

PAN MALAYSIA CORPORATION BERHAD
Company No : 4920 - D
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2012
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
For the financial period ended 31 March 2012

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	18,820	16,853	18,820	16,853
Cost of sales	(12,490)	(12,128)	(12,490)	(12,128)
Gross profit	<u>6,330</u>	<u>4,725</u>	<u>6,330</u>	<u>4,725</u>
Other income	389	1,146	389	1,146
Administration and operating expenses	(2,800)	(2,851)	(2,800)	(2,851)
Selling and distribution expenses	(2,940)	(2,706)	(2,940)	(2,706)
Finance costs	(276)	(461)	(276)	(461)
Profit/(Loss) before taxation	<u>703</u>	<u>(147)</u>	<u>703</u>	<u>(147)</u>
Taxation	(110)	203	(110)	203
Profit for the financial period	<u>593</u>	<u>56</u>	<u>593</u>	<u>56</u>
Profit for the financial period attributable to:-				
Equity holders of the Company	593	63	593	63
Minority interests	-	(7)	-	(7)
	<u>593</u>	<u>56</u>	<u>593</u>	<u>56</u>
	Sen	Sen	Sen	Sen
Earnings per share attributable to equity holders of the Company:				
Basic	0.08	0.01	0.08	0.01
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 2011 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 2012

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Profit for the financial period	593	56	593	56
Other comprehensive income, net of tax				
Gain on disposal of investments	1,027	-	1,027	-
Fair value of financial assets				
- Gain on fair value changes	633	274	633	274
Foreign currency translation differences for foreign operations	(140)	(102)	(140)	(102)
Total comprehensive income for the financial period	<u>2,113</u>	<u>228</u>	<u>2,113</u>	<u>228</u>
Total comprehensive income for the financial period attributable to:-				
Equity holders of the Company	2,113	238	2,113	238
Minority interests	-	(10)	-	(10)
	<u>2,113</u>	<u>228</u>	<u>2,113</u>	<u>228</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 2011 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 2012

	31/03/2012 (Unaudited) RM'000	31/12/2011 (Restated) RM'000	01/01/2011 (Restated) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	46,161	46,749	48,609
Investment property	1,146	1,155	1,163
Investments	120,023	124,703	122,202
Goodwill on consolidation	58,206	58,206	58,206
Trademarks	4,984	4,984	4,984
	<u>230,520</u>	<u>235,797</u>	<u>235,164</u>
Current assets			
Investments	25	29	115
Inventories	15,765	18,775	17,493
Trade and other receivables	24,082	19,613	14,349
Tax recoverable	112	56	903
Deposits, bank balances and cash	66,019	60,600	89,074
	<u>106,003</u>	<u>99,073</u>	<u>121,934</u>
TOTAL ASSETS	<u>336,523</u>	<u>334,870</u>	<u>357,098</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	386,678	386,678	386,678
Treasury shares	(30,466)	(30,466)	(30,466)
Reserves	(46,899)	(49,012)	(50,646)
	<u>309,313</u>	<u>307,200</u>	<u>305,566</u>
Minority interests	-	-	2,209
Total Equity	<u>309,313</u>	<u>307,200</u>	<u>307,775</u>
Non-current liabilities			
Deferred tax liabilities	985	994	450
Loans and borrowings	351	349	846
	<u>1,336</u>	<u>1,343</u>	<u>1,296</u>
Current liabilities			
Loans and borrowings	18,402	14,391	37,458
Trade and other payables	7,460	11,901	10,569
Taxation	12	35	-
	<u>25,874</u>	<u>26,327</u>	<u>48,027</u>
Total Liabilities	<u>27,210</u>	<u>27,670</u>	<u>49,323</u>
TOTAL EQUITY AND LIABILITIES	<u>336,523</u>	<u>334,870</u>	<u>357,098</u>
	RM	RM	RM
Net Assets per share attributable to equity holders of the Company	0.44 *	0.43 *	0.43 *

* 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 2011 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 2012

<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 2012, as restated	386,678	(30,466)	472,258	33,327	57,169	(611,766)	307,200	-	307,200
Other comprehensive expense:									
Gain on disposal of investments	-	-	-	-	-	1,027	1,027	-	1,027
Net gain on fair value changes of financial assets	-	-	-	-	-	633	633	-	633
Foreign exchange translation differences for foreign operations	-	-	-	-	(140)	-	(140)	-	(140)
Profit for the year	-	-	-	-	-	593	593	-	593
Total comprehensive income/(loss) for the year	-	-	-	-	(140)	2,253	2,113	-	2,113
At 31 March 2012	386,678	(30,466)	472,258	33,327	57,029	(609,513)	309,313	-	309,313
At 1 January 2011, as restated	386,678	(30,466)	472,258	33,327	56,558	(612,789)	305,566	2,209	307,775
Net gain on fair value changes of financial assets	-	-	-	-	-	274	274	-	274
Foreign exchange translation differences for foreign operations	-	-	-	-	(99)	-	(99)	-	(99)
Profit/(loss) for the year	-	-	-	-	-	63	63	(10)	53
Total comprehensive income/(loss) for the year	-	-	-	-	(99)	337	238	(10)	228
At 31 March 2011	386,678	(30,466)	472,258	33,327	56,459	(612,452)	305,804	2,199	308,003

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 2011 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 2012

	CUMULATIVE 3 MONTHS	
	31/03/2012	31/03/2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	703	(147)
Net adjustments:-		
Non-cash items	1,073	1,329
Non-operating items	184	(798)
Operating profit before working capital changes	<u>1,960</u>	<u>384</u>
Net change in working capital	<u>(6,903)</u>	<u>(2,191)</u>
Cash used in operating activities	(4,943)	(1,807)
Dividend received	479	7
Interest paid	(276)	(461)
Interest received	306	265
Net tax paid	(187)	(322)
Net cash used in operating activities	<u>(4,621)</u>	<u>(2,318)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	1	22
Proceeds from disposal of investments	7,142	-
Purchase of investments	(802)	(1,990)
Purchase of property, plant and equipment	(107)	(14)
Net cash generated from/(used in) investing activities	<u>6,234</u>	<u>(1,982)</u>
Cash Flows From Financing Activities		
Repayment of hire purchase	(22)	(26)
Net cash used in financing activities	<u>(22)</u>	<u>(26)</u>
Net increase/(decrease) in cash and cash equivalents	1,591	(4,326)
Exchange translation differences	(208)	755
Cash and cash equivalents at 1 January	<u>60,234</u>	<u>88,909</u>
Cash and cash equivalents at 31 March	<u>61,617</u>	<u>85,338</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 2011 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. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements to Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standard ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS") has been applied.

The explanatory notes attached to these condensed consolidated 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 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amount previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, is set out in Note A2 below. These notes include reconciliations of equity for comparative periods at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the condensed consolidated income statement, statement of comprehensive income and statement of cash flows.

A2. Significant Accounting Policies And Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, *prospectively* from the date of transition or from a specific date prior to the of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM29,635,000 (31 March 2011:RM29,635,000; 31 December 2011: RM29,635,000) were adjusted to retained earnings.

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A2. Significant Accounting Policies And Application of MFRS 1 (continued)

The reconciliations of equity for comparative periods and at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

<u>Equity and Liabilities</u>									
Equity	FRS as at 01/01/2011	Adjustments	MFRS as at 01/01/2011	FRS as at 31/03/2011	Adjustments	MFRS as at 31/03/2011	FRS as at 31/12/2011	Adjustments 31/12/2011	MFRS as at 31/12/2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Exchange Translation Reserves	29,635	(29,635)	-	29,536	(29,635)	(99)	30,246	(29,635)	611
Accumulated losses	(642,424)	29,635	(612,789)	(642,087)	29,635	(612,452)	(641,401)	29,635	(611,766)

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 2012.

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 2012.

A6. Issuances and Repayments of Debt and Equity Securities

As at 31 March 2012, 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 2012.

A7. Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2012 (31 March 2011: Nil).

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A8. Segment Information

The analysis of the Group's operations for the financial period ended 31 March 2012 is as follows:-

	Food & Confectionery RM'000	Investment Holding RM'000	Total RM'000
REVENUE			
- External revenue	18,078	742	18,820
- Inter-segment revenue	-	-	-
Total	<u>18,078</u>	<u>742</u>	<u>18,820</u>
RESULTS			
Segment results	611	368	979
Finance cost	(7)	(269)	(276)
Profit before taxation	<u>604</u>	<u>99</u>	<u>703</u>
Segment assets	<u>171,396</u>	<u>165,015</u>	336,411
Unallocated assets			<u>112</u>
			<u>336,523</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 2012 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 2012.

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 2012, the Group recorded a revenue of RM18.8 million compared with a revenue of RM16.9 million for the previous year corresponding period. This was mainly due to positive consumer sentiment in the domestic market as well as the export market in Asia despite global uncertainties. Higher domestic demand was recorded for Crispy and Tango products as a result of more promotional activities in the current quarter.

Gross profit margin has improved from 28.0% in the previous period to 33.6% for the current period. The higher gross profit margin for the current period was mainly due to lower cost of certain raw materials as well as higher dividend income received.

The Group recorded a pre-tax profit of RM0.7 million for the current period as compared with the pre-tax loss of RM0.1 million in the previous year corresponding period. The pre-tax profit for the current period was mainly due to better sales from the food and confectionery segment as mentioned above.

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 RM18.8 million and a pre-tax profit of RM0.7 million as compared with the preceding quarter's revenue of RM26.4 million and pre-tax profit of RM2.8 million.

The higher revenue for the preceding quarter was mainly due to higher sales during the 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 preceding quarter.

B3. Prospects for Year 2012

The economic uncertainties in the Euro area will continue to cast a shadow on the global economy in 2012. The Malaysian economy, however, is expected to remain resilient and is forecast to grow between 4.0% and 5.0% this year.

Fluctuation in commodity prices will continue to pose a challenge for the Group's business. Barring unforeseen circumstances, the Group expects improved performance from its food division.

B4. Profit before Tax

Included in the profit before tax are the following items :

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Interest Income	306	265	306	265
Dividend Income	479	7	479	7
Gain on sale of property, plant and equipment	1	22	1	22
Reversal of impairment loss on receivables	15	124	15	124
Write down of inventories	(882)	(445)	(882)	(445)
Loss on foreign exchange - unrealised	(195)	-	(195)	-
Loss on fair value changes of derivatives	(5)	-	(5)	-
Depreciation and amortisation	(680)	(819)	(680)	(819)
(Loss)/Gain on foreign exchange	(178)	825	(178)	825

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B5. Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Current taxation	110	-	110	-
Over provision in respect of prior years	-	(170)	-	(170)
Deferred taxation	-	(33)	-	(33)
	<u>110</u>	<u>(203)</u>	<u>110</u>	<u>(203)</u>

The tax provision of the Group for the financial period ended 31 March 2012 is lower than the statutory rate of tax applicable mainly due certain income which is not subject to tax.

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 March 2012 are as follows:-

	RM'000
Borrowings	
- non current (finance lease liabilities)	351
- current (unsecured)	18,332
- current (finance lease liabilities)	70
	<u>18,753</u>

(b) There are no foreign borrowings as at 31 March 2012 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 March 2012, 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 period ended 31 March 2012 (31 March 2011: Nil).

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B12. Earnings Per Share

(i) Earnings per share

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

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Profit attributable to equity holders of the Company (RM'000)	593	63	593	63
Weighted average number of ordinary shares in issue ('000)	708,597	708,597	708,597	708,597
Earnings per share (sen)	0.08	0.01	0.08	0.01

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

B13. Other Matters

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

	Balance as at 01/01/2012 RM'000	Amount utilised RM'000	Balance as at 31/03/2012 RM'000
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.	31,000	-	31,000
Total	31,000	-	31,000

B14. Realised and Unrealised Profits/(Losses)

Total accumulated losses of the Group comprised the following:-

	31/03/2012 RM'000	31/12/2011 (Restated) RM'000
Realised	(1,273,564)	(1,273,940)
Unrealised	33,423	31,546
	(1,240,141)	(1,242,394)
Less: Consolidation adjustment	630,628	630,628
	(609,513)	(611,766)

B15. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 31 December 2011 was not subject to any qualification.

On behalf of the Board
PAN MALAYSIA CORPORATION BERHAD

SOO-HOO SIEW HOON
NG HOCK PING
Joint Company Secretaries

Date: 28 May 2012