

PAN MALAYSIA CORPORATION BERHAD
Company No : 4920 - D
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2011
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 31 March 2011

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2011 RM'000	31/03/2010 RM'000	31/03/2011 RM'000	31/03/2010 RM'000
Revenue	16,853	21,739	16,853	21,739
Cost of sales	(12,128)	(14,525)	(12,128)	(14,525)
Gross profit	<u>4,725</u>	<u>7,214</u>	<u>4,725</u>	<u>7,214</u>
Other income	1,146	425	1,146	425
Administration expenses	(2,851)	(3,187)	(2,851)	(3,187)
Selling and distribution expenses	(2,706)	(4,768)	(2,706)	(4,768)
Other expenses	-	(2,238)	-	(2,238)
Finance costs	(461)	(442)	(461)	(442)
Loss before taxation	<u>(147)</u>	<u>(2,996)</u>	<u>(147)</u>	<u>(2,996)</u>
Taxation	203	(408)	203	(408)
Profit/(Loss) for the financial period	<u>56</u>	<u>(3,404)</u>	<u>56</u>	<u>(3,404)</u>
Profit/(Loss) for the financial period attributable to:-				
Equity holders of the Company	63	(3,597)	63	(3,597)
Minority interests	(7)	193	(7)	193
	<u>56</u>	<u>(3,404)</u>	<u>56</u>	<u>(3,404)</u>
	Sen	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic	0.01	(0.51)	0.01	(0.51)
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 2010 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 COMPREHENSIVE INCOME

For the financial period ended 31 March 2011

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2011 RM'000	31/03/2010 RM'000	31/03/2011 RM'000	31/03/2010 RM'000
Profit/(Loss) for the financial period	56	(3,404)	56	(3,404)
Other comprehensive income, net of tax				
Fair value of available-for-sale financial assets				
- Gain/(Loss) on fair value changes	274	(2,869)	274	(2,869)
Foreign currency translation differences for foreign operations	(102)	(2,806)	(102)	(2,806)
Total comprehensive income/(loss) for the financial period	<u>228</u>	<u>(9,079)</u>	<u>228</u>	<u>(9,079)</u>
Total comprehensive income/(loss) for the financial period attributable to:-				
Equity holders of the Company	238	(9,269)	238	(9,269)
Minority interests	(10)	190	(10)	190
	<u>228</u>	<u>(9,079)</u>	<u>228</u>	<u>(9,079)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 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 FINANCIAL POSITION

At 31 March 2011

	31/03/2011 (Unaudited) RM'000	31/12/2010 (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,813	48,609
Investment property	1,159	1,163
Investments	128,310	126,038
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>240,472</u>	<u>239,000</u>
Current assets		
Investments	108	115
Inventories	15,112	17,493
Trade and other receivables	16,615	14,349
Tax recoverable	1,406	903
Deposits, bank balances and cash	86,931	89,074
	<u>120,172</u>	<u>121,934</u>
TOTAL ASSETS	<u>360,644</u>	<u>360,934</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	(46,572)	(46,810)
	<u>309,640</u>	<u>309,402</u>
Minority interests	2,199	2,209
Total Equity	<u>311,839</u>	<u>311,611</u>
Non-current liabilities		
Deferred tax liabilities	811	846
Loans and borrowings	365	450
	<u>1,176</u>	<u>1,296</u>
Current liabilities		
Loans and borrowings	38,794	37,458
Trade and other payables	8,823	10,569
Taxation	12	-
	<u>47,629</u>	<u>48,027</u>
Total Liabilities	<u>48,805</u>	<u>49,323</u>
TOTAL EQUITY AND LIABILITIES	<u>360,644</u>	<u>360,934</u>
	RM	RM
Net Assets per share attributable to equity holders of the Company	0.44 *	0.44 *

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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 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 March 2011

<u>Cumulative 3 months</u>	Attributable to Equity Holders of the Company							Minority Interests	Total Equity	
	Non-Distributable						Accumulated Losses			Total
	Share Capital	Treasury Shares	Share Premium	Capital Redemption Reserve	Other Reserves	Fair Value Reserves				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2011	386,678	(30,466)	472,258	33,327	86,193	18,918	(657,506)	309,402	2,209	311,611
Total comprehensive income/(loss) for the period	-	-	-	-	(99)	274	63	238	(10)	228
	386,678	(30,466)	472,258	33,327	86,094	19,192	(657,443)	309,640	2,199	311,839
At 31 March 2011	386,678	(30,466)	472,258	33,327	86,094	19,192	(657,443)	309,640	2,199	311,839
At 1 January 2010, as previously stated	386,678	(30,466)	472,258	33,327	87,188	-	(628,561)	320,424	11,032	331,456
Effects arising from adoption of FRS 139	-	-	-	-	-	16,078	(27,710)	(11,632)	-	(11,632)
At 1 January 2010, as restated	386,678	(30,466)	472,258	33,327	87,188	16,078	(656,271)	308,792	11,032	319,824
Total comprehensive income/(loss) for the period	-	-	-	-	(2,803)	(2,869)	(3,597)	(9,269)	190	(9,079)
At 31 March 2010	386,678	(30,466)	472,258	33,327	84,385	13,209	(659,868)	299,523	11,222	310,745

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 2010 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHADCompany No : 4920 - D
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
For the financial period ended 31 March 2011

	CUMULATIVE 3 MONTHS	
	31/03/2011	31/03/2010
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(147)	(2,996)
Adjustments:-		
Inventories written off	445	425
Gain on disposal of property, plant and equipment	(22)	(43)
Unrealised (gain)/loss on foreign exchange	(776)	3,169
(Write back)/Allowances for doubtful debts	(124)	24
Others	1,008	973
Operating profit before working capital changes	<u>384</u>	<u>1,552</u>
Net change in working capital	<u>(2,191)</u>	<u>(7,237)</u>
Cash used in operating activities	(1,807)	(5,685)
Dividend received	7	4
Interest paid	(461)	(442)
Interest received	265	236
Tax paid	(322)	(399)
Net cash used in operating activities	<u>(2,318)</u>	<u>(6,286)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	22	43
Purchase of investments	(1,990)	(7)
Purchase of property, plant and equipment	(14)	(994)
Net cash used in investing activities	<u>(1,982)</u>	<u>(958)</u>
Cash Flows From Financing Activities		
(Repayment)/Proceeds from hire purchase	(26)	578
Drawdown of bank borrowings	-	814
Net cash (used in) / generated from financing activities	<u>(26)</u>	<u>1,392</u>
Net decrease in cash and cash equivalents	(4,326)	(5,852)
Exchange translation differences	755	(5,273)
Cash and cash equivalents at 1 January	<u>88,909</u>	<u>101,449</u>
Cash and cash equivalents at 31 March	<u>85,338</u>	<u>90,324</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010 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 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 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

(i) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions For First-time Adopters
Amendments to FRS 2	Share-based payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101	Improvements to FRSs (2010)
FRS 121, FRS 128, FRS 131	
FRS 132, FRS 134, FRS 139	
and Amendments to IC Interpretation 13	
IC Interpretation 4	Determining Whether an Arrangement Contains a lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customer
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

IC Interpretation 12 Service Concession Arrangements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation, is, however, not applicable to the Group.

Adoption of the above FRSs, Amendment to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group, other than the disclosures under the Amendments to FRS 7 which will affect the 2011 annual financial statements.

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A2. Significant Accounting Policies (Cont'd)

(ii) FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretations and Amendments to IC Interpretation		Effective for annual periods beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of Minimum Funding Requirement	1 July 2011

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation, is, however, not applicable to the Group.

A3. 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.

A4. 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 2011, other than the following which were included in other income and other expenses:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2011 RM'000	31/03/2010 RM'000	31/03/2011 RM'000	31/03/2010 RM'000
Gain/(Loss) on foreign exchange	825	(2,238)	825	(2,238)
	<u>825</u>	<u>(2,238)</u>	<u>825</u>	<u>(2,238)</u>

A5. 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 2011.

A6. Issuances and Repayments of Debt and Equity Securities

As at 31 March 2011, 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 March 2011.

A7. Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2011 (31 March 2010: Nil).

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A8. Segment Information

The analysis of the Group's operations for the financial period ended 31 March 2011 is as follows:-

	Food & Confectionery RM'000	Investment Holding RM'000	Total RM'000
REVENUE			
- External revenue	16,597	256	16,853
- Inter-segment revenue	-	-	-
Total	<u>16,597</u>	<u>256</u>	<u>16,853</u>
RESULTS			
Segment results	(414)	728	314
Finance cost	(7)	(454)	(461)
Profit/(Loss) before taxation	<u>(421)</u>	<u>274</u>	<u>(147)</u>
Segment assets	<u>165,282</u>	<u>193,956</u>	359,238
Unallocated assets			<u>1,406</u>
			<u>360,644</u>

A9. 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.

A10. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 31 March 2011 that have not been reflected in the financial statements for the said period as at the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2011.

A12. Contingent Liabilities

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

A13. Capital Commitments

There are no material capital commitments as at the date of this report.

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B NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance

For the financial period ended 31 March 2011, the Group recorded a revenue of RM16.9 million compared with a revenue of RM21.7 million for the previous year corresponding period. The higher revenue for the previous year corresponding period was largely due to the pipelining on several of its products following the products launch undertaken by the Group.

The Group recorded a lower pre-tax loss of RM0.1 million compared with the pre-tax loss of RM3.0 million for the previous year corresponding period. This was mainly due to the unrealised gain on foreign exchange of RM0.8 million for the current period whereas in the previous year there was an unrealised loss on foreign exchange of RM2.2 million.

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 RM16.9 million and a pre-tax loss of RM0.1 million compared with the preceding quarter's revenue of RM21.3 million and pre-tax loss of RM2.0 million.

The higher revenue for the preceding quarter was mainly due to better sales during the festive seasons, in line with the seasonal nature of the Group's food and confectionery operations. The higher loss for the preceding quarter was mainly due to unrealised loss on foreign exchange, impairment loss on investments and write down of inventories to net realisable value.

B3. Prospects for Year 2011

In view of rising raw material costs, the Group's business operations are expected to be challenging for the current financial year 2011. Nevertheless, the Group will continue with its competitive strategy of developing further its own brands to enhance its market position. In addition the Group would continue its rationalisation programme to improve the margins and productivity.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2011 RM'000	31/03/2010 RM'000	31/03/2011 RM'000	31/03/2010 RM'000
Current taxation	(55)	408	(55)	408
Over provision in respect of prior years	(115)	-	(115)	-
Deferred taxation	(33)	-	(33)	-
	<u>(203)</u>	<u>408</u>	<u>(203)</u>	<u>408</u>

The tax provision of the Group for the financial period ended 31 March 2011 is 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 March 2011.

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B7. Quoted Securities

(a) Total purchases and disposals of quoted securities for the financial period ended 31 March 2011 are as follows:-

	RM'000
(i) Total purchases	1,990
(ii) Total disposals	-
(iii) Net gain on disposals	-

(b) Total investments in quoted securities as at 31 March 2011 are as follows:

	RM'000
At carrying value / market value	<u>59,910</u>

B8. Status of Corporate Proposals

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 2011 are as follows:-

	RM'000
Borrowings	
- non current	365
- current (unsecured)	<u>38,794</u>
	<u>39,159</u>

(b) There are no foreign borrowings as at 31 March 2011 included in (a) above.

B10. Derivative Financial Instruments

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

B11. Fair Value Changes of Financial Liabilities

As at 31 March 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

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

B13. Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2011 (31 March 2010: Nil).

B14. Earnings/(Loss) Per Share

(i) Earnings/(Loss) per share

The basic earnings/(loss) per ordinary share is calculated by dividing the earning/(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:-

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B14. Earnings/(Loss) Per Share (Cont'd)

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Earnings/(Loss) attributable to equity holders of the Company (RM'000)	63	(3,597)	63	(3,597)
Weighted average number of ordinary shares in issue ('000)	708,597	708,597	708,597	708,597
Earnings/(Loss) per share (sen)	0.01	(0.51)	0.01	(0.51)

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

B15. Other Matters

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

	Balance as at 01/01/2011 RM'million	Amount utilised RM'million	Balance as at 31/03/2011 RM'million
Proposed utilisation as approved by the Securities Commission ("SC")			
To finance the development of the adjoining factory property acquired and existing properties for the expansion of Network Foods Industries Sdn Bhd's manufacturing operations and consolidation with the marketing and distribution operations of Network Foods (Malaysia) Sdn Bhd.	31.0	-	31.0
Total	31.0	-	31.0

B16. Realised and Unrealised Profit/Losses

Total accumulated losses of the Group comprised the following:-:

	31/03/2011 RM'000	31/12/2010 RM'000
Realised	(1,277,858)	(1,276,354)
Unrealised	(3,151)	(4,718)
	(1,281,009)	(1,281,072)
Less: Consolidation adjustment	623,566	623,566
	(657,443)	(657,506)

B17. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 31 December 2010 was not subject to any qualification.

On behalf of the Board
PAN MALAYSIA CORPORATION BERHAD

LAI CHEE LEONG
LEONG PARK YIP
Joint Company Secretaries

Date: 24 May 2011