

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2013
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the financial period ended 31 March 2013

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Revenue	19,614	18,820	19,614	18,820
Cost of sales	(12,494)	(12,490)	(12,494)	(12,490)
Gross profit	7,120	6,330	7,120	6,330
Other income	484	389	484	389
Administration and operating expenses	(3,124)	(2,800)	(3,124)	(2,800)
Selling and distribution expenses	(3,543)	(2,940)	(3,543)	(2,940)
Finance costs	(196)	(276)	(196)	(276)
Profit before taxation	741	703	741	703
Taxation	(318)	(110)	(318)	(110)
Profit for the financial period	423	593	423	593
Profit for the financial period attributable to:-				
Equity holders of the Company	423	593	423	593
Non-controlling interests	-	-	-	-
	423	593	423	593
	Sen	Sen	Sen	Sen
Earnings per share attributable to equity holders of the Company:				
Basic	0.06	0.08	0.06	0.08
Fully diluted	N/A	N/A	N/A	N/A

N/A - Not applicable.

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**For the financial period ended 31 March 2013**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Profit for the financial period	423	593	423	593
Other comprehensive income, net of tax				
Gain on disposal of investments	5	1,027	5	1,027
Fair value of financial assets				
- (loss)/gain on fair value changes	(3,953)	633	(3,953)	633
Foreign currency translation differences for foreign operations	7	(140)	7	(140)
Total comprehensive (expense)/income for the financial period	<u>(3,518)</u>	<u>2,113</u>	<u>(3,518)</u>	<u>2,113</u>
Total comprehensive (expense)/income for the financial period attributable to:-				
Equity holders of the Company	(3,518)	2,113	(3,518)	2,113
Non-controlling interests	-	-	-	-
	<u>(3,518)</u>	<u>2,113</u>	<u>(3,518)</u>	<u>2,113</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At 31 March 2013

	31/03/2013	31/12/2012
	(Unaudited)	(Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,223	48,328
Investment property	1,137	1,152
Investments	85,938	90,064
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>198,488</u>	<u>202,734</u>
Current assets		
Inventories	16,454	17,009
Trade and other receivables	22,241	20,472
Tax recoverable	244	274
Deposits, bank balances and cash	90,603	99,482
	<u>129,542</u>	<u>137,237</u>
TOTAL ASSETS	<u>328,030</u>	<u>339,971</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	386,678	386,678
Treasury shares	(30,484)	(30,484)
Reserves	(44,457)	(40,939)
	<u>311,737</u>	<u>315,255</u>
Non-controlling interests		
	<u>-</u>	<u>-</u>
Total Equity	<u>311,737</u>	<u>315,255</u>
Non-current liabilities		
Deferred tax liabilities	869	984
Loans and borrowings	264	263
	<u>1,133</u>	<u>1,247</u>
Current liabilities		
Loans and borrowings	6,588	14,350
Trade and other payables	8,555	9,107
Taxation	17	12
	<u>15,160</u>	<u>23,469</u>
Total Liabilities	<u>16,293</u>	<u>24,716</u>
TOTAL EQUITY AND LIABILITIES	<u>328,030</u>	<u>339,971</u>
	RM	RM
Net Assets per share attributable to equity holders of the Company	0.44 *	0.45 *

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

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2013

<u>Cumulative 3 months</u>	Attributable to Equity Holders of the Company								
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Non-Distributable Capital		Accumulated Losses RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
				Redemption Reserve RM'000	Other Reserves RM'000				
At 1 January 2013, as restated	386,678	(30,484)	472,258	33,327	56,910	(603,434)	315,255	-	315,255
Other comprehensive income:									
Gain on disposal of investments	-	-	-	-	-	5	5	-	5
Net loss on fair value changes of financial assets	-	-	-	-	-	(3,953)	(3,953)	-	(3,953)
Foreign exchange translation differences for foreign operations	-	-	-	-	7	-	7	-	7
Profit for the financial period	-	-	-	-	-	423	423	-	423
Total comprehensive (loss)/income for the financial period	-	-	-	-	7	(3,525)	(3,518)	-	(3,518)
At 31 March 2013	386,678	(30,484)	472,258	33,327	56,917	(606,959)	311,737	-	311,737
At 1 January 2012, as restated	386,678	(30,466)	472,258	33,327	57,169	(611,766)	307,200	-	307,200
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 financial period	-	-	-	-	-	593	593	-	593
Total comprehensive income/(loss) for the financial period	-	-	-	-	(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

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHADCompany No : 4920 - D
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
For the financial period ended 31 March 2013

	CUMULATIVE 3 MONTHS	
	31/03/2013	31/03/2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	741	703
Net adjustments:-		
Non-cash items	612	1,073
Non-operating items	227	184
Operating profit before working capital changes	<u>1,580</u>	<u>1,960</u>
Net change in working capital	<u>(2,088)</u>	<u>(6,903)</u>
Cash used in operating activities	(508)	(4,943)
Dividend received	-	479
Interest paid	(196)	(276)
Interest received	503	306
Net tax paid	(401)	(187)
Net cash used in operating activities	<u>(602)</u>	<u>(4,621)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	50	1
Proceeds from disposal of investments	176	7,142
Purchase of investments	-	(802)
Purchase of property, plant and equipment	(636)	(107)
Net cash (used in)/generated from investing activities	<u>(410)</u>	<u>6,234</u>
Cash Flows From Financing Activities		
Repayment of hire purchase	(25)	(22)
Repayment of bank borrowings	(8,930)	-
Net cash used in financing activities	<u>(8,955)</u>	<u>(22)</u>
Net (decrease)/increase in cash and cash equivalents	(9,967)	1,591
Exchange translation differences	(105)	(208)
Cash and cash equivalents at 1 January	<u>99,149</u>	<u>60,234</u>
Cash and cash equivalents at 31 March	<u>89,077</u>	<u>61,617</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The condensed consolidated interim financial statements, other than financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to Malaysian Financial Reporting Standards ("MFRS") 139 Financial Instrument: Recognition and Measurement.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to and understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

A2. Significant Accounting Policies And Application of MFRS 1

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2013:-

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of 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 2013.

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 2013.

A6. Issuances and Repayments of Debt and Equity Securities

As at 31 March 2013, the number of treasury shares held is 64,959,800 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 2013.

A7. Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2013 (31 March 2012: Nil).

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A8. Segment Information

The analysis of the Group's operations for the financial period ended 31 March 2013 is as follows:-

	Food & Confectionery RM'000	Investment Holding RM'000	Total RM'000
REVENUE			
- External revenue	19,218	396	19,614
- Inter-segment revenue	-	-	-
Total	<u>19,218</u>	<u>396</u>	<u>19,614</u>
RESULTS			
Segment results	1,142	(205)	937
Finance cost	(7)	(189)	(196)
Profit/(Loss) before taxation	<u>1,135</u>	<u>(394)</u>	<u>741</u>
Segment assets	<u>180,483</u>	<u>147,303</u>	<u>327,786</u>
Unallocated assets			<u>244</u>
			<u>328,030</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 2013 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 2013.

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 2013, the Group recorded revenue of RM19.6 million compared with revenue of RM18.8 million for the previous period. This was mainly due to higher sales of products in the domestic, which recorded for Crispy and Tango products as a result of more aggressive promotional activities during the current financial period.

Gross profit margin has improved from 33.6% in the previous year to 36.3% for the current period. The higher gross profit margin for the current period was mainly due to lower stock loss.

Despite high revenue, pre-tax profit for the current period remained the same as previous year's corresponding period. This is due to increase of selling and distribution as well as legal expenses.

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 RM19.6 million and a pre-tax profit of RM0.7 million as compared with the preceding quarter's revenue of RM27.2 million and pre-tax profit of RM5.6 million.

The lower revenue for the current quarter was mainly due to higher festive seasons sales in last quarter, which is in line with the seasonal nature of the Group's food and confectionery operations.

B3. Prospects for Year 2013

The global economic situation is expected to remain challenging in 2013. The IMF projects world GDP growth to improve only slightly to 3.3% in 2013 compare with 3.2% in 2012. According to BNM, the local economy in 2013 will be driven by strong domestic demand and supported by gradual improvement of the external environment. BNM has forecast Malaysia GDP to grow between 5.0% and 6.0% in 2013 compare to 2012.

The group will take advantage of strong domestic demand by continuing with its competitive strategy of further developing its range of products to enhance its market position, strengthen the distribution of agency brands and rationalise its manufacturing facilities to improve productivities. The group also continues to explore new markets overseas.

B4. Profit before Taxation

Included in the profit before taxation are the following items :

	Current quarter		Cumulative quarter	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	RM'000	RM'000	RM'000	RM'000
Interest Income	503	306	503	306
Dividend Income	-	479	-	479
Gain on sale of property, plant and equipment	30	1	30	1
(Impairment loss)/Reversal of impairment on receivables	-	15	-	15
Write down of inventories	(335)	(882)	(335)	(882)
Loss on fair value changes of derivatives	-	(5)	-	(5)
Depreciation and amortisation	(584)	(680)	(584)	(680)
Loss on foreign exchange	(255)	(178)	(255)	(178)

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B5. Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Current taxation	386	110	386	110
Over provision in respect of prior years	(68)	-	(68)	-
Deferred taxation	-	-	-	-
	<u>318</u>	<u>110</u>	<u>318</u>	<u>110</u>

The tax provision of the Group for the financial period ended 31 March 2013 is higher than the statutory rate of tax applicable mainly due to fully utilise unabsorbed losses brought forward from year 2011.

B6. Status of Corporate Proposals

On 04 February 2013 the Company announced that its indirect wholly - owned subsidiary, Network Foods International Ltd ("NFIL"), a company incorporated in the Republic of Singapore, had on 1 February 2013 granted an option to purchase ("Option") to Sing Long Foodstuff Trading Co. Pte Ltd ("Sing Long"), a company incorporated in the Republic of Singapore, for Sing Long to acquire the leasehold land together with a warehouse and office erected thereon known as 12 Woodlands Link, Singapore ("Properties") for a total cash consideration of S\$15.4 million (equivalent to approximates RM38.18 million) ("Purchase Consideration"). The Purchase Consideration payable by Sing Long is exclusive of Goods and Services Tax.

Sing Long had on 15 February 2013 accepted the option to purchase.

B7. Group Borrowings

(a) Total Group borrowings as at 31 March 2013 are as follows:-

	RM'000
Borrowings	
- non current (finance lease liabilities)	264
- current (unsecured)	6,526
- current (finance lease liabilities)	62
	<u>6,852</u>

(b) There are no foreign borrowings as at 31 March 2013 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 2013, 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 2013 (31 March 2012: 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	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Profit attributable to equity holders of the Company (RM'000)	423	593	423	593
Weighted average number of ordinary shares in issue ('000)	708,397	708,597	708,397	708,597
Earnings per share (sen)	0.06	0.08	0.06	0.08

(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 01/01/2013 RM'000	Amount utilised RM'000	Balance as at 31/03/2013 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:-

	31/03/2013 RM'000	31/12/2012 (Restated) RM'000
Realised	(1,270,609)	(1,266,970)
Unrealised	(757)	(881)
	(1,271,366)	(1,267,851)
Less: Consolidation adjustment	664,407	664,417
	(606,959)	(603,434)

B15. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

On behalf of the Board
PAN MALAYSIA CORPORATION BERHAD

SOO-HOO SIEW HOON
Company Secretary

Date: 27 May 2013