

PAN MALAYSIA CORPORATION BERHAD
Company No : 4920 - D
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2009
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 31 March 2009

| | FIRST QUARTER | | CUMULATIVE 3 MONTHS | |
|---|----------------------|-------------------|----------------------------|-------------------|
| | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 17,971 | 33,842 | 17,971 | 33,842 |
| Cost of sales | (11,116) | (22,301) | (11,116) | (22,301) |
| Gross profit | 6,855 | 11,541 | 6,855 | 11,541 |
| Other income | 2,801 | 177 | 2,801 | 177 |
| Administration expenses | (2,718) | (2,176) | (2,718) | (2,176) |
| Selling and distribution expenses | (3,273) | (3,534) | (3,273) | (3,534) |
| Other expenses | - | (4,521) * | - | (4,521) * |
| Finance costs | (807) | (4,000) | (807) | (4,000) |
| Profit/(Loss) before taxation | 2,858 | (2,513) | 2,858 | (2,513) |
| Taxation | (353) | (413) | (353) | (413) |
| Profit/(Loss) for the financial period | 2,505 | (2,926) | 2,505 | (2,926) |
| Attributable to:- | | | | |
| Equity holders of the Company | 2,351 | (3,013) | 2,351 | (3,013) |
| Minority interests | 154 | 87 | 154 | 87 |
| | 2,505 | (2,926) | 2,505 | (2,926) |
| | Sen | Sen | Sen | Sen |
| Earnings/(Loss) per 50 sen share attributable to equity holders of the Company : | | | | |
| Basic | 0.33 | (0.42) | 0.33 | (0.42) |
| Fully diluted | N/A | N/A | N/A | N/A |

* - Other expenses comprised unrealised losses on foreign exchange.

N/A - Not applicable.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
At 31 March 2009

| | 31/3/2009 | 31/12/2008 |
|---|----------------|---------------------|
| | RM'000 | (Audited) RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 24,368 | 24,741 |
| Prepaid land lease payments | 1,806 | 1,816 |
| Investment property | 1,233 | 1,249 |
| Goodwill on consolidation | 58,206 | 58,206 |
| Trademarks | 4,984 | 4,984 |
| Investments | 138,075 | 122,337 |
| Deferred tax assets | 226 | 215 |
| | <u>228,898</u> | <u>213,548</u> |
| Current assets | | |
| Inventories | 18,601 | 19,790 |
| Trade and other receivables | 18,641 | 33,452 |
| Tax recoverable | 521 | 413 |
| Deposits, bank balances and cash | 121,838 | 304,563 |
| Investments | - | 2,802 |
| | <u>159,601</u> | <u>361,020</u> |
| TOTAL ASSETS | <u>388,499</u> | <u>574,568</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 386,678 | 386,678 |
| Treasury shares | (30,466) | (30,466) |
| Reserves | (31,728) | (34,168) |
| | <u>324,484</u> | <u>322,044</u> |
| Minority interests | 9,811 | 9,616 |
| Total Equity | <u>334,295</u> | <u>331,660</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 567 | 567 |
| Current liabilities | | |
| Short term borrowings | 39,335 | 219,938 |
| Trade and other payables | 13,367 | 21,513 |
| Amounts owing to related companies | 250 | 250 |
| Provision for taxation | 685 | 640 |
| | <u>53,637</u> | <u>242,341</u> |
| Total Liabilities | <u>54,204</u> | <u>242,908</u> |
| TOTAL EQUITY AND LIABILITIES | <u>388,499</u> | <u>574,568</u> |
| | RM | RM |
| Net Assets per 50 sen share attributable to equity holders of the Company | 0.46 * | 0.45 * |

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

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD
 Company No : 4920 - D
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the financial period ended 31 March 2009

| <u>Cumulative 3 months</u> | Attributable to Equity Holders of the Company | | | | | | Minority | Total | |
|--|---|------------------------------|----------------------------|--|-----------------------------|---------------------------------|-----------------|--------|---------|
| | Non-Distributable | | | | | | Interests | Equity | |
| | Share Capital RM'000 | Treasury Shares RM'000 | Share Premium RM'000 | Capital Redemption Reserve RM'000 | Other Reserves RM'000 | Accumulated Losses RM'000 | Total RM'000 | RM'000 | RM'000 |
| At 1 January 2009 | 386,678 | (30,466) | 472,258 | 33,327 | 87,622 | (627,375) | 322,044 | 9,616 | 331,660 |
| Net income recognised directly in equity | - | - | - | - | 89 | - | 89 | 41 | 130 |
| Profit for the financial period | - | - | - | - | - | 2,351 | 2,351 | 154 | 2,505 |
| Total recognised income for the period | - | - | - | - | 89 | 2,351 | 2,440 | 195 | 2,635 |
| At 31 March 2009 | 386,678 | (30,466) | 472,258 | 33,327 | 87,711 | (625,024) | 324,484 | 9,811 | 334,295 |
| At 1 January 2008 | 386,678 | (29,478) | 472,258 | 33,327 | 83,116 | (588,014) | 357,887 | 8,738 | 366,625 |
| Net income recognised directly in equity | - | - | - | - | 800 | - | 800 | - | 800 |
| Loss for the financial period | - | - | - | - | - | (3,013) | (3,013) | 87 | (2,926) |
| Total recognised income and expense for the period | - | - | - | - | 800 | (3,013) | (2,213) | 87 | (2,126) |
| At 31 March 2008 | 386,678 | (29,478) | 472,258 | 33,327 | 83,916 | (591,027) | 355,674 | 8,825 | 364,499 |

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHADCompany No : 4920 - D
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**
For the financial period ended 31 March 2009

| | CUMULATIVE 3 MONTHS | |
|---|---------------------|----------------|
| | 31/03/2009 | 31/03/2008 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Profit/(Loss) before taxation | 2,858 | (2,513) |
| Adjustments:- | | |
| Gain on disposal of property, plant and equipment | (10) | - |
| Write back of allowance for doubtful debts | (22) | (11) |
| Gain on disposal of investments | (714) | - |
| Unrealised exchange (gain) / losses | (1,222) | 3,863 |
| Others | 847 | 758 |
| Operating profit before working capital changes | <u>1,737</u> | <u>2,097</u> |
| Net change in working capital | <u>8,022</u> | <u>183</u> |
| Cash generated from operating activities | 9,759 | 2,280 |
| Interest paid | (807) | (4,000) |
| Interest received | 520 | 3,605 |
| Dividend received | 5 | 4 |
| Tax paid | (418) | (472) |
| Tax refunded | - | 500 |
| Net cash generated from operating activities | <u>9,059</u> | <u>1,917</u> |
| Cash Flows From Investing Activities | | |
| Purchase of investments | (15,739) | - |
| Purchase of property, plant and equipment | (225) | (833) |
| Proceeds from sale of investments | 3,516 | - |
| Proceeds from disposal of property, plant and equipment | 10 | - |
| Net cash used in investing activities | <u>(12,438)</u> | <u>(833)</u> |
| Cash Flows From Financing Activities | | |
| Repayment of bank borrowings (net) | (176,459) | (1,303) |
| Net cash used in financing activities | <u>(176,459)</u> | <u>(1,303)</u> |
| Net decrease in cash and cash equivalents | (179,838) | (219) |
| Exchange translation differences | 1,256 | (3,262) |
| Cash and cash equivalents at 1 January | <u>295,697</u> | <u>346,298</u> |
| Cash and cash equivalents at 31 March | <u>117,115</u> | <u>342,817</u> |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The Interim Financial Report of the Group is unaudited and has been prepared in accordance with the requirements of FRS 134 "Interim Financial Reporting". The Interim Financial Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2008.

A2. Accounting Policies

The significant accounting policies adopted in this Interim Financial Report are consistent with those of the audited financial statements for the year ended 31 December 2008.

A3. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

For the food and confectionery operations in Asia Pacific regions, such as Malaysia, Singapore and Hong Kong, sales are better during the various festive seasons.

A5. Exceptional Items

There are no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial period ended 31 March 2009, other than the following:-

| | FIRST QUARTER | | CUMULATIVE 3 MONTHS | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31/3/2009 RM'000 | 31/3/2008 RM'000 | 31/3/2009 RM'000 | 31/3/2008 RM'000 |
| Gain/(Loss) on foreign exchange | 1,826 | (4,521) | 1,826 | (4,521) |
| Gain on disposal of investments | 714 | - | 714 | - |
| | <u>2,540</u> | <u>(4,521)</u> | <u>2,540</u> | <u>(4,521)</u> |

A6. Changes In Estimates of Amounts Reported Previously

There were no changes in estimates of amounts reported in prior financial years which may have a material effect in the financial period ended 31 March 2009.

A7. Issuances and Repayments of Debt and Equity Securities

As at 31 March 2009, the number of treasury shares held is 64,759,800 ordinary shares.

There were no issuances and repayments of debt and equity securities and resale of treasury shares for the financial period ended 31 March 2009.

A8. Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2009 (31 March 2008: Nil).

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A9. Segment Information

The analysis of the Group's operations for the financial period ended 31 March 2009 is as follows:-

| | Food & Confectionery RM'000 | Investment Holding RM'000 | Total RM'000 |
|-------------------------|--|--|-------------------------|
| REVENUE | | | |
| - External revenue | 17,449 | 522 | 17,971 |
| - Inter-segment revenue | - | - | - |
| Total | <u>17,449</u> | <u>522</u> | <u>17,971</u> |
| RESULTS | | | |
| Segment results | 1,443 | 2,222 | 3,665 |
| Finance cost | (5) | (802) | (807) |
| Profit before taxation | <u>1,438</u> | <u>1,420</u> | <u>2,858</u> |

A10. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The valuations of land and buildings have been brought forward without amendment from the previous annual report.

A11. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 March 2009 that have not been reflected in the financial statements for the said period as at the date of this report.

A12. Changes in the Composition of the Group

Syahdu Pinta Berhad, a wholly-owned subsidiary of the Group, which was placed under members' voluntary winding-up on 31 January 2005 was dissolved on 1 March 2009 pursuant to Section 272(5) of the Companies Act, 1965.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 March 2009.

A13. Contingent Liabilities

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

A14. Capital Commitments

There are no material capital commitments as at the date of this report other than the acquisition of the property for a cash consideration of RM17.0 million disclosed in Note B8. The acquisition is currently pending completion.

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B NOTES PER BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

For the three months ended 31 March 2009, the Group recorded revenue of RM18.0 million, lower than the revenue of RM33.8 million recorded for the previous year corresponding period. The lower revenue was due to rationalisation of its product portfolio by the Group's food and confectionery business, including discontinuing products with low margins or slow offtake.

Despite the lower revenue, the Group recorded a pre-tax profit of RM2.9 million compared to a loss of RM2.5 million in the previous year corresponding period. This was mainly due to significantly lower finance cost, gain on foreign exchange and gain on disposal of investments. As detailed in Note B14, the Company repaid RM176.5 million of bank borrowings during the quarter, thus the significant reduction in finance cost compared to the previous year corresponding period.

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

In the current quarter, the Group recorded revenue of RM18.0 million and a pre-tax profit of RM2.9 million compared with the preceding quarter's revenue of RM25.5 million and pre-tax loss of RM19.1 million. The higher revenue in the preceding quarter was mainly due to various festive seasons in line with the seasonal nature of the Group's food and confectionery operations while the pre-tax loss in the preceding quarter was mainly due to losses on foreign exchange and allowances for diminution in value of quoted investments.

B3. Prospects for Current Financial Year

In light of the prevailing uncertainty in the global economic outlook, consumer spending on non-essential goods will continue to be restrained. To mitigate this, the Group will focus on initiatives to offer a wider range of quality products at competitive prices, increase brand visibility and loyalty, and improve productivity and cost efficiency.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

Taxation comprises:-

| | First Quarter | | Cumulative 3 months | |
|--|---------------|------------|---------------------|------------|
| | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current taxation | 367 | 397 | 367 | 397 |
| (Over)/Under provision in respect of prior years | (14) | 16 | (14) | 16 |
| | <u>353</u> | <u>413</u> | <u>353</u> | <u>413</u> |

The tax provision of the Group for the financial period ended 31 March 2009 is lower than the statutory rate of tax mainly due to certain income not subject to tax.

B6. Gain/(Loss) on Disposal of Investments and/or Properties

There was no gain/(loss) on disposal of investments and/or properties for the financial period ended 31 March 2009 other than as disclosed in Note A5 and Note B7.

B7. Quoted Securities

(a) Total purchases and disposals of quoted securities for the financial period ended 31 March 2009 are as follows:-

| | RM'000 |
|----------------------|--------|
| (i) Total purchases | 15,739 |
| (ii) Total disposals | 2,802 |
| Net gain on disposal | 714 |

(b) Total investments in quoted securities as at 31 March 2009 are as follows:-

| | RM'000 |
|---|---------------|
| At cost | 185,559 |
| Less: Allowance for diminution in value of quoted investments | (143,868) |
| | <u>41,691</u> |
| Market value | <u>32,388</u> |

PAN MALAYSIA CORPORATION BERHAD

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B8. Status of Corporate Proposals

On 17 July 2008, the Company announced that Network Foods Industries Sdn Bhd ("NFI"), a 81.54% owned subsidiary, had entered into a sale and purchase agreement with Malaysia Plastics Sdn Bhd to acquire a piece of property held under H.S.(D) 167496 (Lot No. 614), Mukim Damansara, District of Petaling, Selangor Darul Ehsan, with buildings erected thereon ("Property") for a cash consideration of RM17.0 million ("Acquisition").

The Property is located next to NFI's existing factory in Shah Alam and is well suited for NFI's expansion plans to meet its growth demand. It will also allow the manufacturing, marketing and distribution operations of the Group to be consolidated and centralised in one location for better economies of scale and operational efficiency. The Acquisition is currently pending completion.

Other than the above, the Group has not announced any corporate proposals which have not been completed as at the date of this report.

B9. Group Borrowings

(a) Total Group borrowings as at 31 March 2009 are as follows:-

| | RM'000 |
|-----------------------|---------------|
| Short Term Borrowings | |
| Unsecured | <u>39,335</u> |

(b) Foreign borrowings in Ringgit equivalent as at 31 March 2009 included in (a) above are as follows:-

| Currency | RM'000 |
|-------------------|---------------|
| US Dollars | 113 |
| Singapore Dollars | <u>262</u> |

The foreign borrowings are taken by the foreign subsidiaries of the Group.

B10. Off Balance Sheet Financial Instruments

There are no material financial instruments with off balance sheet risk as at the date of this report.

B11. Material Litigation

There is no material litigation involving the Group as at the date of this report.

B12. Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2009 (31 March 2008: Nil).

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B13. Earnings/(Loss) Per Share

- (i) Basic earnings/(loss) per share

The basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) for the financial period attributable to equity holders of the Company with the weighted average number of shares in issue during the period as follows:-

| | <u>FIRST QUARTER</u> | | <u>CUMULATIVE 3 MONTHS</u> | |
|--|----------------------|-------------------|----------------------------|-------------------|
| | <u>31/03/2009</u> | <u>31/03/2008</u> | <u>31/03/2009</u> | <u>31/03/2008</u> |
| Profit/(Loss) attributable to equity holders of the Company (RM'000) | 2,351 | (3,013) | 2,351 | (3,013) |
| Weighted average number of ordinary shares in issue ('000) | 708,597 | 713,361 | 708,597 | 713,361 |
| Earnings/(Loss) per share (sen) | <u>0.33</u> | <u>(0.42)</u> | <u>0.33</u> | <u>(0.42)</u> |

- (ii) The diluted earnings per share is not disclosed as it is not applicable.

B14. Other Matters

The utilisation of the balance of the proceeds from the disposal of the cement-based associates is as follows:

| Proposed utilisation as approved by the Securities Commission ("SC") | Balance As At 01/01/2009 RM'million | Amount Utilised RM'million | Balance As At 31/03/2009 RM'million |
|---|--|---------------------------------------|--|
| a) To finance the acquisition of factory property comprising leasehold land with factory buildings in Shah Alam, Selangor Darul Ehsan by Network Foods Industries Sdn Bhd ("NFI") | 17.0 | - | 17.0 |
| b) To finance the development of the above and existing properties for the expansion of NFI's manufacturing operations and consolidation with the marketing and distribution operations of Network Foods (Malaysia) Sdn Bhd | 31.0 | - | 31.0 |
| c) To repay existing bank borrowings of the Company | 176.5 | 176.5 | - |
| Total | <u>224.5</u> | <u>176.5</u> | <u>48.0</u> |

**On behalf of the Board
PAN MALAYSIA CORPORATION BERHAD**

**LAI CHEE LEONG
LEONG PARK YIP
Joint Company Secretaries**

Date: 26 May 2009