

**PAN MALAYSIA CORPORATION BERHAD**  
**Company No : 4920 - D**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL REPORT**  
**FIRST QUARTER ENDED 31 MARCH 2015**  
(The figures are unaudited)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**For the financial period ended 31 March 2015**

	<b>FIRST QUARTER</b>		<b>CUMULATIVE 3 MONTHS</b>	
	<b>31/03/2015</b>	<b>31/03/2014</b>	<b>31/03/2015</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	16,359	17,193	16,359	17,193
Cost of sales	(11,055)	(10,951)	(11,055)	(10,951)
Gross profit	<u>5,304</u>	<u>6,242</u>	<u>5,304</u>	<u>6,242</u>
Other income	1,286	1,060	1,286	1,060
Administration and operating expenses	(2,595)	(2,257)	(2,595)	(2,257)
Other expenses	(122)	(176)	(122)	(176)
Selling and distribution expenses	(2,840)	(2,761)	(2,840)	(2,761)
Finance costs	(112)	(171)	(112)	(171)
Profit before taxation	<u>921</u>	<u>1,937</u>	<u>921</u>	<u>1,937</u>
Taxation	(218)	(256)	(218)	(256)
Profit for the financial period	<u>703</u>	<u>1,681</u>	<u>703</u>	<u>1,681</u>
Profit for the financial period attributable to:-				
Equity holders of the Company	<u>703</u>	<u>1,681</u>	<u>703</u>	<u>1,681</u>
	<u>703</u>	<u>1,681</u>	<u>703</u>	<u>1,681</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share attributable to equity holders of the Company:				
Basic	0.10	0.24	0.10	0.24
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 2014 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 2015**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Profit for the financial period	703	1,681	703	1,681
<b>Other comprehensive income, net of tax</b>				
Fair value of financial assets				
-(loss)/gain on fair value changes	(1,202)	418	(1,202)	418
Foreign currency translation differences for foreign operations	215	(859)	215	(859)
Total comprehensive (loss)/income for the financial period	<u>(284)</u>	<u>1,240</u>	<u>(284)</u>	<u>1,240</u>
Total comprehensive (loss)/income for the financial period attributable to:-				
Equity holders of the Company	<u>(284)</u>	<u>1,240</u>	<u>(284)</u>	<u>1,240</u>
	<u>(284)</u>	<u>1,240</u>	<u>(284)</u>	<u>1,240</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 2014 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 2015**

	<b>31/03/2015 (Unaudited) RM'000</b>	<b>31/12/2014 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,998	30,369
Investment property	1,160	1,147
Investments	89,829	91,031
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>184,177</u>	<u>185,737</u>
<b>Current assets</b>		
Inventories	13,450	17,363
Trade and other receivables	15,507	17,273
Tax recoverable	505	651
Deposits, bank balances and cash	137,200	134,292
	<u>166,662</u>	<u>169,579</u>
Non current assets held for sale	9,930	9,930
	<u>176,592</u>	<u>179,509</u>
<b>TOTAL ASSETS</b>	<u>360,769</u>	<u>365,246</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	(5,297)	(5,013)
<b>Total Equity</b>	<u>350,897</u>	<u>351,181</u>
<b>Non-current liabilities</b>		
Loans and borrowings	119	114
Deferred tax liabilities	913	883
	<u>1,032</u>	<u>997</u>
<b>Current liabilities</b>		
Loans and borrowings	62	383
Trade and other payables	8,709	12,624
Taxation	69	61
	<u>8,840</u>	<u>13,068</u>
<b>Total Liabilities</b>	<u>9,872</u>	<u>14,065</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>360,769</u>	<u>365,246</u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.50 *	0.50 *

\* 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 2014 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 STATEMENTS OF CHANGES IN EQUITY**  
 For the financial period ended 31 March 2015

<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 2015, as restated	386,678	(30,484)	472,258	33,327	57,367	(567,965)	351,181
Other comprehensive income:							
Net loss on fair value changes of financial assets	-	-	-	-	-	(1,202)	(1,202)
Foreign exchange translation differences for foreign operations	-	-	-	-	215	-	215
Profit for the financial period	-	-	-	-	-	703	703
Total comprehensive income / (loss) for the financial period	-	-	-	-	215	(499)	(284)
At 31 March 2015	386,678	(30,484)	472,258	33,327	57,582	(568,464)	350,897
At 1 January 2014, as restated	386,678	(30,484)	472,258	33,327	57,846	(575,941)	343,684
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	(573,842)	344,924

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 2014 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 31 March 2015**

	CUMULATIVE 3 MONTHS	
	31/03/2015	31/03/2014
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation	921	1,937
Net adjustments:-		
Non-cash items	92	335
Non-operating items	(1,031)	(69)
Operating (loss)/profit before working capital changes	<u>(18)</u>	<u>2,203</u>
Net change in working capital	<u>1,818</u>	<u>(2,310)</u>
Cash generated from/(used in) operating activities	1,800	(107)
Interest paid	(112)	(171)
Interest received	686	674
Net tax paid	(310)	(328)
Net cash generated from operating activities	<u>2,064</u>	<u>68</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(51)	(8)
Net cash used in investing activities	<u>(51)</u>	<u>(8)</u>
Cash Flows From Financing Activities		
Repayment of hire purchase	(16)	(21)
Repayment of bank borrowings	-	(5,000)
Net cash used in financing activities	<u>(16)</u>	<u>(5,021)</u>
Net increase/(decrease) in cash and cash equivalents	1,997	(4,961)
Exchange translation differences	1,188	(742)
Cash and cash equivalents at 1 January	132,484	137,030
Cash and cash equivalents at 31 March	<u>135,669</u>	<u>131,327</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 2014 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 2014. 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 2014.

#### A2. Significant Accounting Policies

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

- Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011) : Investment Entities
- Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

The adoption of the above accounting standards and/or interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customer	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendment to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities-Appling the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements-Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contribution	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

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**NOTES TO THE INTERIM FINANCIAL REPORT (Continued)**

**A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING (continued)**

**A2. Significant Accounting Policies (continued)**

The adoption of above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon their initial application.

**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 2015.

**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 2015.

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

As at 31 March 2015, 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 2015.

**A7. Dividends Paid**

No dividend was paid by the Company during the financial period ended 31 March 2015 (31 March 2014: Nil).

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**A8. Segment Information**

The analysis of the Group's operations for the financial period ended 31 March 2015 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	15,698	661	16,359
Total	<u>15,698</u>	<u>661</u>	<u>16,359</u>
<b>RESULTS</b>			
Segment results	(406)	1,439	1,033
Finance cost	(8)	(104)	(112)
Profit before taxation	<u>(414)</u>	<u>1,335</u>	<u>921</u>
<b>Segment assets</b>	<u>182,732</u>	<u>177,532</u>	360,264
Unallocated assets			<u>505</u>
			<u>360,769</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 2015 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 2015.

**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 2015, the Group recorded lower revenue of RM16.4 million compared with revenue of RM17.2 million for the previous year's corresponding financial period. This was attributable to lower domestic sales.

### B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

For the current quarter, the Group recorded revenue of RM16.4 million and pre-tax profit of RM0.9 million as compared with the preceding quarter's revenue of RM22.9 million and pre-tax profit of RM1.2 million.

Both revenue and pre-tax profit for the current quarter decreased compared with the preceding quarter due to cautious market sentiment ahead of the implementation of Goods & Services Tax (GST) in April 2015.

### B3. Prospects for Year 2015

The global market condition remains challenging in general.

According to Bank Negara Malaysia, the Malaysian economy is projected to achieve real GDP growth rate of between 4.5% and 5.5% in 2015, supported by strong domestic demand and resilient investment activity.

The Group will strive to improve sales and margins through overseas market development, new and re-packaged product launches, focused marketing, distribution network enhancement, cost control, and productivity improvement.

### B4. Profit before Taxation

Included in the profit before taxation are the following items :

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Depreciation / amortisation	(455)	(513)	(455)	(513)
Gain on foreign exchange (net)	1,031	720	1,031	720
Interest Income	686	568	686	568
Interest income from related party	92	106	92	106
Reversal of /(Impairment) loss on receivables	(85)	98	(85)	98
Write down of inventories	(218)	(419)	(218)	(419)

# PAN MALAYSIA CORPORATION BERHAD

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## B5. Taxation

Taxation comprises:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Current tax expense	226	256	226	256
Over provision in respect of prior years	(8)	-	(8)	-
	<u>218</u>	<u>256</u>	<u>218</u>	<u>256</u>

The effective taxation rate of the financial period ended 31 March 2015 is lower than the statutory rate, due to the utilization of tax losses in a subsidiary to set off against its taxable profits and exceptional items not subjected to tax.

## B6. Status of Corporate Proposals

On 12 December 2014, the Company announced that Megawise Sdn Bhd ("Megawise"), a wholly owned subsidiary of the Company had entered into a Share Sale Agreement with Dato' Dr Yu Kuan Chon to dispose of 82,749,507 ordinary shares, representing 8.91% of the issued and paid up share capital of Pan Malaysia Holdings Berhad ("PMH") for a total disposal consideration of RM9,929,941 ("Proposed Disposal").

On 11 May 2015, the Company announced that the Securities Commission Malaysia ("SC") had vide its letter dated 7 May 2015 addressed to PM Securities Sdn Bhd ("PMS") (a subsidiary of Pan Malaysia Capital Berhad which is in turn the associated company of the Company), rejected PMS's application for change of controlling shareholders. On 20 May 2015, PMS had given a notice to the SC of its intention to appeal against the SC's decision in rejecting PMS' application for change of controlling shareholders.

## B7. Group Borrowings

(a) Total Group borrowings as at 31 March 2015 are as follows:-

	RM'000
Borrowings	
- non-current (finance lease liabilities)	119
- current (finance lease liabilities)	62
	<u>181</u>

(b) There are no foreign borrowings as at 31 March 2015 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 2015, 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 2015 (31 March 2014: Nil).

## PAN MALAYSIA CORPORATION BERHAD

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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	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Profit attributable to equity holders of the Company (RM'000)	703	1,681	703	1,681
Weighted average number of ordinary shares in issue ('000)	708,397	708,397	708,397	708,397
Earnings per share (sen)	0.10	0.24	0.10	0.24

(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 01/01/2015 RM'000	Amount utilised RM'000	Balance as at 31/03/2015 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:-

	31/03/2015 RM'000	31/12/2014 (Audited) RM'000
Realised	(1,266,346)	(1,260,477)
Unrealised	24,964	20,425
	(1,241,382)	(1,240,052)
Less: Consolidation adjustments	672,918	672,087
	(568,464)	(567,965)

### B15. Auditors' Report

The auditors' report on the audited financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

By order of the Board  
PAN MALAYSIA CORPORATION BERHAD

SOO-HOO SIEW HOON  
LEE CHIK SIONG  
Joint Company Secretaries

Date: 25 May 2015