

PAN MALAYSIA CORPORATION BERHAD
Company No : 4920 - D
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 31 MARCH 2014
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENTS
For the financial period ended 31 March 2014

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2014 RM'000	31/03/2013 RM'000	31/03/2014 RM'000	31/03/2013 RM'000
Revenue	17,193	19,614	17,193	19,614
Cost of sales	(10,951)	(12,494)	(10,951)	(12,494)
Gross profit	<u>6,242</u>	<u>7,120</u>	<u>6,242</u>	<u>7,120</u>
Other income	1,060	484	1,060	484
Administration and operating expenses	(2,433)	(3,124)	(2,433)	(3,124)
Selling and distribution expenses	(2,761)	(3,543)	(2,761)	(3,543)
Finance costs	(171)	(196)	(171)	(196)
Profit before taxation	<u>1,937</u>	<u>741</u>	<u>1,937</u>	<u>741</u>
Taxation	(256)	(318)	(256)	(318)
Profit for the financial period	<u><u>1,681</u></u>	<u><u>423</u></u>	<u><u>1,681</u></u>	<u><u>423</u></u>
Profit for the financial period attributable to:-				
Equity holders of the Company	1,681	423	1,681	423
Non-controlling interests	-	-	-	-
	<u><u>1,681</u></u>	<u><u>423</u></u>	<u><u>1,681</u></u>	<u><u>423</u></u>
	Sen	Sen	Sen	Sen
Earnings per share attributable to equity holders of the Company:				
Basic	0.24	0.06	0.24	0.06
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 2013 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 2014

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2014 RM'000	31/03/2013 RM'000	31/03/2014 RM'000	31/03/2013 RM'000
Profit for the financial period	1,681	423	1,681	423
Other comprehensive income, net of tax				
Gain on disposal of investments	-	5	-	5
Fair value of financial assets				
-gain/(loss) on fair value changes	418	(3,953)	418	(3,953)
Foreign currency translation differences for foreign operations	(859)	7	(859)	7
Total comprehensive income/(loss) for the financial period	<u>1,240</u>	<u>(3,518)</u>	<u>1,240</u>	<u>(3,518)</u>
Total comprehensive income/(loss) for the financial period attributable to:-				
Equity holders of the Company	1,240	(3,518)	1,240	(3,518)
Non-controlling interests	-	-	-	-
	<u>1,240</u>	<u>(3,518)</u>	<u>1,240</u>	<u>(3,518)</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 2013 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 31 March 2014**

	31/03/2014 (Unaudited) RM'000	31/12/2013 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	30,478	30,991
Investment property	1,149	1,160
Investments	94,870	94,452
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>189,687</u>	<u>189,793</u>
Current assets		
Inventories	15,304	15,598
Trade and other receivables	18,525	18,512
Tax recoverable	621	619
Deposits, bank balances and cash	133,018	140,998
	<u>167,468</u>	<u>175,727</u>
TOTAL ASSETS	<u>357,155</u>	<u>365,520</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	(10,328)	(11,568)
	<u>345,866</u>	<u>344,626</u>
Non-controlling interests		
	-	-
Total Equity	<u>345,866</u>	<u>344,626</u>
Non-current liabilities		
Deferred tax liabilities	759	760
Loans and borrowings	179	179
	<u>938</u>	<u>939</u>
Current liabilities		
Loans and borrowings	266	7,562
Trade and other payables	10,046	12,286
Taxation	39	107
	<u>10,351</u>	<u>19,955</u>
Total Liabilities	<u>11,289</u>	<u>20,894</u>
TOTAL EQUITY AND LIABILITIES	<u>357,155</u>	<u>365,520</u>
	RM	RM
Net Assets per share attributable to equity holders of the Company	0.49 *	0.49 *

* 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 2013 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA CORPORATION BERHAD

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial period ended 31 March 2014

<u>Cumulative 3 months</u>	Attributable to Equity Holders of the Company						Total Equity RM'000
	Non-Distributable					Accumulated Loss RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Other Reserve RM'000		
At 1 January 2014	386,678	(30,484)	472,258	33,327	57,846	(574,999)	344,626
Other comprehensive income:							
Net gain on fair value changes of financial assets	-	-	-	-	-	418	418
Foreign exchange translation differences for foreign operations	-	-	-	-	(859)	-	(859)
Profit for the financial period	-	-	-	-	-	1,681	1,681
Total comprehensive income/(loss) for the financial period	-	-	-	-	(859)	2,099	1,240
At 31 March 2014	386,678	(30,484)	472,258	33,327	56,987	(572,900)	345,866
At 1 January 2013	386,678	(30,484)	472,258	33,327	56,910	(603,434)	315,255
Gain on disposal of investments	-	-	-	-	-	5	5
Net loss on fair value changes of financial assets	-	-	-	-	-	(3,953)	(3,953)
Foreign exchange translation differences for foreign operations	-	-	-	-	7	-	7
Profit for the financial period	-	-	-	-	-	423	423
Total comprehensive income/(loss) for the financial period	-	-	-	-	7	(3,525)	(3,518)
At 31 March 2013	386,678	(30,484)	472,258	33,327	56,917	(606,959)	311,737

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 2013 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 2014

	CUMULATIVE 3 MONTHS	
	31/03/2014	31/03/2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	1,937	741
Net adjustments:-		
Non-cash items	335	612
Non-operating items	(69)	227
Operating profit before working capital changes	<u>2,203</u>	<u>1,580</u>
Net change in working capital	<u>(2,310)</u>	<u>(2,088)</u>
Cash used in operating activities	(107)	(508)
Interest paid	(171)	(196)
Interest received	674	503
Net tax paid	(328)	(401)
Net cash generated from/(used in) operating activities	<u>68</u>	<u>(602)</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	-	50
Proceeds from disposal of investments	-	176
Purchase of property, plant and equipment	(8)	(636)
Net cash used in investing activities	<u>(8)</u>	<u>(410)</u>
Cash Flows From Financing Activities		
Repayment of hire purchase	(21)	(25)
Repayment of bank borrowings	(5,000)	(8,930)
Net cash used in financing activities	<u>(5,021)</u>	<u>(8,955)</u>
Net decrease in cash and cash equivalents	(4,961)	(9,967)
Exchange translation differences	(742)	(105)
Cash and cash equivalents at 1 January	137,030	99,149
Cash and cash equivalents at 31 March	<u>131,327</u>	<u>89,077</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 2013 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 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 2013. 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 2013.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2013 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 2014:-

Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*

Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*

Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*

Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*

IC Interpretation 21, *Levies*

The adoption of the above pronouncements did not have any material 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 were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the financial period ended 31 March 2014.

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 2014.

A6. Issuances and Repayments of Debt and Equity Securities

As at 31 March 2014, 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 2014.

A7. Dividends Paid

No dividend was paid by the Company during the financial period ended 31 March 2014 (31 March 2013: Nil).

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A8. Segment Information

The analysis of the Group's operations for the financial period ended 31 March 2014 is as follows:-

	Food & Confectionery RM'000	Investment Holding RM'000	Total RM'000
REVENUE			
- External revenue	16,607	586	17,193
- Inter-segment revenue	-	-	-
Total	<u>16,607</u>	<u>586</u>	<u>17,193</u>
RESULTS			
Segment results	996	1,112	2,108
Finance cost	(5)	(166)	(171)
Profit before taxation	<u>991</u>	<u>946</u>	<u>1,937</u>
Segment assets	<u>185,904</u>	<u>170,630</u>	356,534
Unallocated assets			621
			<u>357,155</u>

A9. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. 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 2014 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 2014.

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

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B NOTES PER BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance

For the financial period ended 31 March 2014, the Group recorded revenue of RM17.2 million compared with revenue of RM19.6 million for the previous corresponding financial period. This was mainly due to lower domestic sales.

Gross profit margin of 36% for the current financial period is consistent with the gross profit margin of the previous financial period.

Despite lower revenue, pre-tax profit for the current year to date increased compared with previous corresponding financial period. This was attributed to lower expenses incurred along with higher other income.

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 RM17.2 million and a pre-tax profit of RM1.9 million as compared with the preceding quarter's revenue of RM24.4 million and pre-tax loss of RM4.8 million.

The revenue for the current quarter decreased by RM7.2 million due to decrease in export sales. The higher pre-tax profit for current quarter compared to the preceding quarter was mainly due to an impairment of receivables recognised in the preceding quarter.

B3. Prospects for Year 2014

According to Bank Negara Malaysia ("BNM"), the local economy in 2014 will be supported by the domestic demand and will benefit from more favorable external environment. BNM has forecasted the Malaysia's gross domestic product to grow between 4.5% and 5.5% in 2014.

The global economic situation is expected to remain challenging in 2014. The Group continues to implement the strategy of further developing its range of products, strengthening its marketing activities and improving its manufacturing facilities.

B4. Profit before Taxation

Included in the profit before taxation are the following items :

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	RM'000	RM'000	RM'000	RM'000
Depreciation	(513)	(584)	(513)	(584)
Interest income received from related party	106	-	106	-
Gain on disposal of property, plant and equipment	-	30	-	30
Gain/(Loss) on foreign exchange (net)	720	(255)	720	(255)
Reversal of Impairment loss on receivables	98	-	98	-
Interest Income	568	503	568	503
Write down of inventories	(419)	(335)	(419)	(335)

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B5. Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2014 RM'000	31/03/2013 RM'000	31/03/2014 RM'000	31/03/2013 RM'000
Current taxation	256	386	256	386
Over provision in respect of prior years	-	(68)	-	(68)
Deferred taxation	-	-	-	-
	<u>256</u>	<u>318</u>	<u>256</u>	<u>318</u>

The effective taxation rate of the financial period ended 31 March 2014 is lower than the statutory rate, mainly due to the utilization of tax losses in a subsidiary to set off against its taxable profits.

B6. Status of Corporate Proposals

The Group does not have 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 2014 are as follows:-

	RM'000
Borrowings	
- non-current (finance lease liabilities)	179
- current (finance lease liabilities)	62
- current (unsecured)	204
	<u>445</u>

(b) There are no foreign borrowings as at 31 March 2014 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 2014, the Group does not have any financial liabilities measured at fair value through profit or loss.

B10. Material Litigation

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

B11. Dividend

No dividend has been declared by the Board for the financial period ended 31 March 2014 (31 March 2013: 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	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Profit attributable to equity holders of the Company (RM'000)	1,681	423	1,681	423
Weighted average number of ordinary shares in issue ('000)	708,397	708,397	708,397	708,397
Earnings per share (sen)	0.24	0.06	0.24	0.06

(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 01/01/2014 RM'000	Amount utilised RM'000	Balance as at 31/03/2014 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:-

	31/03/2014 RM'000	31/12/2013 (Audited) RM'000
Realised	(1,261,056)	(1,262,710)
Unrealised	15,237	14,792
	(1,245,819)	(1,247,918)
Less: Consolidation adjustment	672,919	672,919
	(572,900)	(574,999)

B15. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 31 December 2013 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: 26 May 2014