

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the financial year ended 31 December 2011**

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2011 RM'000	31/12/2010 RM'000	31/12/2011 RM'000	31/12/2010 RM'000
Revenue	26,399	21,288	80,677	78,571
Cost of sales	(17,420)	(16,844)	(55,089)	(55,208)
Gross profit	<u>8,979</u>	<u>4,444</u>	<u>25,588</u>	<u>23,363</u>
Other income	682	4,530	3,320	11,536
Administration expenses	(2,016)	(2,024)	(8,412)	(9,227)
Depreciation and amortisation	(777)	(809)	(2,985)	(3,136)
Selling and distribution expenses	(3,759)	(4,220)	(12,136)	(18,527)
Other expenses	-	(3,397)	-	(5,662)
Finance costs	(296)	(569)	(1,720)	(2,258)
Profit/(Loss) before taxation	<u>2,813</u>	<u>(2,045)</u>	<u>3,655</u>	<u>(3,911)</u>
Taxation	(801)	(187)	(840)	(470)
Profit/(Loss) for the financial period/year	<u>2,012</u>	<u>(2,232)</u>	<u>2,815</u>	<u>(4,381)</u>
Profit/(Loss) for the financial period/year attributable to:-				
Equity holders of the Company	1,939	(2,235)	2,740	(4,469)
Minority interests	73	3	75	88
	<u>2,012</u>	<u>(2,232)</u>	<u>2,815</u>	<u>(4,381)</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic	0.27	(0.32)	0.39	(0.63)
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  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2011**

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2011 RM'000	31/12/2010 RM'000	31/12/2011 RM'000	31/12/2010 RM'000
Profit/(Loss) for the financial period/year	2,012	(2,232)	2,815	(4,381)
<b>Other comprehensive income, net of tax</b>				
Fair value of available-for-sale financial assets				
- (Loss)/Gain on fair value changes	8,189	4,234	(8,774)	2,840
Foreign currency translation differences for foreign operations	(87)	1,708	622	(1,438)
Total comprehensive (loss)/income for the financial period/year	<u>10,114</u>	<u>3,710</u>	<u>(5,337)</u>	<u>(2,979)</u>
Total comprehensive (loss)/income for the financial period/year attributable to:-				
Equity holders of the Company	10,028	3,705	(5,423)	(2,624)
Minority interests	86	5	86	(355)
	<u>10,114</u>	<u>3,710</u>	<u>(5,337)</u>	<u>(2,979)</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 December 2011**

	31/12/2011 (Unaudited) RM'000	31/12/2010 (Restated) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	46,749	48,609
Investment property	1,155	1,163
Investments	121,482	126,038
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>232,576</u>	<u>239,000</u>
<b>Current assets</b>		
Investments	29	115
Inventories	18,775	17,493
Trade and other receivables	19,613	14,349
Tax recoverable	56	903
Deposits, bank balances and cash	60,600	89,074
	<u>99,073</u>	<u>121,934</u>
<b>TOTAL ASSETS</b>	<u>331,649</u>	<u>360,934</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	386,678	386,678
Treasury shares	(30,466)	(30,466)
Reserves	<u>(52,233)</u>	<u>(46,810)</u>
	303,979	309,402
<b>Minority interests</b>	<u>-</u>	<u>2,209</u>
<b>Total Equity</b>	<u>303,979</u>	<u>311,611</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	994	846
Loans and borrowings	349	450
	<u>1,343</u>	<u>1,296</u>
<b>Current liabilities</b>		
Loans and borrowings	14,391	37,458
Trade and other payables	11,901	10,569
Taxation	35	-
	<u>26,327</u>	<u>48,027</u>
<b>Total Liabilities</b>	<u>27,670</u>	<u>49,323</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>331,649</u>	<u>360,934</u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.43 *	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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**For the financial year ended 31 December 2011**

<u>Cumulative 12 months</u>	Attributable to Equity Holders of the Company							Minority Interests	Total Equity	
	Non-Distributable						Accumulated Losses			Total
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Other Reserves RM'000	Fair Value Reserves 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 year	-	-	-	-	611	(8,774)	2,740	(5,423)	86	(5,337)
	386,678	(30,466)	472,258	33,327	86,804	10,144	(654,766)	303,979	2,295	306,274
Change in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	(2,295)	(2,295)
At 31 December 2011	386,678	(30,466)	472,258	33,327	86,804	10,144	(654,766)	303,979	-	303,979
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 year	-	-	-	-	(995)	2,840	(4,469)	(2,624)	(355)	(2,979)
	386,678	(30,466)	472,258	33,327	86,193	18,918	(660,740)	306,168	10,677	316,845
Change in ownership interests in a subsidiary	-	-	-	-	-	-	3,234	3,234	(3,234)	-
Dividend paid to minority interest of a subsidiary	-	-	-	-	-	-	-	-	(5,234)	(5,234)
At 31 December 2010	386,678	(30,466)	472,258	33,327	86,193	18,918	(657,506)	309,402	2,209	311,611

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 BERHAD**Company No : 4920 - D  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 December 2011**

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation	3,655	(3,911)
Net adjustments:-		
Non-cash items	4,550	4,060
Non-operating items	(989)	(1,214)
Operating profit/(loss) before working capital changes	<u>7,216</u>	<u>(1,065)</u>
Net change in working capital	<u>(7,298)</u>	<u>(1,145)</u>
Cash used in operating activities	(82)	(2,210)
Dividend received	946	1,172
Interest paid	(1,720)	(2,258)
Interest received	1,319	1,190
Net tax refunded /(paid)	181	(410)
Net cash generated from/(used in) operating activities	<u>644</u>	<u>(2,516)</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	153	69
Proceeds from sale of investments	-	6,812
Purchase of investments	(4,154)	(873)
Purchase of property, plant and equipment	(821)	(2,553)
Purchase of investment from minority interest of a subsidiary	(2,200)	-
Net cash (used in)/generated from investing activities	<u>(7,022)</u>	<u>3,455</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of hire purchase	(95)	(84)
Repayment of bank borrowings	(23,270)	(2,300)
Dividend paid to minority shareholder of subsidiary	-	(5,234)
Net cash used in financing activities	<u>(23,365)</u>	<u>(7,618)</u>
Net decrease in cash and cash equivalents	(29,743)	(6,679)
Exchange translation differences	1,068	(5,861)
Cash and cash equivalents at 1 January	88,909	101,449
Cash and cash equivalents at 31 December	<u>60,234</u>	<u>88,909</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:

<b>FRS, IC Interpretations and Amendments to IC Interpretation</b>		<b>Effective for annual periods beginning on or after</b>
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 year ended 31 December 2011, other than the followings:-

	<b>FOURTH QUARTER</b>		<b>CUMULATIVE 12 MONTHS</b>	
	<b>31/12/2011</b>	<b>31/12/2010</b>	<b>31/12/2011</b>	<b>31/12/2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Included in other income and other expenses				
Gain/(Loss) on foreign exchange	247	(1,541)	1,931	(3,806)
Gain on disposal of investments	-	-	-	5,998
Write back of impairment on value of property	-	4,244	-	4,244
Fair value loss/Impairment loss on investments	(22)	(1,856)	(22)	(1,856)
	<u>225</u>	<u>847</u>	<u>1,909</u>	<u>4,580</u>
Included under cost of sales				
Provision for and write-off of inventories	<u>(462)</u>	<u>(2,212)</u>	<u>(2,128)</u>	<u>(3,432)</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 year ended 31 December 2011.

**A6. Issuances and Repayments of Debt and Equity Securities**

As at 31 December 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 year ended 31 December 2011.

**A7. Dividends Paid**

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

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**A8. Segment Information**

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

	<b>Food &amp; Confectionery RM'000</b>	<b>Investment Holding RM'000</b>	<b>Total RM'000</b>
<b>REVENUE</b>			
- External revenue	78,631	2,046	80,677
- Inter-segment revenue	-	-	-
Total	<u>78,631</u>	<u>2,046</u>	<u>80,677</u>
<b>RESULTS</b>			
Segment results	3,494	1,881	5,375
Finance cost	(29)	(1,691)	(1,720)
Profit before taxation	<u>3,465</u>	<u>190</u>	<u>3,655</u>
<b>Segment assets</b>	<u>175,748</u>	<u>155,845</u>	331,593
Unallocated assets			<u>56</u>
			<u>331,649</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 year ended 31 December 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 year ended 31 December 2011 except for the acquisition of a 4% equity interest in Network Foods Industries Sdn Bhd ("NFISB") on 20 December 2011 which resulted in NFISB becoming a wholly-owned subsidiary of the Group.

**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 year ended 31 December 2011, the Group recorded a revenue of RM80.7 million compared with a revenue of RM78.6 million for the previous year. The higher revenue for the current year was mainly from the food & confectionery segment which contributed higher revenue in the current quarter due to better sales during the recent festive seasons and higher export sales to overseas customers. Gross profit margin has improved from 29.7% in the previous year to 31.7% for the current year as a results of lower stock write down.

The Group recorded a pre-tax profit of RM3.7 million for the current year as compared with the pre-tax loss of RM3.9 million in the previous year. The pre-tax profit for the current year was mainly due to better sales and lower stock write down as mentioned above. In addition, tight control over advertising expenses and the current unrealised gain on foreign exchange of RM1.9 million against previous year unrealised loss on foreign exchange of RM3.8 million have also contributed to the pre-tax profit for the current year .

### 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 RM26.4 million and a pre-tax profit of RM2.8 million as compared with the preceding quarter's revenue of RM20.4 million and pre-tax profit of RM1.3 million.

The higher revenue for the current quarter was mainly due to higher sales during the recent festive seasons, in line with the seasonal nature of the Group's food and confectionery operations. This has resulted in the higher pre-tax profit for the current quarter.

### B3. Prospects for Year 2012

The uncertainty in Eurozone has a dampening impact on the global economy. In view of this the Group's business operations are expected to be challenging for the financial year ending 2012. Nevertheless, the Group will continue with its competitive strategy of developing further its own brands to enhance its market position. In addition the Group will concentrate on promotions and acquiring new customers to improve the overall sales volume.

### B4. Variance of Actual Profit from Forecast Profit

Not applicable.

### B5. Taxation

Taxation comprises:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2011 RM'000	31/12/2010 RM'000	31/12/2011 RM'000	31/12/2010 RM'000
Current taxation	645	187	813	470
Over provision in respect of prior years	-	-	(129)	-
Deferred taxation	156	-	156	-
	<u>801</u>	<u>187</u>	<u>840</u>	<u>470</u>

The tax provision of the Group for the financial year ended 31 December 2011 is lower than the statutory rate of tax applicable mainly due to over provision in respect of prior years and certain income which is not subject to tax.

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## B6. Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

## B7. Group Borrowings

(a) Total Group borrowings as at 31 December 2011 are as follows:-

	RM'000
Borrowings	
- non current (finance lease liabilities)	349
- current (unsecured)	14,296
- current (finance lease liabilities)	95
	<u>14,740</u>

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

## B8. Derivative Financial Instruments

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

## B9. Fair Value Changes of Financial Liabilities

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

## B10. Material Litigation

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

## B11. Dividend

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

## B12. Earnings/(Loss) Per Share

(i) Earnings/(Loss) per share

The basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) for the financial period/year 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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Profit/(Loss) attributable to equity holders of the Company (RM'000)	1,939	(2,235)	2,740	(4,469)
Weighted average number of ordinary shares in issue ('000)	708,597	708,597	708,597	708,597
Earnings/(Loss) per share (sen)	<u>0.27</u>	<u>(0.32)</u>	<u>0.39</u>	<u>(0.63)</u>

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

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**B13. Other Matters**

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

	<b>Balance as at 01/01/2011 RM'000</b>	<b>Amount utilised RM'000</b>	<b>Balance as at 31/12/2011 RM'000</b>
<b>Proposed utilisation as approved by the Securities Commission ("SC")</b>			
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.	31,000	-	31,000
Total	<u>31,000</u>	<u>-</u>	<u>31,000</u>

**B14. Realised and Unrealised Profit/Losses**

Total accumulated losses of the Group comprised the following:-

	<b>31/12/2011 RM'000</b>	<b>30/09/2011 RM'000</b>
Realised	(1,284,475)	(1,282,025)
Unrealised	7,316	1,754
	<u>(1,277,159)</u>	<u>(1,280,271)</u>
Less: Consolidation adjustment	622,393	623,566
	<u>(654,766)</u>	<u>(656,705)</u>

**B15. 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**

**SOO-HOO SIEW HOON  
NG HOCK PING  
Joint Secretaries**

**Date: 22 February 2012**