

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

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

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2009 RM'000	31/12/2008 RM'000	31/12/2009 RM'000	31/12/2008 RM'000
Revenue	21,358	25,523	72,924	124,959
Cost of sales	(11,127)	(14,483)	(42,358)	(78,966)
Gross profit	<u>10,231</u>	<u>11,040</u>	<u>30,566</u>	<u>45,993</u>
Other income	749	5,477	5,775	6,154
Administration expenses	(3,685)	(3,323)	(12,153)	(11,548)
Selling and distribution expenses	(9,097)	(6,917)	(20,494)	(17,181)
Other expenses	(1,655)	(21,710)	(1,655)	(44,244)
Finance costs	(444)	(3,617)	(2,137)	(15,411)
Loss before taxation	<u>(3,901)</u>	<u>(19,050)</u>	<u>(98)</u>	<u>(36,237)</u>
Taxation	119	(428)	(680)	(1,732)
Loss for the financial period	<u>(3,782)</u>	<u>(19,478)</u>	<u>(778)</u>	<u>(37,969)</u>
Attributable to:-				
Equity holders of the Company	(3,837)	(20,410)	(1,186)	(39,361)
Minority interests	<u>55</u>	<u>932</u>	<u>408</u>	<u>1,392</u>
	<u>(3,782)</u>	<u>(19,478)</u>	<u>(778)</u>	<u>(37,969)</u>
	Sen	Sen	Sen	Sen
Loss per 50 sen share attributable to equity holders of the Company:				
Basic	(0.54)	(2.88)	(0.17)	(5.54)
Fully diluted	N/A	N/A	N/A	N/A

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 December 2009

	31/12/2009	31/12/2008
	RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,408	24,741
Prepaid land lease payments	19,209	1,816
Investment property	1,219	1,249
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
Investments	136,743	122,337
Deferred tax assets	81	215
	<u>244,850</u>	<u>213,548</u>
Current assets		
Inventories	22,577	19,790
Trade and other receivables	19,101	33,452
Tax recoverable	819	413
Deposits, bank balances and cash	102,687	304,563
Investments	-	2,802
	<u>145,184</u>	<u>361,020</u>
TOTAL ASSETS	<u>390,034</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	(34,880)	(34,168)
	<u>321,332</u>	<u>322,044</u>
Minority interests	10,124	9,616
Total Equity	<u>331,456</u>	<u>331,660</u>
Non-current liabilities		
Deferred tax liabilities	781	567
Current liabilities		
Short term borrowings	40,738	219,938
Trade and other payables	17,059	21,513
Amounts owing to related companies	-	250
Provision for taxation	-	640
	<u>57,797</u>	<u>242,341</u>
Total Liabilities	<u>58,578</u>	<u>242,908</u>
TOTAL EQUITY AND LIABILITIES	<u>390,034</u>	<u>574,568</u>
	RM	RM
Net Assets per 50 sen share attributable to equity holders of the Company	0.45 *	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
 (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the financial period ended 31 December 2009

	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	-	-	-	-	474	-	474	100	574
Loss for the financial period	-	-	-	-	-	(1,186)	(1,186)	408	(778)
Total recognised income for the period	-	-	-	-	474	(1,186)	(712)	508	(204)
At 31 December 2009	386,678	(30,466)	472,258	33,327	88,096	(628,561)	321,332	10,124	331,456
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	-	-	-	-	4,506	-	4,506	(514)	3,992
Loss for the financial period	-	-	-	-	-	(39,361)	(39,361)	1,392	(37,969)
Total recognised income and expense for the period	-	-	-	-	4,506	(39,361)	(34,855)	878	(33,977)
Purchase of own shares	-	(988)	-	-	-	-	(988)	-	(988)
At 31 December 2008	386,678	(30,466)	472,258	33,327	87,622	(627,375)	322,044	9,616	331,660

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 BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the financial period ended 31 December 2009

	CUMULATIVE 12 MONTHS	
	31/12/2009	31/12/2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(98)	(36,237)
Adjustments:-		
Allowance for diminution in value of quoted investments	1,655	16,389
Allowance for inventories obsolescence	-	288
Bad debts written off	-	78
Inventories written off	1,255	-
(Gain)/Loss on disposal of investments	(826)	2,338
Gain on disposal of property, plant and equipment	(38)	(3,754)
Unrealised (gain) / loss on foreign exchange	(3,282)	10,834
Write back of impairment in value of property	(223)	(1,545)
Write back of allowance for doubtful debts	(5)	(124)
Others	2,462	3,949
Operating profit/(loss) before working capital changes	<u>900</u>	<u>(7,784)</u>
Net change in working capital	5,799	(1,906)
Cash generated from/(used in) operating activities	6,699	(9,690)
Dividend received	408	198
Interest paid	(2,137)	(15,411)
Interest received	1,659	13,310
Tax paid	(1,821)	(1,869)
Tax refunded	442	1,711
Net cash generated from/(used in) operating activities	<u>5,250</u>	<u>(11,751)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	53	15,303
Proceeds from sale of investments	3,680	5,951
Purchase of investments	(16,114)	(96)
Purchase of property, plant and equipment	(19,058)	(1,258)
Repayment to related company	(250)	-
Net cash (used in)/generated from investing activities	<u>(31,689)</u>	<u>19,900</u>
Cash Flows From Financing Activities		
Purchase of own shares	-	(988)
Repayment of bank borrowings (net)	(171,573)	(51,181)
Net cash used in financing activities	<u>(171,573)</u>	<u>(52,169)</u>
Net decrease in cash and cash equivalents	(198,012)	(44,020)
Exchange translation differences	3,763	(6,581)
Cash and cash equivalents at 1 January	295,697	346,298
Cash and cash equivalents at 31 December	<u>101,448</u>	<u>295,697</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

Company No : 4920 - D
(Incorporated in Malaysia)

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" and Chapter 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). 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. Changes in 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 December 2009, other than the following which were included in other income and other expenses:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Allowance for diminution in value of quoted investments	(1,655)	(3,814)	(1,655)	(16,389)
Gain/(Loss) on foreign exchange	(68)	(15,558)	3,158	(25,517)
Gain on disposal of property, plant and equipment	-	3,755	-	3,755
Gain/(Loss) on disposal of investments	-	(2,338)	826	(2,338)
Write back of impairment on value of property	223	1,545	223	1,545
	<u>(1,500)</u>	<u>(16,410)</u>	<u>2,552</u>	<u>(38,944)</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 December 2009.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

A7. Issuances and Repayments of Debt and Equity Securities

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

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares for the financial period ended 31 December 2009.

A8. Dividends Paid

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

A9. Segment Information

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

	Food & Confectionery RM'000	Investment Holding RM'000	Total RM'000
REVENUE			
- External revenue	71,302	1,622	72,924
- Inter-segment revenue	-	-	-
Total	<u>71,302</u>	<u>1,622</u>	<u>72,924</u>
RESULTS			
Segment results	463	1,576	2,039
Finance cost	(25)	(2,112)	(2,137)
Profit/(Loss) before taxation	<u>438</u>	<u>(536)</u>	<u>(98)</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 December 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.

Balfour Grange Pty Ltd, Dinnie Rundle Pty Ltd and Universal Confectionery Pty Ltd, dormant wholly-owned subsidiaries of Network Foods Limited, which were all incorporated in Australia, were deregistered on 27 May 2009 following an earlier application by the said subsidiaries to the Australian Securities & Investments Commission for deregistration.

PMRI Investments (Singapore) Pte Ltd, a wholly-owned subsidiary, incorporated a subsidiary on 8 December 2009 in the United Kingdom by the name of Tudor Gold Limited with a paid-up share capital of £1.00.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 December 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. The acquisition of the property for a cash consideration of RM17.0 million as disclosed in Note B8 was completed on 20 July 2009.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

B NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance

For the financial year ended 31 December 2009, the Group recorded a revenue of RM72.9 million compared with a revenue of RM125.0 million recorded for the previous year. 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 lower pre-tax loss of RM0.1 million compared with a pre-tax loss of RM36.2 million in the previous year. The results for 2009 were affected by the higher advertising and promotion expenditure which was incurred as part of the Groups' products rebranding exercise. However, the effect was mitigated by significantly lower finance cost and gain on foreign exchange. The loss in the previous year was mainly due to losses on foreign exchange and allowance for diminution in value of investments. As detailed in Note B14, the Company repaid RM176.5 million of bank borrowings during the first 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 a revenue of RM21.4 million and a pre-tax loss of RM3.9 million compared with the preceding quarter's revenue of RM19.6 million and pre-tax loss of RM1.7 million. The higher revenue for the current quarter was due to better sales during the festive seasons, in line with the seasonal nature of the Group's food and confectionery operations. The pre-tax loss for the current quarter was mainly due to higher advertising and promotion expenditure as mentioned above and also allowance for diminution in value of quoted investments.

B3. Prospects for Year 2010

Whilst there is some optimism seen in the global economic outlook, consumer spending on non-essential goods is likely to remain cautious. The Group is focusing on re-aligning its strategy to implement a rationalisation programme that will improve overall productivity and cost efficiency. There are renewed initiatives to offer innovative and quality products at competitive prices, and to also increase brand visibility and loyalty. These have shown some positive results.

The Group looks forward to a better trading environment for the financial year 2010 as it aggressively seeks to expand market share.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

Taxation comprises:-

	Fourth Quarter		Cumulative 12 months	
	31/12/2009 RM'000	31/12/2008 RM'000	31/12/2009 RM'000	31/12/2008 RM'000
Current taxation	(7)	361	731	1,616
(Over)/Under provision in respect of prior years	(245)	78	(184)	127
Deferred taxation	133	(11)	133	(11)
	<u>(119)</u>	<u>428</u>	<u>680</u>	<u>1,732</u>

The tax provision of the Group for the financial period ended 31 December 2009 is higher than the statutory rate of tax mainly due to certain subsidiaries having taxable profit while no group relief is available for losses suffered by other subsidiaries.

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 December 2009 other than as disclosed in Note B7.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

B7. Quoted Securities

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

	RM'000
(i) Total purchases	16,114
(ii) Total disposals	2,854
(iii) Net gain on disposals	826

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

	RM'000
At cost	185,882
Less: Allowance for diminution in value of quoted investments	<u>(145,523)</u>
	<u>40,359</u>
Market value	<u>56,194</u>

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 Acquisition was completed on 20 July 2009.

The Property is adjoining NFI's existing factory in Shah Alam. The enlarged site will allow for the Group's manufacturing, sales and distribution divisions to be situated in one central location. This will result in improved efficiencies and better synergies in the operations of the said divisions as well as making adequate allowance for future growth in manufacturing and warehousing capacity.

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 December 2009 are as follows:-

	RM'000
Short Term Borrowings	
Unsecured	<u>40,738</u>

(b) There are no foreign borrowings in Ringgit equivalent as at 31 December 2009 which have been included in (a) above.

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 December 2009 (31 December 2008: Nil).

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D

(Incorporated in Malaysia)

B13. Loss Per Share

(i) Loss per share

The basic loss per ordinary share is calculated by dividing the 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:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Loss attributable to equity holders of the Company (RM'000)	(3,837)	(20,410)	(1,186)	(39,361)
Weighted average number of ordinary shares in issue ('000)	708,597	708,597	708,597	710,958
Loss per share (sen)	(0.54)	(2.88)	(0.17)	(5.54)

(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:

	Balance As At 01/01/2009 RM'million	Amount Utilised RM'million	Balance As At 31/12/2009 RM'million
Proposed utilisation as approved by the Securities Commission ("SC")			
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	224.5	193.5	31.0

On behalf of the Board
PAN MALAYSIA CORPORATION BERHAD

LAI CHEE LEONG
LEONG PARK YIP
Joint Company Secretaries

Date: 23 February 2010