

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**For the financial year ended 31 December 2014**

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Revenue	21,809	24,403	69,720	80,793
Cost of sales	(16,965)	(16,443)	(48,538)	(53,457)
Gross profit	4,844	7,960	21,182	27,336
Other income	1,164	569	3,420	24,542
Administration and operating expenses	(543)	(3,603)	(7,957)	(11,989)
Other expenses	(1,138)	(5,930)	(2,233)	(5,930)
Selling and distribution expenses	(3,296)	(3,556)	(11,806)	(14,076)
Finance costs	(137)	(201)	(581)	(772)
Profit/(Loss) before taxation	894	(4,761)	2,025	19,111
Taxation	(504)	98	(490)	(506)
Profit/(Loss) for the financial period/year	390	(4,663)	1,535	18,605
Profit/(Loss) for the financial period/year attributable to:-				
Equity holders of the Company	390	(4,663)	1,535	18,605
Non-controlling interests	-	-	-	-
	390	(4,663)	1,535	18,605
	Sen	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:				
Basic	0.06	(0.66)	0.22	2.63
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 year ended 31 December 2014

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Profit/(Loss) for the financial period/year	390	(4,663)	1,535	18,605
<b>Other comprehensive income, net of tax</b>				
Gain on disposal of investments	-	-	-	5
Fair value of financial assets				
-gain on fair value changes	9,660	12,178	18,612	9,825
Foreign currency translation differences for foreign operations	452	(11)	(475)	936
Total comprehensive income for the financial period/year	<u>10,502</u>	<u>7,504</u>	<u>19,672</u>	<u>29,371</u>
Total comprehensive income for the financial period/year attributable to:-				
Equity holders of the Company	10,502	7,504	19,672	29,371
Non-controlling interests	-	-	-	-
	<u>10,502</u>	<u>7,504</u>	<u>19,672</u>	<u>29,371</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 December 2014**

	31/12/2014 (Unaudited) RM'000	31/12/2013 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,686	30,991
Investment property	1,147	1,160
Investments	103,134	94,452
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>198,157</u>	<u>189,793</u>
<b>Current assets</b>		
Non current assets held for sale	9,930	-
Inventories	15,894	15,598
Trade and other receivables	17,319	18,512
Tax recoverable	738	619
Deposits, bank balances and cash	134,002	140,998
	<u>177,883</u>	<u>175,727</u>
<b>TOTAL ASSETS</b>	<u><b>376,040</b></u>	<u><b>365,520</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	8,104	(11,568)
	<u>364,298</u>	<u>344,626</u>
<b>Non-controlling interests</b>	-	-
<b>Total Equity</b>	<u><b>364,298</b></u>	<u><b>344,626</b></u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	788	760
Loans and borrowings	114	179
	<u>902</u>	<u>939</u>
<b>Current liabilities</b>		
Loans and borrowings	142	7,562
Trade and other payables	10,536	12,286
Taxation	162	107
	<u>10,840</u>	<u>19,955</u>
<b>Total Liabilities</b>	<u><b>11,742</b></u>	<u><b>20,894</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>376,040</b></u>	<u><b>365,520</b></u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.51 *	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**

Company No : 4920 - D

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the financial year ended 31 December 2014

	Attributable to Equity Holders of the Company							Total Equity RM'000
	Non-Distributable				Capital		Accumulated Loss RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Redemption Reserve RM'000	Other Reserve RM'000	Total Equity RM'000		
<b>Cumulative 12 months</b>								
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	-	-	-	-	-	18,612	18,612	
Foreign exchange translation differences for foreign operations	-	-	-	-	(475)	-	(475)	
Profit for the financial year	-	-	-	-	-	1,535	1,535	
Total comprehensive income/(loss) for the financial year	-	-	-	-	(475)	20,147	19,672	
At 31 December 2014	386,678	(30,484)	472,258	33,327	57,371	(554,852)	364,298	
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 gain on fair value changes of financial assets	-	-	-	-	-	9,825	9,825	
Foreign exchange translation differences for foreign operations	-	-	-	-	936	-	936	
Profit for the financial year	-	-	-	-	-	18,605	18,605	
Total comprehensive income for the financial year	-	-	-	-	936	28,435	29,371	
At 31 December 2013	386,678	(30,484)	472,258	33,327	57,846	(574,999)	344,626	

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 BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the financial year ended 31 December 2014**

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	2,025	19,111
Net adjustments:-		
Non-cash items	3,269	6,997
Non-operating items	(2,067)	(22,930)
Operating profit before working capital changes	<u>3,227</u>	<u>3,178</u>
Net change in working capital	<u>(4,055)</u>	<u>210</u>
Cash (used in)/generated from operating activities	(828)	3,388
Dividend received	5	4
Interest paid	(581)	(772)
Interest received	2,750	2,291
Net tax paid	(567)	(1,005)
Net cash generated from operating activities	<u>779</u>	<u>3,906</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	-	38,475
Proceeds from disposal of investments	-	5,441
Purchase of property, plant and equipment	(760)	(1,406)
Net cash (used in)/generated from investing activities	<u>(760)</u>	<u>42,510</u>
<b>Cash Flows From Financing Activities</b>		
Repayment of hire purchase	(66)	(87)
Repayment of bank borrowings	(5,000)	(8,930)
Net cash used in financing activities	<u>(5,066)</u>	<u>(9,017)</u>
Net (decrease)/increase in cash and cash equivalents	(5,047)	37,399
Exchange translation differences	452	1,934
Cash and cash equivalents at 1 January	137,030	97,697
Cash and cash equivalents at 31 December	<u>132,435</u>	<u>137,030</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 year ended 31 December 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 year ended 31 December 2014.

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

As at 31 December 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 year ended 31 December 2014.

##### A7. Dividends Paid

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

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**A8. Segment Information**

The analysis of the Group's operations for the financial year ended 31 December 2014 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	67,158	2,562	69,720
- Inter-segment revenue	-	-	-
Total	<u>67,158</u>	<u>2,562</u>	<u>69,720</u>
<b>RESULTS</b>			
Segment results	(166)	2,772	2,606
Finance cost	(34)	(547)	(581)
Profit before taxation	<u>(200)</u>	<u>2,225</u>	<u>2,025</u>
<b>Segment assets</b>	<u>184,940</u>	<u>190,362</u>	375,302
Unallocated assets			<u>738</u>
			<u>376,040</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 year ended 31 December 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 year ended 31 December 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 year ended 31 December 2014, the Group recorded revenue of RM69.7 million compared with revenue of RM80.8 million for the previous year corresponding financial period. This was mainly due to lower domestic sales.

Gross profit margin decreased from 33.8% in the previous year to 30.4% for the current year. The reduction in overall gross profit margin is due to reduction in gross profit margin from manufacturing arising from higher manufacturing overheads and higher material costs.

Pre-tax profit for the current year was lower compared to the previous year corresponding period due to the one off gain on disposal of property in the previous year corresponding period.

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

For the current quarter, the Group recorded a revenue of RM21.8 million and pre-tax profit of RM0.9 million as compared with the preceding quarter's revenue of RM16.5 million and pre-tax loss of RM0.8 million.

Both revenue and pre-tax profit for the current quarter increased compared with the preceding quarter. The increase in pre-tax profit was mainly attributed to higher other income and lower expenses in the current quarter.

#### B3. Prospects for Year 2015

The economic situation is expected to be challenging in 2015 amidst the slowing down of the global economy, the immediate effects of the impending GST implementation on domestic consumer spending and the volatility of raw material prices. Despite such challenges, the Group endeavours to improve its revenue and profitability through strengthening its overseas distributorship management, new product development through market-focused R&D, aggressive marketing activities as well as lean manufacturing practices.

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

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

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Depreciation / amortisation	(487)	(334)	(2,012)	(2,036)
Dividend income	1	1	5	4
Gain/(Loss) on disposal of property, plant and equipment	-	(58)	-	21,504
Gain/(loss) on foreign exchange (net)	1,692	(34)	2,027	1,426
Impairment loss on amount owing by related company	(153)	(5,170)	(604)	(5,170)
Impairment loss on receivables	(1,934)	(247)	(1,761)	(410)
Interest Income	812	547	2,749	2,291
Interest income from related party	94	-	388	-
Property, plant and equipment written off	(52)	-	(52)	(5)
Other provisions	-	(48)	-	(48)
Reversal of impairment loss on property	28	-	926	-
Write back/ (down) of inventories	(122)	276	(1,401)	(851)

## PAN MALAYSIA CORPORATION BERHAD

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### B5. Taxation

Taxation comprises:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Current tax expense	504	511	792	1,160
Over provision in respect of prior years	-	(687)	(302)	(732)
Deferred tax	-	78	-	78
	<u>504</u>	<u>(98)</u>	<u>490</u>	<u>506</u>

The effective taxation rate of the financial year ended 31 December 2014 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"). Upon completion of the Proposed Disposal, Megawise will cease to be a substantial shareholder of PMH.

### B7. Group Borrowings

(a) Total Group borrowings as at 31 December 2014 are as follows:-

	RM'000
Borrowings	
- non-current (finance lease liabilities)	114
- current (finance lease liabilities)	85
- current (unsecured)	57
	<u>256</u>

(b) There are no foreign borrowings as at 31 December 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 December 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 year ended 31 December 2014 (31 December 2013: 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:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Profit/(Loss) attributable to equity holders of the Company (RM'000)	390	(4,663)	1,535	18,605
Weighted average number of ordinary shares in issue ('000)	708,397	708,397	708,397	708,397
Earnings/(Loss) per share (sen)	0.06	(0.66)	0.22	2.63

(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 31/12/2014 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:-

	31/12/2014 RM'000	31/12/2013 (Audited) RM'000
Realised	(1,264,105)	(1,262,710)
Unrealised	36,334	14,792
	(1,227,771)	(1,247,918)
Less: Consolidation adjustments	672,919	672,919
	(554,852)	(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: 23 February 2015