2023	31.03.2022
	RM'000	RM'000
Operating Activities		
Profit/(Loss) before taxation	36,789	(2,863)
Net adjustments	14,048	29,713
Operating profit before working capital changes	50,837	26,850
Net change in working capital	(24,085)	6,521
Cash generated from operations	26,752	33,371
Employee benefits paid	(182)	(99)
Interest expense	(199)	(46)
Interest income	908	718
Net tax paid	(6,842)	(3,818)
Net cash from operating activities	20,437	30,126
Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	-	(6,943)
Dividend received	342	229
Interest received	1,875	1,258
Proceeds from disposal of:		
- assets held for sales	-	2,176
- investment in subsidiaries	12,457	-
- other investments	815	-
- property, plant and equipment	78,934	-
Purchase of:		
- other investments	(1,026)	(5,209)
- property, plant and equipment	(31,813)	(2,471)
- short term investments	(156)	(6,082)
Utilisation of restricted fund	-	14,492
Withdrawal/(Placement) of term deposits with tenure of more than 3 months	12,291	(20,179)
Net cash from/(for) investing activities	73,719	(22,729)
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	(36,957)	(6,305)
Interest paid	(37,567)	(29,350)
Drawdown of bank borrowings and hire-purchase	475	3,056
Payment of lease liabilities and hire-purchase	(12,210)	(1,658)
Proceeds from issuance of shares pursuant to private placement	4,218	6,000
Repayment of bank borrowings	(29,625)	(20,809)
Net cash for financing activities	(111,666)	(49,066)
Net decrease in cash and cash equivalents	(17,510)	(41,669)
Cash and cash equivalents at beginning of financial period		
As previously reported	152,323	158,770
Effects of exchange rate changes	2,897	1,366
As restated	155,220	160,136
Cash and cash equivalents at end of financial period	137,710	118,467

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 31 March 2023.

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 2023 other than the following items:

Impairment Reversal on Financial Assets

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Impairment reversal on amount owing by an associate	-	-	-	354

A5 Debts and Equity Securities

During the financial period, 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 March 2023, 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 March 2023.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2023 (31 March 2022: Nil).

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A7 Operating Segments

Nine months ended 31 March 2023

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	48,442	-	48,442	(23,325)	25,117
Hotel	90,946	-	90,946	-	90,946
Food	48,591	-	48,591	-	48,591
Fast food chain	140,967	-	140,967	-	140,967
Property	79,750	(54)	79,696	-	79,696
Investment holding	3,611	(3,591)	20	(20)	-
Total	412,307	(3,645)	408,662	(14)	385,317

(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	61	-	(1,726)	5,947	4,282
Hotel	54,132	-	(25,530)	-	28,602
Food	(827)	-	(255)	(5)	(1,087)
Fast food chain	6,238	-	(2,885)	-	3,353
Property	19,653	-	(149)	-	19,504
Investment holding	(7,876)	-	(7,221)	(2,768)	(17,865)
Total	71,381	-	(37,766)	3,174	36,789

(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total RM'000
Retailing	21,467	8,803	30,270
Hotel	467,724	-	467,724
Food	78,330	135	78,465
Fast food chain	123,333	-	123,333
Property	375,142	-	375,142
Investment holding	204,044	180,188	384,232
	1,270,040	189,126	1,459,166
Unallocated corporate assets			8,533
Total Assets			1,467,699

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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

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 2023 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.

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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 51.15%-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.
- (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.

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A10 Contingent Liabilities

	31.03.2023	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 March 2023 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 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 2023, 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	8,834
Capital invested	(1,547)	(6,833)
Balance of commitment	453	2,001

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

B1 Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED			
	31.03.2023	31.03.2022	Changes	
	(Q3 FY23)	(Q3 FY22)	RM'000	%
	RM'000	RM'000		
Revenue				
Retailing	7,271	6,580	691	10.5
Hotel	19,977	23,855	(3,878)	(16.3)
Food	15,064	14,021	1,043	7.4
Fast food chain	41,493	12,622	28,871	228.7
Property	26,146	27,223	(1,077)	(4.0)
	109,951	84,301	25,650	30.4
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(19)	408	(427)	(104.7)
Hotel	(9,050)	(6,991)	(2,059)	(29.5)
Food	(478)	800	(1,278)	(159.8)
Fast food chain	(4,121)	273	(4,394)	(1,609.5)
Property	6,415	7,824	(1,409)	(18.0)
Investment holding	(9,265)	1,442	(10,707)	(742.5)
	(16,518)	3,756	(20,274)	(539.8)

Q3 FY23 vs Q3 FY22

The Group's revenue increased by 30.4% to RM110.0 million in Q2 FY23. The increase was primarily contributed by the newly acquired A&W Malaysia. Despite higher revenue, the Group reported an LBT of RM16.5 million for the current quarter, contrasting with a PBT of RM3.8 million in Q3 FY22. This was mainly due to several factors including a decline in revenue from the hotel division, higher operating costs across the entire Group, increased finance costs, and loss from foreign exchange.

Retailing

Metrojaya's revenue for Q3 FY23 is slightly increased to RM7.3 million, up 10.5% from Q3 FY22. The division reported a small LBT of RM19,000 in Q3 FY23 compared to a PBT of RM0.4 million in Q3 FY22, mainly because of the higher operating costs incurred in the current quarter.

Hotel

In Q3 FY23, The Group's hotel operations reported a decline in total revenue from RM23.9 million in Q3 FY22 to RM20.0 million. The decrease was mainly due to lower revenue generated by the UK hotel operations and the disposal of The Belsfield Hotel in the UK. Consequently, the division reported a higher LBT of RM9.1 million in Q3 FY23 compared to an LBT of RM7.0 million in Q3 FY22. The overall revenue for the Group's hotels in Malaysia has improved compared to the same period last year due to an increase in inbound travellers to the country.

Food

The food division achieved sales growth domestically as a result of support from festive campaigns and the implementation of price increase across the product range. Additionally, expansion into industrial markets and reactivation of dormant customers have enabled the division to close the sales gap for export markets.

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Fast food chain

The fast food division continued to pursue its goal of opening new outlets which resulted in an increase in operational costs due to the establishment of new outlets during the off-season, as well as the rise in labour and raw material costs. Consequently, the division report an LBT of RM4.1 million in Q3 FY23 compared to a PBT of RM0.3 million in Q3 FY22.

Property

The revenue in Q3 FY23 declined by RM1.1 million or 4% compared to Q3 FY22, primarily due to lower revenue from Phase E6 (Aurora & Nova), which was nearing completion. However, this decline was largely offset by higher progress billings from Phases IP-1 (Industrial Park) and E7-3 (Peony 2).

The property division's PBT for Q3 FY23 was lower by RM1.4 million compared to RM7.8 million in Q3 FY22, mainly due to higher operating costs.

	CUMULATIVE 9 MONTHS			
	31.03.2023	31.03.2022	Changes	
	(9M FY23)	(9M FY22)	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	25,117	16,679	8,438	50.6
Hotel	90,946	82,238	8,708	10.6
Food	48,591	39,768	8,823	22.2
Fast food chain	140,967	12,622	128,345	1,016.8
Property	79,696	73,213	6,483	8.9
	385,317	224,520	160,797	71.6
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	4,282	352	3,930	1,116.5
Hotel	28,602	(14,902)	43,504	291.9
Food	(1,087)	(2,336)	1,249	53.5
Fast food chain	3,353	273	3,080	1,128.2
Property	19,504	20,324	(820)	(4.0)
Investment holding	(17,865)	(6,574)	(11,291)	(171.8)
	36,789	(2,863)	39,652	1,385.0

9M FY23 vs 9M FY22

The Group's revenue increased by 71.6% to RM385.3 million for 9M FY23 from RM224.5 million in 9M FY22, driven by contributions from all divisions and the newly acquired A&W Malaysia. The Group's PBT for 9M FY23 was RM36.8 million compared to an LBT of RM2.9 million in 9M FY22. The PBT for 9M FY23 was mainly due to a one-time gain of RM44.8 million from the disposal of The Belsfield Hotel in the UK.

Retailing

In 9M FY23, Metrojaya Berhad achieved a revenue of RM25.1 million, representing a growth of 50.6% compared to the same period in FY22. The revenue growth was mainly attributable to the gradual recovery of foot traffic in shopping malls. The division reported an increase in PBT from RM0.4 million for 9M FY22 to RM4.3 million in 9M FY23. The increase in PBT was mainly attributed to the improved revenue and the higher profits generated by the Group's associates.

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Hotel

The Group's revenue for hotel operations increased from RM82.2 million in 9M FY22 to RM90.9 million for 9M FY23. The main factors driving the improvement in revenue were the revival of domestic tourism and an increase in inbound international travellers, benefiting both the UK and Malaysia. The Group's PBT for the hotel division was RM28.6 million in 9M FY23, in contrast to an LBT of RM14.9 million in 9M FY22. Apart from the revenue increase, the improvement in the results was also due to a one-time gain of RM44.8 million from the disposal of The Belsfield Hotel in the UK.

Food

The food division benefited from the lifting of pandemic restrictions and the opening of international borders, resulting in an additional 22.2% growth in revenue.

Fast food chain

After becoming part of the Group, A&W Malaysia has made a significant contribution to the Group's revenue. In 9M FY23, A&W Malaysia generated a revenue of RM141.0 million, compared to RM12.6 million in the corresponding period of FY22. The division achieved a PBT of RM3.4 million for 9M FY23, compared to RM0.3 million recorded in 9M FY22. A&W Malaysia had a lower contribution to the Group's revenue and PBT during the same period last year as it joined the Group in March 2022.

Property

The property division's revenue for 9M FY23 reached RM79.7 million, showing an increase of RM6.5 million compared to RM73.2 million in 9M FY22. This increase was primarily due to higher progress billings from the ongoing development of phases in Bandar Springhill, Negeri Sembilan, particularly E7-3 (Peony 2) and IP-1 (Industrial Park).

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

	Quarter Ended			
	31.03.2023 (Q3 FY23) RM'000	31.12.2022 (Q2 FY23) RM'000	Changes RM'000 %	
Revenue				
Retailing	7,271	17,846	(10,575)	(59.3)
Hotel	19,977	70,969	(50,992)	(71.9)
Food	15,064	33,527	(18,463)	(55.1)
Fast food chain	41,493	99,474	(57,981)	(58.3)
Property	26,146	53,550	(27,404)	(51.2)
	109,951	275,366	(165,415)	(60.1)
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(19)	4,301	(4,320)	(100.4)
Hotel	(9,050)	37,652	(46,702)	(124.0)
Food	(478)	(609)	131	21.5
Fast food chain	(4,121)	7,474	(11,595)	(155.1)
Property	6,415	13,089	(6,674)	(51.0)
Investment holding	(9,265)	(8,600)	(665)	(7.7)
	(16,518)	53,307	(69,825)	(131.0)

In Q3 FY23, the Group reported a lower revenue of RM110.0 million compared to RM275.4 million in Q2 FY23. The decrease was from all divisions. The Group reported an LBT of RM16.5 million in the current quarter as a result of the lower revenue. In the preceding quarter, there was a one-time gain on the disposal of The Belsfield Hotel in the UK of RM44.8 million was reported.

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B3 Prospects for the Financial Year Ending 30 June 2023

Retailing

Metrojaya is undergoing a business model revamp which encompasses right sizing its stores with a focus on its in house brands coupled with well sourced higher yield concess brands to provide a complete range of apparels, accessories and homes. The merchandise with the accompanying marketing will be honed to appeal to younger market.

Hotel

The hotel division has experienced challenges in recent years due to the COVID-19 pandemic and Brexit uncertainty. The occupancy of hotel rooms is expected to rise, driven by accumulated demand from travellers and the return of international visitors after the reopening of borders. The increase in the Bank of England's base rate, labour wages and energy costs has impacted the financial performance of the Group's hotels in the UK. Despite challenges, London is experiencing a robust summer with improving occupancy and high average daily rates. Likewise, the Group's hotels in Malaysia are ready to capitalize on the growing inbound travel market, besides sourcing revenue from other markets.

Food

The food division recorded moderate revenue growth over 9M FY23 amidst successful implementation of various promotional strategies and the lifting of pandemic restrictions that enabled cross-border operations. However, supply chain disruptions, inflation, and geopolitical crises remain causes for concern and potential threats to global economic growth. Nevertheless, the division is cautiously optimistic that it can sustain its performance through increased market penetration of its top-performing brands, Crispy and Tango chocolates, and expansion of its Original Equipment Manufacturing (OEM) business.

Fast food chain

The fast food division of the Group aims to reach 100 outlets by June 2023. Despite inflation being a key challenge this year, the division is continuously improving its menu to meet customer demand while minimizing margin compression. Additionally, the division anticipates an annual revenue growth as a result of the expansion of new and existing outlets.

Property

Based on year to date 31 March 2023 results, the division's revenue for FY 2023 are expected to be sustained in the final quarter in spite of a challenging economic environment. The financial results however will be adversely impacted by foreign exchange losses due to the weakening of the Ringgit Malaysia and increased operating costs.

B4 Variance of Actual Profit from Forecast Profit

Not applicable.

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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:

	31.03.2023	30.06.2022	Changes
	RM'000	RM'000	%
Current (Not past due)	14,682	18,609	(21.1)
Past due:			
1 to 30 days	1,905	1,612	18.2
31 to 60 days	2,117	1,355	56.2
61 to 90 days	863	493	75.1
91 to 120 days	220	239	(7.9)
More than 120 days	244	2,239	(89.1)
	20,031	24,547	(18.4)

B6 Profit/(Loss) Before Taxation

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

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2023	31.03.2022	Changes	31.03.2023	31.03.2022	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation and amortisation	(8,441)	(5,313)	(58.9)	(24,100)	(13,579)	(77.5)
Net gain on disposal of:						
- assets held for sale	-	1,867	(100.0)	-	1,867	(100.0)
- property, plant and equipment	113	-	100.0	44,923	3	>10,000.0
- unquoted investment	-	-	-	165	-	100.0
Gain on short term investments:						
- realised	77	192	(59.9)	408	584	(30.1)
- unrealised	1,491	696	114.2	2,986	314	851.0
Interest expense	(11,609)	(9,396)	(23.6)	(37,766)	(29,396)	(28.5)
Interest income	1,263	661	91.1	2,783	1,976	40.8
Loss on derecognition of subsidiaries	-	-	-	-	(977)	100.0
Net gain/(loss) on foreign exchange	(3,637)	6,063	(160.0)	(3,597)	7,085	(150.8)
Net inventories write back/ (written down)	(2,118)	525	(503.4)	(1,394)	1,814	(176.8)
Property, plant and equipment written off	-	(27)	100.0	(32)	(81)	60.5

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B7 Taxation

Taxation comprises:

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2023 RM'000	31.03.2022 RM'000	Changes %	31.03.2023 RM'000	31.03.2022 RM'000	Changes %
Current taxation						
- Malaysia	(2,812)	(2,069)	(35.9)	(7,368)	(5,371)	(37.2)
- Foreign	(1)	-	(100.0)	(5)	(8)	37.5
Deferred tax	233	114	104.4	(15)	(261)	94.3
	<u>(2,580)</u>	<u>(1,955)</u>	<u>(32.0)</u>	<u>(7,388)</u>	<u>(5,640)</u>	<u>(31.0)</u>
Underprovision in respect of prior years	(75)	(33)	(127.3)	(129)	(75)	(72.0)
	<u>(2,655)</u>	<u>(1,988)</u>	<u>(33.6)</u>	<u>(7,517)</u>	<u>(5,715)</u>	<u>(31.5)</u>

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

B8 Status of Corporate Proposals

- (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.

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 26 May 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	-	-

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(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.

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.

(f) On 27 February 2023, Oriental Omega Sdn Bhd disposed its 33,500,000 ordinary shares representing 4.34% of the total issued share capital of PMC to Fortress Opportunistic Growth Fund and Fortress Capital Asset Management (M) Sdn Bhd for a total cash consideration of RM6,030,000 ("Second Disposal"). Following the Second Disposal, the Company and its subsidiaries now hold a total of 394,646,200 ordinary shares of PMC representing about 51.15% equity interest in PMC.

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B9 Group Borrowings and Lease Liabilities

	31.03.2023			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	204,041	468,529	672,570	214,670	465,779	680,449
- Revolving credit	23,054	26,500	49,554	23,054	33,095	56,149
- Bank overdraft	-	5,852	5,852	-	3,217	3,217
	227,095	500,881	727,976	237,724	502,091	739,815
Unsecured						
- Revolving credit	17,336	26,600	43,936	17,336	32,583	49,919
Hire-purchase	3,613	659	4,272	3,636	3,087	6,723
Total borrowings	248,044	528,140	776,184	258,696	537,761	796,457
Lease liabilities	74,282	3,369	77,651	70,347	9,339	79,686
Total	322,326	531,509	853,835	329,043	547,100	876,143

Foreign borrowing and lease liabilities in Ringgit Malaysia equivalent as at 31 March 2023 included in the above are as follows:

	31.03.2023		30.06.2022	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	84,156	459,643	86,373	462,320
Lease liabilities	11,310	61,775	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 March 2023.

B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 31 March 2023.

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.

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.

The Court has fixed a case management on 16 June 2023, and the hearing of the Originating Summons is fixed on 17 August 2023.

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B13 Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2023 (31 March 2022: Nil).

B14 Basic Earnings/(Loss) Per Share

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Weighted average number of ordinary shares in issue ('000)	3,225,817	2,935,836	3,215,929	2,933,637
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	(18,998)	(3,317)	6,487	(21,394)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	(0.59)	(0.11)	0.20	(0.73)

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: 26 May 2023