

PAN MALAYSIA CORPORATION BERHADRegistration No: 196301000008 (4920-D)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2022**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

| | QUARTER ENDED | | CUMULATIVE 12 MONTHS | |
|--|----------------------|-------------------|-----------------------------|-------------------|
| | 30/06/2022 | 30/06/2021 | 30/06/2022 | 30/06/2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 53,843 | 6,895 | 106,233 | 34,770 |
| Cost of sales | (29,336) | (8,882) | (66,785) | (36,106) |
| Gross profit/(loss) | 24,507 | (1,987) | 39,448 | (1,336) |
| Other income | 10,353 | 893 | 15,638 | 11,653 |
| Selling and distribution expenses | (4,018) | (2,125) | (10,696) | (7,990) |
| Administration and operating expenses | (22,238) | (3,399) | (37,495) | (12,890) |
| Net impairment losses on financial assets | (1,076) | (2,463) | (1,076) | (2,463) |
| Other expenses | (1,363) | (29,115) | (1,363) | (29,115) |
| Finance costs | (1,012) | (19) | (1,271) | (80) |
| Share of losses of an equity accounted joint venture | (1) | (46) | (2) | (49) |
| Profit/(loss) before taxation | 5,152 | (38,261) | 3,183 | (42,270) |
| Tax expense | 52 | 103 | 4 | (41) |
| Profit/(loss) after taxation | 5,204 | (38,158) | 3,187 | (42,311) |
| Attributable to: | | | | |
| Owners of the Company | 4,785 | (38,158) | 2,634 | (42,311) |
| Non-controlling interests | 419 | - | 553 | - |
| | 5,204 | (38,158) | 3,187 | (42,311) |
| Profit/(loss) per share attributable to owners of the Company (Sen): | | | | |
| Basic / Diluted | 0.67 | (5.39) | 0.41 | (5.97) |

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

Registration No: 196301000008 (4920-D)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

| | <u>QUARTER ENDED</u> | | <u>CUMULATIVE 12 MONTHS</u> | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | <u>30/06/2022</u> <u>RM'000</u> | <u>30/06/2021</u> <u>RM'000</u> | <u>30/06/2022</u> <u>RM'000</u> | <u>30/06/2021</u> <u>RM'000</u> |
| Profit/(loss) after taxation | 5,204 | (38,158) | 3,187 | (42,311) |
| Other comprehensive expenses: | | | | |
| Net loss on fair value changes of equity investments | (525) | (2,650) | (2,930) | (7,580) |
| Foreign currency translation differences for foreign operations | (123) | (43) | (568) | (932) |
| Total other comprehensive expenses | (648) | (2,693) | (3,498) | (8,512) |
| Total comprehensive expenses for the financial period | <u>4,556</u> | <u>(40,851)</u> | <u>(311)</u> | <u>(50,823)</u> |
| Attributable to: | | | | |
| Owners of the Company | 4,137 | (40,851) | (864) | (50,823) |
| Non-controlling interests | 419 | - | 553 | - |
| Total comprehensive income/(expenses) for the financial period | <u>4,556</u> | <u>(40,851)</u> | <u>(311)</u> | <u>(50,823)</u> |

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

Registration No: 196301000008 (4920-D)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

| | 30/06/2022 RM'000 | 30/06/2021 RM'000 (Audited) |
|--|----------------------|-----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 104,069 | 39,646 |
| Investment property | 1,128 | 1,124 |
| Investments | 90,430 | 78,112 |
| Investment in a joint venture | 148 | 150 |
| Goodwill on consolidation | 29,415 | 13,306 |
| Trademarks | 4,984 | 4,984 |
| Intangible assets | 6,324 | - |
| Deferred tax assets | 4,408 | 328 |
| | <u>240,906</u> | <u>137,650</u> |
| Current assets | | |
| Inventories | 15,944 | 9,978 |
| Amount owing by ultimate holding company | 4,067 | - |
| Trade and other receivables | 22,472 | 14,302 |
| Right to recover returned goods | 539 | 537 |
| Current tax assets | 1,618 | 1,554 |
| Other investments | 6,505 | 25,189 |
| Short term investments | 13,103 | 6,464 |
| Deposits, bank balances and cash | 44,113 | 50,380 |
| | <u>108,361</u> | <u>108,404</u> |
| Assets classified as held for sale | - | 309 |
| | <u>108,361</u> | <u>108,713</u> |
| TOTAL ASSETS | <u>349,267</u> | <u>246,363</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 221,959 | 221,959 |
| Treasury shares | (866) | (30,484) |
| Reserves | 14,082 | 39,748 |
| | <u>235,175</u> | <u>231,223</u> |
| Non-Controlling Interests | 2,816 | - |
| Total Equity | <u>237,991</u> | <u>231,223</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 862 | 914 |
| Term loan | 23,602 | - |
| Lease liabilities | 12,758 | 886 |
| Other payables | 3,469 | - |
| | <u>40,691</u> | <u>1,800</u> |
| Current liabilities | | |
| Trade and other payables | 53,321 | 11,633 |
| Refund liabilities | 957 | 958 |
| Lease liabilities | 12,188 | 287 |
| Bank overdraft | 3,217 | 389 |
| Current tax liabilities | 36 | 73 |
| Amount owing to related companies | 866 | - |
| | <u>70,585</u> | <u>13,340</u> |
| Total Liabilities | <u>70,585</u> | <u>13,340</u> |
| TOTAL EQUITY AND LIABILITIES | <u>349,267</u> | <u>246,363</u> |
| | RM | RM |
| Net assets per share attributable to owners of the Company | 0.30 * | 0.33 * |

* The net assets per share is based on the number of ordinary shares in issue less treasury shares .

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

| | Share Capital RM'000 | Treasury Shares RM'000 | Exchange Translation Reserve RM'000 | Fair Value Reserve RM'000 | Retained Profits RM'000 | Total RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|--|----------------------------|------------------------------|--|---------------------------------|-------------------------------|-----------------|--|---------------------------|
| At 1 July 2021 | 221,959 | (30,484) | (1,624) | (2,284) | 43,656 | 231,223 | - | 231,223 |
| Other comprehensive income/(expenses): | | | | | | | | |
| Fair value changes of equity investments | - | - | - | (2,930) | - | (2,930) | - | (2,930) |
| Foreign currency translation differences for foreign operations | - | - | (568) | - | - | (568) | - | (568) |
| Profit/(loss) for the financial period | - | - | - | - | 2,634 | 2,634 | 553 | 3,187 |
| Total comprehensive income/(expenses) for the financial period | - | - | (568) | (2,930) | 2,634 | (863) | 553 | (311) |
| Effect of acquisition of A & W (Malaysia) Sdn Bhd | - | 29,619 | - | - | (21,414) | 8,205 | 2,264 | 10,469 |
| Dissolution of subsidiaries | - | - | - | - | 152 | 152 | - | 152 |
| Dividend paid | - | - | - | - | (3,542) | (3,542) | - | (3,542) |
| At 30 June 2022 | 221,959 | (866) | (2,192) | (5,214) | 21,488 | 235,175 | 2,816 | 237,991 |
| At 1 July 2020 | 221,959 | (30,484) | (692) | 5,281 | 85,982 | 282,046 | - | 282,046 |
| Other comprehensive expenses: | | | | | | | | |
| Fair value changes of equity investments | - | - | - | (7,580) | - | (7,580) | - | (7,580) |
| Foreign currency translation differences for foreign operations | - | - | (932) | - | - | (932) | - | (932) |
| Loss for the financial period | - | - | - | - | (42,311) | (42,311) | - | (42,311) |
| Total comprehensive expenses for the financial period | - | - | (932) | (7,580) | (42,311) | (50,823) | - | (50,823) |
| Disposal of equity investments | - | - | - | 15 | (15) | - | - | - |
| At 30 June 2021 | 221,959 | (30,484) | (1,624) | (2,284) | 43,656 | 231,223 | - | 231,223 |

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

| | CUMULATIVE 12 MONTHS | |
|--|-----------------------------|-------------------|
| | 30/06/2022 | 30/06/2021 |
| | RM'000 | RM'000 |
| Operating Activities | | |
| Profit/(loss) before taxation | 3,183 | (42,270) |
| Net adjustments: | | |
| Non-cash items | 9,479 | 1,095 |
| Non-operating items | (9,340) | 21,195 |
| Operating loss before working capital changes | <u>3,322</u> | <u>(19,980)</u> |
| Net change in working capital | (3,796) | 12,921 |
| Cash used in operations | <u>(474)</u> | <u>(7,059)</u> |
| Dividend received | 360 | 105 |
| Interest paid | (1,271) | (80) |
| Interest received | 766 | 1,215 |
| Net tax paid | (163) | (407) |
| Net cash used in operating activities | <u>(782)</u> | <u>(6,226)</u> |
| Investing Activities | | |
| Capital reduction from joint venture | - | 250 |
| Net acquisition of a subsidiary company - A&W | (6,214) | - |
| Placement of deposits with tenure more than 3 months | (34) | - |
| Purchase of property, plant and equipment | (17,369) | (1,654) |
| Purchase of short term investments | (5,000) | - |
| Purchase of investments | (8,261) | (1,969) |
| Proceeds from disposal of investment | - | 4,926 |
| Proceeds from disposal of property, plant and equipment | 2,173 | 7,755 |
| Utilisation of restricted fund (Note B14) | 21,569 | 4,980 |
| Net cash generated from/(used in) investing activities | <u>(13,136)</u> | <u>14,288</u> |
| Financing Activities | | |
| Dividend paid | (3,542) | - |
| Drawdown of lease liabilities | 5,194 | - |
| Drawdown of term loan | 5,791 | - |
| Repayment of lease liabilities | (276) | (355) |
| Net cash generated from/(used in) financing activities | <u>7,167</u> | <u>(355)</u> |
| Net increase/(decrease) in cash and cash equivalents | (6,751) | 7,707 |
| Cash and cash equivalents at beginning of financial period | | |
| As previously reported | 45,808 | 38,102 |
| Effects of exchange rate changes | 449 | (1) |
| As restated | 46,257 | 38,101 |
| Cash and cash equivalents at end of financial period | <u>39,506</u> | <u>45,808</u> |

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The condensed consolidated interim financial statements, other than financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance with Malaysian Financial Reporting Standards ("MFRS") 139 Financial Instruments: Recognition and Measurement.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2021. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to and understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2021.

A2. Significant Accounting Policies

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

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

| <u>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</u> | <u>Effective Date</u> |
|---|-----------------------|
| Amendments to MFRS 16 : COVID-19-Related Rent Concessions | 1 April 2021 |
| Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform - Phase 2 | 1 January 2021 |

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

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

| <u>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</u> | <u>Effective Date</u> |
|--|-----------------------|
| Amendments to MFRS 3: Reference to the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116: Property, Plant and Equipment- Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137: Onerous Contracts-Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to MFRS Standards 2018 – 2020 | 1 January 2022 |
| Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 Insurance Contracts | 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 |

NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (continued)

A3. Seasonal or Cyclical Factors

The Group's chocolate and confectionery business under the Network Foods Group is affected by seasonal factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the financial period ended 30 June 2022.

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.

A5. Changes In Estimates

There were no changes in estimates of amounts reported in prior financial year, which may have a material effect in the financial period ended 30 June 2022.

A6. Issuances or Repayments of Debt and Equity Securities

There were no issuances and repayments of debt and equity securities, share buy-backs and share cancellations for the financial period ended 30 June 2022.

The number of treasury shares held in hand as at 30 June 2022 were as follows:

| | Number of shares | Amount RM'000 |
|--|------------------|---------------|
| At 1 July 2021 | 64,959,800 | 30,484 |
| Transferred to Inter Mark Resources Sdn Bhd as part of the purchase consideration for A & W (Malaysia) Sdn Bhd | (63,112,500) | (29,619) |
| At 30 June 2022 | 1,847,300 | 865 |

A7. Dividend Paid

**CURRENT YEAR TO DATE
RM'000**

Interim single tier dividend of RM0.005 per ordinary share in respect of financial year ended 30 June 2021, paid on 12 August 2021

3,542

A8. Operating Segments

For the financial period ended 30 June 2022

| | Fast Food Chain RM'000 | Food RM'000 | Investment Holding RM'000 | Total RM'000 |
|---------------------------|---------------------------|----------------|---------------------------------|-----------------|
| REVENUE | | | | |
| - External revenue | 54,835 | 51,398 | - | 106,233 |
| RESULTS | | | | |
| Segment results | 2,284 | (5,548) | 7,718 | 4,454 |
| Finance cost | (1,156) | (115) | - | (1,271) |
| Profit/ (Loss) before tax | 1,128 | (5,663) | 7,718 | 3,183 |
| Segment assets | 116,332 | 103,091 | 123,818 | 343,241 |
| Unallocated assets | | | | 6,026 |
| | | | | 349,267 |

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NOTES TO THE INTERIM FINANCIAL REPORT (Continued)

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (continued)

A8. For the financial period ended 30 June 2021

| | Food RM'000 | Investment Holding RM'000 | Total RM'000 |
|---------------------------|----------------|---------------------------------|-----------------|
| REVENUE | | | |
| - External revenue | 34,770 | - | 34,770 |
| RESULTS | | | |
| Segment results | (44,486) | 2,296 | (42,190) |
| Finance cost | (80) | - | (80) |
| Profit/ (Loss) before tax | (44,566) | 2,296 | (42,270) |
| Segment assets | 103,666 | 140,815 | 244,481 |
| Unallocated assets | | | 1,882 |
| | | | 246,363 |

A9. Events Subsequent to the End of the Financial Period

There were no material events subsequent to the financial period ended 30 June 2022 that have not been reflected in the financial statements for the said period as at the date of this report.

A10. Changes in the Composition of the Group

- (i) During the financial period, 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 a 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:

| <u>From the date of acquisition</u> | RM'000 |
|--|---------------|
| Profit for the period | 1,128 |
| <u>At the date of acquisition</u> | RM'000 |
| Total net assets | 4,620 |
| Less: Non-controlling interests | (2,264) |
| Group's share of assets | 2,356 |
| Goodwill arising on acquisition | 17,419 |
| Total purchase consideration | 19,775 |
| Less: Purchase consideration satisfied by treasury shares of the Company | (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 |

- (ii) On 29 June 2022, the Company announced that Tiffany Enterprise Sdn Bhd ("TESB") an inactive wholly-owned subsidiary of the Company, which were placed under members' voluntary winding up of the Companies Act 2016 ("Winding-Up"). The dissolution of TESB did not have any material effect on the earnings and net assets of the Group for the financial year ended 30 June 2022.

- (iii) On 8 July 2022, A & W (Malaysia) Sdn. Bhd, a 51%-owned subsidiary of PMC incorporated a 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.

Other than the above, there were no other changes in the composition of the Group during the financial period ended 30 June 2022.

A11. Contingent Liabilities

There were no material contingent liabilities as at the date of this report.

A12. Capital Commitments

As at 30 June 2022, the Group has capital commitment in respect of a subscription of interest as a limited partner of Genesis Alternative Ventures I L.P. as follows (with Ringgit Malaysia equivalent):

| | USD'000 | RM'000 |
|-----------------------------|----------------|---------------|
| Capital committed to invest | 2,000 | 8,816 |
| Capital invested | 1,479 | 6,520 |
| Balance of commitment | 521 | 2,296 |

PAN MALAYSIA CORPORATION BERHAD
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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance

| | QUARTER ENDED | | | CUMULATIVE 12 MONTHS | | |
|---|----------------------|-------------------|----------------|-----------------------------|-------------------|----------------|
| | 30/06/2022 | 30/06/2021 | CHANGES | 30/06/2022 | 30/06/2021 | CHANGES |
| | (Q4FY22) | (Q4FY21) | % | (FY22) | (FY21) | % |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Revenue | | | | | | |
| Food | 11,630 | 6,895 | 68.7 | 51,398 | 34,770 | 47.8 |
| Fast Food Chain | 42,213 | - | 100.0 | 54,835 | - | 100.0 |
| | 53,843 | 6,895 | 680.9 | 106,233 | 34,770 | 205.5 |
| Profit/(Loss) before tax ("PBT")/("LBT") | | | | | | |
| Food | (3,234) | (33,337) | 90.3 | (5,569) | (44,566) | 87.5 |
| Fast Food Chain | 855 | - | 100.0 | 1,128 | - | 100.0 |
| Investment holding | 7,531 | (4,924) | 252.9 | 7,624 | 2,296 | 232.1 |
| | 5,152 | (38,261) | 113.5 | 3,183 | (42,270) | 107.5 |

Q4FY22 vs Q4FY21

The Group revenue has recorded a significant improvement of RM46.9 million or 680.9% to RM53.8 million for Q4FY22. The increase in revenue was mainly contributed by the fast food chain division amounting to RM42.2 million. Following the easing of restrictions and the reopening of the international borders, the food division has seen an increase of revenue by approximately RM4.7 million or 68.7% mainly from the domestic business. Given the Group's 51% acquisition of A & W (Malaysia) Sdn Bhd on 9 March 2022, the revenue of RM42.2 million under the fast food chain division was recognised by the Group in the current financial year with no comparative figures from the previous year's corresponding quarter.

The Group recorded PBT of RM5.2 million for Q4FY22 compared to a LBT of RM38.2 million (Q4FY21). This was mainly contributed by the fair value gain of an overseas investment of RM6.2 million. LBT from the food division recorded a loss of RM1.9 million and an impairment loss on goodwill of RM1.3 million.

FY22 vs FY21

Revenue improved by approximately RM71.4 million or 205.5% compared to the previous corresponding period. As mentioned above, the fast food chain division revenue of RM54.8 million was taken up in the books for 4 months (March 2022 to June 2022) during the financial year. There was no comparative figures for the previous year, beside an increase of RM16.6 million or 47.8% from the food division.

The main PBT contribution from the Investment Holding was derived from the fair value gain of an overseas investment of RM6.2 million, the fast food chain division recorded a PBT of RM1.1 million for its four months business performance. However, a LBT from food division impacted the Group performance. Consequently, the Group recorded a PBT of approximately RM3.2 million.

B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

| | QUARTER ENDED | | |
|---|----------------------|-------------------|----------------|
| | 30/06/2022 | 31/03/2022 | CHANGES |
| | (Q4FY22) | (Q3FY22) | % |
| | RM'000 | RM'000 | |
| Revenue | | | |
| Food | 11,630 | 14,021 | (17.1) |
| Fast Food Chain | 42,213 | 12,622 | 234.4 |
| | 53,843 | 26,643 | 102.1 |
| Profit/(Loss) before tax ("PBT")/("LBT") | | | |
| Food | (3,234) | 801 | (503.7) |
| Fast Food Chain | 855 | 273 | 213.2 |
| Investment holding | 7,531 | 709 | 962.2 |
| | 5,152 | 1,783 | 189.0 |

The revenue for Q4FY22 improved by 102.1%, mainly contributed by the fast food chain division, recorded in the current quarter with a revenue of RM42.2 million. However, the food division's revenue reduced by RM2.4 million or 17.1% mainly due to the soft demand from export market after the end of festive seasons.

As mentioned, a PBT for Q4FY22 was mainly derived from the fair value gain of an overseas investment of RM6.2 million which was weighed down by a LBT from food division of RM3.2 million. During the preceding financial period in Q3FY22, there was a one-off gain of RM1.9 million from the disposal of a Penang property, which resulted in a PBT of approximately RM1.8 million.

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

B3. Prospects for the Financial Year Ending 30 June 2023

For the food division, both the domestic and export businesses have achieved sales growth with the focus on driving the core range of products in higher value and volume. To sustain the business, future campaigns will be focusing on optimizing the revenue, which includes attracting consumers and improving offtake at major retailers. Similarly, the export market will continue to expand the house brand products to new untapped regions.

For the fast food chain division, revenue growth has been consistent and up by more than 69% over the prior year. A&W continues to increase its revenue in both its existing outlets and from new outlets. By 30 June 2023, the chain is expected to surpass 100 outlets for the first time in its 60 years of operation in Malaysia. The pandemic has provided some opportunities in securing good locations for the chain's growth and reach. It will re-establish its presence in East Malaysia with the opening of its first outlet in Kota Kinabalu, Sabah.

The key challenge this year will be the increase in raw material prices. To mitigate this, the food division will progressively increase its selling price. However, the fast food chain division managed to fix supply chain issues and re-engineer the menu so our patrons can continue to enjoy the value of our offerings. This division remains resilient despite the economic slowdown.

B4. Profit/(Loss) Before Tax

Included in the profit/(loss) before tax are the following items:

| | QUARTER ENDED | | | CUMULATIVE 12 MONTHS | | |
|--|----------------------|-------------------|----------------|-----------------------------|-------------------|----------------|
| | 30/06/2022 | 30/06/2021 | CHANGES | 30/06/2022 | 30/06/2021 | CHANGES |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Depreciation | (6,265) | (543) | (1,053.8) | (9,186) | (2,088) | (339.9) |
| Finance income from deposits with banks | 118 | 113 | 4.4 | 663 | 1,215 | (45.4) |
| Finance income from related party | 43 | 38 | 13.2 | 270 | 233 | 15.9 |
| Finance income from holding company | 67 | - | 100.0 | 67 | - | 100.0 |
| Finance cost | (1,012) | (19) | (5,226.3) | (1,271) | (80) | (1,488.8) |
| Fair value gain on short term investments | 255 | (572) | 144.6 | 569 | 159 | 257.9 |
| Fair value gain/(loss) on investments in unquoted preference share | 6,286 | (1,889) | (100.0) | 6,286 | (1,889) | 432.8 |
| Gain/(loss) on disposal of property, plant and equipment | - | 14 | (100.0) | 1,869 | 4,158 | (55.1) |
| Gain on disposal of investments | - | - | - | - | 3,176 | (100.0) |
| Gain on short term investment | - | - | - | - | - | - |
| - Realised | 257 | 335 | (23.3) | 840 | 666 | 26.1 |
| - Unrealised | 255 | (367) | 169.5 | 569 | 364 | 56.3 |
| Gain on foreign exchange | - | - | - | - | - | - |
| - Realised | 95 | 103 | (7.8) | 73 | 17 | 329.4 |
| - Unrealised | 1,547 | (67) | 2,409.0 | 2,011 | 109 | 1,745.0 |
| Inventories written back/(written down) | (79) | (590) | 86.6 | (382) | (944) | 59.5 |
| Impairment loss on goodwill on consolidation | (1,310) | (25,100) | 94.8 | (1,310) | (25,100) | 94.8 |
| Reversal of impairment on investment | 333 | - | 100.0 | 333 | - | 100.0 |

B5. Tax Expense

Taxation comprises:

| | QUARTER ENDED | | | CUMULATIVE 12 MONTHS | | |
|--|----------------------|-------------------|----------------|-----------------------------|-------------------|----------------|
| | 30/06/2022 | 30/06/2021 | CHANGES | 30/06/2022 | 30/06/2021 | CHANGES |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Current tax expense | (16) | 36 | 144.4 | (65) | (107) | 39.3 |
| Deferred tax | 68 | 46 | (47.8) | 68 | 46 | (47.8) |
| Over/ (under) provision in respect of prior year | (0) | 21 | 101.0 | 1 | 20 | 96.0 |
| | <u>52</u> | <u>103</u> | <u>49.7</u> | <u>4</u> | <u>(41)</u> | <u>109.3</u> |

The current tax expense for the financial period ended 30 June 2022 was mainly due to the interest income from deposits with banks.

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

B6. Status of Corporate Proposals

On 23 September 2021, 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. This agreement was for a purchase consideration of RM21,037,500, to be fulfilled via a combination of cash amounting to RM11,570,625 and transfer of 63,112,500 of the Company's treasury shares at RM0.15 per share amounting to RM9,466,875. The transaction was completed on 9 March 2022 in accordance to the terms of the SPA.

B7. Trade Receivables

(a) The credit term of trade receivables range from 30 to 120 days.

(b) The ageing of trade receivables as at the end of the financial period was:

| | 30/06/2022 | 30/06/2021 | CHANGES |
|-----------------------------|-------------------|-------------------|----------------|
| | RM'000 | RM'000 | % |
| Not past due | 7,781 | 6,881 | 13.1 |
| Past due 1-30 days | 330 | 1,274 | (74.1) |
| Past due 31-60 days | - | 561 | (100.0) |
| Past due 61-120 days | - | 81 | (100.0) |
| Past due more than 120 days | - | 456 | (100.0) |
| | <u>8,111</u> | <u>9,253</u> | <u>(12.3)</u> |

B8. Group Borrowings

The Group's borrowings (denominated in Ringgit Malaysia) as at the end of the reporting period were as follows:

| | 30/06/2022 | 30/6/2021 |
|--------------------------------|----------------------|---------------------|
| | RM'000 | RM'000 |
| Non-current liabilities | | |
| Lease liabilities | 12,758 | 886 |
| Term loan | 23,602 | - |
| | <u>36,360</u> | <u>886</u> |
| Current liabilities | | |
| Lease liabilities | 12,188 | 287 |
| Bank overdraft | 3,217 | 389 |
| | <u>15,405</u> | <u>676</u> |
| Grand Total | <u>51,765</u> | <u>1,562</u> |

B9. Derivative Financial Instruments

There were no derivative financial instruments at the date of this report.

B10. Fair Value Changes of Financial Liabilities

As at 30 June 2022, the Group does not have any financial liabilities measured at fair value through profit or loss.

B11. Material Litigations

There were no material litigations not provided for as at the date of this report.

B12. Dividend

On 9 July 2021, the Company announced an interim single-tier dividend of RM0.005 per ordinary share amounting to RM3,542,000 in respect of the financial year ended 30 June 2021. The dividend was paid on 12 August 2021 to shareholders whose names appeared in the record of depositors on 27 July 2021.

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

B13. Earnings/(Loss) Per Share

(i) The basic earnings per share is calculated by dividing the profit attributable to owners of the Company with the weighted average number of shares in issue during the financial period as follows:

| | QUARTER ENDED | | CUMULATIVE 12 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | 30/06/2022 | 30/06/2021 | 30/06/2022 | 30/06/2021 |
| Profit/(Loss) for the financial period attributable to owners of the Company (RM'000) | 5,204 | (38,158) | 3,187 | (42,311) |
| Weighted average number of ordinary shares in issue (Net of 1,847,300 treasury shares) ('000) | 771,510 | 708,397 | 771,510 | 708,397 |
| Earnings/(Loss) per share (sen) | <u>0.67</u> | <u>(5.39)</u> | <u>0.41</u> | <u>(5.97)</u> |

(ii) Diluted earnings per share is not disclosed as there is no dilutive potential ordinary shares.

B14. Other Matters

As announced to Bursa Malaysia Securities Berhad on 4 March 2021, the utilisation of the balance of the proceeds from the disposal of the previously cement-based associates has been fully withdrawn as follow:

| | At 01/7/2021 RM'000 | Amount utilised RM'000 | Balance as at 30/06/2022 RM'000 |
|--|------------------------------------|---------------------------------------|--|
| Revised utilisation as approved by the Securities Commission on 4 March 2021: | | | |
| For purchase of inventories comprising amongst others, raw materials and packing materials for Network Foods Industries Sdn Bhd. | 19,186 | (19,186) | - |
| For management fees charged by related company and operating expenses including audit fees, tax agent fees, the Company's annual listing fees, expenses for the Company's annual general meeting, etc. | 2,383 | (2,383) | - |
| Total | <u>21,569</u> | <u>(21,569)</u> | <u>-</u> |

B15. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 30 June 2022 was unmodified.

By order of the Board
PAN MALAYSIA CORPORATION BERHAD

LEE CHIK SIONG
WONG SHUK FUEN
Joint Company Secretaries

Date: 25 August 2022