

PAN MALAYSIA CORPORATION BERHAD

Registration No: 196301000008 (4920-D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

(The figures are unaudited)

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

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Continuing operations:				
Revenue	51,273	51,869	102,833	102,074
Cost of sales	(22,754)	(23,576)	(46,928)	(46,386)
Gross profit	28,519	28,293	55,905	55,688
Other income	758	5,190	1,731	8,036
Selling and distribution expenses	(2,201)	(1,135)	(4,200)	(2,631)
Administrative and operating expenses	(27,857)	(24,442)	(56,533)	(48,175)
Other expenses	(164)	-	(164)	-
Finance costs	(1,419)	(1,282)	(2,641)	(2,252)
Share of losses of an equity accounted joint venture	(2)	(5)	(2)	(5)
(Loss)/Profit before taxation	(2,366)	6,619	(5,904)	10,661
Tax expense	(171)	(16)	(267)	(32)
(Loss)/Profit after taxation from continuing operations	(2,537)	6,603	(6,171)	10,629
Discontinued operations:				
(Loss)/Profit before taxation from discontinued operations	(25)	(1,000)	18,279	(78)
Tax expense	-	-	-	-
(Loss)/Profit after taxation from discontinued operations	(25)	(1,000)	18,279	(78)
(Loss)/Profit for the period	(2,562)	5,603	12,108	10,551
Attributable to:				
Owners of the Company	(1,726)	2,967	14,402	6,941
Non-controlling interests	(836)	2,636	(2,294)	3,610
	(2,562)	5,603	12,108	10,551
(Loss)/Profit per share attributable to owners of the Company (Sen):				
Basic/Diluted	(0.22)	0.38	1.87	0.90

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 2023 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	<u>QUARTER ENDED</u>		<u>CUMULATIVE 6 MONTHS</u>	
	<u>31/12/2023</u> <u>RM'000</u>	<u>31/12/2022</u> <u>RM'000</u>	<u>31/12/2023</u> <u>RM'000</u>	<u>31/12/2022</u> <u>RM'000</u>
(Loss)/Profit after taxation	(2,562)	5,603	12,108	10,551
Other comprehensive income/(expenses):				
Net gain on fair value changes of equity investments	3,254	1,108	1,823	1,935
Foreign currency translation differences	(989)	(1,793)	(491)	(1,715)
Total other comprehensive income/(expenses)	2,265	(685)	1,332	220
Total comprehensive (expenses)/income for the financial period	<u>(297)</u>	<u>4,918</u>	<u>13,440</u>	<u>10,771</u>
Attributable to:				
Owners of the Company	539	2,282	15,734	7,161
Non-controlling interests	(836)	2,636	(2,294)	3,610
	<u>(297)</u>	<u>4,918</u>	<u>13,440</u>	<u>10,771</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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	31/12/2023 RM'000	30/06/2023 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	113,091	122,311
Investment property	1,295	1,313
Investment in a joint venture	133	135
Other Investments	122,032	120,816
Goodwill on consolidation	29,415	29,415
Trademarks	4,984	4,984
Intangible assets	6,756	7,076
Deferred tax assets	4,122	4,456
	<u>281,828</u>	<u>290,506</u>
Current assets		
Inventories	4,750	16,167
Right to recover returned goods	-	512
Trade and other receivables	26,796	29,660
Amount owing by holding company	9,836	9,527
Other investments	1,007	2,010
Short-term investments	5,325	11,076
Current tax assets	996	1,637
Deposits, bank balances and cash	65,964	31,409
	<u>114,674</u>	<u>101,998</u>
Assets of disposal group classified as held for sale	36,553	-
Assets classified as held for sale	-	17,674
	<u>151,227</u>	<u>119,672</u>
TOTAL ASSETS	<u>433,055</u>	<u>410,178</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	221,959	221,959
Treasury shares	(866)	(866)
Reserves	51,065	39,960
	<u>272,158</u>	<u>261,053</u>
Non-Controlling Interests	<u>(2,800)</u>	<u>(506)</u>
Total Equity	<u>269,358</u>	<u>260,547</u>
Non-current liabilities		
Lease liabilities	10,739	13,340
Borrowings	37,902	31,731
Provision for restoration cost	2,676	2,564
Deferred tax liabilities	3,086	3,094
	<u>54,403</u>	<u>50,729</u>
Current liabilities		
Trade and other payables	70,037	70,804
Contract liabilities	33	5
Current tax liabilities	157	107
Lease liabilities	11,066	10,142
Borrowings	16,925	16,953
Refund liabilities	-	891
	<u>98,218</u>	<u>98,902</u>
Liabilities of disposal group classified as held for sale	11,076	-
	<u>109,294</u>	<u>98,902</u>
Total Liabilities	<u>163,697</u>	<u>149,631</u>
TOTAL EQUITY AND LIABILITIES	<u>433,055</u>	<u>410,178</u>
	RM	RM
Net assets per share attributable to owners of the Company	0.35 *	0.34 *

* 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 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	Attributable to Owners of the Company				Total	Non- Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Non- Distributable				
			Reserves	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 July 2023	221,959	(866)	(7,587)	47,547	261,053	(506)	260,547
Other comprehensive income:							
Fair value changes of equity investments	-	-	1,823	-	1,823	-	1,823
Foreign currency translation differences	-	-	(491)	-	(491)	-	(491)
Profit for the financial period	-	-	-	14,402	14,402	(2,294)	12,108
Total comprehensive income for the financial period	-	-	1,332	14,402	15,734	(2,294)	13,440
Dividend paid	-	-	-	(4,629)	(4,629)	-	(4,629)
At 31 December 2023	221,959	(866)	(6,255)	57,320	272,158	(2,800)	269,358
At 1 July 2022	221,959	(866)	(7,253)	21,235	235,075	2,729	237,804
Other comprehensive income:							
Fair value changes of equity investments	-	-	1,935	-	1,935	-	1,935
Foreign currency translation differences	-	-	(1,715)	-	(1,715)	-	(1,715)
Profit for the financial period	-	-	-	6,941	6,941	3,610	10,551
Total comprehensive income for the financial period	-	-	220	6,941	7,161	3,610	10,771
Dividend paid	-	-	-	(2,314)	(2,314)	-	(2,314)
At 31 December 2022	221,959	(866)	(7,033)	25,862	239,922	6,339	246,261

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2023**

	CUMULATIVE 6 MONTHS	
	31/12/2023	31/12/2022
	RM'000	RM'000
Operating Activities		
(Loss)/Profit before taxation - continuing operations	(5,904)	10,661
Profit/(Loss) before taxation - discontinued operations	18,279	(78)
Net adjustment	<u>(6,379)</u>	<u>7,844</u>
Operating profit before working capital changes	5,996	18,427
Net change in working capital	<u>5,777</u>	<u>3,731</u>
Cash from operations	11,773	22,158
Dividend received	88	228
Interest paid	(2,640)	(2,424)
Interest received	822	268
Net tax paid	<u>(43)</u>	<u>(64)</u>
Net cash generated from operating activities	<u>10,000</u>	<u>20,166</u>
Investing Activities		
Addition of intangible asset	(189)	-
Advances to related companies	(1,631)	-
(Placement)/Withdrawal of deposits with tenure more than 3 months	(605)	3,492
Purchase of property, plant and equipment	(10,484)	(20,516)
Proceeds from disposal of asset held for sale	41,000	-
Proceeds from disposal of investment	-	815
Proceeds from disposal of property, plant and equipment	55	-
Withdrawal of short-term investments	5,000	-
Withdrawal/(Purchase) of other investments	<u>570</u>	<u>(630)</u>
Net cash generated from/(used in) investing activities	<u>33,716</u>	<u>(16,839)</u>
Financing Activities		
Dividend paid	(4,629)	(2,314)
Drawdown of bank borrowing	9,317	-
Drawdown of lease liabilities	3,394	475
Repayment of bank borrowing	(2,716)	(942)
Repayment of lease liabilities	<u>(5,071)</u>	<u>(5,043)</u>
Net cash generated from/(used in) financing activities	<u>295</u>	<u>(7,824)</u>
Net increase/(decrease) in cash and cash equivalents	44,011	(4,497)
Cash and cash equivalents at beginning of financial period		
As previously reported	20,975	31,446
Effects of exchange rate changes	(400)	502
As restated	20,575	31,948
Cash and cash equivalents at end of financial period *	<u>64,586</u>	<u>27,451</u>

*Included the cash and cash equivalents of RM10.8 million under Assets of disposal group classified as held for sale.

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The condensed consolidated financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. The Condensed Report, other than for financial instruments had been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments*.

The Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023.

A2. Significant Accounting Policies

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 30 June 2023, except for the following:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

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

The Group have 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
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of 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.

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A3. Seasonal or Cyclical Factors

The Group's Food and Fast Food division are affected by seasonal factors.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 December 2023.

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 31 December 2023.

A6. Debt and Equity Securities

As at 31 December 2023, the number of treasury shares held is 1,847,300 ordinary shares.

There were no issuances, repurchases and repayments of debt and equity securities, share buy-backs and share cancellations during the financial period ended 31 December 2023.

A7. Dividend Paid

CURRENT YEAR TO DATE
RM'000

Interim single tier dividend of RM0.006 per ordinary share in respect of financial year ending 30 June 2024, paid on 27 October 2023

4,629

A8. Operating Segments

Cumulative 6 months ended 31 December 2023

	Continuing operations				Discontinued operations	Grand Total RM'000
	Fast Food Chain RM'000	Food RM'000	Investment Holding RM'000	Total RM'000	Food RM'000	
REVENUE						
- External revenue	98,618	4,215	-	102,833	24,687	127,520
	<u>98,618</u>	<u>4,215</u>	<u>-</u>	<u>102,833</u>	<u>24,687</u>	<u>127,520</u>
RESULTS						
Segmental results	(1,935)	350	(1,678)	(3,263)	18,310	15,047
Finance cost	(2,620)	(8)	(13)	(2,641)	(31)	(2,672)
(Loss)/Profit before tax	<u>(4,555)</u>	<u>342</u>	<u>(1,691)</u>	<u>(5,904)</u>	<u>18,279</u>	<u>12,375</u>
Segment assets	<u>156,957</u>	<u>37,554</u>	<u>196,873</u>	<u>391,384</u>	<u>35,745</u>	<u>427,129</u>
Unallocated assets						5,926
						<u>433,055</u>

Cumulative 6 months ended 31 December 2022

	Continuing operations				Discontinued operations	Grand Total RM'000
	Fast Food Chain RM'000	Food RM'000	Investment Holding RM'000	Total RM'000	Food RM'000	
REVENUE						
- External revenue	99,474	2,600	-	102,074	30,928	133,002
	<u>99,474</u>	<u>2,600</u>	<u>-</u>	<u>102,074</u>	<u>30,928</u>	<u>133,002</u>
RESULTS						
Segment results	9,726	(526)	3,713	12,913	94	13,007
Finance cost	(2,252)	-	-	(2,252)	(172)	(2,424)
Profit/(Loss) before tax	<u>7,474</u>	<u>(526)</u>	<u>3,713</u>	<u>10,661</u>	<u>(78)</u>	<u>10,583</u>
Segment assets	<u>124,859</u>	<u>21,971</u>	<u>126,679</u>	<u>273,509</u>	<u>79,602</u>	<u>353,111</u>
						6,221
						<u>359,332</u>

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A9. Events Subsequent to the End of the Financial Period

There were no material events subsequent to the financial period ended 31 December 2023 that have not been reflected in the interim financial statements for the said period as at the date of this report except for the corporate proposals described in Note B6.

A10. Changes in the Composition of the Group

Tiffany Enterprise Sdn Bhd and Danau Gelombang Sdn Bhd, dormant subsidiaries, were dissolved on 7 October 2023 and 11 December 2023 respectively, pursuant to Section 459(5) of the Companies Act 2016, with no material impact on the earnings and net assets of the Group.

A11. Contingent Liabilities

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

A12. Capital Commitments

As at 31 December 2023, the Group has ceased the subscription of interest as a limited partner in Genesis Alternatives Ventures I L.P ("Genesis"). Genesis has also distributed the capital to the Group progressively.

In respect of the above, the Group has determined that it no longer has significant capital commitments applicable for the financial period ended 31 December 2023.

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

B1. Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31/12/2023 (Q2 FY24) RM'000	31/12/2022 (Q2 FY23) RM'000	CHANGES %	31/12/2023 (6M FY24) RM'000	31/12/2022 (6M FY23) RM'000	CHANGES %
Revenue						
Fast Food Chain	49,321	50,332	(2.0)	98,618	99,474	(0.9)
Food - Continuing Operations	1,952	1,537	27.0	4,215	2,600	62.1
	51,273	51,869	(1.1)	102,833	102,074	0.7
Food - Discontinued Operations	12,625	14,440	(12.6)	24,687	30,928	(20.2)
	63,898	66,309	(3.6)	127,520	133,002	(4.1)
(Loss)/Profit before tax ("LBT")/("PBT")						
Fast Food Chain	(1,641)	5,486	(129.9)	(4,555)	7,474	(160.9)
Food - Continuing Operations	367	(190)	293.2	342	(526)	165.0
Investment holding	(1,092)	1,323	(182.5)	(1,691)	3,713	(145.5)
	(2,366)	6,619	(135.7)	(5,904)	10,661	(155.4)
Food - Discontinued Operations	(25)	(1,000)	97.5	18,279	(78)	23,534.6
	(2,391)	5,619	(142.6)	12,375	10,583	16.9

Q2 FY24 vs Q2 FY23

Continuing operations:

The Continuing Operations experienced a decrease of RM0.6 million or 1.1% in revenue as compared to the same quarter in the previous year. High inflationary pressure significantly constrained customers' spending, compounded to a certain extent by the Middle East conflict, culminating in negative sales growth for the current quarter.

The Fast Food segment incurred an LBT of RM1.6 million, in contrast to a PBT of RM5.5 million in the same quarter of the previous year. The decrease of RM7.1 million in PBT was due to higher operating expenses in the Fast Food Chain segment, which were incurred as a result of the expansion of new outlets. The rise in expenses were attributed to higher expenditures on manpower, raw materials, and marketing spending. In addition, the Fast Food segment registered a one-off income of RM1.3 million from landlord incentives in Q2 FY23 as compared to no such income for the current quarter.

Discontinued operations:

The Discontinued Food segment achieved revenue of RM12.6 million in the current quarter, as opposed to RM14.4 million in the previous year's corresponding quarter. The Discontinued Food Segment encountered sales challenges due to reduced trade offtake. Sales growth within the domestic market fell short of pre-festive season expectations. Additionally, the reduced demand in the overseas market was impacted by the delays of the import approval from Myanmar.

Nevertheless, the Discontinued Food segment incurred an LBT of RM0.03 million, in contrast to an LBT of RM1.0 million in the same quarter of the previous year. The improvement of RM0.97 million was mainly due to the reduction in operating expenses for the current quarter.

6M FY24 vs 6M FY23

Continuing operations:

The Continuing Operations' revenue for 6M FY24 reached RM102.8 million, showing an increase of RM0.7 million compared to RM102.1 million in 6M FY23, mainly due to the higher revenue of RM1.6 million generated by Network Foods (Hong Kong) Limited.

Nevertheless, the Fast Food Chain segment recorded an LBT of RM4.6 million as compared to a PBT of RM7.5 million in the previous year's corresponding period. This loss was attributed to increased operating costs resulting from the establishment of new outlets, rising labour expenses, and higher raw material costs as well as the higher marketing spending to maintain the market share.

Discontinued operations:

The Discontinued Operations' revenue declined by RM6.2 million or 20.2% compared to the previous year's corresponding period primarily caused by reduced trade offtake and persistent weakness in consumer purchasing power.

For 6M FY24, the Discontinued Food segment reported a PBT of RM18.3 million and an LBT of RM0.1 million in 6M FY23. This was mainly attributed to the gain on disposal of a leasehold land amounting RM20.3 million. Excluding the one-off disposal gain of RM20.3 million, the Discontinued Food segment recorded an LBT of RM2.0 million for 6M FY24.

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

	QUARTER ENDED		
	31/12/2023 (Q2 FY24) RM'000	30/09/2023 (Q1 FY24) RM'000	CHANGES %
Revenue			
Fast Food Chain	49,321	49,297	0.0
Food - Continuing Operations	1,952	2,263	(13.7)
	<hr/> 51,273	<hr/> 51,560	<hr/> (0.6)
Food - Discontinued Operations	12,625	12,062	4.7
Total	<hr/> 63,898	<hr/> 63,622	<hr/> 0.4
(Loss)/Profit before tax ("LBT")/("PBT")			
Fast Food Chain	(1,641)	(2,914)	43.7
Food - Continuing Operations	367	(25)	1,568.0
Investment holding	(1,092)	(599)	(82.3)
	<hr/> (2,366)	<hr/> (3,538)	<hr/> 33.1
Food - Discontinued Operations	(25)	18,304	(100.1)
Total	<hr/> (2,391)	<hr/> 14,766	<hr/> (116.2)

Continuing operations:

The Continuing Operations' revenue for the current quarter decreased by RM0.3 million in comparison to the revenue generated in the Q1 FY24. Notwithstanding the aforesaid, the Group is working on improving the customer service, cost optimisation, labour and productivity management, and effective marketing strategies.

For Q2 FY24, the Continuing Operations reported an LBT of RM2.4 million as compared to an LBT of RM3.5 million in Q1 FY24. The improvement of RM1.1 million was primarily attributed to the reduction in other operating expenses for the Fast Food Segment.

Discontinued operations:

The revenue of the Discontinued Food Segment has seen a slight increase of RM0.5 million or 4.7% as compared to the previous quarter. This increase is attributed to higher sales in the export market, where both industrial and export customers increased their orders in anticipation of the upcoming festive seasons.

The Discontinued Food Segment reported an LBT of RM25k in Q2 FY24 and a PBT of RM18.3 million in Q1 FY24, primarily attributed to the disposal of a leasehold land totaling RM41.0 million in Q1 FY24.

B3. Prospects for the Financial Year Ending 30 June 2024

Bank Negara Malaysia projects that the Malaysian economy will likely experience growth between 4.0% and 5.0% in 2024. This projection is based on anticipated resilience in domestic demand and expected improvement in export performance.

To adapt to evolving consumer preferences, the Group's Fast Food chain has implemented various initiatives, including enhancing delivery channels and actively promoting digital ordering through the 'A&W Ordering App'. Additionally, the Group is also enhancing the overall menu to provide more choices to the consumers. The Group will continue to seek further growth opportunities through 'Drive-Thru' and 'R&R' outlets, which are expected to be more resilient in the long term.

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B4. (Loss)/Profit before tax ("LBT")/("PBT")

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31/12/2023 RM'000	31/12/2022 RM'000	CHANGES %	31/12/2023 RM'000	31/12/2022 RM'000	CHANGES %
<u>Included in the PBT from Continuing Operations are the following items:</u>						
Depreciation & amortization	(5,947)	(4,364)	(36.3)	(11,820)	(8,758)	(35.0)
Finance income:						
- Deposits with banks	299	8	3,637.5	408	33	1,136.4
- Related party	59	59	-	118	118	-
- Holding company	155	62	150.0	309	125	147.2
- Other investment	169	-	100.0	296	-	100.0
Finance cost	(1,419)	(1,282)	10.7	(2,641)	(2,252)	17.3
Fair value (loss)/gain :						
- short term investments	(737)	986	(174.7)	(763)	1,826	(141.8)
(Loss)/Gain on foreign exchange						
- Realised	(228)	(52)	100.0	5	(13)	100.0
- Unrealised	(3,632)	(1,738)	(109.0)	650	2,103	(69.1)
Inventories written down	(3)	(3)	100.0	(7)	(6)	100.0
Property, plant and equipment written off	-	-	100.0	(152)	-	100.0
<u>Included in the PBT from Discontinued Operations are the following items:</u>						
Depreciation	(244)	(234)	(4.3)	(518)	(682)	24.0
Finance income:						
- Deposits with banks	69	62	11.3	93	88	5.7
Finance cost	(14)	(153)	(90.9)	(31)	(172)	(82.0)
Gain on disposal of asset held for sale	44	-	100.0	20,364	-	100.0
(Loss)/Gain on disposal of property, plant and equipment	(23)	-	100.0	32	-	100.0
Gain/(Loss) on foreign exchange						
- Realised	1,438	(560)	356.8	1,253	(403)	(410.9)
- Unrealised	(1,551)	225	789.3	(1,571)	52	(3,121.2)
Inventories written back/(written down)	33	(117)	128.2	(1,398)	(143)	877.6

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B5. Tax Expense

Taxation comprises:

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31/12/2023	31/12/2022	CHANGES	31/12/2023	31/12/2022	CHANGES
	RM'000	RM'000	%	RM'000	RM'000	%
Current tax expense	(185)	(16)	(1,056.3)	(281)	(32)	(778.1)
Deferred tax	-	-	100.0	-	-	100.0
Over provision in respect of prior year	14	-	100.0	14	-	100.0
	<u>(171)</u>	<u>(16)</u>	<u>(968.8)</u>	<u>(267)</u>	<u>(32)</u>	<u>(734.4)</u>

The current tax expense for the financial period ended 31 December 2023 was mainly due to the interest income from deposits with bank.

B6. Status of Corporate Proposals

(a) On 7 November 2022, a subsidiary company of Pan Malaysia Corporation Berhad ("PMC"), Network Foods Industries Sdn Bhd ("NFI") entered into Sale and Purchase Agreement with Amazing Blitz Sdn Bhd for the disposal of the leasehold land held under H.S.(D) 324738, Pt[-], Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 24,295.208 square meters and the buildings erected thereon together with the fixtures and fittings for a total disposal consideration of RM41,000,000.

The disposal has been completed on 30 August 2023.

(b) On 1 August 2023, a subsidiary company of PMC, PMRI Investments (Singapore) Pte Ltd ("Vendor") entered into a conditional share sale agreement ("SSA") with Wah Kong Corporation Sdn Bhd ("Purchaser") for the disposal of 85% equity interest in Network Foods International Ltd ("NFIL") and its subsidiaries excluding Network Foods (Hong Kong) Limited for a disposal consideration of RM24,220,929 to be satisfied entirely in cash ("Proposed Disposal").

On 31 October 2023, the Company announced that the Vendor and Purchaser have mutually agreed to extend the Conditional Period (as defined in the SSA) ("CP") for an additional period of sixty (60) days, which would expire on 30 December 2023.

Subsequently on 28 December 2023, the Company announced that the Vendor and Purchaser have mutually agreed to extend the CP for an additional period of ninety (90) days, which will expire on 29 March 2024.

On 18 January 2024, in fulfilment of part of the Conditions Precedent of the SSA pertaining to the Proposed Disposal, the following agreements have been entered into by the relevant parties:

- a) a shareholders' agreement between the Purchaser and the Vendor in respect of World of Indulgence Sdn Bhd ("WISB"), the Special Purpose Vehicle which has been incorporated pursuant to the terms of the SSA wherein WISB will be the new holding company of NFI and Network Foods Malaysia Sdn Bhd after the completion of the SSA;
- b) a call and put option agreement between the Vendor and the Purchaser in relation to the 15% equity interest of the Vendor in NFIL and WISB respectively; and
- c) GCIH Trademarks Limited, a subsidiary of the Vendor and NFI, a subsidiary of NFIL have entered into the Trademark Service Agreement in relation to the GCIH Trademarks.

On 31 January 2024, the Vendor and Purchaser have entered into a variation letter to vary certain terms of the SSA dated 1 August 2023 ("SSA Amendments"). Save for the SSA Amendments, all other terms and conditions of the SSA shall remain in full force and effect.

The Proposed Disposal is pending for completion.

(c) On 8 September 2023, Pan Malaysia Corporation Berhad ("PMC") entered into a Sale and Purchase Agreement with Inter Mark Resources Sdn Bhd to acquire the remaining 49% equity interest comprising 30,380,000 ordinary shares in A&W (Malaysia) Sdn Bhd for a purchase consideration of RM69,454,595 to be satisfied via a combination of cash payment of RM41,672,757 and the issuance of 111,127,352 new ordinary shares of the Company at an issue price of RM0.25 per share amounting to RM27,781,838 ("Proposed Acquisition").

On 14 February 2024, PMC has received a letter from Bursa Securities approving the listing and quotation of 111,127,352 Consideration Shares to be issued pursuant to the Proposed Acquisition, subject to the conditions stated in the letter.

The Proposed Acquisition is pending for completion.

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B7. Trade Receivables

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

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

<u>Continuing Operations</u>	31/12/2023	30/09/2023	CHANGES
	RM'000	RM'000	%
Not past due	2,641	2,000	32.1
Past due 1-30 days	337	382	(11.8)
Past due 31-60 days	214	403	(46.9)
Past due 61-120 days	-	3	(100.0)
Past due more than 120 days	-	-	-
Provision for impairment	-	-	-
	<u>3,192</u>	<u>2,788</u>	<u>14.5</u>
<u>Discontinued Operations</u>	31/12/2023	30/09/2023	CHANGES
	RM'000	RM'000	%
Not past due	6,282	7,294	(13.9)
Past due 1-30 days	574	985	(41.7)
Past due 31-60 days	80	258	(69.0)
Past due 61-120 days	56	393	(85.8)
Past due more than 120 days	35	113	(69.0)
Provision for impairment	(143)	(141)	(100.0)
	<u>6,884</u>	<u>8,902</u>	<u>(22.7)</u>

B8. Group Borrowings

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

	31/12/2023		30/06/2023	
	RM'000		RM'000	
Non-current liabilities	<u>Continuing</u>	<u>Discontinued</u>	<u>Continuing</u>	<u>Discontinued</u>
Lease liabilities	10,739	-	13,340	-
Borrowings	37,902	257	31,270	461
	<u>48,641</u>	<u>257</u>	<u>44,610</u>	<u>461</u>
Current liabilities				
Lease liabilities	11,066	-	10,114	28
Borrowings	16,925	414	16,541	412
	<u>27,991</u>	<u>414</u>	<u>26,655</u>	<u>440</u>
Grand Total	<u>76,632</u>	<u>671</u>	<u>71,265</u>	<u>901</u>

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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 31 December 2023, 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 29 September 2023, the Company declared an interim single tier dividend of RM0.006 per ordinary share amounting to RM4,629,000 in respect of financial year ending 30 June 2024. The dividend was paid on 27 October 2023 to shareholders whose names appeared in the record of depositors on 18 October 2023.

B13. Earnings 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:

	<u>QUARTER ENDED</u>		<u>CUMULATIVE 6 MONTHS</u>	
	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
(Loss)/profit for the financial period attributable to owners of the Company (RM'000)	(1,726)	2,967	14,402	6,941
Weighted average number of ordinary shares in issue (Net of 1,847,300 treasury shares) ('000)	771,510	771,510	771,510	771,510
Earnings per share (sen)	<u>(0.22)</u>	<u>0.38</u>	<u>1.87</u>	<u>0.90</u>

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

B14. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 30 June 2023 was unmodified.

By order of the Board
PAN MALAYSIA CORPORATION BERHAD

LEE CHIK SIONG
WONG SHUK FUEN
Joint Company Secretaries

Date: 21 February 2024