

MALAYAN UNITED INDUSTRIES BERHAD

Registration No: 196001000140 (3809-W)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2024 RM'000	30.09.2023 RM'000
Revenue	126,110	121,522
Cost of sales	(73,646)	(70,023)
Gross profit	52,464	51,499
Other income	52,599	22,341
Selling and distribution expenses	(2,241)	(4,119)
Administrative expenses	(46,964)	(46,594)
Other operating expenses	(67)	(5,692)
Finance costs	(19,411)	(19,059)
Share of results of associates and joint venture	(160)	(396)
Profit/(Loss) before taxation	36,220	(2,020)
Taxation	(1,703)	1,047
Profit/(Loss) after taxation for the period	34,517	(973)
Attributable to:		
Owners of the Company	42,953	(8,359)
Non-controlling interests	(8,436)	7,386
	34,517	(973)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	1.33	(0.26)

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 2024 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 2024

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2024 RM'000	30.09.2023 RM'000
Profit/(Loss) after taxation for the period	34,517	(973)
Other comprehensive income/(expenses), net of tax:		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Fair value gain on equity instruments	2,889	542
<i>Items that will be reclassified subsequently to profit or loss</i>		
Foreign currency translation differences	(74,746)	(7,316)
Other comprehensive expenses	(71,857)	(6,774)
Total comprehensive expenses for the financial period	(37,340)	(7,747)
Attributable to:		
Owners of the Company	(31,907)	(15,228)
Non-controlling interests	(5,433)	7,481
Total comprehensive expenses for the financial period	(37,340)	(7,747)

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 2024 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 2024

	30.09.2024 RM'000	30.06.2024 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	1,571,940	1,651,249
Investment properties	30,899	31,049
Associates	249,108	249,753
Joint venture	133	133
Other investments	20,418	18,846
Inventories	106,812	103,696
Goodwill on consolidation	15,442	15,442
Intangible assets	7,815	8,086
Deferred tax assets	5,042	4,843
	2,007,609	2,083,097
Current Assets		
Inventories	55,398	51,207
Trade and other receivables	142,285	109,562
Contract assets	19,685	3,406
Contract costs	1,818	-
Other investments	16,699	16,559
Short term investments	346	414
Current tax assets	5,828	6,407
Deposits, bank balances and cash	149,338	194,511
	391,397	382,066
Assets classified as held for sale	165	165
	391,562	382,231
TOTAL ASSETS	2,399,171	2,465,328
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	98,084	98,084
Accumulated losses and reserves	678,199	710,106
	776,283	808,190
Non-Controlling Interests	257,403	262,836
Total Equity	1,033,686	1,071,026
Non-Current Liabilities		
Current Liabilities		
Trade and other payables	277,700	287,294
Contract liabilities	12,367	10,862
Borrowings	91,133	583,129
Provision for restoration cost	458	458
Employee benefits	522	522
Current tax liabilities	2,018	1,535
	384,198	883,800
Total Liabilities	1,365,485	1,394,302
TOTAL EQUITY AND LIABILITIES	2,399,171	2,465,328
Net assets per share attributable to owners of the Company (RM)	0.24	0.25

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024 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 2024

	Attributable to Owners of the Company				Non- Controlling Interests	Total Equity
	Non-			Total		
	Share Capital RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000			
At 1 July 2024	98,084	965,460	(255,354)	808,190	262,836	1,071,026
Profit/(Loss) after taxation	-	-	42,953	42,953	(8,436)	34,517
Fair value gain on equity instruments	-	1,433	-	1,433	1,456	2,889
Foreign currency translations	-	(76,293)	-	(76,293)	1,547	(74,746)
Total comprehensive income/(expenses)	-	(74,860)	42,953	(31,907)	(5,433)	(37,340)
At 30 September 2024	98,084	890,600	(212,401)	776,283	257,403	1,033,686
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 shareholders	-	-	-	-	(1,084)	(1,084)
At 30 September 2023	98,084	951,589	(54,257)	995,416	281,979	1,277,395

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 2024 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 2024

	CUMULATIVE 3 MONTHS	
	30.09.2024 RM'000	30.09.2023 RM'000
Operating Activities		
Profit/(Loss) before taxation	36,220	(2,020)
Net adjustments	(20,012)	10,181
Operating profit before working capital changes	16,208	8,161
Net change in working capital	(65,750)	16,849
Cash from/(for) operations	(49,542)	25,010
Employee benefits paid	-	(99)
Interest expense	(219)	(153)
Interest income	201	249
Net tax paid	(666)	(2,459)
Net cash from/(for) operating activities	(50,226)	22,548
Investing Activities		
Dividend received	-	88
Interest received	1,084	642
Proceeds from disposal of:		
- assets held for sale	-	41,000
- property, plant and equipment	-	55
Purchase of:		
- property, plant and equipment	(12,104)	(8,161)
- short term investments	-	(21)
Withdrawal of short-term investments	-	5,000
Withdrawal of term deposits with tenure of more than 3 months	1,233	-
Net cash from/(for) investing activities	(9,787)	38,603
Financing Activities		
Dividend paid to non-controlling interests of subsidiaries	-	(1,084)
Interest paid	(19,192)	(18,906)
Net drawdown of bank borrowings and hire-purchase	26,529	15,478
Payment of lease liabilities and hire-purchase	(4,328)	(1,752)
Net cash from/(for) financing activities	3,009	(6,264)
Net increase/(decrease) in cash and cash equivalents	(57,004)	54,887
Cash and cash equivalents at beginning of financial period		
As previously reported	190,479	132,461
Effects of exchange rate changes	10,175	(211)
As restated	200,654	132,250
Cash and cash equivalents at end of financial period	143,650	187,137

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024 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 2024. 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 2024.

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 2024, except for the following:

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

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 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments that are part of Annual Improvements—Volume 11:	1 January 2026
- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	
- Amendments to MFRS 7 Financial Instruments: Disclosures	
- Amendments to MFRS 9 Financial Instruments	
- Amendments to MFRS 107 Statement of Cash Flows	
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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:

- The retailing business of Metrojaya have seasonal peaks in tandem with various festive seasons and sales promotions;
- 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
- The fast food chain business is affected by major festive seasons and school holidays.

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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 2024.

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 2024.

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 2024.

A6 Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2024 (30 September 2023: Nil).

A7 Operating Segments

Three months ended 30 September 2024

(a) Revenue

	External Customers RM'000	Inter- segment RM'000	Total Revenue RM'000	Associates RM'000	Net Revenue RM'000
Retailing	6,524	-	6,524	(2,720)	3,804
Hotel	31,031	-	31,031	-	31,031
Fast food chain	54,142	-	54,142	-	54,142
Property	34,762	(23)	34,739	-	34,739
Others	3,663	(1,269)	2,394	-	2,394
Total	130,122	(1,292)	128,830	(2,720)	126,110

(b) Results

	Segment Results RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation RM'000
Retailing	(551)	(551)	(160)	(1,262)
Hotel	2,925	(13,708)	-	(10,783)
Fast food chain	138	(1,888)	-	(1,750)
Property	5,209	-	-	5,209
Others	48,070	(3,264)	-	44,806
Total	55,791	(19,411)	(160)	36,220

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(c) Assets

	Segment Assets RM'000	Investment Associates/ Joint Venture RM'000	Total RM'000
Retailing	70,547	9,293	79,840
Hotel	1,063,117	-	1,063,117
Fast food chain	150,486	-	150,486
Property	453,393	-	453,393
Others	401,517	239,948	641,465
	2,139,060	249,241	2,388,301
Unallocated corporate assets			10,870
Total Assets			2,399,171

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
Others	1,124	(1,124)	-	-	-
Total	125,694	(1,142)	124,552	(3,030)	121,522

(b) Results

	Segment Results RM'000	Finance Costs RM'000	Associates/ Joint Venture RM'000	Profit/(Loss) Before Taxation 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
Others	(7,966)	(3,341)	-	(11,307)
Total	17,435	(19,059)	(396)	(2,020)

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(c) Assets

	Segment Assets RM'000	Associates/ Joint Venture RM'000	Total 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
Others	434,542	220,467	655,009
	<u>2,402,284</u>	<u>229,574</u>	<u>2,631,858</u>
Unallocated corporate assets			11,217
Total Assets			<u>2,643,075</u>

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 2024 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) Novimax (M) Sdn Bhd, a wholly-owned dormant subsidiary of Malayan United Industries Berhad ("MUIB"), was dissolved on 8 July 2024 pursuant to Section 459(5) of the Companies Act, 2016, with no material impact on the earnings and net assets of the Group.
- (b) On 15 August 2024, Baker & Cook (Malaysia) Sdn Bhd, a 50%-owned joint venture company of Megafort Sdn Bhd, which is in turn a wholly-owned subsidiary of Pan Malaysia Corporation Berhad ("PMC"), has at its Extraordinary General Meeting obtained approval from the shareholders 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 Group for the financial year ending 30 June 2025.
- (c) On 20 August 2024, PMC incorporated a new direct wholly-owned subsidiary namely PM Brands Sdn Bhd in Malaysia. The total issued share capital is RM1 divided into 1 ordinary share.

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

A10 Contingent Liabilities

	30.09.2024 RM'000	30.06.2024 RM'000
(a) i. Bank guarantees issued by a subsidiary to third parties	948	948
ii. Corporate guarantees given to a former subsidiary	13,492	13,792

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- (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 USD3,614,172 at 30 September 2024 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.

A11 Capital Commitments

There are no material capital commitments as at the date of this report.

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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			
	30.09.2024	30.09.2023	Changes	
	(Q1 FY25)	(Q1 FY24)	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
Retailing	3,804	5,206	(1,402)	(26.9)
Hotel	31,031	33,623	(2,592)	(7.7)
Food	-	14,325	(14,325)	(100.0)
Fast food chain	54,142	49,297	4,845	9.8
Property	34,739	19,071	15,668	82.2
Others	2,394	-	2,394	100.0
	126,110	121,522	4,588	3.8
Profit/(Loss) before taxation ("PBT / (LBT)")				
Retailing	(1,262)	(2,000)	738	36.9
Hotel *	(10,783)	(6,412)	(4,371)	(68.2)
Food *	-	17,595	(17,595)	(100.0)
Fast food chain	(1,750)	(2,914)	1,164	39.9
Property	5,209	3,018	2,191	72.6
Others *	44,806	(11,307)	56,113	496.3
	36,220	(2,020)	38,240	1,893.1

* In FY24, the Group divested 85% equity interest in Network Foods International Limited and its subsidiaries (excluding Network Foods (Hong Kong) Limited) and 65.90% equity interest in Exsim Hospitality Berhad (formerly known as Pan Malaysia Holdings Berhad). In Q1 FY25, Network Foods (Hong Kong) Limited has been classified under "Others" as its results are immaterial to the Group.

Q1 FY25 vs Q1 FY24

In Q1 FY25, the Group reported a 3.8% increase in revenue, reaching RM126.1 million compared to the corresponding quarter in the previous financial year. This growth was mainly driven by the property division, despite the absence of revenue contributions from Network Foods International Limited and its subsidiaries (excluding Network Foods (Hong Kong) Limited), which 85% of its equity interest was divested in the previous financial year. The Group recorded a PBT of RM36.2 million in Q1 FY25, an improvement compared to an LBT of RM2.0 million in the same quarter of the previous financial year, largely attributable to a net gain on foreign exchange recorded by the Group's investment holding subsidiaries. This was driven by the strengthening of the Malaysian Ringgit against major foreign currencies.

Retailing

Metrojaya reported a revenue drop of 26.9% to RM3.8 million in Q1 FY25, mainly attributed to the temporary closure of its flagship store in Mid Valley Megamall, Kuala Lumpur. The flagship store was reopened for business at the end of August 2024.

Hotel

The Group's hotel division recorded a decreased revenue of RM31.0 million in Q1 FY25 compared to RM33.6 million in Q1 FY24. The decrease was caused by the Group's hotel in London. As a result, the division reported a higher LBT of RM10.8 million.

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Fast food chain

The fast food chain division's revenue for Q1 FY25 was RM54.1 million, an increase of RM4.8 million compared to Q1 FY24. The increase of revenue was due to successful limited-time offer products and aggressive delivery promotions.

The fast food chain division recorded a loss of RM1.8 million in Q1 FY25 compared to a loss of RM2.9 million in Q1 FY24. The division's efforts to streamline its cost structure and introduce digital initiatives (such as 'Self-ordering Kiosks'), as well as the closure of 3 loss-making outlets, helped to optimize resources and improve operational efficiency.

Property

The property division achieved a revenue of RM34.7 million in Q1 FY25, reflecting an increase of RM15.6 million or 82.2% compared to RM19.1 million in Q1 FY24. This growth was primarily driven by the higher construction progress of the Antmed project (Lot 8322) in Bandar Springhill, Negeri Sembilan.

The property division recorded a PBT of RM5.2 million in Q1 FY25 compared to a PBT of RM3.0 million in Q1 FY24.

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

	Quarter Ended			
	30.09.2024	30.06.2024	Changes	
	(Q1 FY25)	(Q4 FY24)	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue				
<u>Continuing operations</u>				
Retailing	3,804	3,089	715	23.1
Hotel	31,031	30,296	735	2.4
Fast food chain	54,142	57,792	(3,650)	(6.3)
Property	34,739	10,843	23,896	220.4
Others	2,394	2,444	(50)	(2.0)
	126,110	104,464	21,646	20.7
<u>Discontinued operations</u>				
Food	-	3,164	(3,164)	(100.0)
	126,110	107,628	18,482	17.2
Profit/(Loss) before taxation ("PBT / (LBT)")				
<u>Continuing operations</u>				
Retailing	(1,262)	(3,300)	2,038	61.8
Hotel	(10,783)	(22,012)	11,229	51.0
Fast food chain	(1,750)	(5,730)	3,980	69.5
Property	5,209	(755)	5,964	789.9
Others	44,806	(67,696)	112,502	166.2
	36,220	(99,493)	135,713	136.4
<u>Discontinued operations</u>				
Food	-	(86,870)	86,870	100.0
	36,220	(186,363)	222,583	119.4

The Group recorded revenue of RM126.1 million in Q1 FY25, representing an increase of RM18.5 million from RM107.6 million in the preceding quarter. This growth was primarily contributed by the Property division. For the current quarter, the Group reported a PBT of RM36.2 million, an improvement compared to an LBT of RM186.4 million in the preceding quarter. The PBT for Q1 FY25 was mainly attributable to a net foreign exchange gain. In contrast, the LBT in the preceding quarter was mainly due to the loss on divestment of 85% equity interest in Network Foods International Limited and its subsidiaries (excluding Network Foods (Hong Kong) Limited), a net foreign exchange loss and asset impairment.

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B3 Prospects for the Financial Year Ending 30 June 2025

Retailing

Metrojaya reopened its flagship store in Mid Valley at the end of August this year following a six month closure by the mall owner for renovation. The new store, with a reduced footprint of 30,000 square feet, incorporates immersive shopping experiences as a departure from the traditional departmental store concept. The revamped concept was well received, as reflected in the increase of its sales per square feet compared to its performance in the previous store.

The division expanded its standalone boutiques, notably East India Company (EIC), whose network increased to a total of 5 stores with the opening in Sunway Pyramid in November this year. Other than Indie Batik which already has two stores, opportunities are being explored for the other house brands namely Somerset Bay, Cape Cod and Living Quarters.

With an industry growth of 4.6% by the Retail Group Malaysia, Metrojaya is cautiously optimistic of its prospects in the current financial year.

Hotel

Corus KLCC achieved notable improvements in its occupancy and average room rate on the back of continued growth in tourism trade.

The hotel, in its endeavour to optimise revenue, is continuing to focus on yield management in its daily review of business, and upkeeping vigorous maintenance to maximize room availability.

Corus KLCC is optimistic of continued revenue growth in view of the increase in tourist numbers into Malaysia as well as the country's economic growth as reflected in the projected expansion of Gross Domestic Product.

For Corus Hyde Park Hotel, the demand for summer was weaker partly due to the Paris Olympics. The Burnham Beeches Hotel's rebranding and refurbishment project is on track for completion by December 2024.

Fast food chain

Malaysia's robust economic outlook, coupled with a favorable consumer sentiment and strengthened ringgit, presents growth opportunities for the fast food chain industry. According to the recent Economic Outlook 2025 report, Malaysia's economy is projected to grow between 4.5% to 5.5% in 2025.

To further enhance its market position, the Group's fast food chain is executing a strategic expansion plan. The division aims to increase its store count in Sabah by June 2025, achieving greater scale in East Malaysia. Moreover, the Group has embraced technology to enhance operational efficiency and improve customer experience, including the adoption of 'Self Order Kiosks' and the 'A&W Ordering App'.

The positive economic environment, along with increased tourist arrivals, robust foreign direct investments, and a strengthening Malaysian Ringgit, will benefit the Group's fast food chain business. As such, the Group is cautiously optimistic of continued expansion of this business segment.

Property

On 10 July 2024, West Synergy Sdn Bhd (WSSB) entered into an agreement for the sale of 53 acres at RM80.8 million to Antmed Malaysia Sdn Bhd, a subsidiary of Shenzhen Antmed Company Limited, a medical instrument manufacturer in China. The sale is anticipated to boost Bandar Springhill's appeal as a medical manufacturing hub, thus attracting more medical-related manufacturers and businesses both internationally and locally.

Newly launched ORTUS AVENUE, which comprises 26 commercial shops, has received positive response with a take up rate exceeding 70% to date. To further enhance its portfolio and revenue streams, WSSB is set to launch ASTRAL, featuring 117 link houses.

Property developments in Bandar Springhill are expected to see continued demand, supported by the government's ongoing first time buyers scheme which offers stamp duty exemptions and tax relief.

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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:

	30.09.2024	30.06.2024	Changes
	RM'000	RM'000	%
Current (Not past due)	18,594	14,855	25.2
Past due:			
1 to 30 days	3,801	9,911	(61.6)
31 to 60 days	620	1,414	(56.2)
61 to 90 days	219	988	(77.8)
More than 90 days	4,718	2,587	82.4
	27,952	29,755	(6.1)

B6 Profit/(Loss) before taxation ("PBT / (LBT)")

Included in the PBT/(LBT) were the following items:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2024	30.09.2023	Changes
	RM'000	RM'000	%
Depreciation and amortisation	(12,077)	(8,581)	(40.7)
Gain on disposal of:			
- assets held for sale	-	20,320	(100.0)
- property, plant and equipment	-	55	(100.0)
Gain/(Loss) on short term investments:			
- realised	-	477	(100.0)
- unrealised	(67)	(503)	86.7
Interest expense	(19,411)	(19,059)	(1.8)
Interest income	1,285	891	44.2
Net gain/(loss) on foreign exchange	50,527	(5,179)	1,075.6
Net inventories written down	(3)	(1,626)	99.8
	(3)	(1,626)	99.8

B7 Taxation

Taxation comprises:

	QUARTER ENDED AND CUMULATIVE 3 MONTHS		
	30.09.2024	30.09.2023	Changes
	RM'000	RM'000	%
Current taxation			
- Malaysia	(1,690)	(1,552)	(8.9)
- Foreign	(29)	(7)	(314.3)
Deferred tax	27	2,606	(99.0)
	(1,692)	1,047	(261.6)
Underprovision in respect of prior years	(11)	-	(100.0)
	(1,703)	1,047	(262.7)

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.

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B8 Status of Corporate Proposals

- (a) On 1 August 2023, the subsidiary of Pan Malaysia Corporation Berhad ("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 ("NFIL") and its subsidiaries excluding Network Foods (Hong Kong) Ltd for a disposal consideration of RM24,220,929 to be satisfied entirely in cash ("Proposed Disposal").

The Proposed Disposal has been completed on 23 April 2024. The disposal consideration of RM24,220,929 was revised to an adjusted disposal consideration of RM24,499,227. Subsequently, the final adjusted disposal consideration was RM24,259,667 as of 22 July 2024. The balance amount of final disposal consideration has been received on 26 July 2024.

The status of utilisation of the accumulated proceeds from the proposed disposal as at 30 September 2024 are as below:

Utilisation purposes	Proposed Utilisation	As at 30 September 2024		
		Total proceeds raised	Actual Utilisation	Unutilised Balance
	RM'000	RM'000 (A)	RM'000 (B)	RM'000 (A) - (B)
Working capital requirement	7,111	7,299	5,309	1,990
Funding of future investments	16,500	16,500	14,234	2,266
Estimated expenses in relation to the Proposed Disposals	610	461	461	-
Total	24,221	24,260	20,004	4,256

- (b) On 7 March 2024, the subsidiaries of MUIB namely Loyal Design Sdn Bhd, MUI Media Ltd and Megawise Sdn Bhd, had entered into a sale and purchase agreement with Exsim Hospitality Holdings Sdn Bhd to dispose of 612,123,222 ordinary shares in Pan Malaysia Holdings Berhad representing 65.90% of the total issued share capital of PMHB ("Sale Shares") for a total disposal consideration of RM36,727,393.32.

The purchase and sale of the Sale Shares were completed through a direct business transaction on 7 March 2024.

The status of utilisation of the accumulated proceeds from the Sale Shares as at 30 September 2024 are as below:

Utilisation purposes	Proposed Utilisation	As at 30 September 2024		
		Total proceeds raised	Actual Utilisation	Unutilised Balance
	RM'000	RM'000 (A)	RM'000 (B)	RM'000 (A) - (B)
Repayment of bank borrowings and related finance costs	29,294	29,294	29,294	-
Working capital requirements	6,809	6,809	4,768	2,041
Estimated expenses in relation to the Sale Shares	624	624	624	-
Total	36,727	36,727	34,686	2,041

- (c) On 10 July 2024, WSSB has entered into a sale and purchase agreement with Antmed Malaysia Sdn Bhd. The agreement pertains to the disposal of 53 acres out of 79 acres of the land located in Bandar Springhill held under Geran 159976, Lot 8322, Mukim Jimah, Daerah Port Dickson, Negeri Sembilan for a total cash consideration of RM80,803,800. The proposed disposal is pending completion.

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B9 Group Borrowings and Lease Liabilities

	30.09.2024			30.06.2024		
	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	704,663	28,098	732,761	221,965	519,694	741,659
- Revolving credit	25,229	23,950	49,179	25,229	25,200	50,429
- Bank overdraft	-	12,779	12,779	-	9,750	9,750
	729,892	64,827	794,719	247,194	554,644	801,838
Unsecured						
- Revolving credit	15,500	11,361	26,861	15,500	12,861	28,361
Hire-purchase	-	1,435	1,435	202	1,792	1,994
Total borrowings	745,392	77,623	823,015	262,896	569,297	832,193
Lease liabilities	77,675	13,510	91,185	84,108	13,832	97,940
Grand Total	823,067	91,133	914,200	347,004	583,129	930,133

Foreign borrowing and lease liabilities in Ringgit Malaysia equivalent as at 30 September 2024 included in the above are as follows:

	30.09.2024		30.06.2024	
	£'000	RM'000	£'000	RM'000
Foreign borrowing	90,502	500,541	85,252	508,410
Lease liabilities	11,296	62,477	11,304	67,412

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 2024.

B11 Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 30 September 2024.

B12 Material Litigation

On 10 May 2024, West Synergy Sdn Bhd ("WSSB" or "Plaintiff"), a 60%-owned subsidiary of MUI Properties Berhad, which in turn is a 72.27%-owned subsidiary of MUIB, filed two Writ of Summons and Statement of Claims against Portland Arena Sdn Bhd ("PASB" or "Defendant") in the Shah Alam High Court. These were related to disputes arising from PASB's delays in completing the works under the Letters of Award for Package E6 and Package E5 dated 15 November 2021 and 5 July 2022, respectively (read together with the PAM Contract 2006) ("Projects"), which led to the termination of PASB's employment under the contracts. WSSB is seeking damages in excess of RM8 million and RM7 million for Package E6 and Package E5 respectively.

On 1 July 2024 and 11 July 2024, WSSB and PASB have, by mutual consent, entered into a Consent Order for Package E6 and Package E5 respectively, agreeing to a stay of proceedings pending arbitration, with no order as to costs.

The extent of the damages for the said legal proceedings and their recoverability cannot be conclusively determined at this time and it will depend on the outcome of the legal proceedings. The Company will make the necessary announcements to Bursa Malaysia Securities Berhad as material developments occur.

Arbitration proceedings has commenced and is pending the appointment of an arbitrator.

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B13 Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2024 (30 September 2023: Nil).

B14 Basic Earnings/(Loss) Per Share

	QUARTER ENDED AND CUMULATIVE 3 MONTHS	
	30.09.2024	30.09.2023
Weighted average number of ordinary shares in issue ('000)	3,225,817	3,225,817
Profit/(Loss) after taxation attributable to owners of the Company (RM'000)	42,953	(8,359)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	1.33	(0.26)

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 2024 was unmodified.

On behalf of the Board

MALAYAN UNITED INDUSTRIES BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries
Date: 28 November 2024