

**PAN MALAYSIA CORPORATION BERHAD**  
**Company No : 4920 - D**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL REPORT**  
**THIRD QUARTER ENDED 30 SEPTEMBER 2015**  
(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**For the financial period ended 30 September 2015**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Revenue	16,792	16,497	50,196	47,911
Cost of sales	(11,115)	(11,238)	(32,539)	(31,573)
Gross profit	<u>5,677</u>	<u>5,259</u>	<u>17,657</u>	<u>16,338</u>
Other income	7,412	89	10,828	2,256
Administration and operating expenses	(2,644)	(2,766)	(8,280)	(7,414)
Other expenses	(751)	(70)	(1,067)	(1,095)
Selling and distribution expenses	(3,790)	(3,205)	(9,772)	(8,510)
Finance costs	(49)	(141)	(242)	(444)
Profit/(Loss) before taxation	<u>5,855</u>	<u>(834)</u>	<u>9,124</u>	<u>1,131</u>
Taxation	(467)	192	(801)	14
Profit/(Loss) for the financial period	<u>5,388</u>	<u>(642)</u>	<u>8,323</u>	<u>1,145</u>
Profit/(Loss) for the financial period attributable to:-				
Equity holders of the Company	<u>5,388</u>	<u>(642)</u>	<u>8,323</u>	<u>1,145</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic	0.76	(0.09)	1.17	0.16
Fully diluted	N/A	N/A	N/A	N/A

*N/A - Not applicable.*

The Condensed Consolidated Statements of Profit or Loss 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 30 September 2015**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Profit/(Loss) for the financial period	5,388	(642)	8,323	1,145
<b>Other comprehensive income, net of tax</b>				
Fair value of financial assets				
-(loss)/gain on fair value changes	44	4,320	(848)	8,952
Foreign currency translation differences for foreign operations	475	-	285	(927)
Total comprehensive income for the financial period	<u>5,907</u>	<u>3,678</u>	<u>7,760</u>	<u>9,170</u>
Total comprehensive income for the financial period attributable to:-				
Equity holders of the Company	<u>5,907</u>	<u>3,678</u>	<u>7,760</u>	<u>9,170</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 30 September 2015**

	<b>30/09/2015 (Unaudited) RM'000</b>	<b>31/12/2014 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,108	30,369
Investment property	1,320	1,147
Investments	89,953	91,031
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>184,571</u>	<u>185,737</u>
<b>Current assets</b>		
Inventories	17,561	17,363
Trade and other receivables	17,992	17,273
Tax recoverable	1,003	651
Deposits, bank balances and cash	143,136	134,292
	<u>179,692</u>	<u>169,579</u>
Non current assets held for sale	9,930	9,930
	<u>189,622</u>	<u>179,509</u>
<b>TOTAL ASSETS</b>	<u><b>374,193</b></u>	<u><b>365,246</b></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	2,747	(5,013)
<b>Total Equity</b>	<u><b>358,941</b></u>	<u><b>351,181</b></u>
<b>Non-current liabilities</b>		
Loans and borrowings	125	114
Deferred tax liabilities	1,022	883
	<u>1,147</u>	<u>997</u>
<b>Current liabilities</b>		
Loans and borrowings	22	383
Trade and other payables	13,967	12,624
Taxation	116	61
	<u>14,105</u>	<u>13,068</u>
<b>Total Liabilities</b>	<u><b>15,252</b></u>	<u><b>14,065</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>374,193</b></u>	<u><b>365,246</b></u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.51 *	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 30 September 2015

<u>Cumulative 9 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	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	-	-	-	-	-	(848)	(848)
Foreign exchange translation differences for foreign operations	-	-	-	-	285	-	285
Profit for the financial period	-	-	-	-	-	8,323	8,323
Total comprehensive income for the financial period	-	-	-	-	285	7,475	7,760
At 30 September 2015	<u>386,678</u>	<u>(30,484)</u>	<u>472,258</u>	<u>33,327</u>	<u>57,652</u>	<u>(560,490)</u>	<u>358,941</u>
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	-	-	-	-	-	8,952	8,952
Foreign exchange translation differences for foreign operations	-	-	-	-	(927)	-	(927)
Profit for the financial period	-	-	-	-	-	1,145	1,145
Total comprehensive income / (loss) for the financial period	-	-	-	-	(927)	10,097	9,170
At 30 September 2014	<u>386,678</u>	<u>(30,484)</u>	<u>472,258</u>	<u>33,327</u>	<u>56,919</u>	<u>(565,844)</u>	<u>352,854</u>

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**

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the financial period ended 30 September 2015**

	<b>CUMULATIVE 9 MONTHS</b>	
	<b>30/09/2015</b>	<b>30/09/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	9,124	1,131
Net adjustments:-		
Non-cash items	303	1,290
Non-operating items	(8,782)	(497)
Operating profit before working capital changes	<u>645</u>	<u>1,924</u>
Net change in working capital	<u>(1,673)</u>	<u>(4,365)</u>
Cash used in operating activities	(1,028)	(2,441)
Dividend received	4	4
Interest paid	(242)	(444)
Interest received	2,401	1,937
Net tax paid	(1,360)	(1,179)
Net cash used in operating activities	<u>(225)</u>	<u>(2,123)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(427)	(860)
Net cash used in investing activities	<u>(427)</u>	<u>(860)</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of hire purchase	(50)	(49)
Repayment of bank borrowings	-	(5,000)
Net cash used in financing activities	<u>(50)</u>	<u>(5,049)</u>
Net decrease in cash and cash equivalents	(702)	(8,032)
Exchange translation differences	7,849	(1,157)
Cash and cash equivalents at 1 January	132,484	137,030
Cash and cash equivalents at 30 September	<u>139,631</u>	<u>127,841</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

Company No : 4920 - D  
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## NOTES TO THE INTERIM FINANCIAL REPORT

### A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

#### A1. Change In Financial Year End

The Company has changed its financial year end from 31 December to 30 June. As a result of this change, the next audited financial statements of the Company shall be for a period of 18 months from 1 January 2015 to 30 June 2016 and thereafter 30 June for each subsequent year.

#### A2. 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.

#### A3. 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)**

**A3. 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.

**A4. 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.

**A5. 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 30 September 2015.

**A6. 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 2015.

**A7. Issuances and Repayments of Debt and Equity Securities**

As at 30 September 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 30 September 2015.

**A8. Dividends Paid**

No dividend was paid by the Company during the financial period ended 30 September 2015 (30 September 2014: Nil).

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**A8. Segment Information**

The analysis of the Group's operations for the financial period ended 30 September 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	48,228	1,968	50,196
Total	<u>48,228</u>	<u>1,968</u>	<u>50,196</u>
<b>RESULTS</b>			
Segment results	(364)	9,730	9,366
Finance cost	(22)	(220)	(242)
Profit/(Loss) before taxation	<u>(386)</u>	<u>9,510</u>	<u>9,124</u>
<b>Segment assets</b>	<u>195,117</u>	<u>178,073</u>	373,190
Unallocated assets			<u>1,003</u>
			<u>374,193</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 30 September 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 30 September 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

In the current quarter, the Group recorded a revenue of RM16.8 million and profit before tax of RM5.9 million as compared with revenue of RM16.5 million and loss before tax of RM0.8 million in the previous year's corresponding quarter. The current quarter recorded a profit before tax compared with a loss in the previous year's corresponding quarter due to a net unrealised gain on foreign exchange, mainly arising from the depreciation of Ringgit Malaysia against Singapore Dollar on translation of amount owing by a foreign subsidiary.

For the financial period ended 30 September 2015, the Group recorded higher revenue of RM50.2 million and profit before tax of RM9.1 million compared with revenue of RM48.0 million and profit before tax of RM1.1 million for the previous year's corresponding financial period. The higher profit before tax was due to the higher unrealised gain on foreign exchange.

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

In the current quarter, the Group recorded revenue of RM16.8 million and profit before tax of RM5.9 million as compared with the preceding quarter's revenue of RM17.0 million and profit before tax of RM2.3 million.

The higher profit before tax was due to the higher unrealised gain on foreign exchange.

### B3. Prospects for Year 2015

The global economy remains challenging in general, with a projected slower global growth of 3.1% in 2015.

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, amidst weaker consumer sentiment brought about by the introduction of Goods & Services Tax (GST) and depreciation of Ringgit Malaysia against major foreign currencies.

The Group will continue to improve sales and margins through export development, distribution network enhancement, cost control, and productivity improvement.

### B4. Profit/(Loss) before Taxation

Included in the profit/(loss) before taxation are the following items :

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Depreciation / amortisation	(471)	(504)	(1,384)	(1,525)
Dividend income	4	4	4	4
Gain/(Loss) on foreign exchange (net)	6,636	(39)	9,325	335
Impairment loss on amount owing by related company	-	(29)	-	(451)
Impairment loss on investment	(230)	-	(230)	-
Interest income	796	718	2,401	1,937
Interest income from related party	95	94	280	294
Reversal of Impairment loss on receivables	-	100	-	173
Reversal of impairment on property	-	(2)	-	898
Write down of inventories	(482)	(333)	(851)	(1,279)

# PAN MALAYSIA CORPORATION BERHAD

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## B5. Taxation

Taxation comprises:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30/09/2015 RM'000	30/09/2014 RM'000	30/09/2015 RM'000	30/09/2014 RM'000
Current tax expense	150	105	515	288
Under/(Over) provision in respect of prior years	317	(297)	286	(302)
	<u>467</u>	<u>(192)</u>	<u>801</u>	<u>(14)</u>

The effective taxation rate of the financial period ended 30 September 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 PMH), 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's application for change of controlling shareholders. PMS is awaiting the outcome of its appeal to SC. In the meantime, the cut-off date to fulfill the condition precedent in the Share Sale Agreement has been mutually extended to 11 December 2015.

## B7. Group Borrowings

(a) Total Group borrowings as at 30 September 2015 are as follows:-

	RM'000
Borrowings	
- non-current (finance lease liabilities)	125
- current (finance lease liabilities)	<u>22</u>
	<u>147</u>

(b) There are no foreign borrowings as at 30 September 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 30 September 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 30 September 2015 (30 September 2014: Nil).

**PAN MALAYSIA CORPORATION BERHAD**

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**B12. Earnings/(Loss) Per Share**

(i) Earnings/(Loss) per share

The basic earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) 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	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Profit/(Loss) attributable to equity holders of the Company (RM'000)	5,388	(642)	8,323	1,145
Weighted average number of ordinary shares in issue ('000)	708,397	708,397	708,397	708,397
Earnings/(Loss) per share (sen)	0.76	(0.09)	1.17	0.16

(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 30/09/2015 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:-

	30/09/2015 RM'000	31/12/2014 (Audited) RM'000
Realised	(1,263,480)	(1,260,477)
Unrealised	30,588	20,425
	(1,232,892)	(1,240,052)
Less: Consolidation adjustments	672,402	672,087
	(560,490)	(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

LEE CHIK SIONG  
CHIN SUAN YONG  
Joint Company Secretaries

Date: 19 November 2015