

**PAN MALAYSIA CORPORATION BERHAD**  
**Company No : 4920 - D**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL REPORT**  
**THIRD QUARTER ENDED 30 SEPTEMBER 2013**  
(The figures are unaudited)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**For the financial period ended 30 September 2013**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Revenue	18,907	21,804	56,390	58,441
Cost of sales	(12,777)	(12,963)	(37,014)	(37,265)
Gross profit	<u>6,130</u>	<u>8,841</u>	<u>19,376</u>	<u>21,176</u>
Other income	23,179	246	23,973	1,896
Administration and operating expenses	(2,771)	(3,001)	(8,386)	(8,472)
Selling and distribution expenses	(3,313)	(3,855)	(10,520)	(10,508)
Finance costs	(188)	(299)	(571)	(989)
Profit before taxation	<u>23,037</u>	<u>1,932</u>	<u>23,872</u>	<u>3,103</u>
Taxation	(201)	(398)	(604)	(290)
Profit for the financial period	<u>22,836</u>	<u>1,534</u>	<u>23,268</u>	<u>2,813</u>
Profit for the financial period attributable to:-				
Equity holders of the Company	22,836	1,534	23,268	2,813
Non-controlling interests	-	-	-	-
	<u>22,836</u>	<u>1,534</u>	<u>23,268</u>	<u>2,813</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share attributable to equity holders of the Company:				
Basic	3.22	0.22	3.28	0.40
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 30 September 2013**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Profit for the financial period	22,836	1,534	23,268	2,813
<b>Other comprehensive income, net of tax</b>				
Gain on disposal of investments	-	293	5	1,320
Fair value of financial assets				
- (loss)/gain on fair value changes	298	(834)	(2,353)	(3,483)
Foreign currency translation differences for foreign operations	742	(1,292)	947	(267)
Total comprehensive income/(loss) for the financial period	<u>23,876</u>	<u>(299)</u>	<u>21,867</u>	<u>383</u>
Total comprehensive income/(loss) for the financial period attributable to:-				
Equity holders of the Company	23,876	(299)	21,867	383
Non-controlling interests	-	-	-	-
	<u>23,876</u>	<u>(299)</u>	<u>21,867</u>	<u>383</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  
AS AT 30 September 2013**

	30/09/2013 (Unaudited) RM'000	31/12/2012 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,472	48,328
Investment property	1,166	1,152
Investments	82,275	90,064
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>178,103</u>	<u>202,734</u>
<b>Current assets</b>		
Inventories	16,663	17,009
Trade and other receivables	21,150	20,472
Tax recoverable	285	274
Deposits, bank balances and cash	139,616	99,482
	<u>177,714</u>	<u>137,237</u>
<b>TOTAL ASSETS</b>	<u>355,817</u>	<u>339,971</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	386,678	386,678
Treasury shares	(30,484)	(30,484)
Reserves	(19,072)	(40,939)
	<u>337,122</u>	<u>315,255</u>
<b>Non-controlling interests</b>	-	-
<b>Total Equity</b>	<u>337,122</u>	<u>315,255</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	886	984
Loans and borrowings	264	263
	<u>1,150</u>	<u>1,247</u>
<b>Current liabilities</b>		
Loans and borrowings	6,353	14,350
Trade and other payables	11,103	9,107
Taxation	89	12
	<u>17,545</u>	<u>23,469</u>
<b>Total Liabilities</b>	<u>18,695</u>	<u>24,716</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>355,817</u>	<u>339,971</u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.48 *	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 30 September 2013

	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	-	-	-	-	-	(2,353)	(2,353)	-	(2,353)
Foreign exchange translation differences for foreign operations	-	-	-	-	947	-	947	-	947
Profit for the financial period	-	-	-	-	-	23,268	23,268	-	23,268
Total comprehensive income for the financial period	-	-	-	-	947	20,920	21,867	-	21,867
At 30 September 2013	386,678	(30,484)	472,258	33,327	57,857	(582,514)	337,122	-	337,122
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	-	-	-	-	-	1,320	1,320	-	1,320
Net loss on fair value changes of financial assets	-	-	-	-	-	(3,483)	(3,483)	-	(3,483)
Foreign exchange translation differences for foreign operations	-	-	-	-	(267)	-	(267)	-	(267)
Profit for the financial period	-	-	-	-	-	2,813	2,813	-	2,813
Total comprehensive income/(loss) for the financial period	-	-	-	-	(267)	650	383	-	383
Transaction with owners:									
Purchase of treasury shares	-	(18)	-	-	-	-	(18)	-	(18)
At 30 September 2012	386,678	(30,484)	472,258	33,327	56,902	(611,116)	307,565	-	307,565

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 BERHAD**Company No : 4920 - D  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the financial period ended 30 September 2013**

	CUMULATIVE 9 MONTHS	
	30/09/2013	30/09/2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	23,872	3,103
Net adjustments:-		
Non-cash items	1,821	2,146
Non-operating items	(21,755)	(817)
Operating profit before working capital changes	3,938	4,432
Net change in working capital	532	(11,183)
Cash generated from / (used in) operating activities	4,470	(6,751)
Dividend received	3	930
Interest paid	(571)	(989)
Interest received	1,744	1,078
Net tax paid	(655)	(676)
Net cash generated from / (used in) operating activities	4,991	(6,408)
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	38,239	63
Proceeds from disposal of investments	5,441	19,954
Purchase of investments	-	(1,777)
Purchase of property, plant and equipment	(1,365)	(745)
Net cash generated from investing activities	42,315	17,495
Cash Flows From Financing Activities		
Share buy-back	-	(18)
Repayment of hire purchase	(67)	(70)
Repayment of bank borrowings	(8,930)	-
Net cash used in financing activities	(8,997)	(88)
Net increase in cash and cash equivalents	38,309	10,999
Exchange translation differences	826	156
Cash and cash equivalents at 1 January	99,149	60,234
Cash and cash equivalents at 30 September	138,284	71,389

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

Company No : 4920 - D  
(Incorporated in Malaysia)

## 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 with Malaysian Financial Reporting Standards ("MFRS") 139 Financial Instruments: 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

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

During the current financial quarter, the Group recorded an exceptional gain of RM21.58 million arising from the disposal of the leasehold land together with a warehouse and office erected thereon known as 12 Woodlands Link, Singapore.

#### 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 30 September 2013.

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

As at 30 September 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 30 September 2013.

#### A7. Dividends Paid

No dividend was paid by the Company during the financial period ended 30 September 2013 (30 September 2012: Nil).

**PAN MALAYSIA CORPORATION BERHAD**

Company No : 4920 - D  
(Incorporated in Malaysia)

**A8. Segment Information**

The analysis of the Group's operations for the financial period ended 30 September 2013 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	55,108	1,282	56,390
- Inter-segment revenue	-	-	-
Total	<u>55,108</u>	<u>1,282</u>	<u>56,390</u>
<b>RESULTS</b>			
Segment results	22,684	1,759	24,443
Finance cost	(22)	(549)	(571)
Profit before taxation	<u>22,662</u>	<u>1,210</u>	<u>23,872</u>
<b>Segment assets</b>	<u>206,863</u>	<u>148,669</u>	355,532
Unallocated assets			<u>285</u>
			<u>355,817</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 30 September 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 30 September 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.

# 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 period ended 30 September 2013, the Group recorded revenue of RM56.4 million compared with revenue of RM58.4 million for the previous year's corresponding period. This was mainly due to lower sales to OEM customers and deferred export off-take.

Gross profit margin decreased from 36.2% in the previous year to 34.4% for the current period. The lower gross profit margin for the current period was mainly due to higher price for certain raw materials.

Despite lower revenue, pre-tax profit for the current period increased compared with previous year's corresponding period. This is due to an exceptional gain of RM21.58 million arising from disposal of leasehold land and building.

### 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 RM18.9 million and a pre-tax profit of RM23.0 million as compared with the preceding quarter's revenue of RM17.9 million and pre-tax profit of RM0.1 million.

The revenue for the current quarter increased by RM1 million due to increase in export sales. The increase in pre-tax profit is due to the exceptional gain of RM21.58 million.

### B3. Prospects for Year 2013

The global economic situation is expected to remain challenging in 2013. The Group will continue with its strategy of further developing its range of products to enhance its market position, strengthening the marketing of agencies' products and rationalising its manufacturing facilities to improve productivity. The Group also continues to explore new markets in overseas.

### B4. Profit before Taxation

Included in the profit before taxation are the following items :

	Current quarter		Cumulative quarter	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
	RM'000	RM'000	RM'000	RM'000
Allowance for inventories obsolescence	(144)	-	(144)	-
Depreciation	(545)	(557)	(1,702)	(1,866)
Dividend Income	1	440	3	930
Gain on disposal of property, plant and equipment	21,533	38	21,562	39
Gain/(Loss) on foreign exchange (net)	1,353	(169)	1,460	670
(Impairment loss)/Reversal of impairment on receivables	(163)	5	(163)	(2)
Interest Income	706	359	1,744	1,078
Loss on fair value changes of derivatives	-	-	-	(8)
Property, plant & equipment written off	(5)	-	(5)	-
Write down of inventories	(360)	(186)	(1,127)	(1,197)



# PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D  
(Incorporated in Malaysia)

## B5. Taxation

Taxation comprises:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Current taxation	203	408	649	691
Over provision in respect of prior years	(2)	(10)	(45)	(401)
Deferred taxation	-	-	-	-
	<u>201</u>	<u>398</u>	<u>604</u>	<u>290</u>

The effective taxation rate of the financial period ended 30 September 2013 is lower than the statutory rate, mainly due to exceptional gains, which is not subject to tax.

## 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 approximately 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 ("Disposal").

The Disposal was completed on 31 July 2013. Simultaneously, NFIL executed a Lease Agreement with Sing Long to lease back part of the warehouse and office measuring 295.2 square meters.

## B7. Group Borrowings

(a) Total Group borrowings as at 30 September 2013 are as follows:-

	RM'000
Borrowings	
- non-current (finance lease liabilities)	264
- current (finance lease liabilities)	20
- current (unsecured)	<u>6,332</u>
	<u>6,616</u>

(b) There are no foreign borrowings as at 30 September 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 30 September 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 30 September 2013 (30 September 2012: Nil).

# PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D  
(Incorporated in Malaysia)

## 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:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2013	30/09/2012	30/09/2013	30/09/2012
Profit attributable to equity holders of the Company (RM'000)	22,836	1,534	23,268	2,813
Weighted average number of ordinary shares in issue ('000)	708,397	708,514	708,397	708,569
Earnings per share (sen)	3.22	0.22	3.28	0.40

(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 30/09/2013 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:-

	30/09/2013 RM'000	31/12/2012 (Audited) RM'000
Realised	(1,246,308)	(1,266,970)
Unrealised	(610)	(881)
	(1,246,918)	(1,267,851)
Less: Consolidation adjustment	664,404	664,417
	(582,514)	(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  
LEE CHIK SIONG  
Joint Company Secretaries

Date: 19 November 2013