Malayan United Industries Berhad

Registration No.: 196001000140 (3809-W)

ANNUAL REPORT 2022

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CORPORATE INFORMATION

Board of Directors

Andrew Khoo Boo Yeow, *Chairman and Chief Executive Officer*
Dato' Dr Tan Kee Kwong, *Independent Non-Executive Director*
Farizon binti Ibrahim, *Independent Non-Executive Director*
Dato' Dr Jessie Tang, *Independent Non-Executive Director*
Datuk Leong Kam Weng, *Independent Non-Executive Director*
Wong Nyen Faat, *Non-Independent Non-Executive Director*

Joint Company Secretaries

Lee Chik Siong (MAICSA 7054334, SSM PC No. 202008000770)
Wong Shuk Fuen (MIA 12985, SSM PC No. 202008004207)

Auditors

Crowe Malaysia PLT, *Chartered Accountants*

Principal Bankers

Affin Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
United Overseas Bank Limited

Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Tel. No.: 03-2783 9299 Fax. No.: 03-2783 9222

Registered Office

189 Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Tel. No.: 03-2145 1366 Fax. No.: 03-2144 5209
Website: www.muiglobal.com

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Market – Consumer Products & Services Sector

Stock Name and Code

MUIIND (3891)

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 51st Annual General Meeting ("AGM") of the Company will be held virtually through live streaming from the Broadcast Venue at Corus 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 8 December 2022 at 4.00 p.m. for the following purposes:

As Ordinary Business

1. To receive the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2022.

2. To approve the payment of Directors' Fees of RM378,710 for the financial year ended 30 June 2022. **Resolution 1**

3. To approve the payment of Directors' Benefits (other than Directors' Fees) of up to RM88,000 for the period from 9 December 2022 until the next AGM. **Resolution 2**

4. To re-elect Mr Wong Nyen Faat, who is retiring in accordance with Clause 118 of the Company's Constitution, as Director of the Company. **Resolution 3**

5. To re-elect the following Directors, who are retiring in accordance with Clause 99 of the Company's Constitution, as Directors of the Company:
   (a) Dato' Dr Jessie Tang **Resolution 4**
   (b) Datuk Leong Kam Weng **Resolution 5**

6. To re-appoint Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

As Special Business

To consider and, if thought fit, pass the following ordinary resolutions:

7. Proposed retention of Independent Non-Executive Director

   "THAT Dato' Dr Tan Kee Kwong, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, be and is hereby retained as Independent Non-Executive Director of the Company until 31 May 2023 pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements." **Resolution 7**

8. Proposed authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016

   "THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM or until the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being." **Resolution 8**

9. Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad

   "THAT, subject to the Companies Act 2016 and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given to the Company to purchase such amount of ordinary shares in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities provided that:

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company at the time of purchase; and
(b) the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the Company's retained profits;

AND THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution, and will, subject to renewal thereat, expire at the conclusion of the next AGM of the Company following the passing of this Ordinary Resolution or the expiry of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution in a general meeting of shareholders of the Company), whichever occurs first and in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements and/or any other relevant authorities;

AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to:

(a) cancel the shares so purchased; or
(b) retain the shares so purchased as treasury shares; or
(c) retain part of the shares so purchased as treasury shares and cancel the remainder; or
(d) deal with the shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation with full powers to assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time." **Resolution 9**

10. To transact any other business of which due notice shall have been received.

By order of the Board

Lee Chik Siong (MAICSA 7054334, SSM PC No. 202008000770)
Wong Shuk Fuen (MIA 12985, SSM PC No. 202008004207)
Joint Company Secretaries

Kuala Lumpur
31 October 2022

Notes:
1. The 51st AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd which are available on its TIIH Online website at https://tiih.online. Please refer to the Administrative Guide to Shareholders for the detailed steps on the RPV facilities.

   The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the 51st AGM.

   No Members or proxies shall be allowed to be physically present at the Broadcast Venue on the day of the 51st AGM.

2. Only members whose names appear on the Record of Depositors as at 25 November 2022 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend and vote on their behalf.
3. A member entitled to attend and vote may not appoint more than two proxies to attend and vote at the same meeting. A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one proxy only in respect of each securities account it holds. Where a member is an exempt authorised nominee to multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where two or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
5. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
6. The Form of Proxy must be deposited in the following manner, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:
   (i) Hardcopy form (applicable for all members)
   The original signed Form of Proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
   (ii) TIIH Online
   You may also submit the Form of Proxy electronically via TIIH Online website at https://tiih.online by following the procedures provided in the Administrative Guide for this 51st AGM.
7. Pursuant to the Bursa Securities Main Market Listing Requirements, all the resolutions set out in this Notice will be put to vote by way of poll.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. The Ordinary Resolution proposed under item 7, if passed, will authorise Dato' Dr Tan Kee Kwong to continue to act as Independent Non-Executive Director of the Company until 31 May 2023 pursuant to Bursa Securities Main Market Listing Requirements.

   The Nomination Committee, with Dato' Dr Tan Kee Kwong abstaining from the deliberation of his own assessment, had assessed the independence of Dato' Dr Tan Kee Kwong who has served on the Board as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, and upon its recommendation, the Board was satisfied that Dato' Dr Tan Kee Kwong has met the independence guidelines as set out in Chapter 1 of Bursa Securities Main Market Listing Requirements. The length of his service does not interfere with Dato' Dr Tan Kee Kwong's ability and exercise of independent judgement as Independent Director.

2. The Ordinary Resolution proposed under item 8 is a renewal of the general authority for the Directors to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. If passed, it will empower the Directors of the Company, from the date of the above 51st AGM until the next AGM to allot and issue shares in the Company up to and not exceeding in total 10% of the total number of issued shares of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next AGM of the Company, unless revoked or varied at a general meeting.

   The Company had been granted a general mandate by its shareholders at the 50th AGM of the Company held on 9 December 2021 (hereinafter referred to as the "Previous Mandate").

   As at the date of this notice, the Previous Mandate granted by the shareholders had been utilised for the issuance of 293,256,000 new ordinary shares by way of 6 tranches of allotments via private placement. Total proceeds raised therefrom amounted to RM15,217,507.17.

   The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

3. The Ordinary Resolution proposed under item 9, if passed, will empower the Directors of the Company to purchase Malayan United Industries Berhad shares through Bursa Securities up to 10% of the total number of issued shares of the Company.

PROFILE OF DIRECTORS

Andrew Khoo Boo Yeow

Age 50. Male. Australian. Chairman and Chief Executive Officer. He was appointed as the Chief Executive Officer and Executive Director on 1 January 2018 and was subsequently re-designated to Chairman and Chief Executive Officer on 13 December 2018. He is currently also the Executive Chairman and Chief Executive Officer of MUI Properties Berhad, an Executive Director of Pan Malaysia Corporation Berhad and Network Foods International Ltd, and a Director of Metrojaya Berhad, West Synergy Sdn Bhd, A & W (Malaysia) Sdn Bhd, Laura Ashley Inc., Laura Ashley (North America) Inc., Regent Corporation, Corus Hotels Limited and Federal International (2000) Ltd. He is a Barrister-at-law from Lincolns Inn, United Kingdom and also holds a Degree in Law and Master of Arts from Cambridge University, United Kingdom and Master of Business Administration from Seattle Pacific University, United States of America as well as Bachelor of Arts majoring in Political Science and minoring in Economics from the University of Victoria, Canada. He has also held senior management positions in a number of diverse industries including food, retailing, and the hospitality sector. He is the son of Tan Sri Dato' Khoo Kay Peng, the deemed major shareholder of Malayan United Industries Berhad. He attended all the 6 Board Meetings held during the financial year ended 30 June 2022.

Dato' Dr Tan Kee Kwong

Age 75. Male. Malaysian. Independent Non-Executive Director. He was appointed to the Board on 3 January 2007. He is the Chairman of the Remuneration Committee. He is also a member of the Audit Committee and the Nomination Committee. Currently, he is the Chairman of the Board of Governors of Sekolah Menengah Laki-Laki Methodist Sentul and Chairman of Pusat Bantuan Sentul; Chairman of the Management Committee of Wesley Methodist School and Chairman of the Board of Management of Methodist College Kuala Lumpur. He graduated with a Bachelor of Medicine and Bachelor of Surgery from the Faculty of Medicine, University of Malaya in 1973. He joined the Government service as a medical officer in 1974 until 1977. Between 1977 and 1980, he worked as a medical officer with the British National Health Service. From 1981 to 1983, he was a volunteer rural health officer in Southern Sudan, Africa. In 1985, he commenced private medical general practice until 1999, when he was made a Deputy Minister in the Ministry of Land and Cooperative Development, a post he held until 2004. He had previously served as a Member of Parliament for Segambut, Kuala Lumpur from 1995 until 2008 and a Member of Parliament for Wangsa Maju, Kuala Lumpur from 2013 until 2018. Formerly, he was a Board Member of TMC Life Sciences Berhad. He attended all the six 6 Board Meetings held during the financial year ended 30 June 2022.

Farizon binti Ibrahim

Age 65. Female. Malaysian. Independent Non-Executive Director. She was appointed to the Board on 26 June 2018. She is a member of the Audit Committee. She sits on the Boards of Pan Malaysia Holdings Berhad, Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad and Metrojaya Berhad. She is the Advisor for EL Wafa Travel Services Sdn Bhd. She is a graduate in Accountancy and Business Management Studies. She had worked with Tabung Haji Kuala Lumpur from 1980 to 1985 and was subsequently attached to Tabung Haji Saudi Arabia under the auspices of the Embassy of Malaysia from 1986 to 1992. She was appointed as the Councillor in the Haj Welfare Division in Tabung Haji Jeddah to assist pilgrims who need counselling during the Haj period in Saudi Arabia. She was also the Public Relations Manager of the Malaysian Women's Association Club of Jeddah. She handled the activities of the Club that includes public relations with various Government, Corporate and other associations in Saudi Arabia. She also played an important role in the International Women's Association of Jeddah in the affairs of Welfare and Charity work. Formerly, she was the Chief Executive Officer of FDI Travel Services Sdn Bhd. Her exposure and experience in trade and travel began while working for the family-owned businesses. She attended all the 6 Board Meetings held during the financial year ended 30 June 2022.

Dato' Dr Jessie Tang

Age 54. Female. Malaysian. Independent Non-Executive Director. She was appointed to the Board on 15 September 2022. She is a member of the Audit Committee. She is the founder and chief executive officer of East West One Group. She is currently a member of the National Unity Advisory Council, Council Member of the Malaysian Estate Owner's Association (MEOA) and an EXCO member of YPO Malaysia. She serves on numerous boards including the Board of Trustees for the Malaysian Institute of Economic Research (MIER), Kingsley Strategic Institute for Asia Pacific (KSI), Women's Institute of Management (WIM) Malaysia as Chief Executive Officer and a member of the Board of Trustees. On the international level, she serves on the Board of Directors of the Nation-Building Institute International, a prominent think-tank based in Bangkok. She is also an EXCO member of the ASEAN Economic Club launched in Cambodia in 2022. She graduated with a Bachelor of Medicine and Bachelor of Surgery from Kasturba Medical College, India. Having begun her career as a medical doctor, she is a strong proponent and advocate of holistic wellness and lifestyle. She is in a partnership with an Australian-based medical research company. She is also a recipient of the many awards including ASEAN Woman Business Leader of the Year Lifetime Achievement Award for 2020 by the Kingsley Strategic Institute for Asia Pacific (KSI). She was conferred as the Iconic Woman of the Year in Agricommodity by the Malaysia International Agricommodity Awards (MIACA) for 2022.

Datuk Leong Kam Weng

Age 57. Male. Malaysian. Independent Non-Executive Director. He was appointed to the Board on 1 October 2022. He is the Chairman of the Audit Committee and the Nomination Committee. He is also a member of the Remuneration Committee. He sits on the Boards of Xin Hwa Holdings Berhad, Pecca Group Berhad and Only World Group Berhad, companies listed on Bursa Malaysia Securities Berhad. He also sits on the Board of several public limited companies namely, Tokio Marine Life Insurance Berhad, Asian Outreach (M) Berhad, Pusat Penyayang KSKA and several private limited companies. He graduated with a Bachelor of Economics Degree and a Bachelor of Laws Degree from Monash University, Australia. He is a Fellow of CPA Australia and a Chartered Accountant of the Malaysian Institute of Accountants. He is also a certified mediator on the panel of the Malaysian Mediation Centre. He was called to the Malaysian Bar in 1989. In February 1992, he joined TA Enterprise Berhad as the Group Legal Manager until July 1995. He was the Vice President of International Division of TA Enterprise Berhad from November 1993 to October 1995. In between November 1995 to February 1997, he held the position of Executive Director of Credit Leasing Corporation Sdn. Bhd. He also held the post of Executive Director of TA Bank of Philippines, Inc from March 1997 to June 1998. From June 1998 to July 1999, he was the Chief Executive Officer of TA Securities Berhad. Since July 1999, he has been a Partner of Messrs Iza Ng, Yeoh & Kit as a practising Advocate and Solicitor.

Wong Nyen Faat

Age 65. Male. Malaysian. Non-Independent Non-Executive Director. He was appointed to the Board on 1 January 2020. He is currently a member of the Nomination Committee and Remuneration Committee. He sits on the Boards of Pan Malaysia Corporation Berhad, MUI Properties Berhad, Pan Malaysia Holdings Berhad and Pan Malaysia Capital Berhad. He had served as Chief Operating Officer of The MUI Group, Executive Director of Pan Malaysia Corporation Berhad and Executive Director of Morning Star Resources Limited in Hong Kong. He holds a First Class Honours Bachelor's Degree in Science (Mathematics) with Education from the University of Malaya and a Master's Degree in Business Management from the Asian Institute of Management. He attended all the 6 Board Meetings held during the financial year ended 30 June 2022.

Note:
Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholders of the Company. None of the Directors has any conflict of interest with the Company nor have they been convicted of any offences within the past 5 years. There were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2022.

PROFILE OF KEY SENIOR MANAGEMENT

Andrew Khoo Boo Yeow

Age 50. Male. Australian. Chairman and Chief Executive Officer. He was appointed as the Chief Executive Officer and Executive Director on 1 January 2018 and was subsequently re-designated to Chairman and Chief Executive Officer on 13 December 2018. For the profile of Mr Andrew Khoo Boo Yeow, please refer to page 6 of this Annual Report.

George Tang Kim Siw

Age 78. Male. Malaysian. He is the Senior Vice President of The MUI Group since 1 June 2022. Prior to his retirement in 2020, he held several senior positions with The MUI Group. These included Executive Director of MUI Properties Berhad, Executive Director of the Hotel Division, and Chief Executive Officer of Metrojaya Berhad. During his 30-year career with the Group, he had also served with the Group's overseas operations as Executive Director of Corus Hotels Ltd, United Kingdom, President, Regent Corporation, USA, President, MUI Philippines Inc. and Chief Executive, MUI Resources Philippines Inc. His past career experience also included stints in public relations consultancy and human resources development.

Ong Hung Ming

Age 65. Male. Malaysian. He is the Senior Vice President of The MUI Group since 1 June 2022. Currently, he sits on the board of PM Capital Berhad, Metrojaya Berhad and several other private companies. He obtained a Bachelor of Social Science (Economics) with Honours from Universiti Sains Malaysia. He has more than 30 years' experience in banking and finance both in Malaysia and Hong Kong. He started his career with Bank Bumiputra Malaysia Berhad and has served in various capacities including branch manager throughout Malaysia. In 1996, he was transferred to Hong Kong branch as the General Manager and held the same position under Bumiputra Commerce Bank Berhad (now known as CIMB Bank Berhad). He was overall in charge of the banking operations including the money market, bilateral and syndication loans and trade finance. In 2001, he joined a Hong Kong public listed company as the Group Business Controller reporting directly to the Executive Chairman. His experience in banking and finance has assisted the Group in raising funds from both the capital market as well as from the banking sector.

Khurram Mohmand

Age 50. Male. British. He is the Chief Operating Officer and a Director of London Vista Hotel Limited and all its subsidiaries in the United Kingdom. He has an MBA and is a Fellow Member of Association of Chartered Certified Accountants in the United Kingdom. He has been with the Group for over 20 years and worked in various senior positions for the Group covering Finance, IT, Company Secretarial and Corporate Office responsibilities in United Kingdom. He has general experience in the hospitality and leisure industry with specific interest in corporate finance, audit, disposals, acquisitions, re-structuring, and financing.

Raymond Yeoh Huat Hock

Age 67. Male. Malaysian. He is the Executive Director of the Group's Hotel Division (Malaysia). He joined the Group's Hotel Division (Malaysia) as Vice President in August 2012. He has a Diploma in Hotel Management from the American Hotel & Motel Association. He has over 40 years of experience in hotel industry. He worked with the Holiday Inns in Kuala Lumpur, Penang and Hong Kong and has extensive hotel pre-opening experience with Equatorial Penang and the Swiss Garden International Group. He had also worked with 5-star Padma hotel in Bali, Indonesia. In 1994, he was appointed as General Manager to pre-open two Swiss Garden hotels and was subsequently appointed as Vice President (Operations) of the Swiss Garden International Group.

Chan Chee Meng

Age 60. Male. Malaysian. He is the Executive Director of the Group's Property Division and an Executive Director of West Synergy Sdn Bhd. He joined the Group in November 2016. He has a degree of Bachelor of Arts (Architecture) from Deakin University, Australia. He has more than 25 years of experience in architectural consultancy and property development. He was previously with UOA Development Bhd and prior to joining The MUI Group, he was Deputy General Manager of the Mah Sing Group.

Wong Shuk Fuen

Age 52. Female. Malaysian. She is the Group Financial Controller. She joined The MUI Group as Financial Controller in October 2014. She has 28 years of experience in accounting and finance, and is a member of the Chartered Institute of Management Accountants, the United Kingdom and a member of the Malaysian Institute of Accountants. She started her career as Accounts Officer at Guolene Plastic Products Sdn Bhd before moving on to various accounting and financial positions in Kenneison Brothers Group. Prior to joining The MUI Group, she was Vice President of AlloyMtd Group.

Ng Lai Fah

Age 64. Female. Malaysian. She joined Network Foods Industries Sdn Bhd in September 1999 and was subsequently re-designated as Assistant General Manager of Network Foods (Malaysia) Sdn Bhd in February 2019. She has the Institute of Chartered Secretaries and Administrators qualifications. Prior to joining Network Foods Industries Sdn Bhd, she was the Head of Export Department of Chocolate Products Manufacturing Sdn Bhd.

Teoh Eng Gaik

Age 60. Female. Malaysian. She joined Metrojaya Berhad in 1992 as designer for The East India Company Label and is currently Assistant General Manager, Creative Development responsible for all in-house Brands under the Metrojaya Group. She has more than 37 years of experience in creative development, including designing for sportswear and bridal houses in Australia, The Alstyle International Group creating designs for ELLE Paris under licensing and product development for Laura Ashley UK.

Note:
Save as disclosed, none of the Key Senior Management has any family relationship with any Director and/or major shareholder of the Company. None of the Key Senior Management has any conflict of interest with the Company nor have they been convicted of any offences within the past 5 years. There were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2022.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to the principles of corporate governance set out in the Malaysian Code on Corporate Governance (the "Code"). The Board is also committed in continuously observing corporate governance practices that are best suited to achieve the objectives and goals of the Company.

Set out below is the description on the manner in which the Company has applied the principles and recommendations of the Code.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board of Directors

1.1 Role and Responsibilities of the Board

The Board takes overall responsibility for the corporate governance and performance of the Company and its subsidiaries ("the Group") and is also committed to achieving the highest standards of business integrity, ethics and professionalism across the Group's activities.

The Board is responsible for the overall performance of the Company and focuses mainly on strategy, performance, standard of conduct and critical business issues.

1.2 Composition of Board

The Board currently consists of 6 Directors and majority are Independent Directors:
- 1 Chairman and Chief Executive Officer ("CEO")
- 4 Independent Non-Executive Directors
- 1 Non-Independent Non-Executive Director

The Board complies with the Bursa Securities Listing Requirements that requires at least 2 or 1/3 of the Board, whichever is higher, to be Independent Directors.

The Chairman functions both as Chairman and CEO and is supported by experienced Board members with a wide range of expertise. The Board is mindful of the combined roles but is comfortable that there are no concerns as all related party transactions are dealt with in accordance with the Bursa Securities Listing Requirements.

The Board has reserved certain material matters for the collective review and decision by the Board. The roles and contributions of Independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board. Matters reserved for the Board include but are not limited to the following:

(a) Group's business strategy and business plan;
(b) Annual budgets, including major capital commitments;
(c) Material acquisition and disposal of assets; and
(d) Changes to the senior management and control structure.

The Management is accountable to the Board for the Company's performance and is required to report regularly to the Board on the progress made by the Company's business units.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group's businesses. A brief description of the background of each Director is presented in pages 6 to 7 of the Annual Report.

Dato' Dr Tan Kee Kwong has been identified as the senior Independent Non-Executive Director to whom concerns regarding the Company may be conveyed.

The Board recognises the importance of gender, age and ethnic diversity in the composition of the Board. The Board currently does not have any gender, age and ethnic policies and targets. The Board believes that candidature to the Board should be based on a candidate's skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position.

The Board has formed different Board committees, in support of independent oversight of management that operate within the defined terms of reference. These committees are:

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 30 June 2022 is set out in pages 23 to 24 of the Annual Report.

Details of the Nomination Committee and the Remuneration Committee are set out in Section 2.2 and Section 2.3 respectively of this Statement.

1.3 Independence of Directors

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of 9 years. However, upon completion of the 9 years, the Independent Director may continue to serve the Board subject to shareholders' approval.

In addition, the Board took note on the Enhanced Director Amendments issued by Bursa Securities, whereby the tenure of an Independent Director on the Board will be limited to 12 years. The affected long-serving Independent Director shall be re-designated as Non-Independent Director or replaced by the Board, by 1 June 2023.

The Nomination Committee had assessed the independence and performance of the Independent Director who had exceeded the 9 years tenure and recommended a resolution to be tabled at forthcoming Annual General Meeting to retain the said Independent Director via single tier voting process.

The Board will continuously evaluate from time to time the independence of each of its Independent Directors. In this regard, the Board will be guided by the criteria set out in the Bursa Securities Listing Requirements.

1.4 Board Meetings

The Board meets at least 4 times a year, with additional meetings convened as necessary. During meetings, the Chairman leads the discussions and welcomes opinions, facts and concerns from members of the Board. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda typically reaches the Board at least 2 weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

6 Board Meetings were held during the financial year ended 30 June 2022. Details of the attendance of the Directors are set out in the Profile of Directors appearing in pages 6 to 7 of the Annual Report.

1.5 Appointments to the Board

The Nomination Committee is responsible in identifying and evaluating potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment. The proposed appointment of each new Director will be deliberated by the Board based on the recommendation by the Nomination Committee.

The Board has taken note of the recommendation in the Code pertaining to the establishment of board gender diversity policy. The Board recognises the importance of boardroom diversity and aims to ensure diversity in its composition. The Board currently has 2 female Directors, namely Puan Farizon binti Ibrahim and Dato' Dr Jessie Tang.

The Directors have direct access to the services of the Joint Company Secretaries who are responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act 2016, Bursa Securities Listing Requirements and other regulatory requirements.

1.6 Re-election of Directors

In accordance with the Company's Constitution, Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment.

The Company's Constitution provide that at every Annual General Meeting, 1/3 of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to 1/3, shall retire from office and shall be eligible for re-election. The Company's Constitution further provide that all Directors shall retire from office at least once in every three years and shall be eligible for re-election.

1.7 Directors' Remuneration

The Remuneration Committee will review the remuneration of the Directors and submit its recommendations to the Board for approval. The individual director concerned will abstain from discussion of their own remuneration. Directors' remuneration are approved at the Annual General Meeting by the shareholders.

For the financial year ended 30 June 2022, the aggregate of remuneration of the Directors received from the Company and the Group's subsidiaries are categorised into appropriate components and are as follows:

Directors' Remuneration	***Salaries RM'000***	***Fees RM'000***	***Allowance & others RM'000***	***Total RM'000***
Group				
Executive Directors				
Andrew Khoo Boo Yeow	1,368	324	48	1,740
Chan Choung Yau*	495	180	69	744
Non-Executive Directors				
Dato' Dr Tan Kee Kwong	-	60	5	65
Dr Wong Hong Meng©	-	89	10	99
Farizon binti Ibrahim	-	85	12	97
Wong Nyen Faat	-	133	12	145
Dato' Dr Jessie Tang€	-	-	-	-
Datuk Leong Kam Weng®	-	-	-	-
	1,863	871	156	2,890
Company				
Executive Directors				
Andrew Khoo Boo Yeow	#	96	3	99
Chan Choung Yau*	-	48	2	50
Non-Executive Directors				
Dato' Dr Tan Kee Kwong	-	60	5	65
Dr Wong Hong Meng©	-	72	6	78
Farizon binti Ibrahim	-	60	6	66
Wong Nyen Faat	-	48	3	51
Dato' Dr Jessie Tang€	-	-	-	-
Datuk Leong Kam Weng®	-	-	-	-
	-	384	25	409

Notes:
Amount below RM1,000.
* *Deceased on 21 May 2022.*
© *Retired on 1 October 2022.*
€ *Appointed on 15 September 2022.*
® *Appointed on 1 October 2022.*

The Board opines that disclosing the senior managements' remuneration is unfavourable as it may jeopardise confidentiality and is against upholding ones' privacy. Further, such sensitive information may encourage poaching.

1.8 Supply of Information

The Board has unrestricted access to information necessary for the furtherance of their duties.

The Board is also updated by the Joint Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Board papers are distributed to Board members prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

All Directors have access to the advice and services of the Joint Company Secretaries and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.

1.9 Qualified and Competent Company Secretaries

The Board is supported by 2 Joint Company Secretaries who are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016. One of them is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") whilst the other is a member of Malaysian Institute of Accountants ("MIA").

The Joint Company Secretaries play an advisory role to the Board in relation to the Company's compliances with relevant regulatory requirements, guidelines and legislation. The Joint Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference.

The Joint Company Secretaries facilitate the orientation of new Directors besides coordinating the Directors' training and development. The Joint Company Secretaries ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented. The Joint Company Secretaries constantly keep themselves up-to-date through continuous training of the regularly evolving capital market environment, regulatory changes and developments in Corporate Governance.

1.10 Directorships in other Companies

In accordance with the Bursa Securities Listing Requirements, each member of the Board holds not more than 5 directorships in public listed companies. Prior to acceptance of any other appointment for directorships in other public listed companies, the Directors are required to consult with the Chairman to ensure that the acceptance of the new directorships would not affect their commitments and responsibilities to the Group. Any acceptance of new directorships must be notified to the Company immediately and the Board is informed of all changes to the directorships held by the Directors at the following Board meeting.

1.11 Directors' Training

All the Directors, except Dato' Dr Jessie Tang, have attended and successfully completed the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities.

Dato' Dr Jessie Tang was appointed as new Independent Non-Executive Director on 15 September 2022. She will attend the MAP latest by 15 January 2023.

For the financial year under review, Mr Andrew Khoo Boo Yeow, Dato' Dr Tan Kee Kwong, Puan Farizon binti Ibrahim, Mr Wong Nyen Faat, Dr Wong Hong Meng (Retired on 1 October 2022) and the late Mr Chan Choung Yau (Deceased 21 May 2022) had attended a training programme on the subject of "New Practices & Updates to the Malaysian Code on Corporate Governance". This training was organised by the Company and held in-house.

The Directors are encouraged to attend training programmes and seminars which they feel may be conducive to ensure that they are kept abreast on various aspects related to the businesses of the Group and its regulations, compliance, risk management and sustainability.

2. Board Committees

2.1 Audit Committee

The Audit Committee comprises exclusively Non-Executive Directors, and all are Independent Directors. The members of the Audit Committee are as follows:

Chairman	Datuk Leong Kam Weng (Appointed on 1 October 2022)	-	Independent Non-Executive Director
	Dr Wong Hong Meng (Retired on 1 October 2022)	-	Independent Non-Executive Director
Members	Dato' Dr Tan Kee Kwong	-	Independent Non-Executive Director
	Farizon binti Ibrahim	-	Independent Non-Executive Director
	Dato' Dr Jessie Tang (Appointed 15 September 2022)	-	Independent Non-Executive Director

The attendance of members at the Audit Committee Meetings and work of the Audit Committee for the financial year ended 30 June 2022 are set out in the Report of the Audit Committee in pages 23 to 24 of the Annual Report. The terms of reference of the Audit Committee are available on the Company's corporate website at www.muiglobal.com.

2.2 Nomination Committee

The Nomination Committee comprises exclusively Non-Executive Directors, and majority are Independent Directors. The members of the Nomination Committee are as follows:

Chairman	Datuk Leong Kam Weng	-	Independent Non-Executive Director
	Dr Wong Hong Meng (Retired on 1 October 2022)	-	Independent Non-Executive Director
Members	Dato' Dr Tan Kee Kwong	-	Independent Non-Executive Director
	Wong Nyen Faat	-	Non-Independent Non-Executive Director

The Nomination Committee held 1 meeting during the financial year ended 30 June 2022. The Nomination Committee has carried out the annual assessment for the financial year ended 30 June 2022 and is satisfied that the size of the Board is optimum and there is an appropriate mix of knowledge, skills, attributes, diversity and core competencies in the Board's composition. The Nomination Committee assesses every Director annually and such assessment is based on different criteria set out in the Directors' Fit and Proper Policy.

Annual appraisals on the Independent Directors are also conducted via a self-assessment questionnaire to be filled up by each Independent Director and submitted to the Nomination Committee before recommending to the Board on its composition.

The terms of reference of the Nomination Committee and the Directors' Fit and Proper Policy are available on the Company's corporate website at www.muiglobal.com.

Subsequent to the financial year end, the Nomination Committee has reviewed and recommended to the Board and the Board has approved the appointment of Dato' Dr Jessie Tang and Datuk Leong Kam Weng as new Independent Non-Executive Directors of the Company, after taking into consideration of the structure, size, balance and composition of the Board as well as the result of the assessment as set out in the Directors' Fit and Proper Policy.

2.3 Remuneration Committee

The Remuneration Committee comprises exclusively Non-Executive Directors, and majority are Independent Directors. The members of the Remuneration Committee are as follows:

Chairman	Dato' Dr Tan Kee Kwong	-	Independent Non-Executive Director
Members	Wong Nyen Faat	-	Non-Independent Non-Executive Director
	Datuk Leong Kam Weng (Appointed 1 October 2022)	-	Independent Non-Executive Director
	Dr Wong Hong Meng (Retired on 1 October 2022)	-	Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of Executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of Executive Directors is a matter for the Board as a whole and individual Executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of Non-Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board collectively.

During the financial year ended 30 June 2022, the Remuneration Committee reviewed the Directors' fees and Directors' benefits and made recommendations to the Board.

3. Board Charter

The Board has established a Board Charter which prescribes, among other things, the roles of the Board and the matters reserved for the Board's collective decision to assist in the discharge of its responsibilities.

The Board Charter is subject to review by the Board from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current laws and practice. The Board Charter was adopted by the Company on 30 May 2013. The Board Charter is available on the Company's corporate website at www.muiglobal.com.

4. Code of Conduct & Business Ethics

The Company has adopted a Code of Conduct & Business Ethics which sets out the guidelines on ethical issues which may arise during the course of business and the standards of behaviour expected of all Directors and employees.

The Directors conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. The Code of Conduct & Business Ethics is available on the Company's corporate website at www.muiglobal.com.

5. Whistleblower Policy

The Company has adopted and implemented a Whistleblower Policy which is committed in promoting and maintaining high standards of transparency, accountability and ethics in the workplace, in line with good corporate governance and prevailing legislation.

Pursuant to this Whistleblower Policy, employees in the Company are encouraged to report or disclose alleged, suspected and/or known improper conduct in the workplace without fear of retribution or detrimental action. The Whistleblower Policy is available on the Company's corporate website at www.muiglobal.com.

6. Anti-Bribery and Anti-Corruption Policy

The Company has adopted and implemented an Anti-Bribery and Anti-Corruption Policy which provides the guidelines on the scope and objective of handling bribery and corruption issues within the Group.

It is part of the Company's commitment to adhere strictly to the relevant laws relating to corruption including but not limited to the Malaysian Anti-Corruption Commission Act 2009, the Penal Code (Act 574) and the Anti-Money Laundering and Anti-Terrorism Financing Act 2001. It is also intended to serve as a preventive tool to help the Directors, employees and business partners recognise, detect and avoid potential corrupt practices.

6. **Anti-Bribery and Anti-Corruption Policy** (Cont'd)

The Anti-Bribery and Anti-Corruption Policy is subject to review by the Board from time to time to assess its effectiveness. The Anti-Bribery and Anti-Corruption Policy is available on the Company's corporate website at www.muiglobal.com.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

7. Accountability and Audit

7.1 Financial Reporting

The Audit Committee is tasked to assist the Board in ensuring that the financial statements comply with the Companies Act 2016 and the applicable financial reporting standards. The Board has the overall responsibility to ensure that the financial statements reviewed and recommended by the Audit Committee for the Board's approval are prepared in accordance with the Companies Act 2016 and applicable financial reporting standards so as to present a true and fair view of the state of affairs of the Group.

7.2 Risk Management and Internal Control

The Directors acknowledge their responsibilities for an internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed.

The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognises the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits. The Board has established an internal audit function which reports directly to the Audit Committee. Details of the internal audit functions are set out in the Report of the Audit Committee in page 24 of the Annual Report.

The Board recognises that risks cannot be fully eliminated. As such, the Group has an Enterprise Risk Management ("ERM") framework in place to minimise and manage them. The Board has established a Risk Management Committee comprising the Chief Executive Officer, the Group Financial Controller and the Heads of Operations and guided by documented terms of reference. The Risk Management Committee tables their risk report to the Audit Committee after regular meeting that are held to deliberate on risk and control issues. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls and ERM framework in safeguarding the Group's assets.

Details of the Company's internal control system and risk management are set out in the Statement on Risk Management and Internal Control in pages 18 to 21 of the Annual Report.

7.3 Relationship with the External Auditors

The Company's external auditors have continued to report to members of the Audit Committee on their findings which are included as part of the Company's financial reports with respect to their audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The Audit Committee met the external auditors 1 time during the financial year ended 30 June 2022 without presence of management to discuss key concerns and obtain feedback relating to the Company's affairs.

Further, the Audit Committee carries out its own evaluation on the external auditors to determine their suitability in various aspects such as their audit scope and independence. The external auditors have also provided assurances to the Audit Committee on its independence via the Audit Planning Memorandum and Audit Review Memorandum.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee in pages 23 to 24 of the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

8. Corporate Disclosure Policy

The Company aims to provide accurate and fair disclosure of corporate information to enable informed and orderly market decisions by investors in accordance with the requirements under the Bursa Securities Listing Requirements as the Company promotes transparency in all aspects of its business and/or management.

9. Directors' Responsibilities in respect of Financial Statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 in Malaysia.

10. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly interim financial report provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by the Company by accessing Bursa Securities' website and the Company's corporate website at www.muiglobal.com.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meetings, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session. This process highlights the check and balance system that is required under Malaysian Law.

Pursuant to Paragraph 8.29A(1) of the Bursa Securities Listing Requirements, the Company is required to ensure that any resolution set out in the notice of general meetings is voted by poll.

Shareholders and other interested parties may contact the Joint Company Secretaries for investor relations matter by writing or via telephone/facsimile as follows:

Postal Address	: 189 Jalan Ampang, 50450 Kuala Lumpur
Telephone number	: 03-2145 1366
Facsimile number	: 03-2144 5209

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors ("Board") is pleased to present its Statement on Risk Management and Internal Control ("SORMIC") pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The SORMIC is prepared with reference to the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The SORMIC does not include the risk management and internal control practices of the Group's associates and joint venture.

Board's Responsibility

The Board is responsible for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system covers risks and controls on financial, operational and compliance/legal aspects. This system is designed to manage, rather than to eliminate, the risks in the pursuit of the Group's business objective as well as to safeguard shareholders' investments and Group's assets. The system serves to provide reasonable but not absolute assurance against the risk of material misstatement, loss or fraud.

Risk Management

The Board confirms that an ongoing process for identifying, measuring and managing the Group's principal risks is in place. This process is carried out via the following risk management governance structure:

- The Board – discharges its responsibilities and duties by ensuring a sound system of risk management and internal control is in place for the Group. The Board has established the Audit Committee to assist them in fulfilling their responsibilities and duties. The Board formulates the Group's business strategies and reviews the Group's performance on a half yearly basis. Additional meetings may be called as and when the Board deems necessary. The Board also directs appropriate actions as and when significant risks and internal control issues arise.

- The Audit Committee – on behalf of the Board, the Audit Committee, with the assistance of the Risk Management Committee and the Group's Internal Audit Department ("GIAD"), establishes a system of risk management and internal control. The Audit Committee, on behalf of the Board, reviews the significant risks and internal controls of the Group's business and activities and highlights significant risks and issues to the Board on a half yearly basis. The GIAD which reports directly and independently to the Audit Committee regularly conducts audit on the Group's business and activities, and reviews the adequacy and effectiveness of the Group's system of risk management and internal control.

- The Risk Management Committee ("RMC") – assists the Audit Committee in establishing risk management framework and process capable of identifying and managing significant risks inherent or developed in the Group's business and activities. The RMC meets with the risk owners to review the risks on a half yearly basis and presents its reports to the Audit Committee half yearly. Additional meetings may be called as and when the RMC deems necessary. The RMC comprises the Chief Executive Officer, the Group Financial Controller and the Heads of Operations.

Risk Management Process

Risks are reported and monitored at the operational level using a Risk Register which captures risks, mitigating measures and risk ratings. The Risk Register is presented to the RMC for review on a half yearly basis. The level of risk tolerance is guided by a risk likelihood and impact matrix which enables the risk to be rated and prioritised accordingly.

For risks that are material, the mitigating measures are presented to the Management for review on a half yearly basis. Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review at Group level.

High and new risk areas are immediately flagged and reported to the Audit Committee whose comments and advice are noted for the full Board's information.

Types of Risks

The principal business activities of the Group are retailing, hotel, property, food, financial services and investment holding. There have been no significant changes in the nature of these activities during the financial year ended 30 June 2022.

The significant risks faced by the Group during the financial year ended 30 June 2022 can be broadly categorised as follows:

Financial Risk

- Potential impairment of investment in associates and amount owing by an associate
- Potential fair value loss on investments
- Potential impairment of investment properties
- Potential impairment of goodwill on consolidation
- Bank borrowings principal/interest settlements
- Cash flow risk

Operational Risk

- Design, sourcing and buying of merchandise
- Service standards
- Safety and fire hazards
- Recoverability of trade receivables
- Machinery and equipment failures
- Obsolete and slow moving inventories
- Rising costs
- Upkeep and maintenance of hotel facilities

Compliance/Legal Risk

- Failures to comply with relevant laws relating to corruption
- Failures to comply with statutory/regulatory requirements
- Any other legal suits that may arise from time to time

Types of Risks *(Cont'd)*

The significant risks faced by the Group during the financial year ended 30 June 2022 can be broadly categorised as follows: *(Cont'd)*

External Risk

- Prolonged adverse impact of the COVID-19 pandemic on the businesses of the Group
- Domestic and/or global economic slowdown
- Continued cooling measures on the property market
- Calamities e.g. outbreak of other transmissible diseases, air tragedies, terrorist attacks
- Foreign exchange fluctuations
- Fluctuations in interest rates
- Fluctuation in prices of raw materials, packing materials, building materials and crude palm oil
- Implementation of minimum wages order effective in May 2022
- Price wars among competitors
- Trade war between China and the United States of America

Internal Audit Function

The internal audit function is performed by GIAD of Malayan United Management Sdn Bhd, a company under the MUI Group of Companies, which provides assurance on the efficiency and effectiveness of the Group's internal control system. Further details of the internal audit function are set out in the Report of the Audit Committee in the Annual Report.

Key Elements of Internal Control

The key elements of the Group's internal control system, that are regularly reviewed by the Board and are in accordance with the Guidelines, are described below:

- Establishment of a control environment in respect of the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance to the Group;

- Recruitment of experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that adequate controls are in place;

- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;

- Documented policies, procedures and limits of approving authorities for key aspects of the business. This provides a framework of authority and accountability within the organisation and facilitates corporate decision-making at the appropriate level in the organisation's hierarchy;

- Establishment of segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;

- Quarterly management reports to the Board from various lines of operations and business units, on key business performance, operating statistics and regular matters. This allows for an effective monitoring of significant variances and deviation from standard operating procedures and budget;

Key Elements of Internal Control *(Cont'd)*

- Group Internal Audit function independently reviews the risk identification procedures and control procedures implemented by Management, and reports to the Audit Committee on a quarterly basis. The Group Internal Audit function assesses the operation and validity of the system of internal controls in relation to the level of risk involved using Risk-Based-Auditing methodology;

- The Audit Committee convenes meetings to deliberate on the findings and recommendations for improvement by the Group Internal Audit function, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems; and

- The Group's internal control does not apply to associated companies where the Group does not have direct control over their operations.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the Chief Executive Officer, the Group Financial Controller and the Heads of Operations that the Group's risk management and internal control is operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of issuance of the financial statements, is adequate and effective to safeguard the shareholders' investment and the Group's assets. The system of risk management and internal control continues to be subject to enhancement, validation and regular review.

Review of Statement by External Auditors

As required by paragraph 15.23 of Bursa Securities Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements other than Audit or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

OTHER INFORMATION

1. **Utilisation of Proceeds raised from Corporate Proposal**

    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.

    As at 30 June 2022, the Company had issued 216,647,700 new ordinary shares for a total cash consideration of RM10,999,985 pursuant to the private placement.

    Subsequent to the financial year end, 76,608,300 new ordinary shares has been issued for a total cash consideration of RM4,217,522.

    The details of event and the utilisation of proceeds are disclosed in the Directors' Report, Note 37(e) and Note 38(g) to the financial statements.

    Other than the above, the Company did not raise funds through any corporate proposal during the financial year ended 30 June 2022.

2. **Audit and Non-Audit Fees**

    During the financial year ended 30 June 2022, the amounts of audit and non-audit fees paid/payable by the Company and the Group to the external auditors, Crowe Malaysia PLT, were as follows:

	Group (RM'000)	**Company (RM'000)**
Audit Fees	652	114
Non-Audit Fees	198	94

3. **Material Contracts**

    There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 30 June 2022 or entered into since the end of the previous financial year except as disclosed in the financial statements.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee was established on 5 July 1994. The Board shall ensure that the composition of the Audit Committee complies with Bursa Securities Listing Requirements as well as other regulatory requirements. The terms of reference of the Audit Committee are available on the Company's corporate website.

MEMBERS

1. Members

The Audit Committee consists of the following members:

Name	***Designation***
Datuk Leong Kam Weng - *Chairman* (Appointed on 1 October 2022)	*Independent Non-Executive Director*
Dr Wong Hong Meng - *Chairman* (Retired on 1 October 2022)	*Independent Non-Executive Director*
Dato' Dr Tan Kee Kwong	*Independent Non-Executive Director*
Farizon binti Ibrahim	*Independent Non-Executive Director*
Dato' Dr Jessie Tang (Appointed on 15 September 2022)	*Independent Non-Executive Director*

2. Meetings

During the financial year ended 30 June 2022, 5 Audit Committee Meetings were held and the records of each member are as follows:

Name	**Attendance**
Datuk Leong Kam Weng - *Chairman* (Appointed on 1 October 2022)	N/A
Dr Wong Hong Meng - *Chairman* (Retired on 1 October 2022)	5 out of 5
Dato' Dr Tan Kee Kwong	5 out of 5
Farizon binti Ibrahim	5 out of 5
Dato' Dr Jessie Tang (Appointed on 15 September 2022)	N/A

In addition to the Committee members, the Head of Internal Audit and officer in charge of accounts are invited to each meeting. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

3. Summary of Work of the Audit Committee During the Financial Year Ended 30 June 2022

The Audit Committee reviewed and deliberated 2 audit report on assignment and 7 audit follow-up reports conducted by the Group Internal Audit Department. Besides, there were 29 audit reports which had been reviewed at the respective subsidiaries' Audit Committee meetings which were also brought to the attention of this Audit Committee. The Audit Committee also appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

In addition, the unaudited quarterly interim financial reports and the audited financial statements of the Group and of the Company were reviewed by the Audit Committee prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with.

3. Summary of Work of the Audit Committee During the Financial Year Ended 30 June 2022 (Cont'd)

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Company and its subsidiaries and discussed applicable accounting and auditing standards that may have a significant implication on the Group's financial statements. The Audit Committee also reviewed related party transactions/recurrent related party transactions carried out by the Group.

The Audit Committee reviewed and approved the Internal Audit Plan for the financial year ended 30 June 2022. In its review of the Internal Audit Plan, the Audit Committee reviewed the scope and coverage over the activities of the respective business units of the Group.

4. Internal Audit Function

The internal audit function for the financial year ended 30 June 2022 was performed by Group Internal Audit Department of Malayan United Management Sdn Bhd, a company under the MUI Group of companies and is independent of the activities audited. Subsequently, the Group's internal audit function is outsourced to a professional services firm, GovernAce Advisory & Solutions Sdn Bhd, which was tasked with the aim of assisting the Audit Committee to discharge its duties and responsibilities. The internal audit function is performed with impartiality, proficiency and due professional care. The Internal Auditors reports directly to the Audit Committee, and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed.

The Internal Auditors carries out audit assignments based on risk-based audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken are presented to the Audit Committee and forwarded to the management concerned for attention and necessary action.

During the financial year ended 30 June 2022, the Internal Auditors carried out internal audit functions to all business entities of the Group, summarised as follows:

1) Retailing : audits on store operations, warehouse and distribution management, procurement, and finance processes;

2) Hotel : audits on sales and marketing, housekeeping, maintenance, security, food & beverages management, finance, front office management, and procurement;

3) Food : audits on warehouse and inventory management, credit control, account receivable, implementation of Enterprise Resource Planning system, trade return, inventory write off, and sales & marketing; and

4) Property : audits on tendering process, contract management, project management and sales & marketing activities.

Follow-up reviews on previous audit reports are conducted by the Internal Auditors on a quarterly basis to ensure appropriate actions are implemented to address the concerns highlighted.

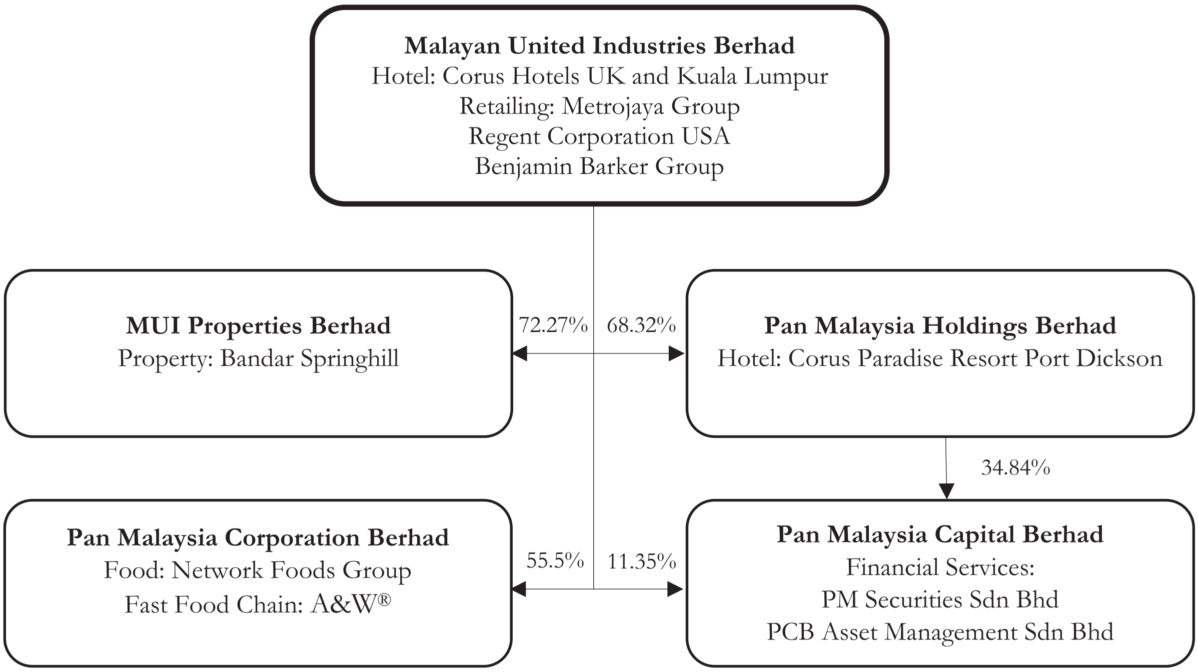
The cost incurred for the internal audit function of the Group for the financial year ended 30 June 2022 was approximately RM315,567.

MANAGEMENT DISCUSSION AND ANALYSIS

Principal Activities

Listed on the Main Market of Bursa Malaysia Securities Berhad, Malayan United Industries Berhad is an investment holding company which, together with three public-listed subsidiaries, is engaged in property ownership & development, hotel ownership & operations, department store operations and fashion retailing, chocolate manufacturing, distribution & exports, fast food chain as well as stockbroking & asset management.

The three main subsidiaries are MUI Properties Berhad, Pan Malaysia Corporation Berhad, and Pan Malaysia Holdings Berhad, all of which are also listed on the Main Market of Bursa Malaysia Securities Berhad. As at 20 October 2022, the Group's corporate structure and their core business activities are organised as follows:



Financial Results

Group revenue increased 87.7% to RM339.3 million for the financial year ended 30 June 2022 (FY2022) from RM180.7 million in 30 June 2021 (FY2021) due to improvements across all business segments as well as the incorporation of revenue from its 51% stake in A&W®. Loss before tax (LBT) went down by 79.3% from RM90.2 million in FY2021 to RM18.7 million for FY2022. As at 30 June 2022, total borrowings (including lease liabilities) of the Group were reduced to RM876.1 million for FY2022 from RM903.9 million in FY2021. This was due to a net repayment of RM33.0 million in bank loans during FY2022.

Review of Operations

Retailing

The Metrojaya Group (Metrojaya) is a lifestyle retail operator offering a wide range of home furnishings, fashion wear, cosmetics, fragrances, shoes, bags, accessories, toys, and other related products. As of FY2022, Metrojaya operates three department stores and five retail outlets. The department stores are located in Mid Valley Megamall, Kuala Lumpur, Suria Sabah Shopping Mall, Kota Kinabalu, and Brem Mall Kepong in Kuala Lumpur. The smaller retail outlets are the East India Company in AEON Bukit Tinggi, Klang, and four MJ Outlets located in Mitsui Outlet Park KLIA, Ampang Point Shopping Centre, Permaisuri Imperial City Mall Miri and AEON Mall Kuching Central. Metrojaya has its own established fashion labels such as East India Company, Somerset Bay and Cape Cod as well as a leading home furnishings brand, Living Quarters.

On 21 September 2022, Metrojaya opened its latest outlet in Southeast Asia's first LaLaport at the newly-opened Bukit Bintang City Centre (BBCC) retail hub in Kuala Lumpur.

Metrojaya Lalaport, Bukit Bintang City Centre

Footfalls in shopping malls gradually picked up after COVID-19 restrictions. As a result, sales revenue of Metrojaya increased by RM2.5 million from RM22.5 million in FY2021 to RM25 million in FY2022. Loss before tax (LBT) for the year was reduced by RM0.4 million to RM5.5 million.

Somerset Bay elegance

Cape Cod contemporary collection

East India Company - for work and play

Two associated companies of the Group are also engaged in home and fashion retailing. Regent Corporation, USA, a 49% associated company of our Group, through its wholly-owned subsidiary, owns the exclusive rights to use and sub-license the Laura Ashley trademarks and copyrights in the U.S. The Benjamin Barker Group Pte Ltd, Singapore, in which the Group has a 20% stake, has successfully promoted its range of men's lifestyle fashion wear with its unique chic designs in Singapore. It has expanded overseas.

Hotel

The Group's hotels in Malaysia and the United Kingdom were severely affected by travel restrictions due to the COVID-19 pandemic. Recovery was slow even after the relaxation of travel restrictions. In Malaysia, hotel occupancy began to improve after the opening of international borders in April 2022, but still below pre-Covid times. In the UK, the relaxation of travel restrictions saw an influx of international travellers returning to London. Corus Hyde Park Hotel recorded very strong average daily rates in the month of June and July 2022. This trend is expected to continue for the remaining calendar year.

The Belsfield Hotel, Lake District

As the Group's hotel portfolio consists of:

The United Kingdom

1. Corus Hotel Hyde Park, London
2. The Belsfield Hotel, Lake District
3. Burnham Beeches Hotel, Slough
4. St James Hotel, Grimsby
5. The Iliffe Hotel, Coventry

Malaysia

6. Corus Hotel Kuala Lumpur
7. Corus Paradise Resort Port Dickson

Corus Hotel Kuala Lumpur

Property

During the financial year, West Synergy Sdn Bhd (West Synergy) aggressively stepped up its development activity with four new active phases putting 636 new homes on the market, compared with only two phases of 221 new homes in the previous financial year. The development of its 1,990-acre Bandar Springhill in Negeri Sembilan found a sweet spot in terms of attractive designs and pricing. All the units of the six models launched were fully sold. Active projects during the financial year were:

1) Phase E3A (Amarilis): 73 units of double-storey terrace houses with a Gross Development Value (GDV) of RM 31.3 million.

2) Phase E6 (Nova & Aurora): 272 units of double-storey terrace houses in total. Nova - 141 units and Aurora - 131 units with a combined GDV of RM106.2 million.

3) Phase E5 (Nebula & Aurora 2): 221 units of terrace houses in total. Nebula - 110 units and Aurora 2 - 111 units, are both double-storey houses with a GDV of RM70 million.

4) Phase E7-3 (Peony 2): 70 units of double-storey terrace houses with a GDV totalling RM32.6 million.

Bandar Springhill, Negeri Sembilan

Due to numerous movement control orders (MCOs), West Synergy experienced some delays in the progress of Phase E6, triggering liquidated ascertained damages (LAD). However, it had successfully secured the extension of time (EOT) for 153 days, allowing it to now complete the project without penalty.

At a recent FIABCI-Star Media Group event, MUI Properties Berhad was among the top 10 recipients of The Malaysia Developers Awards under the category of developers with market capitalisation below RM1.0 billion.

Food

The Group's Food division consists of two separate businesses - chocolate confectionery business and the recently-acquired fast-food A&W chain. The chocolate confectionery business is undertaken by the Network Foods Group which is wholly-owned by the Group's 55.5% subsidiary, Pan Malaysia Corporation Berhad. The Network Foods Group manufactures, markets and exports several long-established brands such as Crispy, Tango, Tudor Gold and Kandos. Its factory in Shah Alam also undertakes OEM manufacturing for customers. Crispy and Tango continued to be the leading brands for their markets in Malaysia, Singapore and Hong Kong. The export and OEM business segments continued to experience challenges, especially for the Asian and European markets.

Digitalisation Initiative

The Group embarked on a long-term plan of implementing continuous efficiency improvements across its operations through digitalisation and automation. It successfully commissioned a state-of-the-art Enterprise Resource Planning (ERP) system.

The upgrade provided stronger and more efficient support functions, such as sales force automation, B2B commerce ordering system, a trade claim system, a warehouse management system, and a procurement system.

Fast Food Chain

The A&W® chain, which is a pioneer in the Malaysian fast-food industry, is an established brand known for its unique root beer, ice-cream floats, burgers, waffles and its popular mascot Rooty™ The Great Bear.

Currently, A&W® operates a total of 72 outlets around the country, half of which are located in the Klang Valley. It plans to increase the number of outlets to 100 in the next 12 months.

Largely due to the contribution from the acquisition of A&W®, the food division saw a significant improvement in total revenue during the financial year. The confectionery business saw an improvement in both domestic and export markets following the easing of travel restrictions and opening of international borders.

Crispy - A leading brand in Malaysia, Singapore and Hong Kong

Financial Services

The Group's involvement in financial services is indirect, via a direct non-controlling stake in Pan Malaysia Capital Berhad, in which the Group's subsidiary, Pan Malaysia Holdings Berhad also holds a significant stake. Pan Malaysia Capital is principally engaged in two businesses, stockbroking under PM Securities Sdn Bhd and financial asset management under PCB Asset Management Sdn Bhd.

PM Securities performance was adversely affected during the financial year by depressed trading on Bursa Securities.

However, the Group has ceased to account for its share of results in Pan Malaysia Capital Berhad as its share of losses has exceeded the Group's interest in this associate.

Corporate Developments

1. On 23 September 2021, Pan Malaysia Corporation Berhad (PMC), a 61.07%-owned subsidiary of the Company, entered into a sale and purchase agreement (SPA) with Inter Mark Resources Sdn Bhd to acquire 31,620,000 ordinary shares representing 51% of the total issued share capital of A & W (Malaysia) Sdn Bhd for a purchase consideration of RM21,037,500, to be satisfied via a combination of cash amounting to RM11,570,625 and transfer of 63,112,500 of PMC's treasury shares at RM0.15 per share amounting to RM9,466,875. The transaction has been completed on 9 March 2022 in accordance with the terms of the SPA.

2. Metrojaya Berhad (MJB), a 97.41%-owned subsidiary of the Company will subject to the requisite approvals being obtained from all relevant authorities, undertake 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. The shareholders of MJB whose names appear on the Record of Depositors on Friday, 21 October 2022 other than Libertyray (M) Sdn Bhd, Ample Line Sdn Bhd and Regal Classic Sdn Bhd shall be entitled to receive a cash consideration of RM0.10 for each ordinary share in MJB on 31 October 2022. The SCR is pending completion as at the reporting date.

3. On 31 December 2021, The Regency Hotel Hospitality Limited, an indirect wholly-owned subsidiary of the Company, had entered into a conditional asset purchase agreement with Westbourne Leisure Limited for the disposal of its freehold land together with a 111-room hotel (The Regency Hotel) in Shirley, Solihull, West Midlands, England, United Kingdom for a cash consideration of GBP6,500,000 (equivalent to RM36,219,950). The disposal has been completed on 9 May 2022.

4. 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.

As at the date of this report, the company issued 293,256,000 new ordinary shares for a total cash consideration of RM15,217,507 pursuant to the private placement.

5. On 3 March 2022, the Company announced a proposal to undertake the Proposed Capital Reduction pursuant to Section 117 of the Act via the cancellation of the Company's paid-up share capital which is substantially unrepresented by available assets of RM3,070,000,000.

   The shareholders of the Company has approved the Proposed Capital Reduction in an Extraordinary General Meeting convened on 18 April 2022, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act. The Proposed Capital Reduction has been completed on 21 June 2022.

6. On 19 August 2022, Belsfield LLP, an indirect wholly-owned subsidiary of the Company, had entered into a conditional asset purchase agreement with Belsfield Propco Limited and Belsfield Opco Limited for the disposal of its freehold land together with a 62-room hotel (The Belsfield Hotel) in Windermere, Cumbria, England, United Kingdom for a cash consideration of up to GBP15,100,000 (equivalent to RM82,503,380). The disposal is pending for completion at the reporting date.

7. 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 Pan Malaysia Corporation Berhad (PMC) to Fortress Opportunistic Growth Fund for a total cash consideration of RM6,450,000 (Disposal). Following the Disposal, MUIB and its subsidiaries now hold a total of 428,146,200 ordinary shares of PMC representing about 55.50% equity interest in PMC.

Risks

International geo-political conflicts, global supply chain disruptions, inflation, interest rate hikes and the strong U.S. dollars vis-à-vis other currencies have created the possibility of global recession in 2023. At the national level, the Malaysian Government has forecast a Gross Domestic Product (GDP) growth of between 4% and 5% in 2023 compared to a growth forecast of 6.5% to 7.0% in 2022.

The Group has gained valuable lessons from the recent economic downturn caused by the global pandemic and believes it is now better positioned to face future challenges.

Prospects

The Group will continue to implement its corporate restructuring initiatives in the current financial year. On successful completion of these initiatives, the Group expects to be on a strong financial footing to forge further ahead. Barring unforeseen circumstances, the Group expects to see improved results.

SUSTAINABILITY REPORT

Our modern world is increasingly more connected as one integrated whole in which the actions and activities of a government, region, economic bloc, and political league can have lasting beneficial or harmful effects on the entire planet. This is particularly so in the context of global climate change, emissions of greenhouse gases, water conservation, and protection as well as widespread ecological destruction of our fragile and natural environments in many countries. The recent flurry of news about record heat waves, record freezing temperatures, record storms, floods, and record melting of ice sheets provide a clarion call to the world to check this fast-deteriorating trend before it becomes an existential threat to humankind. The responsibility to save our planet lies on every institution, starting from the United Nations, the governments, businesses, universities, and schools to societies and families.

ESG (Environmental, Social, and Governance) awareness and initiatives

In line with our Group's purpose of creating sustainable growth and delivering a positive impact to all stakeholders, we believe this is a crucial time to understand the environmental and social impact in the community. This is also applicable to social governance and transparency. All of these will become important elements for our long-term sustainability and competitiveness.

One of our first initiatives is the collection of data and measuring the carbon emission of our businesses. To empower the decarbonisation of the Group's operations, portfolios and supply chains, all our carbon measurements and its data collection are managed by an external SaaS platform. This platform is a smart carbon measurement, managing, and reporting platform that the Group engaged with to reduce greenhouse gas emissions and mitigate climate change. The analysis of the Group's carbon footprint is still in progress and is currently being finalised.

The Group's Learning and Development arm introduced an ESG program to all employees to create awareness and impact. In this ESG program, employees are made aware of the importance of ESG in our businesses and what impact they can make through all the factors. Some notable elements in the program that we cover are net zero, zero waste, sustainable business, corporate social responsibility, and the importance of corporate governance. The results of this program include a recycling exercise in each business unit, planting of edible plants, and overall awareness of ESG. The program is still ongoing for the whole group and plans to have engagement activities related to ESG are in the pipeline. The Group will continuously create ESG awareness and initiatives as part of its sustainability strategy.

Environment

Our Group believes that a business practice with a friendly environment can boost business, improve reputation and drive market opportunities. We also recognises the importance of environmental protection and preservation in all our business operations and as such, aim to reduce our carbon footprint to promote a cleaner and healthier environment through better management of resources and material utilisation. Procedures that ensure sound environmental practises are encouraged in our hotels, retail outlets, and manufacturing plants.

Energy Efficiency

We are of the view that efficient use of energy will contribute to a healthier environment for the benefit of all, now and in the future. We encourage the use of energy-saving lighting, devices, and practices in our hotels, retail stores, factory, and offices. In addition to water conservation practices, our Group encourages our management teams to explore greener alternatives in their operations.

Social

Employees First

Our Group believes that the long-term sustainability of our businesses is dependent on our workforce which we regard as our most important asset.

Thus, we seek to create a workplace environment that values mutual respect, regular dialogues with staff, equal treatment and opportunities for all, training and advancement prospects based on meritocracy.

We ensure that our Human Resources policies and guidelines fully comply with all relevant legislations and that our workplace embraces diversity, inclusion and equality. As our employees are our key assets, managing talents at all levels is a priority.

The health and wellbeing of staff is also of great importance. Benefits for employees include medical, hospitalisation and insurance coverage. Long-service awards are also given to honour employee's commitment and dedication. Operating in the midst of the pandemic, we comply strictly with the Standard Operating Procedures (SOPs) as established by the Ministry of Health and other relevant authorities.

Employees Code of Conduct

We apprise our employees of the Group's Code of Business Ethics and Conduct, and the need to carry out businesses at the highest ethical standards. Corporate and individual integrity and mutual respect are emphasised in the Group's dealings and interactions.

Anti-Bribery and Anti-Corruption Policy

Ethical engagement with the marketplace is something the Group views seriously. In this regard, the Anti-Bribery and Anti-Corruption Policy is in place to ensure that one of the underlying principles of our Group's business philosophy, fair dealings in its business practices, is upheld for long-term recurring values for both stakeholders and shareholders.

Whistleblower Policy

To help create a fair, equitable, and healthy workplace environment, the Senior Management adopts and actively enforces the Whistleblower Policy across all its business divisions. Complaints and allegations of improper employee behaviour are dealt with promptly and fairly.

OSH (Occupational Safety & Health)

Our Group takes pains to ensure compliance with the standards of safety and health in the workplace. Each business unit sets up its OSHA committee which is tasked to address workplace safety issues. The OSHA committee is headed by a senior management member and minutes are also disseminated to the senior corporate management team to ensure full communication and ownership.

Corporate Social Responsibility

As a responsible corporate citizen, our Group believes in giving back to the community and has participated in community projects for the benefit of various charitable organisations. However, the pandemic has limited much of our support in causes that we champion for. Where we can, we have offered immediate assistance and aid. Our property division has started a community care fund, which has seen some RM19,980 worth of cash donations and essential goods distributed to those in need. In thanking our frontliners for their sacrifices, Corus Hotel Kuala Lumpur donated 21 cartons of RO water to the police personnel at Sentul Police District Headquarters in support of their vaccination drive. We will continue to find ways to give back to society when the opportunity arises.

Governance

One of the fundamental principles that our Group encourages in all its business practices is fair dealings and ethical engagement in the marketplace. In this regard, our Group strives to deliver products and services that meet the criteria of value, safety, and quality.

GROUP FINANCIAL HIGHLIGHTS

	Financial year ended 30 June				
	2022	2021	2020	2019	2018
KEY RESULTS (RM'000)					
Revenue	**339,279**	180,709	297,800	392,900	400,181
Loss before taxation	**(18,686)**	(90,247)	(184,331)	(82,972)	(47,332)
Loss after taxation attributable to owners of the Company	**(45,926)**	(98,670)	(198,714)	(102,611)	(56,947)
OTHER KEY DATA (RM'000) AND FINANCIAL RATIOS					
Total assets	**1,446,669**	1,433,767	1,490,185	1,684,181	1,790,652
Total liabilities	**1,133,001**	1,101,450	1,070,015	1,079,945	1,025,686
Share capital	**93,866**	3,152,866	3,152,866	3,152,866	3,152,866
Equity attributable to owners of the Company	**60,113**	96,157	188,160	375,513	537,901
Total equity	**313,668**	332,317	420,170	604,236	764,966
Total borrowings	**876,143**	903,870	871,511	883,472	848,774
Current ratio (times)	**0.60**	1.59	1.72	0.76	2.09
Gearing ratio (times)	**2.79**	2.72	2.07	1.46	1.11
SHARE INFORMATION					
Basic loss per share (sen)	**(1.54)**	(3.36)	(6.78)	(3.50)	(1.94)
Net assets per share attributable to owners of the Company (RM)	**0.02**	0.03	0.06	0.13	0.18

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

Principal Activities

The principal activity of the Company is investment holding whilst its subsidiaries and associates are primarily engaged in retailing, hotel, property, food, fast food chain and financial services as set out in Note 42 to the financial statements.

Financial Results

	Group RM'000	Company RM'000
Loss after taxation for the financial year	(25,531)	(12,768)
Attributable to:		
Owners of the Company	(45,926)	(12,768)
Non-controlling interests	20,395	-
	(25,531)	(12,768)

Dividend

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the financial year ended 30 June 2022.

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

Issue of Shares and Debentures

During the financial year:

(a) the share capital of the Company decreased from RM3,152,866,600 to RM93,866,585 resulting from the following:

(i) the Company issued 216,647,700 new ordinary shares for a total cash consideration of RM10,999,985 pursuant to the private placement as below:

No.	Allotment Date	No. of Issued Shares	Price per Share	Total Cash Consideration (RM)
1.	28 March 2022	88,408,500	0.0509	4,499,993
2.	30 March 2022	29,469,500	0.0509	1,499,997
3.	25 April 2022	58,365,700	0.0514	2,999,997
4.	16 June 2022	40,404,000	0.0495	1,999,998

The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company; and

(ii) the Company reduced its share capital by way of cancellation of the paid-up share capital of RM3,070,000,000 which was substantially unrepresented by available assets pursuant to Section 117 of the Companies Act 2016 ("Capital Reduction"). The Capital Reduction has been completed on 21 June 2022.

(b) there were no issues of debentures by the Company.

Option Granted Over Unissued Shares

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

Bad and Doubtful Debts

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the Directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Current Assets

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

Valuation Methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent and Other Liabilities

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

The contingent liabilities are disclosed in Note 39 to the financial statements.

Change of Circumstances

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Items of an Unusual Nature

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 7 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors

The names of Directors of the Company who served during the financial year and up to the date of this report are as follows:

Andrew Khoo Boo Yeow	(Chairman and Chief Executive Officer)
Dato' Dr Tan Kee Kwong	(Independent Non-Executive Director)
Dr Wong Hong Meng	(Independent Non-Executive Director) (Retired on 1 October 2022)
Farizon binti Ibrahim	(Independent Non-Executive Director)
Dato' Dr Jessie Tang	(Independent Non-Executive Director) (Appointed on 15 September 2022)
Datuk Leong Kam Weng	(Independent Non-Executive Director) (Appointed on 1 October 2022)
Wong Nyen Faat	(Non-Independent Non-Executive Director)
Chan Choung Yau	(Executive Director) (Deceased on 21 May 2022)

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are as follows:

Abdul Rashid bin Ismail
Ang Choon Yan @ George Ang
Anna Melissa R. Lichaytoo
Ariff bin Rozhan
Chan Chee Meng
Ching Eng Chin @ Ching Eng Ching
Ch'ng Kuang Beng (Appointed on 1 March 2022)
Datin Ngiam Pick Ngoh
Datuk Christopher Martin Boyd
David Michael Westerby (Resigned on 25 August 2021)
Gho Lian Chin
Goh Wei Lei
Khurram Mohmand
Kok William
Lawrence Chai
Lee Chik Siong
Lim Fei Fong
Loh Pooi Ling
Marguerite Lai
Ng Lai Fah
Norlyn binti Kamal Basha (Resigned on 22 September 2021)
Ong Hung Ming
Poon Yoke Fun

Directors *(Cont'd)*

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are as follows: *(Cont'd)*

Raymond Yeoh Huat Hock
Ronald G. Bickford
Tan Khim Chuan (Appointed on 20 September 2022)
Tan Sri Dato' Dr Yeoh Oon Kheng
Tan Sri Dato' Seri Azmi bin Khalid
Teoh Eng Gaik
Tung Ming Choo (Appointed on 1 March 2022)
Valerie Anne D. Gonzales
Victoria C. De Los Reyes
Wong Shuk Fuen
Yeoh Thiam Leong

Directors' Interests

According to the register of Directors' shareholdings, the interests of the director holding office at the end of the financial year in shares of the Company and its related corporations during the financial year is as follows:

Ordinary shares in Pan Malaysia Corporation Berhad	**Number of ordinary shares**			
	As at 1.7.2021	**Bought**	**Sold**	**As at 30.6.2022**
Andrew Khoo Boo Yeow				
Direct Interest	-	2,300,000	-	2,300,000

The other directors holding office at the end of the financial year had no interest in shares of the Company of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 41(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Fees	871	384
Salaries, bonuses and other benefits	1,920	25
Defined contribution benefits	99	-
	2,890	409

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM39,000 and RM Nil respectively.

Indemnity And Insurance Cost

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and Officers of the Company were RM75,000,000 and RM40,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 12 and Note 42 to the financial statements.

Significant Events During The Financial Year

The significant events during the financial year are disclosed in Note 37 to the financial statements.

Significant Events Occurring After The Financial Year

The significant events occurring after the financial year are disclosed in Note 38 to the financial statements.

Auditors

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:

	Group RM'000	Company RM'000
Audit fees	652	114
Non-audit fees	198	94
	850	208

Signed in accordance with a resolution of the directors dated 20 October 2022.

Andrew Khoo Boo Yeow

Wong Nyen Faat

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies Act, 2016

We, Andrew Khoo Boo Yeow and Wong Nyen Faat, being two of the Directors of Malayan United Industries Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 49 to 148 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 20 October 2022.

Andrew Khoo Boo Yeow **Wong Nyen Faat**

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of The Companies Act, 2016

I, Wong Shuk Fuen, MIA Membership Number: 12985, being the officer primarily responsible for the financial management of Malayan United Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 148 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Wong Shuk Fuen at Kuala Lumpur in the Federal Territory on this 20 October 2022.

Wong Shuk Fuen

Before me

Ramathilagam A/P T Ramasamy
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To The Members Of Malayan United Industries Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Malayan United Industries Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 49 to 148.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (By-Laws) and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Investment in Associates Refer to Notes 4(cc)(iii) and 13 to the financial statements	
Key Audit Matter	**How Our Audit Addressed the Key Audit Matter**
The Group's carrying amount of associates is RM185.5 million as at 30 June 2022. We focused on this area due to the significance of the carrying amount recognised in the financial statements of the Group and the inherent subjectivity associated with the assumptions used in the following: • Impairment indication assessment of investment in ordinary shares; and • Fair value assessment of investment in preference shares.	Our procedures included, amongst others: <u>Impairment indication assessment of ordinary shares</u> • Assessing if there is any impairment indication and reviewing adequacy of impairment losses, if any. <u>Fair value assessment of investment in preference shares</u> • Making enquiries of and challenging the management on the key assumptions made, including: - redemption of the subscription price paid; - redemption periods; and - discount rate. • Involving our internal experts to evaluate the management's valuation methodology; and • Performing a sensitivity analysis over the key assumptions used in deriving the fair value of preference shares.
Impairment of Goodwill Refer to Notes 4(cc)(ix) and 17 to the financial statements	
Key Audit Matter	**How Our Audit Addressed the Key Audit Matter**
Goodwill impairment testing of cash-generating unit (CGU) relies on estimates of value-in-use based on estimated future cash flows. The Group is required to annually test the amount of goodwill for impairment. The Group has goodwill of RM27.4 million relating to the food and fast food CGU as at 30 June 2022. We focused on this area due to the significance of the goodwill recognised in the financial statements of the Group and the inherent subjectivity associated with the assumptions used in estimating the value-in-use of the CGU. The judgements in relation to goodwill impairment relate primarily to the assumptions underlying the calculation of the value-in-use of the business, being the achievability of the long-term business plans.	Our procedures included, amongst others: • Reviewing the value-in-use model for goodwill including challenging management's forecast and other key assumptions including revenue growth rates, gross profit margin and discount rate; • Comparing previous cash flow projections to actual results to assess the reasonableness of assumptions used in the cash flow projections; and • Performing a sensitivity analysis over the revenue growth rates, gross profit margin and discount rate used in deriving the value-in-use to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of goodwill.

Key Audit Matters (Cont'd)

Recoverability of Receivables

Refer to Notes 4(cc)(vii) and 19 to the financial statements

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Included in receivables of the Group is an amount of RM68.3 million, being advances to an associate as at 30 June 2022. We focused on this area due to the significance of the carrying amount and the inherent judgement involved in the impairment review process.	Our procedures included, amongst others: • Verifying the collections for the current financial year and reviewing historical collection trend; and • Reviewing management's assessment and basis of estimation on the adequacy of allowance for impairment losses.

Financial covenants on borrowings

Refer to Note 27 to the financial statements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Included in the borrowings of the Group is a term loan amounting to approximately RM446,604,000 obtained for the purpose of working capital. We focused on this area due to the significance of the carrying amount recognised in the financial statements of the Group and the Group has significant reliance on external borrowings for its working capital. Hence, the compliance with financial covenants and the prompt servicing of borrowings as and when they fall due is a key focus of audit matters. The term loan is subject to certain financial covenants. The Group failed on the interest service cover ratio during the reporting period. The Group have obtained waiver of this covenant on the condition that the Interest Service Reserve Account contains, at all times, an amount at least equivalent to finance charges over a six month period.	Our procedures included, amongst others: • Reviewing the terms of the Facilities Agreement; • Obtaining management's financial covenants computation, recomputing the financial covenants and examining compliance with financial covenants according to the financial definition stated in the Facilities Agreement to ascertain whether there is any breach of covenants which may result in the borrowings facilities being recalled by the financial institution; • Reviewing component auditor's assessment of borrowings and compliance with covenants and impact thereof; and • Assessing the adequacy of disclosures made in regards to the appropriateness of the basis of accounting for the preparation of the financial statements.

Business Combination

Refer to Note 32 to the financial statements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
On 9 March 2022, the Group completed its acquisition of 51% equity interest in A & W (Malaysia) Sdn Bhd satisfied via combination of cash consideration of RM11.6 million and transfer of 63 million treasury shares valued at RM8.2 million. We focused on this area due to the use of significant management judgement on the purchase price allocation in relation to the fair valuation of the purchase consideration, identifiable assets acquired and liabilities assumed.	Our procedures included, amongst others: • Assessing the accounting treatment on the acquisition of the subsidiary in accordance with the requirements of MFRS 3 Business Combination; • Evaluating the competence and capabilities of the external expert appointed by the Group to determine whether there were any matters that might have affected their objectivity or limited their scope of their work; • Assessing the methodology adopted by management and its appointed expert for calculating the fair values and validating the key observable inputs used; and • Reviewing the adequacy of disclosure of acquisition in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *(Cont'd)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 42 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Onn Kien Hoe
01772/11/2022 J
Chartered Accountant

20 October 2022

STATEMENTS OF PROFIT OR LOSS

For The Financial Year Ended 30 June 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	5	**339,279**	180,709	**1,758**	-
Cost of sales		**(201,316)**	(133,904)	**-**	-
Gross profit		**137,963**	46,805	**1,758**	-
Other income		**33,590**	29,662	**76,846**	7,825
		171,553	76,467	**78,604**	7,825
Distribution costs		**(10,696)**	(7,990)	**-**	-
Administrative expenses		**(112,980)**	(80,424)	**(1,500)**	(589)
Other expenses		**(25,034)**	(37,848)	**(72,955)**	(653,832)
Finance costs		**(38,538)**	(39,661)	**(10,727)**	(10,945)
Impairment reversal/(loss) on financial assets	6	**(3,426)**	(2,353)	**(6,190)**	458,965
Share of results of associates		**445**	1,611	**-**	-
Share of results of joint venture		**(10)**	(49)	**-**	-
Loss before taxation	7	**(18,686)**	(90,247)	**(12,768)**	(198,576)
Taxation	8	**(6,845)**	(5,738)	**-**	191
Loss after taxation		**(25,531)**	(95,985)	**(12,768)**	(198,385)
Attributable to:					
Owners of the Company		**(45,926)**	(98,670)	**(12,768)**	(198,385)
Non-controlling interests	12	**20,395**	2,685	**-**	-
		(25,531)	(95,985)	**(12,768)**	(198,385)
Basic/Diluted loss per share attributable to owners of the Company (sen)	9	**(1.54)**	**(3.36)**		

The attached notes form an integral part of these financial statements.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2022

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Loss after taxation	**(25,531)**	(95,985)	**(12,768)**	(198,385)
Other comprehensive income/(expenses)				
Items that will not be reclassified subsequently to profit or loss				
Fair value gain/(loss) on equity investments	**(369)**	244	**-**	-
Items that will be reclassified subsequently to profit or loss				
Derecognition of subsidiaries	**2,953**	7,685	**-**	-
Foreign currency translations differences	**(3,028)**	4	**-**	-
Total other comprehensive income/(expenses)	**(444)**	7,933	**-**	-
Total comprehensive expenses for the financial year	**(25,975)**	(88,052)	**(12,768)**	(198,385)
Attributable to:				
Owners of the Company	**(42,896)**	(91,471)	**(12,768)**	(198,385)
Non-controlling interests	**16,921**	3,419	**-**	-
Total comprehensive expenses for the financial year	**(25,975)**	(88,052)	**(12,768)**	(198,385)

The attached notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**RM'000**	RM'000	**RM'000**	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	**630,459**	646,717	**-**	-
Investment properties	11	**67,218**	67,246	**-**	-
Subsidiaries	12	**-**	-	**802,045**	842,584
Associates	13	**185,508**	189,859	**-**	-
Joint venture	14	**140**	150	**-**	-
Other investments	15	**14,976**	6,386	**-**	-
Inventories	16	**33,930**	33,930	**-**	-
Goodwill on consolidation	17	**27,438**	18,290	**-**	-
Intangible asset	18	**6,324**	-	**-**	-
Deferred tax assets	30	**5,919**	2,162	**-**	-
		971,912	964,740	**802,045**	842,584
CURRENT ASSETS					
Inventories	16	**111,136**	112,734	**-**	-
Trade and other receivables	19	**124,563**	119,954	**73,195**	56,183
Contract assets	20	**46,567**	24,876	**-**	-
Right to recover returned goods	21	**539**	537	**-**	-
Contract costs	22	**1,490**	1,710	**-**	-
Other investments	15	**6,505**	48,831	**-**	-
Short-term investments	15	**13,103**	6,464	**-**	-
Current tax assets		**2,442**	4,251	**4**	-
Deposits, bank balances and cash	23	**168,412**	149,361	**1,027**	51
		474,757	468,718	**74,226**	56,234
Assets classified as held for sale	24	**-**	309	**-**	-
		474,757	469,027	**74,226**	56,234
TOTAL ASSETS		**1,446,669**	1,433,767	**876,271**	898,818

The attached notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (Cont'd)

As At 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	25	**93,866**	3,152,866	**93,866**	3,152,866
Reserves	26	**(10,575)**	(13,605)	**-**	-
Retained earnings/(Accumulated losses)		**(23,178)**	(3,043,104)	**179,305**	(2,877,927)
		60,113	96,157	**273,171**	274,939
NON-CONTROLLING INTERESTS	12	**253,555**	236,160	**-**	-
TOTAL EQUITY		**313,668**	332,317	**273,171**	274,939
NON-CURRENT LIABILITIES					
Trade and other payables	31	**4,001**	-	**15,000**	15,000
Borrowings	27	**329,043**	797,345	**3,600**	8,000
Provision for restoration cost	28	**2,896**	3,430	**-**	-
Employee benefits	29	**997**	1,324	**-**	-
Deferred tax liabilities	30	**5,037**	4,941	**-**	-
		341,974	807,040	**18,600**	23,000
CURRENT LIABILITIES					
Trade and other payables	31	**240,679**	184,141	**580,100**	598,879
Contract liabilities	20	**842**	1,347	**-**	-
Refund liabilities	21	**957**	957	**-**	-
Borrowings	27	**547,100**	106,525	**4,400**	2,000
Employee benefits	29	**846**	482	**-**	-
Current tax liabilities		**603**	958	**-**	-
		791,027	294,410	**584,500**	600,879
TOTAL LIABILITIES		**1,133,001**	1,101,450	**603,100**	623,879
TOTAL EQUITY AND LIABILITIES		**1,446,669**	1,433,767	**876,271**	898,818

The attached notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2022

Group

	Share Capital RM'000	Exchange Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1.7.2020	3,152,866	(20,628)	368	(2,944,446)	188,160	232,010	420,170
Profit/(Loss) after taxation	-	-	-	(98,670)	(98,670)	2,685	(95,985)
Derecognition of subsidiaries	-	7,685	-	-	7,685	-	7,685
Fair value gain/(loss) on equity instruments	-	-	41	544	585	(341)	244
Foreign currency translations	-	(1,071)	-	-	(1,071)	1,075	4
Total comprehensive income/(expenses)	-	6,614	41	(98,126)	(91,471)	3,419	(88,052)
Transaction with owners:							
Changes in ownership interests of subsidiaries	-	-	-	(532)	(532)	4,835	4,303
Dividends paid to non-controlling shareholders	-	-	-	-	-	(4,104)	(4,104)
At 30.6.2021	3,152,866	(14,014)	409	(3,043,104)	96,157	236,160	332,317

The attached notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For The Financial Year Ended 30 June 2022

Group

	Share Capital RM'000	Exchange Translation Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1.7.2021	3,152,866	(14,014)	409	(3,043,104)	96,157	236,160	332,317
Profit/(Loss) after taxation	-	-	-	(45,926)	(45,926)	20,395	(25,531)
Derecognition of subsidiaries	-	2,953	-	-	2,953	-	2,953
Fair value loss on equity instruments	-	-	(237)	-	(237)	(132)	(369)
Foreign currency translations	-	314	-	-	314	(3,342)	(3,028)
Total comprehensive income/(expenses)	-	3,267	(237)	(45,926)	(42,896)	16,921	(25,975)
Transaction with owners:							
Capital reduction pursuant to Section 117 of the Companies Act 2016	(3,070,000)	-	-	3,070,000	-	-	-
Changes in ownership interests of subsidiaries	-	-	-	(4,148)	(4,148)	12,352	8,204
Dividends paid to non-controlling shareholders	-	-	-	-	-	(7,182)	(7,182)
Impact from the acquisition of an indirect subsidiary	-	-	-	-	-	(4,696)	(4,696)
Issued pursuant to private placement	11,000	-	-	-	11,000	-	11,000
At 30.6.2022	93,866	(10,747)	172	(23,178)	60,113	253,555	313,668

The attached notes form an integral part of these financial statements.

For The Financial Year Ended 30 June 2022

Company

	Share Capital RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total Equity RM'000
At 1.7.2020	3,152,866	(2,679,542)	473,324
Loss after taxation / Total comprehensive expenses for the financial year	-	(198,385)	(198,385)
At 30.6.2021 / 1.7.2021	**3,152,866**	**(2,877,927)**	**274,939**
Loss after taxation / Total comprehensive expenses for the financial year	**-**	**(12,768)**	**(12,768)**
Transaction with owners:			
Capital reduction pursuant to Section 117 of the Companies Act 2016	**(3,070,000)**	**3,070,000**	**-**
Issued pursuant to private placement	**11,000**	**-**	**11,000**
At 30.6.2022	**93,866**	**179,305**	**273,171**

The attached notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash Flows From/(For) Operating Activities					
Loss before taxation		**(18,686)**	(90,247)	**(12,768)**	(198,576)
Adjustments for:					
Amortisation of intangible asset	18	**219**	-	**-**	-
Bad debts written off		**188**	42	**-**	-
Covid-19 related rent concessions		**(57)**	-	**-**	-
Depreciation:					
- property, plant and equipment	10	**23,667**	18,117	**-**	-
- investment properties	11	**35**	32	**-**	-
Dividend income from:					
- quoted shares in Malaysia		**(399)**	(105)	**-**	-
- subsidiaries		**-**	-	**(1,758)**	-
Fair value loss/(gain) on:					
- unquoted investments		**-**	334	**-**	-
- unquoted preference shares		**(4,064)**	(309)	**-**	-
Gain on capital distribution received from:					
- subsidiaries		**-**	(482)	**-**	-
Gain on modification on leases		**(138)**	-	**-**	-
Gain on redemption of preference shares		**-**	-	**(3,190)**	(5,326)
Impairment loss/(reversal) on financial assets	6	**3,426**	2,353	**6,190**	(458,965)
Interest expense		**38,538**	39,661	**10,727**	10,945
Interest income		**(2,760)**	(3,336)	**(680)**	(791)
Inventories written down	16	**524**	1,251	**-**	-
Investment in subsidiaries written off		**-**	-	**75,214**	-
Loss on derecognition of subsidiaries		**2,537**	6,865	**-**	-
Loss/(Gain) on disposal of:					
- assets classified as held for sale		**(1,869)**	(11,254)	**-**	-
- property, plant and equipment		**(167)**	1,140	**-**	-
- other investments		**-**	(7,596)	**-**	-
Loss/(Gain) on unrealised foreign exchange		**(15,055)**	9,045	**-**	-
Net impairment loss/(reversal) on:					
- associate		**18,077**	-	**-**	-
- goodwill	17	**1,310**	6,684	**-**	-
- investment in subsidiaries	12	**-**	-	**(40,548)**	653,828
- property, plant and equipment	10	**1,600**	8,504	**-**	-
- quoted investment		**2**	-	**-**	-
Property, plant and equipment written off	10	**1,319**	2,151	**-**	-
Provision for employee benefits	29	**216**	76	**-**	-
Provision for service charges		**-**	166	**-**	-
Provision for restoration cost	28	**66**	206	**-**	-
Reversal of amount owing by subsidiaries written off previously		**-**	-	**-**	(1,708)

The attached notes form an integral part of these financial statements.

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash Flows From/(For) Operating Activities *(Cont'd)*					
Reversal of impairment loss on unquoted investment		**(334)**	-	**-**	-
Reversal of inventories previously written down	16	**(2,953)**	-	**-**	-
Reversal of provision for service charges		**(1,738)**	-	**-**	-
Share of results of associates		**(445)**	(1,611)	**-**	-
Share of results of joint venture		**10**	49	**-**	-
Writeback of provision for restoration cost	28	**(600)**	-	**-**	-
Writeback of employee benefits	29	**(103)**	(304)	**-**	-
Write off of provision for restoration cost	28	**-**	(406)	**-**	-
Write off of quoted investment		**1**	-	**-**	-
Operating profit/(loss) before working capital changes		**42,367**	(18,974)	**33,187**	(593)
Changes in working capital:					
- contract assets		**21,691**	(21,254)	**-**	-
- contract costs		**(220)**	(1,435)	**-**	-
- contract liabilities		**(505)**	(106)	**-**	-
- intangible asset		**(1,243)**	-	**-**	-
- inventories		**6,034**	23,928	**-**	-
- payables		**19,891**	1,096	**(466)**	(534)
- receivables		**(39,582)**	13,627	**(51,255)**	(29,994)
- refund liabilities		**-**	(1)	**-**	-
- right to recover returned goods		**(2)**	1	**-**	-
Cash generated from/(for) operations		**48,431**	(3,118)	**(18,534)**	(31,121)
Employee benefits paid	29	**(82)**	(317)	**-**	-
Interest paid		**(82)**	(55)	**(677)**	(1,568)
Interest received		**1,003**	765	**680**	791
Tax refunded		**2,511**	1,229	**-**	1,032
Tax paid		**(7,539)**	(9,469)	**(4)**	-
Net cash from/(for) operating activities		**44,242**	(10,965)	**(18,535)**	(30,866)
Cash Flows From Investing Activities					
Acquisition of a subsidiary company, net of cash and cash equivalents acquired	32	**(6,214)**	-	**-**	-
Dividends received from:					
- quoted shares in Malaysia		**399**	105	**-**	-
- subsidiaries		**-**	-	**1,758**	-
Interest received		**1,757**	2,571	**-**	-
Proceeds from disposal of:					
- assets classified as held for sale		**2,173**	33,258	**-**	-
- investments in subsidiaries		**-**	4,303	**-**	-
- other investments		**-**	9,326	**-**	-
- property, plant and equipment		**36,558**	4,875	**-**	-

The attached notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (Cont'd)

For The Financial Year Ended 30 June 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Cash Flows From Investing Activities *(Cont'd)*					
Proceeds from capital distribution received from:					
- joint venture		**-**	250	**-**	-
- other investments (non-current)		**-**	85	**-**	-
- subsidiaries		**-**	482	**-**	1,574
Proceeds from redemption of preference shares		**-**	-	**9,064**	14,879
Purchase of:					
- investment properties	11	**(14)**	(23)	**-**	-
- other investments (non-current)		**(8,218)**	(2,054)	**-**	-
- other investments (current)		**(6,639)**	(1,092)	**-**	-
- property, plant and equipment	33(a)	**(10,647)**	(3,474)	**-**	-
Utilisation of restricted fund		**21,569**	4,980	**-**	-
Withdrawal/(Placement) of term deposits:					
- pledged with licensed banks		**(1,754)**	28	**-**	-
- with tenure of more than 3 months		**(160)**	(5,842)	**-**	-
Net cash from investing activities		**28,810**	47,778	**10,822**	16,453
Cash Flows From/(For) Financing Activities					
Conversion of bank overdraft to term loan		**-**	16,501	**-**	-
Dividends paid to non-controlling shareholders of subsidiaries		**(7,182)**	(4,104)	**-**	-
Interest paid		**(35,018)**	(34,765)	**-**	-
Loan from a subsidiary		**-**	-	**-**	15,000
Payments of lease liabilities and hire-purchase	33(b)	**(9,930)**	(3,874)	**-**	-
Proceeds from drawdown of bank borrowings	33(b)	**9,480**	18,077	**-**	-
Proceeds from issuance of shares pursuant to private placement		**11,000**	-	**11,000**	-
Repayments of bank borrowings	33(b)	**(42,436)**	(35,172)	**(2,000)**	(1,000)
Repayment to a subsidiary		**-**	-	**(311)**	-
Net cash from/(for) financing activities		**(74,086)**	(43,337)	**8,689**	14,000
Net increase/(decrease) in cash and cash equivalents		**(1,034)**	(6,524)	**976**	(413)
Cash and cash equivalents at beginning of financial year		**158,770**	168,413	**51**	464
Effect of exchange rate changes on cash and cash equivalents		**(5,414)**	(3,119)	**-**	-
Cash and cash equivalents at end of financial year	33(d)	**152,322**	158,770	**1,027**	51

The attached notes form an integral part of these financial statements.

As At 30 June 2022

1. Corporate Information

Malayan United Industries Berhad (the Company) is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Securities).

The registered office and the principal place of business of the Company is located at No. 189, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

The consolidated financial statements for the financial year ended 30 June 2022 comprise the Company and its subsidiaries and the interests of the Group in associates and joint venture.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 20 October 2022.

2. Principal Activities

The principal activity of the Company is investment holding whilst its subsidiaries and associates are primarily engaged in retailing, hotel, property, food, fast food chain and financial services as set out in Note 42 to the financial statements.

3. Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

3.1. During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any)

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

Amendment to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. **Basis of Preparation** *(Cont'd)*

3.2. 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:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
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 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) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. **Significant Accounting Policies**

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. Significant Accounting Policies *(Cont'd)*

(a) Basis of Consolidation *(Cont'd)*

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. **Significant Accounting Policies** *(Cont'd)*

(b) Revenue from Contracts with Customers

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed todate.

(i) Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance, as well as the customer purchases the goods at the retail outlets. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Payment for the retail sales transaction is due immediately at the point the customer purchases the goods and takes delivery in outlet.

The goods are often sold with a right to return the goods within a specific period. Revenue from these sales is recognised based on the price specific in the contract, net of estimated returns. Past experience is used to estimate and provide for the returns, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases. Past experience is used to estimate and provide for the discounts using most likely method. A contract liability for the award points is recognised at the time of the initial sales transaction. Revenue is recognised when the points are redeemed by the customer or expire.

(ii) Sale of food and beverage

Revenue from sale of food and beverage is recognised when the Group has transferred control of the goods to the customer, being at the point the customer purchases the goods at the retail outlets. Payment for the transaction is due immediately at the point the customer purchases the goods and takes delivery in outlet.

4. **Significant Accounting Policies** *(Cont'd)*

(b) Revenue from Contracts with Customers *(Cont'd)*

(iii) Revenue from Hotel Operations

Revenue received from the services rendered to guests of the hotel includes provision of rooms, food and beverage sales, other departments' sales and ancillary services. The services rendered are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

(iv) Revenue from Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress toward complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(v) Commissions from Concessionaire Sales

When the Group acts in a capacity of an agent rather than as a principal in a transaction, the revenue recognised is the net amount of commission earned by the Group upon the sale of goods in the retail stores.

(vi) Revenue from Sales of Oil Palm Fruits

Revenue from the sale of harvested oil palm fruits is recognised when the Group has transferred control of the goods to the customers, being when the goods have been delivered to the customers and upon their acceptance. Following delivery, customers have full discretion over the manner of the distribution and sale price of the goods, and bear any subsequent risks of their obsolescence and loss.

A receivable is recognised when the goods are delivered as this is the point in time when payment is due.

(vii) Property Rental Income

Property rental income is accounted for on a straight-line basis over the lease term.

(c) Other Operating Income

(i) Dividend Income

Dividend income from subsidiaries, associates and other investments is recognised when the right to receive payment is established.

(ii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

4. Significant Accounting Policies *(Cont'd)*

(d) Property, Plant and Equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other cost directly attributable to bringing the assets to working conditions for its intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates or estimated useful lives used for this purpose are:

Buildings	20 to 100 years
Leasehold land and leasehold buildings (Reclassified as right-of-use assets)	41 to 99 years
Plant & machinery	4% to 33.3%
Motor vehicles	7.5% to 20%
Furniture, fittings & equipment	4% to 33.3%
Renovation	7.5% to 20%

Construction work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

(e) Investment Properties

Investment properties are land and buildings which are owned or right-to-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

(e) Investment Properties *(Cont'd)*

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of 48 years for buildings. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

(f) Leased Assets

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment property and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and the estimated costs of dismantling and restoration costs, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4. **Significant Accounting Policies** *(Cont'd)*

(g) Intangible asset

License fees are measured on initial recognition at cost. Following initial recognition, license fees are carried at cost less any accumulated amortisation and any accumulated impairment loss. The assets are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that it may be impaired.

(h) Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(i) Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 June 2022. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss and other comprehensive income of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting period of the financial statements are not co-terminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

4. **Significant Accounting Policies** *(Cont'd)*

(i) Associates *(Cont'd)*

When the interest of the Group in an associate decrease but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(j) Joint Venture

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the investments.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 30 June 2022. The Group's share of the post-acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

(k) Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

4. Significant Accounting Policies *(Cont'd)*

(k) Financial Instruments *(Cont'd)*

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

a) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

b) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

c) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

4. **Significant Accounting Policies** *(Cont'd)*

(k) **Financial Instruments** *(Cont'd)*

(i) Financial Assets *(Cont'd)*

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(ii) Financial Liabilities

a) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

b) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(iii) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

4. Significant Accounting Policies *(Cont'd)*

(k) Financial Instruments *(Cont'd)*

(iv) Derivative Financial Instruments *(Cont'd)*

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

(l) Contract Costs

(i) Incremental Costs of Obtaining A Contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(ii) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

4. **Significant Accounting Policies** *(Cont'd)*

(l) Contract Costs *(Cont'd)*

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(m) Contract Asset And Contract Liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(n) Impairment

(i) *Impairment of Financial Assets*

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

4. **Significant Accounting Policies** *(Cont'd)*

(n) Impairment *(Cont'd)*

(ii) *Impairment of Non-financial Assets*

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(o) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest, if any, in the entity over net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed, if any. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, if any, the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such investment is not allocated to any assets including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

(p) Inventories

Inventories which consist of completed development properties held for sale, retail trading merchandises, raw materials, work-in-progress, finished goods, sundry stores, consumables and other stock items, are stated at the lower of cost and net realisable value.

Cost of completed properties for sale is determined by the specific identification method and comprises cost associated with acquisition of land, building and constructions costs and appropriate proportions of common costs.

4. Significant Accounting Policies *(Cont'd)*

(p) Inventories *(Cont'd)*

The cost of other inventories is measured based on a weighted average cost of formula, and comprises the purchase price and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes and appropriate share of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

(q) Inventories - Property Development

(i) *Land Held for Property Development*

Land held for property development consist of land costs where no development activities are carried out or where development activities are not expected to be completed within the normal operating cycle. Such land and development costs are stated lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be best available measure of the net realisable value.

Land held for property development is classified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) *Property Development Costs*

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs are stated at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

(r) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. **Significant Accounting Policies** *(Cont'd)*

(s) Income Taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries or associates on distributions to the Group and the Company, capital gain taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(i) *Current Tax*

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(ii) *Deferred Tax*

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

Provision for Restoration Costs

Provision for restoration costs is included in the carrying amounts of furniture, fittings and equipment. This provision is recognised in respect of the Group's obligation to restore leased outlets to its original state upon the expiry of tenancy agreements.

4. **Significant Accounting Policies** *(Cont'd)*

(u) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When its inflow of economic benefit is virtually certain, then the related asset is recognised in the statements of financial position.

(v) Employee Benefits

(i) *Short Term Employee Benefits*

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leaves are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leaves are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) *Defined Contribution Plans*

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(iii) *Provision for Retirement Gratuities*

The Group makes provisions for unfunded retirement gratuities for certain eligible employees. The retirement benefits are calculated based on the terms of employment contract.

(w) Functional and Foreign Currencies

(i) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

4. Significant Accounting Policies *(Cont'd)*

(w) Functional and Foreign Currencies *(Cont'd)*

(ii) *Foreign Currency Translation and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(iii) *Foreign Operations*

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in associates and a joint venture that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in associates and a joint venture that includes a foreign operation while retaining significant influence and joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

(x) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, term deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. **Significant Accounting Policies** *(Cont'd)*

(y) Non-Current Assets Held For Sale

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (or non-current assets of the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

(z) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(aa) Earnings Per Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

(bb) Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4. **Significant Accounting Policies** *(Cont'd)*

(cc) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is required in determining the worldwide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(iii) Impairment of Property, Plant and Equipment, Investment Properties and Associates

The Group determines whether an item of its property, plant and equipment, investment properties and associates is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operates.

(iv) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(cc) Critical Accounting Estimates and Judgements *(Cont'd)*

(vi) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales including changes in the customer payment profile in response to the COVID-19 pandemic and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the value of trade receivables and contract assets.

(vii) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

(viii) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(ix) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows which are subject to higher degree of estimation uncertainties due to uncertainty on how the COVID-19 pandemic may progress and evolve and volatility in markets in which the Group operates.

(x) Fair Value Estimates for Unquoted Financial Assets and Financial Liabilities

The Group carries certain financial assets and financial liabilities that are not traded in an active market at fair value. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The amount of fair value changes would differ if the Group uses different valuation methodologies and assumptions, and eventually affect profit and/or other comprehensive income.

(xi) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the assets is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customers and the application laws governing the contract.

4. Significant Accounting Policies *(Cont'd)*

(cc) Critical Accounting Estimates and Judgements *(Cont'd)*

(xi) Revenue and Cost Recognition of Property Development Activities *(Cont'd)*

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress toward complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extents of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists.

(xii) Provision for Restoration Costs

The Group estimates provision for restoration costs based on historical costs incurred per square feet of sales area. The estimated provision for restoration costs are reviewed periodically and are updated if expectations differ from previous estimates due to changes in cost factors. Where expectations differ from the original estimates, the differences would impact the carrying amount of provision for restoration costs.

(xiii) Deferred Tax Assets

Deferred tax assets are recognised for all unutilised tax losses and capital allowances, and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the unutilised tax losses and capital allowances, and other deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits.

(xiv) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business.

(xv) Coronavirus Disease 2019 (COVID-19)

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

5. Revenue

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue from contracts with customers:					
Sales of goods		**65,005**	49,789	**-**	-
Hotel operations		**120,487**	46,924	**-**	-
Property development		**83,594**	73,025	**-**	-
Sales of food and beverage		**54,835**	-	**-**	-
Commissions from concessionaire sales	5(a)	**11,375**	6,659	**-**	-
Sales of oil palm fruits		**3,498**	3,023	**-**	-
Property rental income		**485**	1,289	**-**	-
Revenue from other source:					
Dividend income from subsidiaries		**-**	-	**1,758**	-
		339,279	180,709	**1,758**	-

(a) The commission income is from gross concessionaire sales amounting to RM42,420,000 (2021: RM24,715,000).

(b) The information on the disaggregation of revenue by geographical markets is disclosed in Note 34(ii).

6. Impairment Reversal/(Loss) on Financial Assets

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Impairment reversal/(loss) on:					
- amount owing by an associate	19	**354**	3,643	**-**	-
- amount owing by subsidiaries	19	**-**	-	**(6,190)**	458,965
- trade and other receivables	19	**(3,780)**	(5,996)	**-**	-
		(3,426)	(2,353)	**(6,190)**	458,965

7. Loss Before Taxation

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Loss before taxation is stated after charging:					
Amortisation of intangible asset	18	**219**	-	**-**	-
Auditors' remuneration:					
Audit fees:					
- current financial year		**1,611**	1,641	**114**	110
- overprovision in prior years		**(59)**	(310)	**-**	(45)
Non-audit fees:					
- auditors of the Company		**17**	26	**4**	4
- member firms of the auditors of the Company		**181**	154	**90**	55
Bad debts written off		**188**	42	**-**	-
Depreciation:					
- property, plant and equipment	10	**23,667**	18,117	**-**	-
- investment properties	11	**35**	32	**-**	-

7. **Loss Before Taxation** *(Cont'd)*

		Group		Company	
		2022	2021	**2022**	2021
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Loss before taxation is stated after charging: *(Cont'd)*					
Directors' remuneration:					
Directors of the Company:					
Receivable from the Company					
- fees		**384**	336	**384**	336
- other emoluments		**25**	68	**25**	68
Receivable from subsidiaries					
- fees		**487**	406	**-**	-
- other emoluments		**1,895**	2,063	**-**	-
- defined contribution plan		**99**	107	**-**	-
Directors of subsidiaries:					
- fees		**532**	416	**-**	-
- other emoluments		**2,299**	3,643	**-**	-
- defined contribution plan		**175**	215	**-**	-
Fair value loss on investment in unquoted investments		**-**	334	**-**	-
Interest expense on:					
- bank overdrafts		**82**	55	**-**	-
- hire-purchase	27(b)	**190**	58	**-**	-
- lease liabilities	27(b)	**3,249**	2,698	**-**	-
- revolving credits		**6,630**	7,685	**677**	791
- term loans		**26,267**	27,385	**-**	-
- others		**2,120**	1,780	**10,050**	10,154
Inventories written down	16	**524**	1,251	**-**	-
Lease expenses:					
- short-term leases		**709**	70	**-**	-
Loss on foreign exchange:					
- realised		**-**	-	**-**	4
- unrealised		**-**	9,045	**-**	-
Loss on derecognition of subsidiaries		**2,537**	6,865	**-**	-
Loss on disposal of property, plant and equipment		**-**	1,140	**-**	-
Net impairment loss on:					
- associate		**18,077**	-	**-**	-
- investments in subsidiaries	12	**-**	-	**-**	653,828
- goodwill on consolidation	17	**1,310**	6,684	**-**	-
- property, plant and equipment	10	**1,600**	8,504	**-**	-
Property, plant and equipment written off	10	**1,319**	2,151	**-**	-
Provision for employee benefits	29	**216**	76	**-**	-
Provision for restoration cost	28	**66**	206	**-**	-
Staff costs:					
- defined contribution plan		**3,327**	2,815	**-**	-
- salary, wages and other costs		**73,834**	50,115	**-**	-
Other key management personnel:					
- defined contribution plan		**72**	83	**-**	-
- salary, bonus and allowance		**622**	740	**-**	-
Write off of provision for restoration cost	28	**-**	406	**-**	-

7. Loss Before Taxation *(Cont'd)*

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Loss before taxation is stated after crediting:					
Dividend income from investments:					
- quoted shares in Malaysia		**399**	105	**-**	-
- subsidiaries		**-**	-	**1,758**	-
Fair value gain on investment in unquoted preference shares		**4,064**	309	**-**	-
Gain on capital distribution received from subsidiaries		**-**	482	**-**	-
Gain on disposal of:					
- assets classified as held for sale		**1,869**	11,254	**-**	-
- property, plant and equipment		**167**	-	**-**	-
Gain on foreign exchange:					
- realised		**15**	12	**-**	-
- unrealised		**15,055**	-	**-**	-
Gain on redemption of preference shares		**-**	-	**3,190**	5,326
Interest income from:					
- amounts owing by subsidiaries		**-**	-	**680**	791
- term deposits		**1,757**	2,571	**-**	-
- others		**1,003**	765	**-**	-
Reversal of amount owing by subsidiaries written off previously		**-**	-	**-**	1,708
Reversal of impairment loss on investment in subsidiaries		**-**	-	**40,548**	-
Reversal of inventories previously written down	16	**2,953**	-	**-**	-
Reversal of provision for services charge		**1,738**	-	**-**	-
Writeback of provision for restoration cost	28	**600**	-	**-**	-
Writeback of employee benefits	29	**103**	304	**-**	-

8. Taxation

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Current tax expense:				
- Malaysian income tax	**(6,357)**	(6,938)	**-**	-
- Foreign income tax	**(10)**	(8)	**-**	-
- Overprovision/(Underprovision) in respect of prior years	**(84)**	(1,946)	**-**	191
	(6,451)	(8,892)	**-**	191

8. **Taxation** *(Cont'd)*

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Deferred tax:					
- Origination and reversal of temporary differences		**-**	402	**-**	-
- Overprovision/(Underprovision) in respect of prior years		**(394)**	2,752	**-**	-
	30	**(394)**	3,154	**-**	-
Total tax expense		**(6,845)**	(5,738)	**-**	191

A reconciliation between the average effective tax rate and the applicable tax rate to the loss before taxation of the Group and the Company is as follows:

	Group 2022 %	Group 2021 %	Company 2022 %	Company 2021 %
Tax at applicable tax rate on loss before taxation	**24.00**	24.00	**24.00**	24.00
Tax effects of:				
Different tax rates on foreign subsidiaries	**(3.97)**	(3.36)	**-**	-
Tax exempt income	**-**	-	**-**	-
Movement in deferred tax assets not recognised during the financial year	**(32.56)**	(15.83)	**-**	-
Non-allowable expenses	**72.96**	(22.88)	**(25.49)**	(24.10)
Utilisation of deferred tax assets in the previous financial year	**19.99**	2.05	**-**	-
Income not subject to tax	**(114.42)**	8.36	**1.49**	0.10
Share of results of associates	**0.57**	0.43	**-**	-
Share of results of joint venture	**(0.01)**	(0.01)	**-**	-
	(33.44)	(7.24)	**-**	-
Overprovision/(underprovision) in respect of prior years	**(3.20)**	0.89	**-**	-
Average effective tax rate	**(36.64)**	(6.35)	**-**	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit of the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. **Basic/Diluted Loss Per Share**

Basic/Diluted loss per ordinary share for the financial year is calculated by dividing the loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2022	Group 2021
Loss attributable to owners of the Company (RM'000)	**(45,926)**	(98,670)
	Unit	Unit
Weighted average number of ordinary shares in issue ('000)	**2,976,103**	2,932,561
	Sen	Sen
Basic/Diluted loss per share attributable to owners of the Company	**(1.54)**	(3.36)

10. Property, Plant And Equipment

Group	Note	Freehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings & Equipment RM'000	Construction Work-In Progress RM'000	Renovation RM'000	Right-of-use Assets RM'000	Total 2022 RM'000	Total 2021 RM'000
Cost											
At beginning of financial year		277,683	386,070	54,853	4,058	154,908	814	25,423	131,238	1,035,047	1,020,990
Exchange difference		(15,217)	(13,938)	71	20	(3,010)	(22)	-	(3,774)	(35,870)	49,051
Transfer to:											
- Assets classified as held for sale	24	-	-	-	-	-	-	-	-	-	(723)
Acquisition of a subsidiary		3,342	3,476	-	101	34,814	-	38,807	44,181	124,721	-
Additions		-	-	22	121	4,050	2,646	5,649	6,388	18,876	5,002
Derecognition due to lease modification		-	-	-	-	-	-	-	(3,495)	(3,495)	-
Disposals		-	(57,845)	-	(35)	(1,684)	-	-	-	(59,564)	(19,567)
Modification of lease liabilities	10(c)	-	-	-	-	-	-	-	3,705	3,705	1,195
Written off		-	-	(1,271)	-	(3,859)	-	(1,592)	-	(6,722)	(20,901)
At end of financial year		265,808	317,763	53,675	4,265	185,219	3,438	68,287	178,243	1,076,698	1,035,047

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. Property, Plant And Equipment *(Cont'd)*

Group	Note	Freehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings & Equipment RM'000	Construction Work-In Progress RM'000	Renovation RM'000	Right-of-use Assets RM'000	Total 2022 RM'000	Total 2021 RM'000
Accumulated Depreciation											
At beginning of financial year		-	93,105	51,183	3,952	114,105	-	23,916	20,324	306,585	310,546
Exchange difference		-	(1,216)	72	20	(1,449)	-	-	(192)	(2,765)	3,774
Transfer to:											
- Assets classified as held for sale	24	-	-	-	-	-	-	-	-	-	(414)
Acquisition of a subsidiary		-	173	-	101	19,245	-	12,628	23,578	55,725	-
Charge for the financial year	7	-	2,697	621	135	10,062	-	1,495	8,657	23,667	18,117
Derecognition due to lease modification		-	-	-	-	-	-	-	(1,991)	(1,991)	-
Disposals		-	(8,645)	-	(35)	(462)	-	-	-	(9,142)	(7,188)
Written off		-	-	(1,271)	-	(2,406)	-	(1,592)	-	(5,269)	(18,433)
Reclassifications		-	-	-	-	-	-	-	-	-	183
At end of financial year		-	86,114	50,605	4,173	139,095	-	36,447	50,376	366,810	306,585

10. Property, Plant And Equipment *(Cont'd)*

Group	Note	Freehold Land RM'000	Buildings RM'000	Plant & Machinery RM'000	Motor Vehicles RM'000	Furniture, Fittings & Equipment RM'000	Construction Work-In Progress RM'000	Renovation RM'000	Right-of-use Assets RM'000	Total 2022 RM'000	Total 2021 RM'000
Accumulated Impairment Losses											
At beginning of financial year		74	78,705	-	-	593	-	-	2,373	81,745	75,792
Exchange difference		(5)	(3,000)	-	-	-	-	-	-	(3,005)	4,313
Acquisition of a subsidiary		-	-	-	-	4,981	-	8,273	-	13,254	-
Recognised during the financial year	7	-	1,600	-	-	-	-	-	-	1,600	8,504
Disposals		-	(14,031)	-	-	-	-	-	-	(14,031)	(6,364)
Written off		-	-	-	-	(134)	-	-	-	(134)	(317)
Reclassifications		-	-	-	-	-	-	-	-	-	(183)
At end of financial year		69	63,274	-	-	5,440	-	8,273	2,373	79,429	81,745
Carrying Amount											
At 30 June 2022		265,739	168,375	3,070	92	40,684	3,438	23,567	125,494	630,459	-
At 30 June 2021		277,609	214,260	3,670	106	40,210	814	1,507	108,541	-	646,717

10. Property, Plant And Equipment *(Cont'd)*

(a) Certain land and buildings, furniture, fittings and equipment, and plant and machinery of the subsidiaries with carrying amounts totalling RM441,641,000 (2021: RM499,449,000) are pledged to financial institutions for banking facilities granted to certain subsidiaries as disclosed in Note 27.

(b) The strata titles of shoplots of the Group with carrying amounts of RM Nil (2021: RM1,649,000) have yet to be transferred to the Group as at the end of reporting period.

(c) Details of right-of-use assets:

	Retail Stores/Outlets RM'000	Equipment RM'000	Leasehold Land RM'000	Leasehold Buildings RM'000	Plant & Machinery RM'000	Total RM'000
At 1 July 2020	269	-	25,874	77,890	-	104,033
Additions	-	-	-	266	1,766	2,032
Modification of lease liabilities	1,195	-	-	-	-	1,195
Depreciation	(669)	-	(522)	(2,176)	(148)	(3,515)
Exchange difference	-	-	(15)	4,947	-	4,932
Transfer from/(to):						
- Asset classified as held for sale	-	-	(309)	-	-	(309)
Reclassifications	-	-	-	173	-	173
At 30 June 2021/ 1 July 2021	**795**	**-**	**25,028**	**81,100**	**1,618**	**108,541**
Acquisition of a subsidiary	**14,393**	**6,210**	**-**	**-**	**-**	**20,603**
Additions	**4,494**	**1,418**	**-**	**476**	**-**	**6,388**
Modification of lease liabilities	**3,705**	**-**	**-**	**-**	**-**	**3,705**
Derecognition due to lease modification	**(360)**	**-**	**-**	**(1,144)**	**-**	**(1,504)**
Depreciation	**(5,191)**	**(363)**	**(508)**	**(2,418)**	**(177)**	**(8,657)**
Exchange difference	**-**	**-**	**37**	**(3,627)**	**8**	**(3,582)**
At 30 June 2022	**17,836**	**7,265**	**24,557**	**74,387**	**1,449**	**125,494**

The Group leases certain leasehold land, leasehold buildings and various retail stores of which the leasing activities are summarised below:

(i)	Retail stores/ outlets	The Group has leased a number of retail stores/outlets that run between 1 year and 3 years (2021: 1 year and 3 years), with an option to renew the lease after that date.
(ii)	Leasehold land and buildings	The leases are for periods ranging from 41 to 99 years (2021: 41 to 99 years) with no renewal or purchase option.
(iii)	Plant and machinery	The Group has leased its plant and machinery under hire purchase arrangements. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

11. Investment Properties

	Note	Group 2022 RM'000	2021 RM'000
Cost			
At beginning of financial year		**67,353**	67,359
Exchange difference		**-**	(29)
Additions		**14**	23
At end of financial year		**67,367**	67,353
Accumulated Depreciation			
At beginning of financial year		**107**	78
Exchange difference		**7**	(3)
Charge for the financial year	7	**35**	32
At end of financial year		**149**	107
Carrying Amount			
At end of financial year		**67,218**	67,246
Fair Value		**101,039**	96,028
Included in the above are:			
Buildings		**721**	763
Freehold land		**66,497**	66,483
		67,218	67,246

(a) Investment properties comprise commercial properties leased to third parties under operating leases. Rental income and direct operating expenses arising from these investment properties are as follows:

	Group 2022 RM'000	2021 RM'000
Rental income	**61**	927
Direct operating expenses	**97**	742

(b) The fair value of investment properties for disclosure purposes, which are at Level 3 fair value, were recommended by the Directors as at the end of reporting period based on indicative market value of similar properties in the vicinity on a price per square foot basis. The price per square foot of the properties adopted were significant inputs. Any changes in the price per square foot will result in a reasonable change in the fair value of the investment properties.

11. Investment Properties *(Cont'd)*

(c) The investment properties of the Group are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties based on the view and estimation of the Group should the investment properties be disposed of. However, the management does not intend to dispose of the investment properties at the moment and the existing use of the investment properties remain for rental purpose.

12. Subsidiaries

		Company	
		2022	2021
	Note	**RM'000**	RM'000
Investments in subsidiaries, at cost			
Quoted shares		**305,028**	305,028
Unquoted shares			
At beginning of financial year		**3,697,316**	2,567,951
Capitalisation of amounts owing by subsidiaries		**-**	1,140,492
Interim capital distribution by a subsidiary under winding-up		**-**	(1,574)
Investments in subsidiaries written off		**(89,395)**	-
Redemption of preference shares		**(5,873)**	(9,553)
At end of financial year		**3,602,048**	3,697,316
		3,907,076	4,002,344
Less: Accumulated impairment losses			
At beginning of financial year		**(3,159,760)**	(2,136,957)
Additions	7	**-**	(654,490)
Capitalisation of amounts owing by subsidiaries	19	**-**	(368,975)
Write off during the financial year		**14,181**	-
Reversal during the financial year	7	**40,548**	662
At end of financial year		**(3,105,031)**	(3,159,760)
		802,045	842,584
Market value of quoted shares		**53,195**	58,204

(a) The consolidated financial statements do not deal with the subsidiaries under or pending liquidation/winding up.

(b) The subsidiaries, including those under or pending liquidation/winding up are disclosed in Note 42.

12. Subsidiaries *(Cont'd)*

(c) The subsidiaries of the Group that have material non-controlling interests (NCI) are as follows:

	Belsfield LLP	County Hotels Limited	Pan Malaysia Corporation Berhad	Pan Malaysia Holdings Berhad	West Synergy Sdn Bhd	Others	Total
2022							
NCI percentage of ownership interest and voting interest	**38.89%**	**38.89%**	**38.93%**	**31.68%**	**40.00%**		
Carrying amount of NCI (RM'000)	**19,055**	**16,831**	**98,365**	**11,123**	**95,533**	**12,648**	**253,555**
Profit/(Loss) allocated to NCI (RM'000)	**4,175**	**(273)**	**2,365**	**49**	**8,480**	**5,599**	**20,395**
2021							
NCI percentage of ownership interest and voting interest	38.89%	38.89%	33.49%	31.68%	40.00%		
Carrying amount of NCI (RM'000)	17,079	18,341	90,032	11,073	91,157	8,478	236,160
Profit/(Loss) allocated to NCI (RM'000)	1,437	(902)	(7,467)	(30)	6,977	2,670	2,685

(d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period is as follows:

	Belsfield LLP RM'000	County Hotels Limited RM'000	Pan Malaysia Corporation Berhad RM'000	Pan Malaysia Holdings Berhad RM'000	West Synergy Sdn Bhd RM'000
2022					
Assets and liabilities					
Non-current assets	**47,617**	**54,971**	**241,218**	**18,738**	**51,546**
Current assets	**19,880**	**19,045**	**102,091**	**32,711**	**210,829**
Non-current liabilities	**(10,705)**	**(4,330)**	**(39,041)**	**(14,805)**	**(28)**
Current liabilities	**(7,793)**	**(23,899)**	**(66,464)**	**(6,706)**	**(23,514)**
Net assets	**48,999**	**45,787**	**237,804**	**29,938**	**238,833**
Results					
Revenue	**33,709**	**16,663**	**106,233**	**4,104**	**87,092**
Profit/(Loss) for the financial year	**10,736**	**(720)**	**3,000**	**(62)**	**21,200**
Total comprehensive income/(expenses)	**10,736**	**(713)**	**(345)**	**(62)**	**21,200**
Total comprehensive income/(expenses) attributed to NCI	**4,175**	**(273)**	**(134)**	**49**	**8,480**
Dividends paid to NCI	**877**	**-**	**1,226**	**-**	**4,104**
Cash flows					
Net cash from/(for) operating activities	**934**	**2,559**	**(741)**	**82**	**11,796**
Net cash from/(for) investing activities	**(399)**	**(1,271)**	**(9,156)**	**258**	**(152)**
Net cash for financing activities	**(2,947)**	**-**	**(3,400)**	**(270)**	**(10,804)**
Net increase/(decrease) in cash and cash equivalents	**(2,412)**	**1,288**	**(13,297)**	**70**	**840**

12. Subsidiaries *(Cont'd)*

(d) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period is as follows: *(Cont'd)*

	Belsfield LLP RM'000	County Hotels Limited RM'000	Pan Malaysia Corporation Berhad RM'000	Pan Malaysia Holdings Berhad RM'000	West Synergy Sdn Bhd RM'000
2021					
Assets and liabilities					
Non-current assets	52,003	59,166	137,650	19,575	51,048
Current assets	10,748	3,464	108,713	32,784	201,000
Non-current liabilities	(12,201)	(4,670)	(1,800)	(13,625)	(26)
Current liabilities	(6,635)	(8,088)	(13,340)	(8,734)	(24,129)
Net assets	43,915	49,872	231,223	30,000	227,893
Results					
Revenue	17,779	6,478	34,770	3,156	76,048
Profit/(Loss) for the financial year	3,695	(2,745)	(42,311)	(348)	17,442
Total comprehensive income/(expenses)	3,695	(2,745)	(50,823)	(348)	17,442
Total comprehensive income/(expenses) attributed to NCI	1,437	(902)	(17,021)	(30)	6,977
Dividends paid to NCI	-	-	-	-	4,104
Cash flows					
Net cash from/(for) operating activities	539	(1,819)	(6,226)	517	9,410
Net cash from/(for) investing activities	(865)	(790)	14,288	(88)	(27)
Net cash from/(for) financing activities	1,426	(1,042)	(355)	(426)	(25,258)
Net increase/(decrease) in cash and cash equivalents	1,100	(3,651)	7,707	3	(15,875)

(e) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A reversal of impairment loss of RM40,548,000 (2021: impairment loss of RM654,490,000), representing the write-back of the investments to their recoverable amounts, was recognised under "Other Income" in the statement of profit or loss.

(f) None of the covenants of bank borrowings taken by the Company and its subsidiaries restrict the subsidiary to provide advances to other parties (including the related corporations within the Group) or to declare dividends to its shareholders until settlement of the borrowing.

(g) Certain shares held in quoted subsidiaries were pledged to financial institutions for credit facilities of RM23,870,000 (2021: RM30,953,000) granted to the Group.

(h) Certain shares held in unquoted foreign subsidiaries were pledged to a financial institution for a credit facility of RM446,604,000 (2021: RM476,079,000) granted to the Group.

13. Associates

	Group 2022 RM'000	2021 RM'000
Unquoted shares	**185,508**	189,859

Unquoted shares:

	2022 RM'000	2021 RM'000
(i) Ordinary shares, at cost		
- Malaysia	**63,828**	63,828
- Overseas	**39,085**	39,085
Group's share of post-acquisition reserves	**(54,433)**	(54,879)
Exchange difference	**13,002**	13,184
Less: Accumulated impairment losses	**(34,134)**	(16,057)
	27,348	45,161
(ii) Preference shares, at fair value		
- Overseas	**148,762**	149,148
Exchange difference	**9,398**	(4,450)
	158,160	144,698
	185,508	189,859

The summarised financial information of the material associates is as follows:

	Regent Corporation RM'000	The Benjamin Barker Group Pte. Ltd. RM'000
2022		
Assets and liabilities		
Non-current assets	**139,751**	**9,813**
Current assets	**41,400**	**24,895**
Non-current liabilities	**-**	**(4,314)**
Current liabilities	**(27,497)**	**(12,676)**
Net assets	**153,654**	**17,718**
Results		
Revenue	**31,743**	**28,989**
Profit/(Loss) for the financial year	**(2,239)**	**6,014**
Total comprehensive income/(expenses)	**(2,239)**	**6,014**

13. Associates *(Cont'd)*

The summarised financial information of the material associates is as follows: *(Cont'd)*

	Regent Corporation RM'000	The Benjamin Barker Group Pte. Ltd. RM'000
2021		
Assets and liabilities		
Non-current assets	122,127	8,706
Current assets	56,260	15,937
Non-current liabilities	-	(4,535)
Current liabilities	(31,456)	(8,848)
Net assets	146,931	11,260
Results		
Revenue	36,717	13,957
Profit/(Loss) for the financial year	3,015	(628)
Total comprehensive income/(expenses)	3,015	(628)

The reconciliation of net assets to the carrying amount of the investment in associates are as follows:

	Regent Corporation RM'000	The Benjamin Barker Group Pte. Ltd. RM'000
2022		
Group's share of net assets	**19,430**	**3,932**
Goodwill	**-**	**3,986**
Net investment in preference shares	**158,160**	**-**
Carrying amount in the statements of financial position	**177,590**	**7,918**
Group's share of associates' results:		
Group's share of profit/(loss) / Total comprehensive income/(expenses)	**(1,096)**	**1,541**
2021		
Group's share of net assets	38,949	2,226
Goodwill	-	3,986
Net investment in preference shares	144,698	-
Carrying amount in the statements of financial position	183,647	6,212
Group's share of associates' results:		
Group's share of profit/total comprehensive income	1,478	133

13. Associates *(Cont'd)*

(a) The investment in preference shares represents investment in unquoted preference shares of Regent Corporation. The redemption of the shares shall be upon application by the holders thereof and at a price equal to the original subscription price paid plus an amount equal to the share of the investee company's surplus assets at the time of redemption on a pari passu basis with other classes of shares based on the price paid for these shares respectively.

Information on the fair value hierarchy of investment in unquoted preference shares is disclosed in Note 35(V)(iii).

(b) The associates are disclosed in Note 42.

14. Joint Venture

	Group	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost	**750**	750
Capital distribution	**(250)**	(250)
Group's share of post-acquisition reserves	**(360)**	(350)
	140	150

(a) The Group's involvement in joint arrangement is structured through a separate vehicle which provides the Group rights to the net assets of the entity. Accordingly, the Group has classified this investment as a joint venture.

(b) The summarised unaudited financial information of the joint venture is as follows:

	Baker & Cook (M) Sdn Bhd	
	2022	2021
	RM'000	RM'000
Assets		
Non-current assets	**17**	35
Current assets	**274**	276
Net assets	**291**	311
Results		
Loss/Total comprehensive expenses for the financial year	**(20)**	(97)
Group's share of loss for the financial year	**(10)**	(49)

(c) The joint venture is disclosed in Note 42.

15. Other Investments And Short-term Investments

	Note	Group 2022 RM'000	Group 2021 RM'000
Other Investments			
Non-current			
Quoted shares in Malaysia, at fair value	15(a)	**2,822**	3,191
Quoted shares outside Malaysia, at fair value	15(a)	**-**	3
Unquoted shares outside Malaysia, at fair value			
- Limited partnership	15(b)	**6,520**	2,575
- Others		**5,634**	617
		14,976	6,386
Current			
Money market fund in Malaysia, at fair value	15(c)	**6,505**	48,831
		21,481	55,217
Short-term Investments			
Current			
Other fund, at fair value	15(d)	**13,103**	6,464

(a) The Group has designated the quoted equity investments at fair value through other comprehensive income because the Group intends to hold for long-term strategic purposes.

(b) The investment in limited partnership, Genesis Alternative Ventures I L.P. represents the Group's subscription for the participating interests in a partnership. The participating interests do not carry any voting rights or any other special rights, but carry the right to distributions if so declared on an ongoing basis as well as to participate in the return of capital upon the dissolution and winding up of the partnership.

The fair value of the investment is primarily based on the net asset values of the partnership as the partnership measures and evaluates the performance of substantially all of its investments on a fair value basis.

There were no unobservable inputs identified that would require disclosure of sensitivity analysis on possible movements on the fair value of the investment.

(c) The investment in money market fund represents the Group's investment in funds managed by UOB Asset Management (Malaysia) Berhad and Affin Bank Berhad. The redemption proceeds for the investment will normally be received by the next business day. Therefore, the Group considers that they represent investment in highly liquid money market instruments which are readily convertible to known amounts of cash, and subject to an insignificant change in value.

(d) The other fund represents the Group's short-term investment in funds managed by PCB Asset Management Sdn Bhd, a subsidiary of Pan Malaysia Capital Berhad, which is in turn an associate of the Group.

(e) Information on the fair value hierarchy is disclosed in Note 35(V)(iii).

16. Inventories

	Note	Group 2022 RM'000	2021 RM'000
Non-current			
Land held for property development			
- Freehold land, at cost	16(a)	**33,930**	33,930
Current			
At cost			
Property development costs	16(b)	**78,118**	79,436
Completed development properties		**14,195**	18,002
Finished goods		**4,011**	2,001
Raw materials		**3,764**	3,445
Packing materials		**2,594**	2,461
Sundry stores and consumables		**1,365**	1,393
Work-in-progress		**519**	679
Food, beverages and hotel supplies		**686**	700
Food related inventories		**2,505**	-
Consumables		**398**	-
Spare part		**17**	-
Goods in transit		**102**	-
Goods held for sale		**669**	-
At net realisable value			
Retail trading merchandises		**2,193**	4,617
		111,136	112,734

(a) The land held for property development is temporarily used for oil palm planting prior to the commencement of property development activities.

(b) Property development costs

	Group 2022 RM'000	2021 RM'000
At beginning of financial year		
Freehold land	**12,569**	13,117
Development costs	**66,353**	69,202
Exchange difference	**514**	593
	79,436	82,912
Property development costs incurred during the financial year	**53,137**	36,126
Property development costs recognised as an expense in profit or loss during the financial year	**(54,605)**	(38,244)
Transfer to completed development properties	**-**	(1,279)
Exchange difference	**150**	(79)
At end of financial year	**78,118**	79,436

16. Inventories *(Cont'd)*

	Note	Group 2022 RM'000	2021 RM'000
(b) Property development costs *(cont'd)*			
Represented by:			
Freehold land, at cost		**12,021**	12,569
Property development costs		**65,433**	66,353
Exchange difference		**664**	514
		78,118	79,436
(c) Recognised in profit or loss:			
Inventories recognised as cost of sales		**67,248**	52,221
Inventories written down as cost of sales	7	**524**	1,251
Reversal of inventories previously written down	7	**(2,953)**	-

17. Goodwill On Consolidation

	Note	Group 2022 RM'000	2021 RM'000
Cost		**1,267,253**	1,267,253
Add: Acquisition of a subsidiary		**10,458**	-
Less: Accumulated impairment losses		**(1,250,273)**	(1,248,963)
Carrying amount		**27,438**	18,290
Accumulated impairment losses:			
At beginning of financial year		**1,248,963**	1,242,279
Impairment during the financial year	7	**1,310**	6,684
At end of financial year		**1,250,273**	1,248,963

The carrying amount of goodwill allocated to each cash-generating unit (CGU) is as follows:

CGU	2022	2021
Food	**16,980**	18,290
Fast food chain	**10,458**	-
	27,438	18,290

During the current financial year, an impairment loss of RM1,310,000 (2021: RM6,684,000) was recognised on food CGUs in "Other Expenses" line item of the consolidated statement of profit or loss as disclosed in Note 7 to the financial statements. The recoverable amount of the CGUs is determined using the value-in-use approach, and this is determined by discounting the future cash flows expected to be generated from the continuing use of the CGUs covering a period of 5 years.

17. Goodwill On Consolidation *(Cont'd)*

The key assumptions used in the determination of the recoverable amount of the food and fast food CGU are as follows:

	Group	
	2022	2021
	%	%
Food		
Growth rates	**5.1% - 30.1%**	5.5% - 82%
Gross profit margin	**25.8% - 30%**	31%
Discount rate	**13.7%**	12.7%
Fast food chain		
Growth rates	**20.5% - 40%**	-
Gross profit margin	**54.2% - 58.9%**	-
Discount rate	**13.7%**	-

The values assigned to the key assumptions represent management's assessment of future trends in the CGU and are based on both external sources and internal historical data.

A reasonable possible change of the key assumptions will change the recoverable amount of the CGU as follows:

	Group	
	2022	2021
Food	**RM'000**	RM'000
Effects on loss for the year		
Reduction in growth rates by 1%	**(1,852)**	(2,688)
Reduction in gross profit margin rate by 1%	**(2,500)**	(2,418)
Increase in discount rate by 1%	**(328)**	(453)
Fast food chain		
Effects on loss for the year		
Reduction in growth rates by 1%	**(1,582)**	-
Reduction in gross profit margin rate by 1%	**1,430**	-
Increase in discount rate by 1%	**6,269**	-

In performing the sensitivity analysis above, it is assumed that other parameters will not change.

18. Intangible Asset

License Fee	Group 2022 RM'000
Cost	
At 1 July 2021	-
Acquisition of a subsidiary	**7,316**
Addition	**1,243**
At 30 June 2022	**8,559**
Accumulated amortisation	
At 1 July 2021	-
Acquisition of a subsidiary	**2,016**
Addition	**219**
At 30 June 2022	**2,235**
Carrying amount	**6,324**

19. Trade And Other Receivables

	Note	Group 2022 RM'000	Group 2021 RM'000
Trade receivables		**26,400**	34,852
Less: Allowance for impairment losses	19(a)	**(1,853)**	(1,569)
		24,547	33,283
Other receivables		**69,663**	66,250
Less: Allowance for impairment losses	19(a)	**(62,052)**	(57,414)
		7,611	8,836
Amounts owing by associates		**101,831**	102,292
Less: Allowance for impairment losses	19(a)	**(33,495)**	(33,849)
		68,336	68,443
Goods and Services Tax recoverable		**97**	265
Deposits		**11,653**	4,556
Prepayments		**12,319**	4,571
		124,563	119,954

19. Trade And Other Receivables *(Cont'd)*

		Company	
		2022	2021
	Note	**RM'000**	RM'000
Amounts owing by subsidiaries		**152,793**	136,471
Less: Allowance for impairment losses			
At beginning of financial year		**(80,293)**	(908,233)
Additions during the financial year	6	**(6,190)**	(1,474)
Reversal during the financial year	6	**-**	460,439
Capitalisation of debts as investments in subsidiaries	12	**-**	368,975
Written off		**6,880**	-
At end of financial year		**(79,603)**	(80,293)
		73,190	56,178
Deposits		**5**	5
		73,195	56,183

(a) The reconciliation of movements in the impairment losses on trade and other receivables is as follows:

		Group	
		2022	2021
	Note	**RM'000**	RM'000
Trade receivables			
At beginning of financial year		**1,569**	1,493
Charge for the financial year	6	**314**	393
Reversal during the financial year	6	**-**	(96)
Written off		**-**	(258)
Exchange difference		**(30)**	37
At end of financial year		**1,853**	1,569
Other receivables			
At beginning of financial year		**57,414**	52,302
Charge for the financial year	6	**3,747**	5,901
Reversal during the financial year	6	**(281)**	(202)
Exchange difference		**1,172**	(587)
At end of financial year		**62,052**	57,414
Amounts owing by associates			
At beginning of financial year		**33,849**	37,492
Reversal during the financial year	6	**(354)**	(3,643)
At end of financial year		**33,495**	33,849
		97,400	92,832

(b) Trade receivables are non-interest bearing and the normal trade credit terms range from 7 to 120 days (2021: 7 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

19. Trade And Other Receivables *(Cont'd)*

(c) Included in the trade receivables are retention sums on sale and purchase agreements totalling RM3,874,000 (2021: RM3,351,000). The retention sums are due upon expiry of the defect liability period stated in the respective sale and purchase agreements. The remaining defect liability period range from 8 to 24 (2021: 8 to 24) months.

(d) Included in other receivables is an amount owing by a related party of RM17,507,000 (2021: RM17,257,000), which is unsecured, bears average interest at 2.5% (2021: 2.5%) per annum and payable upon demand in cash and cash equivalents. As at the reporting date, an accumulated impairment loss of RM16,187,000 (2021: RM13,787,000) is recognised in the financial statements.

(e) Included in other receivables is an overpayment of rental to be refunded from a related party, which amounted to RM17,013,000 (2021: RM16,779,000). As at the reporting date, an accumulated impairment loss of RM14,628,000 (2021: RM13,281,000) is recognised in the financial statements.

(f) The amounts owing by associates represent balances arising from advances, which are unsecured, repayable on demand in cash and cash equivalents and interest-free except for gross advances of RM54,384,000 (2021: RM54,384,000), which bear interest at 4.7% (2021: 4.7%) per annum and are repayable on demand. As at the reporting date, an accumulated impairment loss of RM33,494,000 (2021: RM33,849,000) is recognised in the financial statements.

(g) The amounts owing by subsidiaries represent balances arising from advances and payments made on behalf by the Company, are unsecured, repayable on demand in cash and cash equivalents and interest-free except for amounts totalling RM8,000,000 (2021: RM10,000,000), which bear interest ranging from 7.5% to 7.75% (2021: 7.5%) per annum.

(h) Included in deposits is an amount of RM571,000 (2021: RM Nil) paid for the purchase of property, plant and equipment.

(i) The ageing analysis of trade receivables of the Group is as follows:

	Group			
2022	**Gross Amount RM'000**	**Individual Impairment RM'000**	**Collective Impairment RM'000**	**Carrying Amount RM'000**
Current (Not past due)	**18,722**	**-**	**(113)**	**18,609**
1 to 30 days past due	**1,618**	**-**	**(6)**	**1,612**
31 to 60 days past due	**1,357**	**-**	**(2)**	**1,355**
61 to 90 days past due	**497**	**-**	**(4)**	**493**
91 to 120 days past due	**238**	**-**	**1**	**239**
Credit impaired	**3,968**	**(423)**	**(1,306)**	**2,239**
	26,400	**(423)**	**(1,430)**	**24,547**
2021				
Current (Not past due)	14,100	-	(85)	14,015
1 to 30 days past due	4,405	-	(21)	4,384
31 to 60 days past due	9,373	-	(14)	9,359
61 to 90 days past due	2,391	-	(4)	2,387
91 to 120 days past due	1,964	-	-	1,964
Credit impaired	2,619	(420)	(1,025)	1,174
	34,852	(420)	(1,149)	33,283

20. Contract Assets/(Liabilities)

	Note	Group 2022 RM'000	Group 2021 RM'000
Contract assets			
- accrued billings in respect of property development costs	20(a)	**46,567**	24,876
Contract liabilities			
- progress billings in respect of property development costs	20(a)	**-**	(4)
- customer loyalty programme	20(b)	**(842)**	(1,343)
		(842)	(1,347)

(a)

	Group 2022 RM'000	Group 2021 RM'000
At beginning of financial year	**24,872**	3,595
Property development revenue recognised in profit or loss during the financial year	**77,122**	58,374
Billings to customers during the financial year	**(55,427)**	(37,097)
At end of financial year	**46,567**	24,872
Represented by:		
Contract assets	**46,567**	24,876
Contract liabilities	**-**	(4)
	46,567	24,872

i. The contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings in respect of the property development activities.

ii. Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the reporting date are as follows:

	Group 2023 RM'000	Group 2024 RM'000
Property development revenue	69,163	1,083

(b) The contract liabilities relate to loyalty programme where retail customers accumulate points for purchases made which entitle them to discounts on future purchases.

21. Right To Recover Returned Goods And Refund Liabilities

In accordance of MFRS 15, Revenue from Contracts with Customers, an asset for a right to recover returned goods is recognised in relation to sales of goods with a right to return.

These are measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those inventories and any potential decreases in the value to the Group of the returned goods. For goods that are expected to be returned, instead of revenue, a refund liability is recognised.

22. Contract Costs

Costs to obtain customer contracts primarily comprise commission paid to secure sales contracts for the Group's property development activities. The contract costs are recoverable and amortised over the period in which the related revenue is expected to be recognised.

23. Deposits, Bank Balances And Cash

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Term deposits with licensed banks	**98,637**	106,820	**980**	-
Bank balances and cash	**69,775**	42,541	**47**	51
	168,412	149,361	**1,027**	51

(a) The weighted average effective annual interest rate of term deposits during the financial year are as follows:

	Group	
	2022	2021
	%	%
Term deposits with licensed banks	**2.00**	1.98

The maturity periods for deposits range from 1 to 365 days (2021: 1 to 365 days).

(b) Included in bank balances and cash of the Group are funds held under the Housing Development Accounts amounting to RM17,677,000 (2021: RM12,209,000) pursuant to Section 7A of the Housing Development (Control & Licensing) Act 1966. The amount is held at call with banks and is available only to a subsidiary involved in the property development activities.

(c) During the financial year, the Group had fully utilised cash proceeds of RM21,569,000 million raised from the disposal of cement-based associated companies in previous years by a listed subsidiary.

(d) Included in term deposits is an amount of RM6,891,000 (2021: RM5,137,000) pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 27.

24. Assets Classified As Held For Sale

		Group	
		2022	2021
	Note	**RM'000**	RM'000
At beginning of financial year		**309**	21,964
Exchange difference		**-**	40
		309	22,004
Classified as held for sale during the financial year			
- Property, plant and equipment	10	**-**	309
Disposal during the financial year		**(309)**	(22,004)
At end of financial year		**-**	309

24. Assets Classified As Held For Sale *(Cont'd)*

(a) On 6 May 2021, a subsidiary of the Company had entered into a Sale and Purchase Agreement to dispose a piece of leasehold land with factory building with a carrying value of RM309,000 for a total consideration of RM2,450,000. The disposal was completed on 21 October 2021 with incidental cost to sell of RM272,000.

(b) The carrying amount of the assets is the same as their carrying amounts before they were classified as held for sale.

25. Share Capital

	Group/Company			
	2022 No. of Shares ('000)	2021 No. of Shares ('000)	**2022 Amount RM'000**	2021 Amount RM'000
Issued and fully paid-up				
At beginning of financial year	**2,932,561**	2,932,561	**3,152,866**	3,152,866
Addition: Private placement	**216,648**	-	**11,000**	-
Less: Capital reduction	**-**	-	**(3,070,000)**	-
At end of financial year	**3,149,209**	2,932,561	**93,866**	3,152,866

(a) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) In the current financial year, the Company reduced its issued and paid-up share capital from RM3,152,866,600 to RM93,866,585 resulting from the following:

i. Issuance of 216,647,700 new ordinary shares for a total cash consideration of RM10,999,985 pursuant to the private placement as below:

No.	Allotment Date	No. of Issued Shares	Price per Share	Total Cash Consideration (RM)
1.	28 March 2022	88,408,500	0.0509	4,499,993
2.	30 March 2022	29,469,500	0.0509	1,499,997
3.	25 April 2022	58,365,700	0.0514	2,999,997
4.	16 June 2022	40,404,000	0.0495	1,999,998

The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company; and

ii. the Company reduced its share capital by way of cancellation of the paid-up share capital of RM3,070,000,000 which was substantially unrepresented by available assets pursuant to Section 117 of the Companies Act 2016 ("Capital Reduction"). The Capital Reduction has been completed on 21 June 2022.

26. Reserves

	Group	
	2022 RM'000	2021 RM'000
Exchange translation reserve	**(10,747)**	(14,014)
Fair value reserve	**172**	409
	(10,575)	(13,605)

26. Reserves *(Cont'd)*

(a) The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

27. Borrowings

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Non-current				
Term loans				
- secured	**214,670**	678,727	**-**	-
Revolving credits				
- secured	**23,054**	26,149	**-**	-
- unsecured	**17,336**	26,069	**3,600**	8,000
Hire-purchase	**3,636**	886	**-**	-
Total non-current borrowings	**258,696**	731,831	**3,600**	8,000
Lease liabilities	**70,347**	65,514	**-**	-
	329,043	797,345	**3,600**	8,000
Current				
Bank overdrafts				
- secured	**3,217**	389	**-**	-
Term loans				
- secured	**465,779**	36,090	**-**	-
Revolving credits				
- secured	**33,095**	34,200	**-**	-
- unsecured	**32,583**	34,525	**4,400**	2,000
Hire-purchase	**3,087**	287	**-**	-
Total current borrowings	**537,761**	105,491	**4,400**	2,000
Lease liabilities	**9,339**	1,034	**-**	-
	547,100	106,525	**4,400**	2,000
Total borrowings	**876,143**	903,870	**8,000**	10,000

27. Borrowings *(Cont'd)*

	Group	
	2022	2021
	RM'000	RM'000
(a) The maturities of non-current term loans and revolving credits are as follows:		
Between 1 year to 5 years	**237,403**	718,658
More than 5 years	**17,657**	12,287
	255,060	730,945

(b) Details of hire-purchase and lease liabilities are as follows:

		Group	
		2022	2021
	Note	**RM'000**	RM'000
At beginning of financial year		**67,721**	60,628
Acquisition of a subsidiary	32	**18,854**	-
Addition	33(a)	**8,800**	1,528
Interest expense recognised in profit or loss	7	**3,439**	2,756
Changes due to lease modification	10	**3,705**	1,195
Covid-19 related rent concessions		**(57)**	-
Derecognisation due to lease modification		**(1,642)**	-
Exchange difference		**(4,481)**	5,488
Repayment of principal		**(6,491)**	(1,118)
Repayment of interest expense		**(3,439)**	(2,756)
At end of financial year		**86,409**	67,721
Analysed by:			
Current liabilities		**12,426**	1,321
Non-current liabilities		**73,983**	66,400
		86,409	67,721

(c) The weighted average effective annual interest rates of borrowings during the financial year are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	%	%	**%**	%
Bank overdrafts	**7.2**	6.7	**-**	-
Revolving credits	**6.6**	5.9	**7.5**	7.5
Term loans	**4.3**	4.2	**-**	-
Hire-purchase	**6.1**	3.3	**-**	-
Lease liabilities	**4.1**	3.4	**-**	-

27. Borrowings *(Cont'd)*

(d) The banking facilities of certain subsidiaries are secured by the following:

(i) fixed charges over certain property, plant and equipment, shares held in a quoted and unquoted subsidiaries and term deposits of the Group as disclosed in Notes 10, 12 and 23;

(ii) floating charges over all the other assets of certain subsidiaries;

(iii) a corporate guarantee of the Company; and

(iv) a corporate guarantee of certain subsidiaries.

(e) As the businesses of the Group were disrupted by the COVID-19 pandemic, the Group has obtained approval from various banks to defer/reschedule principal repayments of certain bank borrowings for a period up to twelve (12) months.

(f) The Group and Company are required to comply with financial covenants such as interest service cover ratio, loan to value ratio, tangible net worth threshold, debt service cover ratio, gearing ratio, cash flow cover ratio and net borrowing to earnings before interest, taxes, depreciation and amortisation ratio as defined in the respective facility agreements. For the financial year ended 30 June 2022, the Group and the Company have complied with these requirements saved as disclosed below.

As at 30 June 2022, included in the borrowings of the Group is a term loan amounting to approximately RM446,604,000 obtained for the purpose of working capital. Based on the terms of the Facility Agreement, the Group is required to comply with the following financial covenants, based upon the results achieved in a foreign subsidiary, Plaza on Hyde Park Limited:

(i) Interest service cover ratio exceeding 1.00:1,
(ii) Loan to value not exceeding 60%, and
(iii) Tangible net worth not less than RM300 million.

The Group failed on the interest service cover ratio during the reporting period. The Group have obtained waiver of this covenant on the condition that the Interest Service Reserve Account contains, at all times, an amount at least equivalent to finance charges over a six month period.

Based on the terms of the Facility Agreement, the Group is required to comply with the following financial covenants, based upon the results achieved in a foreign subsidiary, County Hotels Limited:

(i) Interest service cover ratio, adjusted by 4% of revenues, not exceeding 200%,
(ii) Cashflow cover exceeding 110%, and
(iii) Net borrowing ratio to EBITDA not exceeding 400%.

The Group failed on the interest service cover and cashflow cover ratios during the reporting period and the Group has obtained a waiver of the breach. The Group met the financial covenants at the year end.

28. Provision For Restoration Cost

	Note	Group 2022 RM'000	Group 2021 RM'000
At beginning of financial year		**3,430**	3,630
Recognised in profit or loss	7	**66**	206
Written back during the financial year	7	**(600)**	-
Written off during the financial year	7	**-**	(406)
At end of financial year		**2,896**	3,430

Provision for restoration cost comprises mainly initial estimates of reinstatement costs for retail stores upon termination of tenancy.

29. Employee Benefits

	Note	Group 2022 RM'000	Group 2021 RM'000
At beginning of financial year		**1,806**	2,351
Exchange difference		**6**	-
Provision during the financial year	7	**216**	76
Writeback during the financial year	7	**(103)**	(304)
Paid during the financial year		**(82)**	(317)
At end of financial year		**1,843**	1,806
Analysed between:			
- Non-current portion		**997**	1,324
- Current portion		**846**	482
		1,843	1,806

Provision is made for employee entitlements accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and retirement gratuity.

Liabilities arising in respect of annual leave and retirement gratuity are measured at their nominal amounts.

30. Deferred Tax Assets/Liabilities

	Note	Group 2022 RM'000	Group 2021 RM'000
At beginning of financial year		**2,779**	5,844
Acquisition of a subsidiary		**(4,099)**	-
Recognised in profit or loss	8	**394**	(3,154)
Exchange difference		**44**	89
At end of financial year		**(882)**	2,779

30. Deferred Tax Assets/Liabilities *(Cont'd)*

	Note	Group 2022 RM'000	Group 2021 RM'000
(a) The amounts, determined after appropriate offsetting, are as follows:			
Deferred tax liabilities, net		**5,037**	4,941
Deferred tax assets, net		**(5,919)**	(2,162)
		(882)	2,779

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

Group	Property, Plant and Equipment RM'000	Set Off of Tax RM'000	Total RM'000
At 1 July 2020	13,349	(5,582)	7,767
Recognised in profit or loss	(2,952)	10	(2,942)
Reclassification	(5,667)	5,667	-
Exchange difference	412	(296)	116
At 30 June 2021/1 July 2021	**5,142**	**(201)**	**4,941**
Acquisition of a subsidiary	**95**	**-**	**95**
Recognised in profit or loss	**(73)**	**-**	**(73)**
Reclassification	**28**	**-**	**28**
Exchange difference	**46**	**-**	**46**
At 30 June 2022	**5,238**	**(201)**	**5,037**

Deferred tax assets

Group	Advance Corporation Taxation RM'000	Provisions RM'000	Unutilised Tax Losses and Capital Allowances RM'000	Inventories RM'000	Set Off of Tax RM'000	Total RM'000
At 1 July 2020	(4,359)	(1,395)	(1,452)	(299)	5,582	(1,923)
Recognised in profit or loss	-	(210)	8	-	(10)	(212)
Reclassification	4,599	-	1,068	-	(5,667)	-
Exchange difference	(240)	-	(82)	(1)	296	(27)
At 30 June 2021/1 July 2021	**-**	**(1,605)**	**(458)**	**(300)**	**201**	**(2,162)**
Acquisition of a subsidiary	**-**	**(306)**	**(3,888)**	**-**	**-**	**(4,194)**
Recognised in profit or loss	**-**	**47**	**420**	**-**	**-**	**467**
Reclassification	**-**	**-**	**(28)**	**-**	**-**	**(28)**
Exchange difference	**-**	**-**	**6**	**(8)**	**-**	**(2)**
At 30 June 2022	**-**	**(1,864)**	**(3,948)**	**(308)**	**201**	**(5,919)**

The deferred tax assets have been recognised by certain subsidiaries on the basis of their previous history of recording profits and to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

30. Deferred Tax Assets/Liabilities *(Cont'd)*

(c) The Group has not recognised deferred tax assets in the financial statements in respect of the following items:

	Group	
	2022	2021
	RM'000	RM'000
Unutilised tax losses	**1,109,975**	1,101,341
Unutilised capital allowances	**21,492**	25,022
Other deductible temporary differences	**631,833**	628,544
	1,763,300	1,754,907

The deferred tax assets are not recognised in respect of these items as the relevant subsidiaries are uncertain of the extent that is probable that future taxable profit will be available against which the above deductible temporary differences can be utilised.

For the Malaysia entities, the unused tax losses are allowed to be utilised for 10 consecutive years of assessment while unabsorbed capital allowances and other deductible temporary differences are allowed to be carried forward indefinitely. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

31. Trade And Other Payables

		Group		Company	
		2022	2021	**2022**	2021
		RM'000	RM'000	**RM'000**	RM'000
Non-current					
Amount owing to a subsidiary	(a)	**-**	-	**15,000**	15,000
Amount owing to a related company		**4,001**	-	**-**	-
		4,001	-	**15,000**	15,000
Current					
Trade payables	(b)	**50,155**	25,272	**-**	-
Other payables	(c)	**28,109**	23,960	**320**	786
Accrued expenses		**45,946**	37,985	**-**	-
Advances from customers		**6,492**	2,321	**-**	-
Amounts owing to subsidiaries	(d)	**-**	-	**579,780**	598,093
Amounts owing to associates	(e)	**109,977**	94,603	**-**	-
		240,679	184,141	**580,100**	598,879
Total trade and other payables		**244,680**	184,141	**595,100**	613,879

(a) The amount owing to a subsidiary represents a loan granted by a subsidiary which is unsecured. The amount owing at the end of the reporting period bore interest rate of 6.2% per annum. The amount owing is repayable within 36 months or such other extended period to be mutually agreed by the subsidiary and the Company, or in the event that the Corus Hotel Hyde Park in London, England is sold, within 30 days from the date the Company receives the proceeds of the sale, whichever is the earlier.

31. Trade And Other Payables *(Cont'd)*

(b) Trade payables are non-interest bearing and the normal trade credit terms range from 14 to 120 days (2021: 14 to 120 days).

(c) Included in other payables of the Group is a provision for service charges of RM411,000 (2021: RM2,242,000) brought against a subsidiary of the Group.

(d) The amounts owing to subsidiaries represent balances arising from advances received from subsidiaries which are unsecured, repayable on demand in cash and cash equivalents and interest-free except for amounts owing to two subsidiaries of RM169,805,000 (2021: amount owing to a subsidiary RM166,705,000), which bears interest ranging from 5.47% to 6.20% (2021: 5.45%) per annum.

(e) The amounts owing to associates represent balances arising from advances received by certain overseas subsidiaries from associates, which are unsecured, repayable on demand in cash and cash equivalents and interest-free except for amount totalling RM100,257,000 (2021: RM84,210,000), which bears interest at 2.10% (2021: 1.85%) per annum.

32. Acquisition of a subsidiary

On 9 March 2022, Pan Malaysia Corporation Berhad (PMC), a 61.07%-owned subsidiary of the Company, acquired 51% equity interests in A & W (Malaysia) Sdn Bhd. The acquisition of this subsidiary is to enable the Group to expand and diversify its revenue and earnings base from mainly chocolate and confectionary business into the rapidly growing quick service restaurant business.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

	Group 2022 RM'000
Property, plant and equipment	55,742
Intangible asset	5,300
Deferred tax assets	4,099
Inventories	2,007
Trade and other receivables	10,666
Deposits, bank balances and cash	8,163
Trade and other payables	(41,885)
Lease liabilities	(18,854)
Term loans	(17,812)
Overdrafts	(2,806)
Net identifiable assets acquired	4,620
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets	(2,264)
Add: Goodwill attributed to non-controlling interests	6,961
Goodwill on acquisition	10,458
Total purchase consideration	19,775
Less: Transfer of treasury shares by PMC	(8,204)
Cash and bank balances of a subsidiary acquired, net of bank overdraft	(5,357)
Net cash outflow from the acquisition of a subsidiary	6,214

(a) The goodwill is attributable mainly to the control premium paid. In addition, the purchase consideration also included benefits derived from the expected revenue growth of the subsidiary, its future market development as well as a customer list. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible asset. The goodwill is not deductible for tax purposes.

32. Acquisition of a subsidiary *(Cont'd)*

(b) The subsidiary has contributed revenue of RM27,965,890 and profit after taxation of RM483,751 to the Group since the date of acquisition.

If the acquisition was effective at the beginning of the financial year, the Group's revenue and loss after taxation for the current financial year would have been RM432,486,000 and RM19,036,000 respectively.

There were no acquisitions of new subsidiaries in the previous financial year.

33. Cash Flow Information

(a) The cash disbursed for the purchase of property, plant and equipment is as follows:

	Note	Group 2022 RM'000	Group 2021 RM'000
Property, plant and equipment			
Cost of property, plant and equipment purchased	10	**22,581**	6,197
Addition of new lease liabilities	33(b)	**(8,800)**	(1,528)
Deposits made for future purchases	19(h)	**571**	-
Modification of lease liabilities	33(b)	**(3,705)**	(1,195)
		10,647	3,474

(b) The reconciliations of liabilities arising from financing activities are as follows:

	Note	Term Loans RM'000	Revolving Credits RM'000	Hire-Purchase RM'000	Lease Liabilities RM'000	Total RM'000
Group						
At 1 July 2021		**714,817**	**120,943**	**1,173**	**66,548**	**903,481**
Changes in financing cash flows						
Proceeds from drawdown		**9,480**	**-**	**-**	**-**	**9,480**
Repayment of principal		**(27,561)**	**(14,875)**	**(1,087)**	**(5,404)**	**(48,927)**
Repayment of interest		**(26,267)**	**(6,630)**	**(190)**	**(3,249)**	**(36,336)**
		(44,348)	**(21,505)**	**(1,277)**	**(8,653)**	**(75,783)**
Non-cash changes						
Acquisition of new leases	27(b) & 33(a)	**-**	**-**	**3,050**	**5,750**	**8,800**
Acquisition of a subsidiary		**17,812**	**-**	**3,587**	**15,267**	**36,666**
Covid-19 related rent concessions		**-**	**-**	**-**	**(57)**	**(57)**
Derecognisation due to lease modification		**-**	**-**	**-**	**(1,642)**	**(1,642)**
Exchange difference		**(34,099)**	**-**	**-**	**(4,481)**	**(38,580)**
Modification of lease liabilities		**-**	**-**	**-**	**3,705**	**3,705**
Interest expense recognised in profit or loss		**26,267**	**6,630**	**190**	**3,249**	**36,336**
		9,980	**6,630**	**6,827**	**21,791**	**45,228**
At 30 June 2022		**680,449**	**106,068**	**6,723**	**79,686**	**872,926**

33. Cash Flow Information *(Cont'd)*

(b) The reconciliations of liabilities arising from financing activities are as follows: *(Cont'd)*

	Term Loans RM'000	Revolving Credits RM'000	Hire-Purchase RM'000	Lease Liabilities RM'000	Total RM'000
Group					
At 1 July 2020	655,830	139,069	-	60,628	855,527
Changes in financing cash flows					
Proceeds from drawdown	18,077	-	-	-	18,077
Repayment of principal	(16,392)	(18,780)	(355)	(763)	(36,290)
Repayment of interest	(27,385)	(7,031)	(58)	(2,698)	(37,172)
	(25,700)	(25,811)	(413)	(3,461)	(55,385)
Non-cash changes					
Acquisition of new leases	-	-	1,528	-	1,528
Conversion of bank overdraft to term loan	16,501	-	-	-	16,501
Exchange difference	40,801	-	-	5,488	46,289
Modification of lease liabilities	-	-	-	1,195	1,195
Interest expense recognised in profit or loss	27,385	7,685	58	2,698	37,826
	84,687	7,685	1,586	9,381	103,339
At 30 June 2021	714,817	120,943	1,173	66,548	903,481

	Revolving Credits RM'000
Company	
At 1 July 2021	**10,000**
Changes in financing cash flows	
Repayment of principal	**(2,000)**
Repayment of interest	**(677)**
	(2,677)
Non-cash change	
Interest expense recognised in profit or loss	**677**
At 30 June 2022	**8,000**
At 1 July 2020	11,000
Changes in financing cash flows	
Repayment of principal	(1,000)
Repayment of interest	(791)
	(1,791)
Non-cash change	
Interest expense recognised in profit or loss	791
At 30 June 2021	10,000

33. Cash Flow Information *(Cont'd)*

(c) The total cash outflows for leases as a lessee are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Interest paid on lease liabilities and hire-purchase	**3,439**	2,756
Payment of short-term leases	**709**	70
Payment of lease liabilities and hire-purchase	**6,491**	1,118
	10,639	3,944

(d) The cash and cash equivalents comprise the following:

		Group		Company	
		2022	2021	**2022**	2021
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Term deposits with licensed banks		**98,637**	106,820	**980**	-
Bank balances and cash		**69,775**	42,541	**47**	51
Money market fund	15	**6,505**	48,831	**-**	-
Bank overdrafts		**(3,217)**	(389)	**-**	-
		171,700	197,803	**1,027**	51
Less: Term deposits with tenure of more than 3 months		**(12,487)**	(12,327)	**-**	-
Term deposits pledged with licensed banks	23(d)	**(6,891)**	(5,137)	**-**	-
Restricted fund	23(c)	**-**	(21,569)	**-**	-
		152,322	158,770	**1,027**	51

34. Operating Segments Of The Group

Malayan United Industries Berhad has six core reportable business segments that are organised and managed separately according to the nature of products and services, which requires different business and marketing strategies. The reportable segments are summarised as follows:

Retailing	-	Operating department and specialty stores, and through associates: (i) use and sub-licensing of trademarks and copyright; and (ii) design, manufacture, sourcing, distribution and sale of garments and accessories.
Hotel	-	Holding of hotel properties and hotel operations.
Food	-	Manufacture, sale and marketing of chocolates, confectionery and related products.
Fast Food Chain	-	Operating chain of restaurants.
Property	-	Property development and investment, sale of oil palm fresh fruit bunches.
Financial Services	-	Through its associate, stockbroking and asset management. The Group has discontinued recognising share of further results as its share of losses has exceeded the Group's interest in the associate.
Others	-	Investment activities and others including property investment and licensing of a trademark through an associate. The revenue is inter-segment and eliminated on consolidation.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of profit or loss from operations before tax not including non-recurring losses, such as impairment losses.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Operating Segments Of The Group *(Cont'd)*

(i) Business segments

2022	Retailing RM'000	Hotel RM'000	Food RM'000	Fast Food Chain RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
REVENUE								
External revenue	24,982	120,487	51,398	54,835	87,577	-	-	339,279
Inter-segment revenue	-	-	-	-	72	6,622	(6,694)	-
Total revenue	24,982	120,487	51,398	54,835	87,649	6,622	(6,694)	339,279
Represented by:								
Revenue recognised at a point in time								
Sales of goods	13,607	-	51,398	-	-	-	-	65,005
Sales of food and beverage	-	-	-	54,835	-	-	-	54,835
Hotel operations	-	40,484	-	-	-	-	-	40,484
Property development	-	-	-	-	6,472	-	-	6,472
Commissions from concessionaire sales	11,375	-	-	-	-	-	-	11,375
Sales of oil palm fruits	-	-	-	-	3,498	-	-	3,498
Revenue recognised over time								
Hotel operations	-	80,003	-	-	-	-	-	80,003
Property development	-	-	-	-	77,122	-	-	77,122
Property rental income	-	-	-	-	557	-	(72)	485
Management fee	-	-	-	-	-	6,622	(6,622)	-
	24,982	120,487	51,398	54,835	87,649	6,622	(6,694)	339,279
RESULTS								
Segment results (external)	(1,422)	11,661	(5,711)	1,948	23,641	(10,034)	-	20,083
Interest income	357	14	199	-	904	1,286	-	2,760
Profit/(Loss) from operations before impairment loss on financial assets	(1,065)	11,675	(5,512)	1,948	24,545	(8,748)	-	22,843
Impairment loss on financial assets *(refer note 6)*	(2,119)	(314)	-	-	-	(993)	-	(3,426)
Profit/(Loss) from operations after impairment loss on financial assets	(3,184)	11,361	(5,512)	1,948	24,545	(9,741)	-	19,417
Finance costs	(2,276)	(27,896)	(134)	(999)	(370)	(6,863)	-	(38,538)
Share of results of associates	4,964	-	-	-	-	(4,519)	-	445
Share of results of joint venture	-	-	(10)	-	-	-	-	(10)
Profit/(Loss) before taxation	(496)	(16,535)	(5,656)	949	24,175	(21,123)	-	(18,686)
Taxation	(986)	32	62	-	(5,847)	(106)	-	(6,845)
Profit/(Loss) after taxation	(1,482)	(16,503)	(5,594)	949	18,328	(21,229)	-	(25,531)

34. Operating Segments Of The Group *(Cont'd)*

(i) Business segments *(Cont'd)*

2022	Retailing RM'000	Hotel RM'000	Food RM'000	Fast Food Chain RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
ASSETS								
Segment assets	24,486	513,932	77,069	110,230	330,468	196,475	-	1,252,660
Investments in associates	6,377	-	-	-	-	179,131	-	185,508
Investments in joint venture	-	-	140	-	-	-	-	140
Unallocated corporate assets								8,361
Consolidated total assets								1,446,669
LIABILITIES								
Segment liabilities	58,209	789,595	12,941	91,341	25,852	149,423	-	1,127,361
Unallocated corporate liabilities								5,640
Consolidated total liabilities								1,133,001
OTHER SEGMENT INFORMATION								
Additions to non-current assets other than financial instruments and deferred tax assets	1,105	3,271	561	13,277	180	23	-	18,417
Depreciation	(3,120)	(10,675)	(2,448)	(6,584)	(601)	(274)	-	(23,702)
Amortisation of intangible asset	-	-	-	(219)	-	-	-	(219)
Other material non-cash items:								
- Fair value gain on preference shares	-	-	-	-	-	4,064	-	4,064
- Gain/(loss) on disposal of:								
- non-current asset held for sale	-	-	1,869	-	-	-	-	1,869
- property, plant and equipment	-	164	-	-	3	-	-	167
- Inventories written down	(142)	-	(382)	-	-	-	-	(524)
- Gain/(Loss) in foreign exchange (unrealised)	-	-	255	(182)	-	14,982	-	15,055
- Loss on derecognition of winding up subsidiaries	-	-	-	-	-	(2,537)	-	(2,537)
- Property, plant and equipment written off	(7)	(1,312)	-	-	-	-	-	(1,319)
Impairment loss on:								
- goodwill	-	-	(1,310)	-	-	-	-	(1,310)
- investment in preference shares of an associate	-	-	-	-	-	(18,077)	-	(18,077)
- property, plant and equipment	(1,600)	-	-	-	-	-	-	(1,600)
- Reversal of provision of service charge	-	1,738	-	-	-	-	-	1,738

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. Operating Segments Of The Group *(Cont'd)*

(i) Business segments *(Cont'd)*

2021	Retailing RM'000	Hotel RM'000	Food RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
REVENUE							
External revenue	22,515	46,924	34,770	76,500	-	-	180,709
Inter-segment revenue	-	-	-	72	6,997	(7,069)	-
Total revenue	22,515	46,924	34,770	76,572	6,997	(7,069)	180,709
Represented by:							
Revenue recognised at a point in time							
Sales of goods	15,019	-	34,770	-	-	-	49,789
Hotel operations	-	15,623	-	-	-	-	15,623
Property development	-	-	-	14,655	-	-	14,655
Commissions from concessionaire sales	6,659	-	-	-	-	-	6,659
Sales of oil palm fruits	-	-	-	3,023	-	-	3,023
Revenue recognised over time							
Hotel operations	-	31,301	-	-	-	-	31,301
Property development	-	-	-	58,370	-	-	58,370
Property rental income	837	-	-	524	-	(72)	1,289
Management fee	-	-	-	-	6,997	(6,997)	-
	22,515	46,924	34,770	76,572	6,997	(7,069)	180,709
RESULTS							
Segment results (external)	(1,507)	(32,696)	(26,169)	21,274	(14,033)	-	(53,131)
Interest income	370	-	264	819	1,883	-	3,336
Profit/(Loss) from operations before impairment reversal/(loss) on financial assets	(1,137)	(32,696)	(25,905)	22,093	(12,150)	-	(49,795)
Impairment reversal/(loss) on financial assets *(refer note 6)*	(3,043)	54	(356)	4	988	-	(2,353)
Profit/(Loss) from operations after impairment reversal/(loss) on financial assets	(4,180)	(32,642)	(26,261)	22,097	(11,162)	-	(52,148)
Finance costs	(2,514)	(29,114)	(80)	(335)	(7,618)	-	(39,661)
Share of results of associates	3,721	-	-	-	(2,110)	-	1,611
Share of results of joint venture	-	-	(49)	-	-	-	(49)
Profit /(Loss) before taxation	(2,973)	(61,756)	(26,390)	21,762	(20,890)	-	(90,247)
Taxation	(1,376)	2,118	64	(6,715)	171	-	(5,738)
Profit/(Loss) after taxation	(4,349)	(59,638)	(26,326)	15,047	(20,719)	-	(95,985)

34. Operating Segments Of The Group *(Cont'd)*

(i) Business segments *(Cont'd)*

2021	Retailing RM'000	Hotel RM'000	Food RM'000	Property RM'000	Others RM'000	Elimination RM'000	Total Group RM'000
ASSETS							
Segment assets	23,759	574,318	84,501	322,260	232,507	-	1,237,345
Investments in associates	6,212	-	-	-	183,647	-	189,859
Investments in joint venture	-	-	150	-	-	-	150
Unallocated corporate assets							6,413
Consolidated total assets							1,433,767
LIABILITIES							
Segment liabilities	56,215	843,718	13,796	28,383	153,439	-	1,095,551
Unallocated corporate liabilities							5,899
Consolidated total liabilities							1,101,450
OTHER SEGMENT INFORMATION							
Additions to non-current assets other than financial instruments and deferred tax assets	69	1,699	3,181	54	22	-	5,025
Depreciation	(3,788)	(11,338)	(2,135)	(595)	(293)	-	(18,149)
Other material non-cash items:							
- Fair value gain on preference shares	-	-	-	-	309	-	309
- Gain/(loss) on disposal of:							
- non-current asset held for sale	7,096	-	4,158	-	-	-	11,254
- property, plant and equipment	-	(1,190)	-	3	47	-	(1,140)
- other investments	-	-	-	-	7,596	-	7,596
- Inventories written down	(819)	-	(432)	-	-	-	(1,251)
- Loss in foreign exchange (unrealised)	-	-	(162)	-	(8,883)	-	(9,045)
- Loss on derecognition of winding up subsidiaries	-	-	-	-	(6,865)	-	(6,865)
- Property, plant and equipment written off	(1,777)	(220)	-	-	(154)	-	(2,151)
- Reversal of impairment loss/(Impairment loss) on:							
- goodwill	-	-	(6,684)	-	-	-	(6,684)
- property, plant and equipment	1,435	(9,939)	-	-	-	-	(8,504)

34. Operating Segments Of The Group *(Cont'd)*

(ii) Geographical segments

	Revenue		Assets Employed		Capital Expenditure	
	2022	2021	**2022**	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Malaysia	**227,184**	137,135	**887,917**	755,004	**15,395**	3,056
Asia-Pacific	**4,714**	4,577	**32,269**	77,475	**3**	318
Australia	**485**	452	**5,231**	5,980	**-**	-
North America	**-**	-	**176,375**	190,366	**-**	-
United Kingdom	**106,896**	38,545	**344,877**	404,942	**3,019**	1,651
Total	**339,279**	180,709	**1,446,669**	1,433,767	**18,417**	5,025

(iii) Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

35. Financial Instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

I. Financial Risk Management Policies

(a) Market Risk

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of its normal operations, both external and intra-group where the currency denomination differs from the functional currencies of the operating entities. The currencies giving rise to this risk are primarily Singapore Dollar (SGD), British Pound (GBP), United States Dollar (USD) and Hong Kong Dollar (HKD). The policy of the Group is to minimise the exposure of overseas operating subsidiaries to transaction risk by matching local currency income against local currency costs.

The Group is also exposed to foreign currency risk in respect of its overseas investments.

35. **Financial Instruments** *(Cont'd)*

I. **Financial Risk Management Policies** *(Cont'd)*

(a) **Market Risk** *(Cont'd)*

(i) **Foreign Currency Risk** *(Cont'd)*

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

Foreign Currency Exposure

2022	SGD RM'000	GBP RM'000	USD RM'000	HKD RM'000
Financial assets				
Trade and other receivables	**834**	**10,751**	**736**	**931**
Deposits, bank balances and cash	**9,223**	**24,365**	**20,224**	**7,746**
Investment in unquoted shares	**7,918**	**-**	**-**	**-**
Investment in unquoted preference shares	**-**	**-**	**177,590**	**-**
Other investments	**4,117**	**-**	**6,520**	**-**
	22,092	**35,116**	**205,070**	**8,677**
Financial liabilities				
Borrowings	**-**	**(522,938)**	**-**	**-**
Trade and other payables	**(2,489)**	**(41,723)**	**(107,196)**	**(386)**
	(2,489)	**(564,661)**	**(107,196)**	**(386)**
Net financial assets/(liabilities)	**19,603**	**(529,545)**	**97,874**	**8,291**
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	**(16,099)**	**529,545**	**100,856**	**7,595**
Currency Exposure	**3,504**	**-**	**198,730**	**15,886**
2021				
Financial assets				
Trade and other receivables	206	1,970	754	979
Deposits, bank balances and cash	11,385	15,961	17,799	7,090
Investment in unquoted preference shares	-	-	144,698	-
Other investments	617	-	2,575	3
	12,208	17,931	165,826	8,072
Financial liabilities				
Borrowings	-	(508,852)	-	-
Trade and other payables	(2,073)	(40,969)	(86,881)	(446)
	(2,073)	(549,821)	(86,881)	(446)
Net financial assets/(liabilities)	10,135	(531,890)	78,945	7,626
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(9,546)	529,354	85,331	(7,650)
Currency Exposure	589	(2,536)	164,276	(24)

35. Financial Instruments *(Cont'd)*

I. Financial Risk Management Policies *(Cont'd)*

(a) Market Risk *(Cont'd)*

(i) Foreign Currency Risk *(Cont'd)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the SGD, GBP, USD and HKD against the respective functional currencies of the Group entities, with all other variables held constant:

			Group	
			2022	2021
Effects on loss after taxation			**RM'000**	RM'000
SGD/RM	-	strengthened by 10%	**+266**	+45
	-	weakened by 10%	**-266**	-45
GBP/RM	-	strengthened by 10%	**-**	-193
	-	weakened by 10%	**-**	+193
USD/RM	-	strengthened by 10%	**+15,103**	+12,485
	-	weakened by 10%	**-15,103**	-12,485
HKD/RM	-	strengthened by 10%	**+1,207**	-2
	-	weakened by 10%	**-1,207**	+2

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from borrowings with variable rate. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and term deposits are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 27.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by 0.5% with all other variables held constant:

	Group	
	2022	2021
Effects on loss after taxation	**RM'000**	RM'000
- increased by 0.5% (2021: 0.5%)	**-2,955**	-3,029
- decreased by 0.5% (2021: 0.5%)	**+2,955**	+3,029

35. **Financial Instruments** *(Cont'd)*

I. **Financial Risk Management Policies** *(Cont'd)*

(a) **Market Risk** *(Cont'd)*

(iii) **Equity Price Risk**

Equity price risk is the risk that the fair value or future cash flow of financial instruments will fluctuate because of changes in market price in equity instruments. The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Sensitivity analysis for equity price risk

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments at the end of the reporting period, with all other variables held constant:

	Group	
	2022	2021
Effects on loss after taxation	**RM'000**	RM'000
- increased by 5% (2021: 5%)	**+1,207**	+2,101
- decreased by 5% (2021: 5%)	**-1,207**	-2,101
Effects on other comprehensive income		
- increased by 5% (2021: 5%)	**+107**	+243
- decreased by 5% (2021: 5%)	**-107**	-243

(b) **Credit Risk**

Credit risk is the risk that a counterparty is unable to pay its debts or meet its obligations. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade and other receivables, details of which are disclosed in Note 19. For other financial assets (including quoted investments, deposits, bank balances and cash and derivatives), the Group minimises credit risks by dealing exclusively with high credit rating counter parties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the `Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

35. Financial Instruments *(Cont'd)*

I. Financial Risk Management Policies *(Cont'd)*

(b) Credit Risk *(Cont'd)*

Credit risk concentration profile

Management believes that concentration of credit risk is limited due to the large number of receivables of the Group and of the Company who are dispersed over a broad spectrum of industries and businesses other than:

- amounts owing by associates of RM68,336,000 (2021: RM68,443,000), which contributes 54.9% (2021: 57.1%) of receivables of the Group; and
- amounts owing by subsidiaries of RM73,190,000 (2021: RM56,178,000), which represents 100% (2021: 100%) of receivables of the Company.

The exposure of credit risk for trade receivables net allowance for impairment losses, as at the end of the reporting period by geographical region was:

	Group	
	2022	2021
	RM'000	RM'000
Malaysia	**21,941**	29,840
United Kingdom	**1,652**	1,902
United States	**-**	661
Hong Kong	**837**	858
Singapore	**117**	22
	24,547	33,283

Assessment of impairment losses

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets and debt investments at fair value through other comprehensive income are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customer or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 120 days, are deemed credit impaired.

35. **Financial Instruments** *(Cont'd)*

I. **Financial Risk Management Policies** *(Cont'd)*

(b) **Credit Risk** *(Cont'd)*

Assessment of impairment losses (Cont'd)

Trade Receivables and Contract Assets *(Cont'd)*

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

Export sales made are generally accompanied by letters of credit or advance payments and therefore, there is minimal exposure to credit risk. Furthermore, outstanding trade receivables are largely collected within the credit term.

For property development, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

The information about the exposure to credit risk and movements in the loss allowances calculated under MFRS 9 for trade receivables is disclosed in Notes 19(a) and 19(i).

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

Based on the assessment performed, the identified impairment loss is disclosed in Note 19(a).

Deposits, Bank Balances and Cash

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. At the end of the reporting period, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

35. Financial Instruments *(Cont'd)*

I. Financial Risk Management Policies *(Cont'd)*

(b) Credit Risk *(Cont'd)*

Assessment of impairment losses (Cont'd)

Amounts Owing By Subsidiaries and Amounts Owing By Associates (Non-trade Balances)

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Group considers loans and advances to subsidiaries and associates have low credit risks. The Group assumes that there is a significant increase in credit risk when the subsidiary's and associate's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the loans and advances when they are payable, the Group considers the loans and advances to be in default when they are payable, the Group considers the loans and advances to be in default when the subsidiaries and the associates are not able to pay when demanded. The Group considers a subsidiary's and an associate's loan or advance to be credit impaired when the subsidiary and the associate is unlikely to repay its loan or advance in full or the subsidiary and the associate are continuously loss making or having a deficit in its total equity.

The Group determines the probability of default for these loans and advances individually using internal information available.

The information about the exposure to credit risk and the loss allowances calculated for the amounts owing by subsidiaries and amounts owing by associates (non-trade balances) is summarised below:

Amounts Owing By Subsidiaries (Non-trade Balances)

Company **2022**	**Gross amount RM'000**	**12-month loss allowance RM'000**	**Lifetime loss allowance RM'000**	**Carrying amount RM'000**
Low credit risk	**56,533**	**-**	**-**	**56,533**
Credit impaired	**96,260**	**-**	**(79,603)**	**16,657**
	152,793	**-**	**(79,603)**	**73,190**
2021				
Low credit risk	44,581	-	-	44,581
Credit impaired	91,890	-	(80,293)	11,597
	136,471	-	(80,293)	56,178

Amounts Owing By Associates (Non-trade Balances)

Group **2022**	**Gross amount RM'000**	**Lifetime loss allowance RM'000**	**Carrying amount RM'000**
Significant increase in credit risk	**101,831**	**(33,495)**	**68,336**
2021			
Significant increase in credit risk	102,292	(33,849)	68,443

The movements in the loss allowances are disclosed in Note 19.

35. **Financial Instruments** *(Cont'd)*

I. **Financial Risk Management Policies** *(Cont'd)*

(b) **Credit Risk** *(Cont'd)*

Assessment of impairment losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) **Liquidity Risk**

Liquidity risk arises from the management of working capital of the Group. It is the risk that the Group will encounter difficulty in meeting its financial obligation when due.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected borrowing needs are covered by committed facilities and also to ensure that the amount of debt maturing in any one year is within the means of the Group to repay and refinance.

Maturity Analysis

The table below summarises the maturity profile of the financial liabilities at the end of each of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	**Weighted average effective interest rate %**	**Carrying amount RM'000**	**Contractual undiscounted cash flow RM'000**	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**
2022						
Non-derivative financial liabilities						
Trade and other payables	**-**	**244,680**	**244,680**	**244,680**	**-**	**-**
Borrowings	**2.9% - 9.5%**	**876,143**	**1,008,648**	**582,048**	**300,346**	**126,254**
		1,120,823	**1,253,328**	**826,728**	**300,346**	**126,254**
2021						
Non-derivative financial liabilities						
Trade and other payables	-	184,141	184,141	184,141	-	-
Borrowings	3.3% - 6.7%	903,870	1,041,248	135,115	772,316	133,817
		1,088,011	1,225,389	319,256	772,316	133,817

35. Financial Instruments *(Cont'd)*

I. Financial Risk Management Policies *(Cont'd)*

(c) Liquidity Risk *(Cont'd)*

Maturity Analysis (Cont'd)

Company	Weighted average effective interest rate %	Carrying amount RM'000	Contractual undiscounted cash flow RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2022						
Non-derivative financial liabilities						
Trade and other payables	**0.0% - 6.2%**	**595,100**	**596,371**	**580,286**	**16,085**	**-**
Borrowings	**7.5%-7.75%**	**8,000**	**8,562**	**4,868**	**3,694**	**-**
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	**-**	**-**	**739,210**	**739,210**	**-**	**-**
		603,100	**1,344,143**	**1,324,364**	**19,779**	**-**
2021						
Non-derivative financial liabilities						
Trade and other payables	0.0% - 6.2%	613,879	644,738	443,910	200,828	-
Borrowings	7.5%	10,000	11,793	2,691	8,077	1,025
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	792,991	792,991	-	-
		623,879	1,449,522	1,239,592	208,905	1,025

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

II. Capital Management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains from that in the previous financial year.

The Group and the Company monitor capital using gearing ratio, which is the amount of borrowings divided by total equity. The Group's and the Company's policy is to keep the gearing ratio within manageable levels.

Capital represents equity attributable to the owners of the Company and non-controlling interests.

	Group		**Company**	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Total debts	**876,143**	903,870	**27,000**	25,000
Total equity	**313,668**	332,317	**273,171**	274,939
Gearing ratio	**2.79**	2.72	**0.10**	0.09

35. Financial Instruments *(Cont'd)*

II. Capital Management *(Cont'd)*

The Group and Company are required to comply with financial covenants such as interest service cover ratio, loan to value ratio, tangible net worth threshold, debt service cover ratio, gearing ratio, cash flow cover ratio and net borrowing to earnings before interest, taxes, depreciation and amortisation ratio as defined in the respective facility agreements. For the financial year ended 30 June 2022, the Group and the Company have complied with these requirements saved as disclosed below.

As at 30 June 2022, included in the borrowings of the Group is a term loan amounting to approximately RM446,604,000 obtained for the purpose of working capital. Based on the terms of the Facility Agreement, the Group is required to comply with the following financial covenants, based upon the results achieved in a foreign subsidiary, Plaza on Hyde Park Limited:

(i) Interest service cover ratio exceeding 1.00:1,
(ii) Loan to value not exceeding 60%, and
(iii) Tangible net worth not less than RM300 million.

The Group failed on the interest service cover ratio during the reporting period. The Group have obtained waiver of this covenant on the condition that the Interest Service Reserve Account contains, at all times, an amount at least equivalent to finance charges over a six month period.

Based on the terms of the Facility Agreement, the Group is required to comply with the following financial covenants, based upon the results achieved in a foreign subsidiary, County Hotels Limited:

(i) Interest service cover ratio, adjusted by 4% of revenues, not exceeding 200%,
(ii) Cashflow cover exceeding 110%, and
(iii) Net borrowing ratio to EBITDA not exceeding 400%.

The Group failed on the interest service cover and cashflow cover ratios during the reporting period and the Group has obtained a waiver of the breach. The Group met the financial covenants at the year end.

III. Categories of Financial Instruments

	Group			
Financial assets	**Amortised cost RM'000**	**Fair value through profit or loss RM'000**	**Fair value through other comprehensive income RM'000**	**Total RM'000**
2022				
Investment in unquoted preference shares	-	158,160	-	158,160
Other investments	-	9,697	11,784	21,481
Short-term investments	-	13,103	-	13,103
Trade and other receivables	100,494	-	-	100,494
Deposits, bank balances and cash	168,412	-	-	168,412
	268,906	180,960	11,784	461,650

35. Financial Instruments *(Cont'd)*

III. Categories of Financial Instruments *(Cont'd)*

Financial assets	Amortised cost RM'000	Group Fair value through profit or loss RM'000	Fair value through other comprehensive income RM'000	Total RM'000
2021				
Investment in unquoted preference shares	-	144,698	-	144,698
Other investments	-	52,023	3,194	55,217
Short-term investments	-	6,464	-	6,464
Trade and other receivables	110,562	-	-	110,562
Deposits, bank balances and cash	149,361	-	-	149,361
	259,923	203,185	3,194	466,302

Financial assets	Company **2022 RM'000**	 2021 RM'000
Amortised cost		
Trade and other receivables	**73,190**	56,178
Deposits, bank balances and cash	**1,027**	51
	74,217	56,229

Financial liabilities	Group **2022 RM'000**	 2021 RM'000	Company **2022 RM'000**	 2021 RM'000
Amortised cost				
Borrowings	**876,143**	903,870	**8,000**	10,000
Trade and other payables	**244,680**	184,141	**595,100**	613,879
	1,120,823	1,088,011	**603,100**	623,879

35. Financial Instruments *(Cont'd)*

IV. Gains or Losses Arising from Financial Instruments

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	**4,463**	414	**-**	-
Equity Investments at Fair Value Through Other Comprehensive Income				
Net gains/(losses) recognised in profit or loss and other comprehensive income	**(368)**	244	**-**	-
Amortised Cost				
Net gains/(losses) recognised in profit or loss	**(666)**	983	**6,870**	459,756
Financial liabilities				
Amortised Cost				
Net losses recognised in profit or loss	**(38,538)**	(39,661)	**(10,727)**	(10,945)

V. Fair Value Information

(i) Fair values of financial instruments carried at fair value

(a) Quoted investments

The fair value of quoted investments is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

(b) Unquoted shares

The fair value of unquoted shares is determined to approximate the net assets of the investee as it is immaterial in the context of the financial statements.

(c) Unquoted preference shares

The fair value of unquoted preference shares is determined using discounted cash flow approach based on the pre-tax cash flow projections that approved by management based on the following significant unobservable inputs:

- Discount rate of 9.46% (2021: 9.84%);
- Redemption at the subscription price paid; and
- 30% of the shares will be redeemed in 2024, 15% of the shares will be redeemed in 2025, 15% of the shares will be redeemed in 2028, 5% of the shares will be redeemed in 2030, 15% of the shares will be redeemed in 2037 and 20% of the remaining shares will be redeemed in 2038 (2021: 15% of the shares will be redeemed in 2024, 20% of the shares will be redeemed in 2025, 20% of the shares will be redeemed in 2028, 15% of the shares will be redeemed in 2029, 20% of the shares will be redeemed in 2035 and 10% of the remaining shares will be redeemed in 2038).

35. Financial Instruments *(Cont'd)*

V. Fair Value Information *(Cont'd)*

(i) Fair values of financial instruments carried at fair value *(Cont'd)*

(c) Unquoted preference shares *(Cont'd)*

A reasonable possible change of the assumptions will change the fair value as follows:

	2022	2021
	RM'000	RM'000
Effects on loss after taxation		
Increase in discount rate by 1%	**-5,801**	-8,275
Reduction in discount rate by 1%	**+6,259**	+9,060
Early redemption by one year	**+15,000**	+14,237
Delay redemption by one year	**-13,691**	-12,958

In performing the sensitivity analysis above, it is assumed that other parameters will not change.

(d) Money market fund

The fair value of investments in money market fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(e) Other fund

The fair value of investment in other fund is based on the fund manager's statement at the reporting date.

(i) Fair values of financial instruments not carried at fair value

(a) Financial instruments that are not carried at fair values and whose carrying amounts are a reasonable approximation of fair values.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables, term loans and revolving credits are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

35. Financial Instruments *(Cont'd)*

V. Fair Value Information *(Cont'd)*

(iii) Fair value hierarchy

The following tables set out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair value and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
2022	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**RM'000**	**RM'000**
Group										
Financial assets										
Investments at fair value through other comprehensive income										
- Quoted shares in Malaysia	2,822	-	-	2,822	-	-	-	-	2,822	2,822
Investments at fair value through profit or loss										
- Money market fund in Malaysia	-	6,505	-	6,505	-	-	-	-	6,505	6,505
- Other fund in Malaysia	-	13,103	-	13,103	-	-	-	-	13,103	13,103
- Unquoted preference shares outside Malaysia	-	-	158,160	158,160	-	-	-	-	158,160	158,160
- Unquoted shares outside Malaysia	-	-	12,154	12,154	-	-	-	-	12,154	12,154
Financial liabilities										
Other financial liabilities										
- Term loans and revolving credits	-	-	-	-	-	786,517	-	786,517	786,517	786,517

During the financial year ended 30 June 2022, there were no transfer between Level 1 and Level 2 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. Financial Instruments *(Cont'd)*

V. Fair Value Information *(Cont'd)*

(iii) Fair value hierarchy *(Cont'd)*

The following tables set out the financial instruments carried at fair value and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amounts shown in the statements of financial position. *(Cont'd)*

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Total fair value**	**Carrying amount**
2021	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group										
Financial assets										
Investments at fair value through other comprehensive income										
- Quoted shares in Malaysia	3,191	-	-	3,191	-	-	-	-	3,191	3,191
- Quoted shares outside Malaysia	3	-	-	3	-	-	-	-	3	3
Investments at fair value through profit or loss										
- Money market fund in Malaysia	-	48,831	-	48,831	-	-	-	-	48,831	48,831
- Other fund in Malaysia	-	6,464	-	6,464	-	-	-	-	6,464	6,464
- Unquoted preference shares outside Malaysia	-	-	144,698	144,698	-	-	-	-	144,698	144,698
- Unquoted shares outside Malaysia	-	-	3,192	3,192	-	-	-	-	3,192	3,192
Financial liabilities										
Other financial liabilities										
- Term loans and revolving credits	-	-	-	-	-	835,760	-	835,760	835,760	835,760

During the financial year ended 30 June 2021, there were no transfer between Level 1 and Level 2 fair value measurements.

36. Contractual Commitments

	Group 2022 RM'000	Group 2021 RM'000
Other contractual commitments:		
Investment in limited partnership	**2,296**	5,395

37. Significant Events During The Financial Year

(a) Universal Growth Limited, a dormant wholly-owned subsidiary of the Company, was struck-off from the British Virgin Islands Register of Companies, resulting in a loss on derecognition of RM2.0 million.

(b) On 6 August 2021, Davson Limited, a dormant wholly-owned subsidiary incorporated in Hong Kong, was deregistered pursuant to Section 751 of the Companies Ordinance, resulting in a loss on derecognition of RM1.5 million.

(c) On 28 December 2021, East India Company Clothing (Malaysia) Sdn Bhd, a dormant wholly-owned subsidiary of Metrojaya Berhad (MJB), which is in turn an indirect 97.41%-owned subsidiary of the Company, had been dissolved pursuant to Section 459(5) of the Companies Act 2016, with no material impact on the earnings and net assets of the Group.

(d) On 31 December 2021, The Regency Hotel Hospitality Limited, an indirect wholly-owned subsidiary of the Company, had entered into a conditional asset purchase agreement with Westbourne Leisure Limited for the disposal of its freehold land together with a 111-room hotel (The Regency Hotel) in Shirley, Solihull, West Midlands, England, United Kingdom for a cash consideration of GBP6,500,000 (equivalent to RM36,219,950). The disposal has been completed on 9 May 2022.

(e) 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.

During the financial year, the Company issued 216,647,700 new ordinary shares for a total cash consideration of RM10,999,985 pursuant to the private placement as below:

No.	Allotment Date	No. of Issued Shares	Price per Share	Total Cash Consideration (RM)
1.	28 March 2022	88,408,500	0.0509	4,499,993
2.	30 March 2022	29,469,500	0.0509	1,499,997
3.	25 April 2022	58,365,700	0.0514	2,999,997
4.	16 June 2022	40,404,000	0.0495	1,999,998

The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company.

37. Significant Events During The Financial Year *(Cont'd)*

(e) The status of utilisation of the accumulated proceeds from private placement as at 30 June 2022 are as below:

Utilisation Purposes	Proposed Utilisation	As at 30 June 2022		
		Total proceeds raised	Actual Utilisation	Unutilised Balance
	RM'000	RM'000	RM'000	RM'000
		(A)	(B)	(A) - (B)
Repayment of bank borrowings and related costs	18,087	10,078	10,078	-
Working capital	800	800	800	-
Expenses for the Private Placement	175	122	122	-
Total	19,062	11,000	11,000	-

(f) On 16 February 2022, Metrojaya Department Stores Sdn Bhd, a dormant wholly-owned subsidiary of MJB, had been dissolved pursuant to Section 459(5) of the Companies Act 2016, with no material impact on the earnings and net assets of the Group.

(g) On 3 March 2022, the Company announced a proposal to undertake the Proposed Capital Reduction pursuant to Section 117 of the Act via the cancellation of the Company's paid-up share capital which is substantially unrepresented by available assets of RM3,070,000,000.

The shareholders of the Company has approved the Proposed Capital Reduction in an Extraordinary General Meeting convened on 18 April 2022, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act. The Proposed Capital Reduction has been completed on 21 June 2022.

(h) During the financial year, Pan Malaysia Corporation Berhad (PMC), a 61.07%-owned subsidiary of the Company, acquired 31,620,000 ordinary shares representing 51% of the total issued share capital of A & W (Malaysia) Sdn Bhd ("A & W") for a purchase consideration of RM21.0 million. A & W became an indirect subsidiary of the Company with effect from 9 March 2022.

A&W has contributed the following results to the Group for the current financial period:

From the date of acquisition	**RM'000**
Profit for the period	1,128

At the date of acquisition	**RM'000**
Total net assets	4,620
Less: Non-controlling interests	(2,264)
Group's share of assets	2,356
Goodwill attributed to non-controlling interests	6,961
Goodwill arising on acquisition	10,458
Total purchase consideration	19,775
Less: Purchase consideration satisfied by treasury shares of PMC	(8,204)
Total purchase consideration satisfied by cash	11,571
Less: Cash & cash equivalents of A&W, net of bank overdraft	(5,357)
Cash outflow on acquisition	6,214

(i) On 25 March 2022, the Company entered into a loan agreement with PMC for the provision of loan facility of RM4,000,000 at the interest rate 6.2% per annum.

37. Significant Events During The Financial Year *(Cont'd)*

(j) On 13 April 2022, Carulli Holdings Sdn Bhd, a dormant wholly-owned subsidiary of the Company, was dissolved pursuant to Section 459(5) of the Companies Act 2016, with no material impact on the earnings and net assets of the Group.

(k) On 3 May 2022, Alameda Enterprises Limited, a dormant wholly-owned subsidiary of the Company, was struck off from the British Virgin Islands Register of Companies, resulting in a gain on derecognition of RM899,000.

(l) On 23 May 2022, MUI Properties Berhad (MUIP), a 72.26%-owned subsidiary of the Company, via its 60%-owned subsidiary West Synergy Sdn Bhd, had incorporated an indirect partly-owned subsidiary namely Happy Fuel Sdn Bhd (HFSB) in Malaysia. The total issued and paid up capital is RM2 divided into 2 ordinary shares of RM1 each. The principal activity of HFSB is to manage, operate and maintain fuel, oil and petrol station.

(m) On 28 June 2022, Tiffany Enterprise Sdn Bhd, an inactive 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 ended 30 June 2022.

38. Significant Events Occurring After The Financial Year

(a) On 8 July 2022, A & W (Malaysia) Sdn Bhd, a 51%-owned subsidiary of PMC, had incorporated an indirect new subsidiary namely A & W (East) Sdn Bhd ("A & W East"). The total issued and paid up capital is RM100 divided into 100 ordinary shares of RM1 each. The principal activity of A & W East is to operate a chain of restaurants in East Malaysia.

(b) On 19 July 2022, MJB had incorporated an indirect new subsidiary namely Someshinybrand Sdn Bhd ("SSB"). The total issued and paid up capital is RM2 divided into 2 ordinary shares of RM1 each. The principal activity of SSB is to developing, promoting, expanding and exploiting the Laura Ashley brand and products.

(c) 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 is pending for completion at the reporting date.

(d) MJB, a 97.41%-owned subsidiary of the Company will subject to the requisite approvals being obtained from all relevant authorities, undertake 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. The shareholders of MJB whose names appear on the Record of Depositors on Friday, 21 October 2022 other than Libertyray (M) Sdn Bhd, Ample Line Sdn Bhd and Regal Classic Sdn Bhd shall be entitled to receive a cash consideration of RM0.10 for each ordinary share in MJB on 31 October 2022. The SCR is pending completion as at the reporting date.

38. Significant Events Occurring After The Financial Year *(Cont'd)*

(e) On 19 September 2022, MUI Property Services Sdn Bhd, a wholly-owned subsidiary of the MUIP, 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.

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

(g) Subsequent to the financial year end, the Company issued 76,608,300 new ordinary shares for a total cash consideration of RM4,217,522 pursuant to the private placement as below:

No.	Allotment Date	No. of Issued Shares	Price per Share	Total Cash Consideration (RM)
1.	19 July 2022	50,000,000	0.0496	2,480,000
2.	7 September 2022	26,608,300	0.0653	1,737,522

The new ordinary shares issued rank pari-passu in all respects with the existing ordinary shares of the Company.

The status of utilisation of the accumulated proceeds from the private placement as at the reporting date are as below:

Utilisation Purposes	Proposed Utilisation	As at 20 October 2022		
		Total proceeds raised	Actual Utilisation	Unutilised Balance
	RM'000	RM'000	RM'000	RM'000
		(A)	(B)	(A) - (B)
Repayment of bank borrowings and related costs	18,087	14,271	14,271	-
Working capital	800	800	800	-
Expenses for the Private Placement	175	147	147	-
Total	19,062	15,218	15,218	-

39. Contingent Liabilities

	Group 2022 RM'000	2021 RM'000
(a) Bank guarantees issued by a subsidiary to third parties	**266**	349

The bank guarantees issued by a subsidiary to third parties are for the construction of civil infrastructures in the property development sector. No provision is recognised on the above matter as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

39. Contingent Liabilities *(Cont'd)*

(b) Associate

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 2022 and accordingly, has accrued such amount which is reported as license fees payable in its accompanying consolidated statements of financial position. The estimate of its financial effects, 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) Subsidiary

During the previous financial year, London Vista Hotel Limited and its certain subsidiaries (LVH Group), the indirect subsidiaries of the Company in the United Kingdom (UK), received notification from The Pension Regulator (TPR) in the UK in respect of pension liability of another UK group, on the basis that LVH Group is supposedly connected with or an associate of that other party, for the purposes of pensions legislation. LVH Group has, through its legal advisers, replied that it is not connected with or an associate of that other party. The financial exposure to LVH Group, if any, is currently unknown. The estimate of its financial effect, indication of the uncertainties relating to the amount or timing of any outflow and the possibility of any reimbursement is not disclosed as it is not practicable to do so.

40. Material Litigation

On 28 February 2019, MJ Department Stores Sdn Bhd (hereinafter referred to as the Plaintiff), a wholly-owned subsidiary of MJB which is in turn an indirect 97.41%-owned subsidiary of the Company, had taken legal proceedings against UDA Holdings Berhad (hereinafter referred to as the Defendant) vide a Writ of Summons filed at the High Court of Kuala Lumpur ("the High Court").

The Plaintiff was the anchor and largest tenant in BB Plaza for some 33 years. Since 1981 until January 2015, the Plaintiff operated a Metrojaya Department Store at BB Plaza. The last formal Tenancy Agreement entered into by the Plaintiff with the Defendant for the premises at BB Plaza was on 6 May 2010.

Pursuant to the Tenancy Agreement, the Plaintiff had the option to renew for 5 terms of 3 years each. However, the Defendant had prematurely terminated the Plaintiff's tenancy at BB Plaza with effect from 19 January 2015. The Plaintiff's total claim amounts to RM24,221,098, of which RM16,159,204 is for loss of profit. The rate of interest on the total claim by the Plaintiff shall be at such rate and for such period as the High Court may award as it deems fit.

On 30 January 2020, the High Court dismissed the Plaintiff's claim with costs of RM30,000.00 subject to allocator's fees.

The Plaintiff has on 5 February 2020 filed a Notice of Appeal to the Court of Appeal against the High Court's decision to dismiss the Plaintiff's claim. The Court of Appeal adopted the same view as that of the High Court that the termination of tenancy by the Defendant was not wrongful and had on 12 April 2022 dismissed the Plaintiff's Appeal with cost of RM30,000.00.

The Plaintiff has decided not to appeal against the decision made by the Court of Appeal on 12 April 2022.

The dismissal of the Plaintiff's claim will not have any material financial or operational effect on the Group for the financial year ending 30 June 2022.

41. Related Party Disclosures

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related party could be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries and the following:

(i) A corporate shareholder of the Company in which a director of the Company has financial interests;
(ii) Associates and joint venture of the Group as disclosed in Note 42; and
(iii) Key management personnel (including Directors).

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Corporate Shareholder:				
Interest income	**484**	483	**-**	-
Associates:				
Interest expense	**1,955**	1,431	**-**	-
Management fees	**126**	64	**-**	-
Subsidiaries:				
Dividend income	**-**	-	**1,758**	-
Interest income	**-**	-	**680**	791
Interest expense	**-**	-	**10,050**	10,154
Repayments	**-**	-	**23,970**	28,447

(c) Material balances with related parties at the end of the reporting period are disclosed in Notes 19 and 31.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

(d) Compensation of key management personnel

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Short term employee benefits	**6,244**	7,671	**409**	404
Defined contribution plan	**346**	405	**-**	-
	6,590	8,076	**409**	404

42. SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD

At 30 June 2022

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
*	1.	Acquiline Sdn Bhd	**100**	100	Investment holding	Malaysia
*	2.	Ample Line Sdn Bhd	**100**	100	Investment holding	Malaysia
*	3.	Ascada Sdn Bhd	**100**	100	Investment holding	Malaysia
*	4.	Continental Capitals Sdn Bhd	**100**	100	Investment holding	Malaysia
*	5.	Corus Hospitality Sdn Bhd	**100**	100	Inactive	Malaysia
*	6.	Corus Hotels Sdn Bhd	**100**	100	Investment holding	Malaysia
*	7.	Creative Vest (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	8.	Farrago Sdn Bhd	**100**	100	Investment holding	Malaysia
*	9.	Fuchsia Enterprises Limited	**100**	100	Investment holding	British Virgin Islands
*	10.	Libertyray (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	11.	London Vista Hotel Limited	**100**	100	Investment holding & hotel operations	United Kingdom
*	12.	Loyal Design Sdn Bhd	**100**	100	Investment holding	Malaysia
+	13.	Malayan United Management Sdn Bhd	**100**	100	Management services	Malaysia
*	14.	Malayan United Security Services Sdn Bhd	**100**	100	Security services	Malaysia
*	15.	Marco Polo Trading Sdn Bhd	**100**	100	Investment holding	Malaysia
+	16.	Metrojaya Berhad	**97.41**	97.41	Investment holding	Malaysia
+	17.	Ming Court Hotel (KL) Sdn Bhd	**100**	100	Hotel operations	Malaysia
*	18.	Ming Court Hotels International Sdn Bhd	**100**	100	Inactive	Malaysia
*	19.	MUI Asia Limited	**100**	100	Investment holding	Hong Kong
*	20.	MUI Capital Sdn Bhd	**100**	100	Investment holding & money lending	Malaysia
*	21.	MUI China Limited	**100**	100	Investment holding	Hong Kong
*	22.	MUI Enterprises Limited	**100**	100	Investment holding	Hong Kong
*	23.	MUI Enterprises Sdn Bhd	**100**	100	Investment holding	Malaysia
*	24.	MUI Media Ltd	**100**	100	Investment holding	British Virgin Islands
*	25.	MUI Philippines, Inc	**100**	100	Investment holding	Philippines
+	26.	MUI Properties Berhad	**72.27**	72.27	Investment holding	Malaysia
*	27.	MUI Singapore Private Limited	**100**	100	Investment holding	Singapore
*	28.	Natloyal (M) Sdn Bhd	**100**	100	Property investment	Malaysia
*	29.	Novimax (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	30.	Oriental Omega Sdn Bhd	**100**	100	Investment holding	Malaysia
+	31.	Pan Malaysia Corporation Berhad	**61.07**	66.51	Investment holding	Malaysia
+	32.	Pan Malaysia Holdings Berhad	**68.32**	68.32	Investment holding	Malaysia
*	33.	Regal Classic Sdn Bhd	**100**	100	Investment holding	Malaysia
*	34.	Tarrega Holdings Sdn Bhd	**100**	100	Investment holding	Malaysia
*	35.	Two Holdings Sdn Bhd	**100**	100	Property investment	Malaysia
*	36.	United Review (M) Sdn Bhd	**100**	100	Investment holding	Malaysia

42. SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD *(Cont'd)*

At 30 June 2022

Subsidiary of Malayan United Industries Berhad which is not consolidated

		Subsidiary	*Equity Interest (Nominal)*		*Country of Incorporation*
			2022	2021	
			%	%	
§	1.	Alameda Enterprises Limited	**100**	100	British Virgin Islands
◘	2.	Carulli Holdings Sdn Bhd	**-**	100	Malaysia
♦	3.	Davson Limited	**-**	100	Hong Kong
Φ	4.	MUI Continental Berhad	**-**	52.21	Malaysia
π	5.	Universal Growth Limited	**-**	100	British Virgin Islands

		Associate	*Equity Interest (Nominal)*		*Principal Activities*	*Country of Incorporation*
			2022	2021		
			%	%		
*	1.	Asia Pacific Media Corporation	**50**	50	Inactive	U.S.A.
*	2.	Asian Capital Equities, Inc	**20**	20	Inactive	Philippines
*	3.	The Benjamin Barker Group Pte. Ltd	**20**	20	Design, sourcing, distribution & sale of clothing and accessories	Singapore
*	4.	Farrago Holdings, Inc	**40**	40	Investment holding	Philippines
*	5.	Mansara International Limited	**35**	35	Investment holding	British Virgin Islands
Ω *	6.	Pan Malaysia Capital Berhad	**46.19**	46.19	Investment holding	Malaysia
*	7.	Regent Corporation	**49**	49	Investment holding	U.S.A.
*	8.	Zhaodaola Limited	**26.25**	26.25	Inactive	Bermuda

Subsidiaries of Regent Corporation
(The list comprises major subsidiaries only)

		Subsidiary	*Equity Interest (Nominal)*		*Principal Activities*	*Country of Incorporation*
			2022	2021		
			%	%		
*	1.	Laura Ashley (North America), Inc	**100**	100	Licensing and sub-licensing trademarks and copyright designs	U.S.A.
*	2.	Regent Carolina Corporation	**100**	100	Resort operation & property investment	U.S.A.
*	3.	Regent Park Corporation	**100**	100	Property investment	U.S.A.

42. SUBSIDIARIES AND ASSOCIATES OF MALAYAN UNITED INDUSTRIES BERHAD *(Cont'd)*

At 30 June 2022

Subsidiaries of Pan Malaysia Capital Berhad
(The list comprises major subsidiaries only)

		Subsidiary	***Equity Interest (Nominal)***		***Principal Activities***	***Country of Incorporation***
			2022	2021		
			%	%		
*	1.	PCB Asset Management Sdn Bhd	**100**	100	Research & fund management services	Malaysia
*	2.	PM Securities Sdn Bhd	**100**	100	Stock & sharebroking & corporate advisory services	Malaysia
*	3.	Pan Malaysia Equities Sdn Bhd	**100**	100	Property & investment holding	Malaysia

42. SUBSIDIARIES OF MUI PROPERTIES BERHAD

At 30 June 2022

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
*	1.	Appreplex (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	2.	Bahtera Muhibbah Sdn Bhd	**100**	100	Investment holding	Malaysia
*	3.	Cesuco Trading Limited	**100**	100	Investment holding	Hong Kong
*	4.	CSB Sdn Bhd	**100**	100	Investment holding	Malaysia
*	5.	CSB Holdings Sdn Bhd	**100**	100	Property investment	Malaysia
*	6.	Elegantplex (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	7.	Happy Fuel Sdn Bhd	**60**	-	Operate petrol station and trading of petroleum products	Malaysia
*	8.	Heritage Challenger (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	9.	Indanas Sdn Bhd	**100**	100	Investment holding	Malaysia
*	10.	Integrated Mark (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	11.	Lambaian Maju Sdn Bhd	**100**	100	Investment holding	Malaysia
*	12.	Lunula Pty Limited	**100**	100	Property investment	Australia
*	13.	Malayan United Realty Sdn Bhd	**100**	100	Property investment & investment holding	Malaysia
*	14.	Ming Court Hotel (Vancouver) Ltd	**100**	100	Investment holding	Canada
*	15.	MUI Carolina Corporation	**100**	100	Property investment & development	U.S.A.
*	16.	MUI Investments (Canada) Ltd	**100**	100	Investment holding	Canada
*	17.	MUI Plaza Sdn Bhd	**100**	100	Investment holding	Malaysia
*	18.	MUI Property Services Sdn Bhd	**100**	100	Property services	Malaysia
*	19.	Peristal Enterprise Sdn Bhd	**100**	100	Investment holding	Malaysia
*	20.	Portico Sdn Bhd	**100**	100	Property development	Malaysia
*	21.	Prescada Sdn Bhd	**100**	100	Investment holding	Malaysia
*	22.	Unique Octagon Sdn Bhd	**100**	100	Investment holding	Malaysia
+	23.	West Synergy Sdn Bhd	**60**	60	Property investment & development	Malaysia

42. SUBSIDIARIES AND JOINT VENTURE OF PAN MALAYSIA CORPORATION BERHAD

At 30 June 2022

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
+	1.	A & W (Malaysia) Sdn Bhd	**51**	-	Fast food chain operator	Malaysia
*	2.	Baiduri Pertama Sdn Bhd	**100**	100	Investment holding	Malaysia
*	3.	GCIH Trademarks Limited	**100**	100	Licensing of trademarks	Hong Kong
*	4.	Pan Malaysia Ventures Sdn Bhd	**100**	100	Investment holding	Malaysia
*	5.	Jomuda Sdn Bhd	**100**	100	Investment holding	Malaysia
*	6.	Megafort Sdn Bhd	**100**	100	Investment holding	Malaysia
*	7.	Megawise Sdn Bhd	**100**	100	Money lending licence	Malaysia
*	8.	Network Foods International Ltd	**100**	100	Investment holding	Singapore
*	9.	Pan Malaysia Management Sdn Bhd	**100**	100	Inactive	Malaysia
*	10.	Pan Malaysia-Singapore Holdings (Pte) Ltd	**100**	100	Investment holding	Singapore
*	11.	PMRI Investments (Singapore) Pte Ltd	**100**	100	Investment holding	Singapore
*	12.	Taraf Sanjung (M) Sdn Bhd	**100**	100	Investment holding	Malaysia
*	13.	Tunas Juara Sdn Bhd	**100**	100	Investment holding	Malaysia

		Joint Venture	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
*	1.	Baker & Cook (M) Sdn Bhd	**50**	50	Operating food and beverage outlet	Malaysia

Subsidiaries of Network Foods International Ltd

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
*	1.	Danau Gelombang Sdn Bhd	**100**	100	Inactive	Malaysia
*	2.	Network Foods Distribution Pte Ltd	**100**	100	Warehousing and distribution of chilled products, confectionery products and snack foods	Singapore
*	3.	Network Foods (Hong Kong) Limited	**100**	100	Distribution of chocolate products and other food and beverage products	Hong Kong
+	4.	Network Foods Industries Sdn Bhd	**100**	100	Manufacturing and trading of consumer chocolate products	Malaysia
+	5.	Network Foods (Malaysia) Sdn Bhd	**100**	100	Marketing and distribution of chocolates, confectionery and beverage products	Malaysia
*	6.	Quintrinox Pte Ltd	**100**	100	Investment holding	Singapore

Subsidiary of Pan Malaysia Corporation Berhad which is not consolidated

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Country of Incorporation*
♪	1.	Tiffany Enterprise Sdn Bhd	**100**	100	Malaysia

42. SUBSIDIARIES OF PAN MALAYSIA HOLDINGS BERHAD

At 30 June 2022

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
*	1.	Golden Carps Pte Ltd	**100**	100	Inactive	Singapore
*	2.	Grandvestment Company Limited	**100**	100	Dormant	Hong Kong
+	3.	Pengkalen Holiday Resort Sdn Bhd	**100**	100	Operating a hotel	Malaysia

Subsidiaries of Pan Malaysia Holdings Berhad which are not consolidated

	Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Country of Incorporation*
1.	Asia Entertainment Network Sdn Bhd	**60**	60	Malaysia
2.	Office Business Systems (Malacca) Sdn Bhd	**41.67**	41.67	Malaysia
3.	Office Business Systems (Penang) Sdn Bhd	**64.10**	64.10	Malaysia
4.	Office Business Systems Sdn Bhd	**64.10**	64.10	Malaysia
5.	Pengkalen Building Materials Sdn Bhd	**100**	100	Malaysia
6.	Pengkalen Electronics Industries Sdn Bhd	**67**	67	Malaysia
7.	Sensor Equipment Sdn Bhd	**64.10**	64.10	Malaysia
8.	Technitone (M) Sdn Bhd	**64.10**	64.10	Malaysia

42. SUBSIDIARIES OF METROJAYA BERHAD

At 30 June 2022

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Principal Activities*	*Country of Incorporation*
+	1.	EIC Clothing Sdn Bhd	**100**	100	Operating of specialty stores	Malaysia
#+	2.	Laura Ashley (SEA) Sdn Bhd	**100**	100	Operating of specialty stores	Malaysia
+	3.	Living Quarters Sdn Bhd	**100**	100	Operating of specialty stores	Malaysia
*	4.	Metro Multiples Sdn Bhd	**100**	100	Investment holding	Malaysia
*	5.	Millionmart Sdn Bhd	**100**	100	Investment holding	Malaysia
*	6.	MJ Cape Cod Sdn Bhd	**100**	100	Operating of specialty stores	Malaysia
+	7.	MJ Department Stores Sdn Bhd	**100**	100	Operating of department stores	Malaysia
*	8.	MJ Properties Sdn Bhd	**100**	100	Property investment and investment holding	Malaysia
*	9.	MJ Reject Shop Sdn Bhd	**100**	100	Dormant	Malaysia
+	10.	MJ Reject Shop (2002) Sdn Bhd	**100**	100	Operating of specialty stores	Malaysia
*	11.	MJ Somerset Bay Sdn Bhd	**100**	100	Operating of specialty stores	Malaysia

		Subsidiary	*Equity Interest (Nominal)* 2022 %	2021 %	*Country of Incorporation*
◊	1.	East India Company Clothing (Malaysia) Sdn Bhd	**-**	100	Malaysia
☼	2.	Metrojaya Department Stores Sdn Bhd	**-**	100	Malaysia

42. SUBSIDIARIES OF LONDON VISTA HOTEL LIMITED

At 30 June 2022

		Subsidiary	***Equity Interest (Nominal)*** 2022 %	2021 %	***Principal Activities***	***Country of Incorporation***
*	1.	Corus Hotels Limited	**100**	100	Investment holding & hotel operations	United Kingdom
*	2.	Belsfield LLP	**61.11**	61.11	Hotel operations	United Kingdom
*	3.	County Hotels Group Limited	**100**	100	Dormant	United Kingdom
*	4.	County Hotels Limited	**61.11**	61.11	Hotel operations	United Kingdom
*	5.	Delaquest Limited	**100**	100	Hotel operations	United Kingdom
*	6.	Dionball Limited	**100**	100	Dormant	United Kingdom
*	7.	Echostand Limited	**100**	100	Dormant	United Kingdom
*	8.	Flamepro Limited	**100**	100	Hotel operations	United Kingdom
*	9.	LVH Hospitality Management Limited	**100**	100	Investment holding	United Kingdom
*	10.	Patrolmake Limited	**100**	100	Dormant	United Kingdom
*	11.	Plaza On Hyde Park Limited	**100**	100	Hotel operations	United Kingdom
*	12.	The Imperial Crown Hotel Limited	**100**	100	Dormant	United Kingdom
*	13.	The Regency Hotel Hospitality Limited	**100**	100	Dormant	United Kingdom

\+ *Subsidiaries audited by Crowe Malaysia PLT.*

* *Subsidiaries and associates not audited by Crowe Malaysia PLT.*

Ω *Associate where its financial statements contained an unqualified modified auditor's report due to the appropriateness of the going concern assumption in the preparation of its financial statements.*

Φ *Placed under members' voluntary winding up on 3 July 2017 and subsequently dissolved on 24 May 2021.*

☼ *Placed under members' voluntary winding up on 27 May 2020 and subsequently dissolved on 16 February 2022.*

\# *The auditor's report on the financial statements of this subsidiary contained disclaimer opinion as there are uncertainties that may cost significant doubt on the ability of this subsidiary to continue as going concern.*

◘ *Placed under winding up on 25 November 2020 and subsequently dissolved on 13 April 2022.*

♦ *Dissolved on 6 August 2021.*

§ *Dissolved on 3 May 2022.*

π *Dissolved on 1 May 2021.*

♪ *Placed under members' voluntary winding up on 28 June 2022.*

◊ *Placed under members' voluntary winding up on 27 May 2020 and subsequently dissolved on 28 December 2021.*

PROPERTIES OWNED BY THE GROUP

As At 30 June 2022

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Carrying Amount RM'000*
MALAYSIA			
Federal Territory of Kuala Lumpur			
1 lot of freehold land with a 13-storey hotel, known as Corus Hotel Kuala Lumpur, Jalan Ampang, Kuala Lumpur (Date of last valuation: December 1982)	6,010	37	48,596
1 lot of freehold land at Section 43, Jalan Mayang, Kuala Lumpur, held for development. (Date of acquisition: May 1981)	1,478	-	36,099
1 lot of freehold land with 2 units of double-storey buildings at 189, Jalan Ampang, Kuala Lumpur (Date of acquisition: August 1991)	3,540	29	7,045
1 lot of freehold land with a 10-unit, four storey building at 191, Jalan Ampang, Kuala Lumpur (Date of acquisition: July 2007)	3,056	27	23,682
State of Selangor Darul Ehsan			
6 lots of freehold land at Seksyen 3, Pekan Batu Tiga, Mukim Damansara, Selangor Darul Ehsan (Date of last revaluation: December 1982)	771	-	165
Balance of freehold land held for residential development known as Vila Sri Ukay at Mukim of Hulu Kelang, Selangor Darul Ehsan (Date of acquisition: April 1995)	2,182	-	430
1 lot of leasehold industrial land with a factory and office building at Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2071) (Date of acquisition: September 1996)	10,800	51	6,962
1 lot of leasehold industrial land with factory and office building at Lot 614, Tapak Perusahaan Shah Alam, Persiaran Raja Muda, Shah Alam, Selangor Darul Ehsan (Lease expires in 2068) (Date of acquisition: July 2009)	24,295	54	17,899
1 unit of freehold semi-detached factory at HSM 11307 Lot No PT35408 Locality of Pekan Batu Tiga, Mukim of Damansara, District of Petaling and state of Selangor (Date of acquisition: September 2019)	1,010	7	4,421

PROPERTIES OWNED BY THE GROUP (Cont'd)

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Carrying Amount RM'000*
State of Selangor Darul Ehsan			
1 unit of freehold imtermediate terraced shop office at HSD 172970 Lot No PT15579 Mukim of Beranang, District of Ulu Langat and state of Selangor (Date of acquisition: September 2021)	178	2	2,212
State of Pulau Pinang			
3 units of leasehold shoplots at 2B 1.02, 1.03 & 2.02, Komtar, Georgetown (Lease expires in 2080) (Date of acquisition: December 1995)	553	36	-
1 unit of residential suite at Lot No. B-31-3, Southbay Plaza, Pulau Pinang (Date of acquisition: February 2013)	159 (built-up area)	6	1,499
State of Negeri Sembilan Darul Khusus			
Balance of freehold land held and property development cost incurred for township development known as Bandar Springhill at Mukim of Jimah, District of Port Dickson, Negeri Sembilan Darul Khusus (Date of acquisition: January 1995)	4,032,708	-	123,185
4 lots of leasehold land with a hotel known as Corus Paradise Resort Port Dickson at Lots 286, 288, 289 and 848, Batu 3 1/2, Jalan Pantai, Port Dickson, Negeri Sembilan Darul Khusus (Lease expires in 2059/2087) (Date of acquisition: September 1996)	55,760	27	20,116
4 lots of freehold land held for future development at Jalan Tuanku Munawir, Seremban, Negeri Sembilan Darul Khusus (Date of acquisition: November 2005)	19,534	-	30,232
State of Pahang Darul Makmur			
4 units of apartments at Block E Equatorial Hill Resort Cameron Highlands, Pahang Darul Makmur (Date of acquisition: May 2009)	583 (built-up area)	22	957
AUSTRALIA			
1 lot of freehold land with building at no. 20, Kirby Court, West Hobart, Tasmania (Date of acquisition: October 1996)	24,970	44	4,316

Location, Description and Usage	*Approximate Land Area Sq. Metres*	*Approximate Age of Building Years*	*Carrying Amount RM'000*
U N I T E D S T A T E S O F A M E R I C A			
11 units of condominium, at a freehold condominium complex located within the Regent Park Complex in Fort Mill, South Carolina (Date of acquisition: March 1993)	994	27	2,628
H O N G K O N G			
1 unit of leasehold industrial lot together with 1 unit of car parking space at Kingsford Industrial Building, nos. 26-32 Kwai Hei Street, Kwai Chung, New Territories (Lease expires in 2047) (Date of acquisition: September 1996)	771	43	11,324
U N I T E D K I N G D O M			
1 lot of freehold land with a 66-room hotel known as The Iliffe Hotel at London Road, Toll Bar End, Coventry CV3 4EQ (Date of acquisition: November 2001)	13,240	170	10,022
1 lot of leasehold land with a 124-room hotel known as St James' Hotel at St James Square, Grimsby DN31 1EP (Leases expires in 2071) (Date of acquisition: November 2001)	3,709	70	453
1 lot of freehold land with a 62-room hotel known as The Belsfield Hotel at Kendal Road, Bowness-on-Windermere, Cumbria LA23 3EL (Date of acquisition: November 2001)	28,050	177	34,027
1 lot of freehold land with a 82-room hotel known as Burnham Beeches Hotel at Grove Road, Burnham, Buckinghamshire SL1 8DP (Date of acquisition: November 2001)	31,830	295	54,973
1 lot of freehold land with a 388-room hotel known as Corus Hotel Hyde Park at Lancaster Gate, London W2 3LG (Date of acquisition: February 2001)	2,010	150	249,697
TOTAL			**690,940**

ANALYSIS OF SHAREHOLDINGS

As At 3 October 2022

Class of Share : Ordinary share
Voting Rights : 1 vote per ordinary share

Substantial Shareholders
as per Register of Substantial Shareholders

		Direct Interest		Deemed Interest	
	Name	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	KKP Holdings Sdn Bhd	-	-	1,395,355,289	43.26
2.	Soo Lay Holdings Sdn Bhd	-	-	1,395,355,289	43.26
3.	Tan Sri Dato' Khoo Kay Peng	-	-	1,395,355,289	43.26
4.	Cherubim Investment (HK) Limited	297,848,487	9.23	81,239,433	2.52
5.	Norcross Limited	300,154,836	9.30	81,239,433	2.52
6.	Bonham Industries Limited	411,764,706	12.76	-	-
7.	KKP Enterprises Sdn Bhd	304,347,827	9.43	-	-

Director's Shareholdings in the Company and related corporations
as per Register of Directors' Shareholdings

	Direct Interest		Deemed Interest	
	No. of Shares	**%**	**No. of Shares**	**%**
Ordinary shares in Pan Malaysia Corporation Berhad				
Andrew Khoo Boo Yeow	2,300,000	0.30	-	-

Distribution of Shareholders

Holdings	***No. of Holders***	***%***	***No. of Shares***	***%***
Less than 100 shares	2,757	8.10	78,578	0.02
100 to 1,000 shares	5,552	16.30	4,340,229	0.13
1,001 to 10,000 shares	17,568	51.58	79,328,133	2.45
10,001 to 100,000 shares	6,741	19.79	228,852,022	7.09
100,001 to less than 5% of issued shares	1,437	4.22	1,751,554,717	54.30
5% and above of issued shares	4	0.01	1,161,663,513	36.01
Total	**34,059**	**100.00**	**3,225,817,192**	**100.00**

30 Largest Registered Shareholders

	Name	*No. of Shares*	*%*
1.	ABB Nominee (Asing) Sdn Bhd - Securities Account for Bonham Industries Limited	408,333,333	12.66
2.	Kenanga Capital Sdn Bhd - Securities Account for Cherubim Investment (HK) Limited for Soo Lay	297,848,487	9.23
3.	RHB Nominees (Asing) Sdn Bhd OSK Capital Sdn Bhd for Norcross Limited	288,655,352	8.95
4.	KKP Enterprises Sdn Bhd	166,826,341	5.17
5.	ABB Nominee (Tempatan) Sdn Bhd - Securities Account for KKP Enterprises Sdn Bhd	137,521,486	4.26
6.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Securities Account for Liew Kok Tze	105,352,400	3.27
7.	Pan Malaysian Industries Berhad	81,239,433	2.52
8.	UOB Kay Hian Nominees (Asing) Sdn Bhd - For UOB Kay Hian Pte Ltd	81,116,946	2.51
9.	Plenary Investments Pte Ltd	67,038,800	2.08
10.	AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Kuan Chon	64,913,600	2.01
11.	PM Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Kuan Chon	54,300,000	1.68
12.	Chin Teck Plantations Berhad	46,315,600	1.44
13.	Seong Thye Plantations Sdn Bhd	46,315,600	1.44
14.	Siaw Seen Long	33,782,900	1.05
15.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Lim Kuan Gin	26,000,625	0.81
16.	AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account for Ambank (M) Berhad for Chan Sow Keng	25,699,900	0.80
17.	RHB Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Kuan Chon	17,700,000	0.55
18.	PM Nominees (Tempatan) Sdn Bhd - Securities Account for Chan Sow Keng	17,650,000	0.55
19.	Lim Siang Hee	15,322,100	0.47
20.	Citigroup Nominees (Asing) Sdn Bhd - For OCBC Securities Private Limited	14,941,068	0.46
21.	Chan Weng Fui	14,620,000	0.45
22.	Maybank Nominees (Tempatan) Sdn Bhd - Tan Yoke Chun	14,395,000	0.45
23.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Michael Heng Chun Hong	13,064,700	0.40
24.	Tee Chee Chiang	13,060,100	0.40
25.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Securities Account for Sim Cheng Cheng	13,000,000	0.40
26.	Ho Kat Sin	12,750,000	0.40
27.	Norcross Limited	11,499,484	0.36
28.	PM Nominees (Tempatan) Sdn Bhd - Securities Account for Ngio Yen Lim	11,400,000	0.35
29.	PM Nominees (Tempatan) Sdn Bhd - Securities Account for Ng Bing Tiam @ Goh Kee Sang	11,000,000	0.34
30.	PM Nominees (Tempatan) Sdn Bhd - Securities Account for Lim Wen Tzer	10,200,000	0.32
	Total	**2,121,863,255**	**65.78**

Malayan United Industries Berhad
Registration No: 196001000140 (3809-W)
Incorporated in Malaysia

FORM OF PROXY

IMPORTANT!
Please take note that all the fields underlined in this proxy form are mandatory and must be completed in full and accurately. The Company reserves the right to invalidate and/or reject any proxy form which is not complete or accurately filled in.

CDS Account Number	
No. of Shares Held	

I/We ______________________________ NRIC/Company No. ____________
of ______________________________ Tel. No. ____________
being a member of MALAYAN UNITED INDUSTRIES BERHAD hereby appoint ____________
______________________________ NRIC No. ____________
of ______________________________ (percentage of shareholding represented: ________%)
and, ______________________________ NRIC No. ____________
of ______________________________ (percentage of shareholding represented: ________%)
or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the 51st Annual General Meeting ("AGM") of the Company to be held virtually through live streaming from the Broadcast Venue at Corus 1, Level 1, Corus Hotel Kuala Lumpur, Jalan Ampang, 50450 Kuala Lumpur on Thursday, 8 December 2022 at 4.00 p.m. and at any adjournment thereof, and to vote as indicated below:

	Resolutions	For	Against
1.	To approve Directors' Fees of RM378,710.		
2.	To approve Directors' Benefits (other than Directors' Fees) of up to RM88,000.		
3.	To re-elect Mr Wong Nyen Faat as Director of the Company.		
4.	To re-elect Dato' Dr Jessie Tang as Director of the Company.		
4.	To re-elect Datuk Leong Kam Weng as Director of the Company.		
5.	To re-appoint Crowe Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Proposed retention of Dato' Dr Tan Kee Kwong as Independent Non-Executive Director.		
7.	Proposed authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8.	Proposed renewal of authority for the purchase of own shares by Malayan United Industries Berhad.		

(Please indicate with an 'X' how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Seal

____
Signature

Signed this ____________ day of ____________________ 2022.

Notes:

1. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the 51st AGM. **No Members or proxies shall be allowed to be physically present at the Broadcast Venue on the day of the 51st AGM.**

   Please refer to the Administrative Guide to Shareholders for the detailed steps on the RPV facilities.

2. Only members whose names appear on the Record of Depositors as at 25 November 2022 shall be entitled to attend and vote at the meeting or appoint proxy(ies) to attend and vote on their behalf.
3. A member entitled to attend and vote may not appoint more than two proxies to attend and vote at the same meeting. A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one proxy only in respect of each securities account it holds. Where a member is an exempt authorised nominee to multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where two or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.
5. The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.
6. The Form of Proxy must be deposited in the following manner, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:
   (i) Hardcopy form (applicable for all members)
   The original signed Form of Proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
   (ii) TIIH Online
   You may also submit the Form of Proxy electronically via TIIH Online website at https://tiih.online by following the procedures provided in the Administrative Guide for this 51st AGM.
7. Pursuant to the Bursa Malaysia Securities Berhad Main Market Listing Requirements, all the resolutions set out in this Notice will be put to vote by way of poll.

STAMP

The Share Registrar for
Malayan United Industries Berhad
(Registration No.: 196001000140 (3809-W))
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

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