

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2023**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2023 RM'000	30.09.2022 RM'000
Revenue	121,522	135,027
Cost of sales	(70,023)	(72,067)
Gross profit	51,499	62,960
Other income	22,341	2,499
Selling and distribution expenses	(4,119)	(4,367)
Administrative expenses	(46,594)	(46,593)
Other operating expenses	(5,692)	(4,759)
Finance costs	(19,059)	(11,473)
Share of results of associates and joint venture	(396)	268
Loss before taxation	(2,020)	(1,465)
Taxation	1,047	(2,207)
Loss after taxation	(973)	(3,672)
Attributable to:		
Owners of the Company	(8,359)	(9,325)
Non-controlling interests	7,386	5,653
	(973)	(3,672)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.26)	(0.29)

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 2023 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 2023**

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2023 RM'000	30.09.2022 RM'000
Loss after taxation	(973)	(3,672)
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 on equity instruments	542	238
<i><u>Items that will be reclassified subsequently to profit or loss</u></i>		
Foreign currency translation differences	(7,316)	5,624
Other comprehensive income/(expenses)	(6,774)	5,862
Total comprehensive income/(expenses) for the financial period	(7,747)	2,190
Attributable to:		
Owners of the Company	(15,228)	(3,051)
Non-controlling interests	7,481	5,241
Total comprehensive income/(expenses) for the financial period	(7,747)	2,190

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 2023 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 2023

	30.09.2023 RM'000	30.06.2023 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,733,281	1,761,624
Investment properties	67,187	67,178
Associates	229,439	229,854
Joint venture	135	135
Other investments	16,390	16,107
Inventories	28,876	28,876
Goodwill on consolidation	27,438	27,438
Intangible assets	6,886	7,076
Deferred tax assets	5,653	5,604
	2,115,285	2,143,892
Current Assets		
Inventories	129,047	137,330
Trade and other receivables	151,073	148,796
Contract assets	27,647	27,231
Right to recover returned goods	517	512
Contract costs	1,175	807
Other investments	16,759	13,152
Short term investments	6,084	11,090
Current tax assets	5,564	4,472
Deposits, bank balances and cash	189,759	138,774
	527,625	482,164
Assets classified as held for sale	165	17,839
	527,790	500,003
TOTAL ASSETS	2,643,075	2,643,895
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	98,084	98,084
Accumulated losses and reserves	897,332	912,560
	995,416	1,010,644
Non-Controlling Interests	281,979	275,582
Total Equity	1,277,395	1,286,226
Non-Current Liabilities		
	477,672	482,472
Current Liabilities		
Trade and other payables	285,999	277,819
Contract liabilities	4,235	243
Refund liabilities	895	890
Borrowings	593,785	593,241
Provision for restoration cost	1,886	1,886
Employee benefits	730	829
Current tax liabilities	478	289
	888,008	875,197
Total Liabilities	1,365,680	1,357,669
TOTAL EQUITY AND LIABILITIES	2,643,075	2,643,895
Net assets per share attributable to owners of the Company (RM)	0.31	0.31

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 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 2023

	Attributable to Owners of the Company				Non- Controlling Interests	Total Equity
	Share Capital RM'000	Non- Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
At 1 July 2023	98,084	958,458	(45,898)	1,010,644	275,582	1,286,226
Profit/(loss) after taxation	-	-	(8,359)	(8,359)	7,386	(973)
Fair value gain on equity instruments	-	337	-	337	205	542
Foreign currency translations	-	(7,206)	-	(7,206)	(110)	(7,316)
Total comprehensive income/(expenses)	-	(6,869)	(8,359)	(15,228)	7,481	(7,747)
Transaction with owners:						
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	(1,084)	(1,084)
At 30 September 2023	98,084	951,589	(54,257)	995,416	281,979	1,277,395
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

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 2023 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 2023

QUARTER ENDED AND CUMULATIVE 3 MONTHS

	30.09.2023 RM'000	30.09.2022 RM'000
Operating Activities		
Loss before taxation	(2,020)	(1,465)
Net adjustments	10,181	22,027
Operating profit before working capital changes	8,161	20,562
Net change in working capital	16,849	10,519
Cash generated from operations	25,010	31,081
Employee benefits paid	(99)	(19)
Interest expense	(153)	(64)
Interest income	249	256
Net tax paid	(2,459)	(1,605)
Net cash from operating activities	22,548	29,649
Investing Activities		
Dividend received	88	114
Interest received	642	453
Proceeds from disposal of:		
- assets held for sales	41,000	-
- property, plant and equipment	55	-
Purchase of:		
- property, plant and equipment	(8,161)	(14,155)
- short term investments	(21)	(24)
Withdrawal of short-term investments	5,000	-
Withdrawal of term deposits with tenure of more than 3 months	-	3,880
Net cash from/(for) investing activities	38,603	(9,732)
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	(1,084)	(5,187)
Interest paid	(18,906)	(11,144)
Drawdown of bank borrowings and hire-purchase	20,368	479
Payment of lease liabilities and hire-purchase	(1,752)	(3,267)
Proceeds from issuance of shares pursuant to private placement	-	4,218
Repayment of bank borrowings	(4,890)	(6,079)
Net cash for financing activities	(6,264)	(20,980)
Net increase/(decrease) in cash and cash equivalents	54,887	(1,063)
Cash and cash equivalents at beginning of financial period		
As previously reported	132,461	152,323
Effects of exchange rate changes	(211)	(3,781)
As restated	132,250	148,542
Cash and cash equivalents at end of financial period	187,137	147,479

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 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 2023. 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 2023.

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 2023, except for the following:

<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 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: 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 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

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>
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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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 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 30 September 2023.

A5 Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares by the Company for the financial period ended 30 September 2023.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2023 (30 September 2022: Nil).

A7 Operating Segments

Three months ended 30 September 2023

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	8,236	-	8,236	(3,030)	5,206
Hotel	33,623	-	33,623	-	33,623
Food	14,325	-	14,325	-	14,325
Fast food chain	49,297	-	49,297	-	49,297
Property	19,089	(18)	19,071	-	19,071
Investment holding	1,124	(1,124)	-	-	-
Total	125,694	(1,142)	124,552	(3,030)	121,522

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(b) Results

	Segment Results	Finance Costs	Associates/ Joint Venture	Profit/(Loss) Before Taxation
	RM'000	RM'000	RM'000	RM'000
Retailing	(1,000)	(604)	(396)	(2,000)
Hotel	7,462	(13,874)	-	(6,412)
Food	17,616	(21)	-	17,595
Fast food chain	(1,695)	(1,219)	-	(2,914)
Property	3,018	-	-	3,018
Investment holding	(7,966)	(3,341)	-	(11,307)
Total	17,435	(19,059)	(396)	(2,020)

(c) Assets

	Segment Assets	Associates/ Joint Venture	Total
	RM'000	RM'000	RM'000
Retailing	86,783	8,972	95,755
Hotel	1,207,834	-	1,207,834
Food	61,055	135	61,190
Fast food chain	149,258	-	149,258
Property	462,812	-	462,812
Investment holding	434,542	220,467	655,009
	2,402,284	229,574	2,631,858
Unallocated corporate assets			11,217
Total Assets			2,643,075

Three months ended 30 September 2022

(a) Revenue

	External Customers	Inter-segment	Total Revenue	Associates	Net Revenue
	RM'000	RM'000	RM'000	RM'000	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

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(b) Results

	Segment Results 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

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 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.

A9 Changes in the Composition of the Group

- Tiffany Enterprise Sdn Bhd, a dormant subsidiary of Pan Malaysia Corporation Berhad ("PMC"), was dissolved on 7 October 2023 pursuant to Section 459(5) of the Companies Act, 2016, with no material impact on the earnings and net assets of the Group.
- On 1 November 2023, Ming Court Hotels International Sdn Bhd, a dormant wholly-owned subsidiary of MUIB, has at its Extraordinary General Meeting obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1) (b) of Companies Act, 2016. The winding-up will not have any material financial or operational effect on the MUIB Group for the financial year ending 30 June 2024.
- On 20 November 2023, London Vista Hotel Limited, a wholly-owned subsidiary of the Company, incorporated a new direct wholly-owned subsidiary namely Plaza Senior Holdco Limited in United Kingdom. The total issued share capital is £1,000 divided into 1,000 ordinary share. Its principal activity is an investment holding company.
- On 21 November 2023, London Vista Hotel Limited, incorporated a new direct wholly-owned subsidiary namely Plaza Mezzanine Limited in United Kingdom. The total issued share capital is £1,000 divided into 1,000 ordinary share. Its principal activity is an investment holding company.

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

	30.09.2023 RM'000	30.06.2023 RM'000
(a) Bank guarantees issued by a subsidiary to third parties	165	377
(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 June 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 30 September 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	9,384
Capital invested	(1,408)	(6,606)
Balance of commitment	<u>592</u>	<u>2,778</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			
	30.09.2023	30.09.2022	Changes	
	(Q1 FY24)	(Q1 FY23)	RM'000	%
	RM'000	RM'000		
Revenue				
Retailing	5,206	6,609	(1,403)	(21.2)
Hotel	33,623	37,857	(4,234)	(11.2)
Food	14,325	17,552	(3,227)	(18.4)
Fast food chain	49,297	49,142	155	0.3
Property	19,071	23,867	(4,796)	(20.1)
	121,522	135,027	(13,505)	(10.0)
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(2,000)	(255)	(1,745)	(684.3)
Hotel	(6,412)	(298)	(6,114)	(2,051.7)
Food	17,595	585	17,010	2,907.7
Fast food chain	(2,914)	1,988	(4,902)	(246.6)
Property	3,018	5,879	(2,861)	(48.7)
Investment holding	(11,307)	(9,364)	(1,943)	(20.7)
	(2,020)	(1,465)	(555)	(37.9)

Q1 FY24 vs Q1 FY23

The Group's revenue decreased by 10% to RM121.5 million in Q1 FY24. The decrease was from all divisions except for the fast food chain division which reported a slight increase in revenue. The Group reported a higher LBT of RM2.0 million in Q1 FY24, compared with an LBT of RM1.5 million in Q1 FY23.

Retailing

In Q1 FY24, Metrojaya's revenue declined by 21.2% to RM5.2 million, mainly due to the temporary closure of the Suria Sabah outlet from July to mid-August 2023 for refurbishment and relaunch as the new MJ Concept Store. The division reported a higher LBT of RM2.0 million in Q1 FY24 compared to the LBT of RM0.3 million in Q1 FY23. This was primarily attributed to the lower revenue and the share of losses incurred by the Group's associate, in contrast to the share of profits reported in Q1 FY23.

Hotel

In Q1 FY24, the Group's hotel division experienced a decline in total revenue, dropping from RM37.9 million in Q1 FY23 to RM33.6 million. This decline was primarily attributed to the disposal of The Belsfield Hotel in the preceding financial year. Consequently, due to a combination of lower revenue and higher finance costs, the division incurred a higher LBT of RM6.4 million in Q1 FY24 compared to the LBT of RM0.3 million recorded in Q1 FY23.

Food

The food division revenue decreased by RM3.2 million to RM14.3 million, mainly due to slower offtake in the major export markets.

Fast food chain

The fast food chain division revenue recorded a slight increase in Q1 FY24.

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Property

The property division recorded a revenue of RM19.1 million in Q1 FY24, declined by RM4.8 million or 20.1% compared to Q1 FY23. The decrease was primarily due to lower progress billing from the ongoing development in Bandar Springhill, Negeri Sembilan.

In tandem with the lower revenue, the property division's PBT of RM3.0 million decreased by RM2.9 million compared to a PBT of RM5.9 million in Q1 FY23.

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

	Quarter Ended			
	30.09.2023	30.06.2023	Changes	
	(Q1 FY24)	(Q4 FY23)	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	5,206	6,889	(1,683)	(24.4)
Hotel	33,623	31,058	2,565	8.3
Food	14,325	10,466	3,859	36.9
Fast food chain	49,297	45,920	3,377	7.4
Property	19,071	3,335	15,736	471.8
	121,522	97,668	23,854	24.4
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(2,000)	(347)	(1,653)	(476.4)
Hotel	(6,412)	4,289	(10,701)	(249.5)
Food	17,595	(2,039)	19,634	962.9
Fast food chain	(2,914)	(10,015)	7,101	70.9
Property	3,018	(5,219)	8,237	157.8
Investment holding	(11,307)	(966)	(10,341)	(1,070.5)
	(2,020)	(14,297)	12,277	85.9

In Q1 FY24, the Group reported a higher revenue of RM121.5 million compared to RM97.7 million in Q4 FY23. The increase was contributed by all divisions except for the retailing division. The Group reported a lower LBT of RM2.0 million compared to an LBT of RM14.3 million in the preceding quarter. This was mainly due to a one-off gain from the disposal of a property in Shah Alam by the Group's food division amounted to RM20.3 million.

B3 Prospects for the Financial Year Ending 30 June 2024

Retailing

Metrojaya's prospects for the financial year ending June 2024 appear promising as it undergoes a branding and concept change as well as embarking into the digital marketplace. However, the flagship store in Mid Valley will undergo a six-month closure for renovation commencing in the early months of 2024 and this may temporarily impact the revenue.

Advancing its digital transformation plans, Metrojaya is on target for its marketplace website to go live in December 2023.

Hotel

Corus Hotel Kuala Lumpur continues its focus on building the corporate and MICE (Meetings, Incentives, Conferences and Exhibitions) markets as a base business while yield managing bookings from the OTAs (online platforms). The hotel is able to leverage its strategic location in the prime KLCC area which is a tourism, corporate and conference hub.

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Corus Paradise Resort Port Dickson appears optimistic with increasing local tourism and the continued influx of overseas visitors. Ongoing efforts to optimise on room availability especially during weekends when occupancy is usually peakish. Meanwhile, concerted sales plans and actions are in gear to increase occupancy during the weekdays by tapping Government, MICE and tour series business.

Corus Hyde Park Hotel in the UK demonstrated a revenue upsurge. Concurrently, Burnham Beeches Hotel also exhibited encouraging trends, forecasting a return to profitability in 2024.

Food

The food division is taking initiatives aimed at enhancing sales performance. This includes exploring new distribution channels, launching promotional campaigns in the coming months, and streamlining the product range to improve efficiency.

Fast food chain

Despite the economic challenges of inflation, a weak currency, and global disruptions, the fast food chain division remains resilient and is committed to expanding its revenue and number of outlets. The shift to digital sales through 'Self Order Kiosks', 'A&W Ordering App' and third-party delivery services is showing promising growth. These initiatives will improve operational efficiency and enhance the customer experience. Furthermore, the expansion into Sabah is progressing well.

Property

The real estate market, particularly the landed property segment, shows promising signs of sustained growth. West Synergy Sdn Bhd ("WSSB") is optimistic about its revenue growth from its forthcoming launches. However, management is exercising caution due to the inflationary pressures impacting construction costs and labour costs.

WSSB is working out a master plan across the remaining undeveloped land in Bandar Springhill. This extensive endeavor encompasses an integration of residential, commercial, and industrial segments, serviced by amenities such as an international school, a fully serviced hospital, and a planned hotel.

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:

	30.09.2023	30.06.2023	Changes
	RM'000	RM'000	%
Current (Not past due)	29,322	23,250	26.1
Past due:			
1 to 30 days	5,066	2,267	123.5
31 to 60 days	2,410	5,314	(54.6)
61 to 90 days	722	448	61.2
More than 90 days	1,610	670	140.3
	<u>39,130</u>	<u>31,949</u>	22.5

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B6 Loss Before Taxation

Included in the loss before taxation were the followings items:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Depreciation and amortisation	(8,581)	(8,105)	(5.9)
Net gain on disposal of:			
- assets held for sale	20,320	-	100.0
- property, plant and equipment	55	(2)	>10,000.0
Gain/(Loss) on short term investments:			
- realised	477	271	76.0
- unrealised	(503)	569	(188.4)
Interest expense	(19,059)	(11,473)	(66.1)
Interest income	891	709	25.7
Net gain/(loss) on foreign exchange	(5,179)	(4,740)	(9.3)
Net inventories write back/(written down)	(1,626)	397	(509.6)

B7 Taxation

Taxation comprises:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Current taxation			
- Malaysia	(1,552)	(2,032)	23.6
- Foreign	(7)	(2)	(250.0)
Deferred tax	2,606	(173)	1,606.4
	1,047	(2,207)	147.4

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 7 November 2022, Network Foods Industries Sdn Bhd, an indirect wholly-owned subsidiary of 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 disposal has been completed on 30 August 2023.
- (b) On 1 August 2023, the subsidiary of PMC, PMRI Investments (Singapore) Pte Ltd ("Vendor"), entered into a conditional share sale agreement ("SSA") with Wah Kong Corporation Sdn Bhd ("Purchaser") for the disposal of 85% equity interest in Network Foods International Ltd and its subsidiaries excluding Network Foods (Hong Kong) Ltd for a disposal consideration of RM24,220,929 to be satisfied entirely in cash.

On 31 October 2023, the Vendor and Purchaser have mutually agreed to extend the SSA for an additional period of sixty (60) days, which will expire on 30 December 2023.

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- (c) On 8 September 2023, PMC entered into a Sale and Purchase Agreement with Inter Mark Resources Sdn Bhd to acquire the remaining 49% equity interest comprising 30,380,000 ordinary shares in A & W (Malaysia) Sdn Bhd for a purchase consideration of RM69,454,595 to be satisfied via a combination of cash payment of RM41,672,757 and the issuance of 111,127,352 new ordinary shares of the Company's at an issue price of RM0.25 per share amounting to RM27,781,838. The proposed acquisition is pending completion.
- (d) On 29 November 2023, WSSB, an indirect 60%-owned subsidiary of MUI Properties Berhad, which is in turn a partly-owned subsidiary of the Company, entered into a joint venture agreement ("JVA") with Century Marque Sdn Bhd to jointly undertake a development of semi-detached factories and detached factories on a piece of freehold land held under Geran 159972 Lot 8318 Mukim Jimah Daerah Port Dickson Negeri Sembilan measuring approximately 25.23 hectares subject to and upon the terms and conditions of the JVA.

B9 Group Borrowings and Lease Liabilities

	30.09.2023			30.06.2023		
	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	205,692	519,125	724,817	205,692	511,997	717,689
- Revolving credit	21,854	29,350	51,204	21,854	31,200	53,054
- Bank overdraft	-	7,979	7,979	-	8,064	8,064
	227,546	556,454	784,000	227,546	551,261	778,807
Unsecured						
- Revolving credit	10,336	25,850	36,186	10,336	27,750	38,086
Hire-purchase	2,354	2,677	5,031	2,453	3,458	5,911
Total borrowings	240,236	584,981	825,217	240,335	582,469	822,804
Lease liabilities	80,099	8,804	88,903	79,976	10,772	90,748
Total	320,335	593,785	914,120	320,311	593,241	913,552

Foreign borrowing and lease liabilities in Ringgit Malaysia equivalent as at 30 September 2023 included in the above are as follows:

	30.09.2023		30.06.2023	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	84,093	482,786	84,124	495,064
Lease liabilities	11,298	64,863	11,306	66,532

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 2023.

B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 30 September 2023.

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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 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.

On 25 September 2023, Plaintiff filed a Notice of Discontinuance. All court dates originally fixed were thereby vacated.

B13 Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2023 (30 September 2022: Nil).

B14 Basic Loss Per Share

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2023	30.09.2022
Weighted average number of ordinary shares in issue ('000)	3,225,817	3,196,368
Loss after taxation attributable to owners of the Company (RM'000)	(8,359)	(9,325)
Basic/diluted loss per share attributable to owners of the Company (sen)	(0.26)	(0.29)

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 2023 was unmodified.

On behalf of the Board
MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 30 November 2023