

**PAN MALAYSIA CORPORATION BERHAD**  
 Company No : 4920 - D  
 (Incorporated in Malaysia)  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2016**  
 (The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**For the Financial Period Ended 30 June 2016**

|   | QUARTER ENDED        |                      | CUMULATIVE<br>18 MONTHS |
|---|----------------------|----------------------|-------------------------|
|   | 30/06/2016<br>RM'000 | 30/06/2015<br>RM'000 | 30/06/2016<br>RM'000    |
| Revenue   | 15,676               | 17,045               | 107,720                 |
| Cost of sales   | (9,355)              | (10,369)             | (68,278)                |
| Gross profit  | <u>6,321</u>         | <u>6,676</u>         | <u>39,442</u>           |
| Other income  | 295                  | 278                  | 1,403                   |
| Administration and operating expenses                             | (3,222)              | (3,041)              | (18,342)                |
| Other expenses  | -                    | -                    | (230)                   |
| Selling and distribution expenses                                 | (3,740)              | (3,142)              | (20,025)                |
| Exceptional items (refer note A5)                                 | 11,084               | 1,658                | 16,210                  |
| Finance costs   | (6)                  | (81)                 | (260)                   |
| Profit before taxation  | <u>10,732</u>        | <u>2,348</u>         | <u>18,198</u>           |
| Taxation  | (838)                | (116)                | (2,345)                 |
| Profit for the financial period                                   | <u>9,894</u>         | <u>2,232</u>         | <u>15,853</u>           |
| Profit for the financial period attributable to:-                 |                      |                      |                         |
| Equity holders of the Company                                     | <u>9,894</u>         | <u>2,232</u>         | <u>15,853</u>           |
|   | <b>Sen</b>           | <b>Sen</b>           | <b>Sen</b>              |
| Earnings per share attributable to equity holders of the Company: |                      |                      |                         |
| Basic / Diluted   | 1.40                 | 0.32                 | 2.24                    |

Note : There are no comparative figures for the cumulative 18 months period ended 30 June 2016 due to the Company's change of financial year end to 30 June 2016.

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 June 2016**

|  | QUARTER ENDED |              | CUMULATIVE    |
|--|---------------|--------------|---------------|
|  | 30/06/2016    | 30/06/2015   | 18 MONTHS     |
|  | RM'000        | RM'000       | 30/06/2016    |
|  |               |              | RM'000        |
| Profit for the financial period  | 9,894         | 2,232        | 15,853        |
| <b>Other comprehensive income, net of tax</b>                            |               |              |               |
| Fair value of financial assets   |               |              |               |
| -(loss)/gain on fair value changes                                       | 209           | 310          | (950)         |
| Foreign currency translation differences<br>for foreign operations       | (2,547)       | (405)        | (2,739)       |
| Total comprehensive income for the financial period                      | <u>7,556</u>  | <u>2,137</u> | <u>12,164</u> |
| Total comprehensive income for the financial period<br>attributable to:- |               |              |               |
| Equity holders of the Company  | <u>7,556</u>  | <u>2,137</u> | <u>12,164</u> |

Note : There are no comparative figures for the cumulative 18 months period ended 30 June 2016 due to the Company's change of financial year end to 30 June 2016.

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 June 2016**

|  | <b>30/06/2016</b> | <b>31/12/2014</b>         |
|--|-------------------|---------------------------|
|  | <b>RM'000</b>     | <b>Audited<br/>RM'000</b> |
| <b>ASSETS</b>  |                   |                           |
| <b>Non-current assets</b>  |                   |                           |
| Property, plant and equipment                                      | 30,035            | 30,369                    |
| Investment property  | 9,282             | 1,147                     |
| Investments  | 80,043            | 91,031                    |
| Goodwill on consolidation  | 58,206            | 58,206                    |
| Trademarks   | 4,984             | 4,984                     |
|  | <u>182,550</u>    | <u>185,737</u>            |
| <b>Current assets</b>  |                   |                           |
| Inventories  | 15,140            | 17,363                    |
| Trade and other receivables  | 20,167            | 17,273                    |
| Tax recoverable  | 1,350             | 651                       |
| Deposits, bank balances and cash                                   | 98,979            | 134,292                   |
|  | <u>135,636</u>    | <u>169,579</u>            |
| Non current assets held for sale                                   | 9,930             | 9,930                     |
|  | <u>145,566</u>    | <u>179,509</u>            |
| <b>TOTAL ASSETS</b>  | <b>328,116</b>    | <b>365,246</b>            |
| <b>EQUITY AND LIABILITIES</b>                                      |                   |                           |
| <b>Equity attributable to equity holders of the Company</b>        |                   |                           |
| Share capital  | 154,671           | 386,678                   |
| Treasury shares  | (30,484)          | (30,484)                  |
| Reserves   | 188,756           | (5,013)                   |
| <b>Total Equity</b>  | <b>312,943</b>    | <b>351,181</b>            |
| <b>Non-current liabilities</b>                                     |                   |                           |
| Loans and borrowings   | 54                | 114                       |
| Deferred tax liabilities   | 1,813             | 883                       |
|  | <u>1,867</u>      | <u>997</u>                |
| <b>Current liabilities</b>   |                   |                           |
| Loans and borrowings   | 42                | 383                       |
| Trade and other payables   | 13,254            | 12,624                    |
| Taxation   | 10                | 61                        |
|  | <u>13,306</u>     | <u>13,068</u>             |
| <b>Total Liabilities</b>   | <b>15,173</b>     | <b>14,065</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                | <b>328,116</b>    | <b>365,246</b>            |
|  | <b>RM</b>         | <b>RM</b>                 |
| Net Assets per share attributable to equity holders of the Company | 0.44 *            | 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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the Financial Period Ended 30 June 2016

**Attributable to Equity Holders of the Company**

|   | Non-Distributable          |                              |                            |  |                            | Retained Profits<br>/ (Accumulated<br>Losses)<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|------------------------------|----------------------------|--|----------------------------|---|---------------------------|
|   | Share<br>Capital<br>RM'000 | Treasury<br>Shares<br>RM'000 | Share<br>Premium<br>RM'000 | Capital<br>Redemption<br>Reserve<br>RM'000 | Other<br>Reserve<br>RM'000 |   |                           |
| <b><u>Cumulative 18 months</u></b>                              |                            |                              |                            |  |                            |   |                           |
| At 1 January 2015   | 386,678                    | (30,484)                     | 472,258                    | 33,327                                     | 57,367                     | (567,965)   | 351,181                   |
| Effect of prior year adjustments                                | -                          | -                            | -                          | -  | -                          | 6,269   | 6,269                     |
| At 1 January 2015, restated                                     | 386,678                    | (30,484)                     | 472,258                    | 33,327                                     | 57,367                     | (561,696)   | 357,450                   |
| Capital reduction   | (232,007)                  | -                            | -                          | -  | -                          | 232,007   | -                         |
| Share premium reduction   | -                          | -                            | (381,625)                  | -  | -                          | 381,625   | -                         |
| Capital distribution  | -                          | -                            | (56,671)                   | -  | -                          | -   | (56,671)                  |
|   | 154,671                    | (30,484)                     | 33,962                     | 33,327                                     | 57,367                     | 51,936  | 300,779                   |
| Other comprehensive income:                                     |                            |                              |                            |  |                            |   |                           |
| Net loss on fair value changes of financial assets              | -                          | -                            | -                          | -  | -                          | (950)   | (950)                     |
| Foreign exchange translation differences for foreign operations | -                          | -                            | -                          | -  | (2,739)                    | -   | (2,739)                   |
| Profit for the financial period                                 | -                          | -                            | -                          | -  | -                          | 15,853  | 15,853                    |
| Total comprehensive income/(loss) for the financial period      | -                          | -                            | -                          | -  | (2,739)                    | 14,903  | 12,164                    |
| At 30 June 2016   | 154,671                    | (30,484)                     | 33,962                     | 33,327                                     | 54,628                     | 66,839  | 312,943                   |
| <b><u>Cumulative 12 months</u></b>                              |                            |                              |                            |  |                            |   |                           |
| At 1 January 2014   | 386,678                    | (30,484)                     | 472,258                    | 33,327                                     | 57,846                     | (575,941)   | 343,684                   |
| Net gain on fair value changes of financial assets              | -                          | -                            | -                          | -  | -                          | 6,509   | 6,509                     |
| Foreign exchange translation differences for foreign operations | -                          | -                            | -                          | -  | (479)                      | -   | (479)                     |
| Profit for the financial year                                   | -                          | -                            | -                          | -  | -                          | 1,467   | 1,467                     |
| Total comprehensive income / (loss) for the financial year      | -                          | -                            | -                          | -  | (479)                      | 7,976   | 7,497                     |
| At 31 December 2014   | 386,678                    | (30,484)                     | 472,258                    | 33,327                                     | 57,367                     | (567,965)   | 351,181                   |

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 STATEMENT OF CASH FLOWS  
For the Financial Period Ended 30 June 2016**

|  | <b>CUMULATIVE<br/>18 MONTHS<br/>30/06/2016</b> |
|--|--|
|  | <b>RM'000</b>                                  |
| Cash Flows From Operating Activities             |  |
| Profit before taxation                           | 18,198   |
| Net adjustments:-                                |  |
| Non-cash items                                   | (8,740)  |
| Non-operating items                              | (6,445)  |
| Operating profit before working capital changes  | <u>3,013</u>                                   |
| Net change in working capital                    | <u>(1,302)</u>                                 |
| Cash generated from operating activities         | 1,711  |
| Dividend received                                | 12   |
| Interest paid                                    | (260)  |
| Interest received                                | 5,238  |
| Net tax paid                                     | (3,161)  |
| Net cash generated from operating activities     | <u>3,540</u>                                   |
| Cash Flows From Investing Activities             |  |
| Redemption of preference shares of an investment | 16,560   |
| Purchase of property, plant and equipment        | (1,898)  |
| Net cash generated from investing activities     | <u>14,662</u>                                  |
| Cash Flows From Financing Activities             |  |
| Capital distribution to shareholders             | (56,672)                                       |
| Repayment of hire purchase                       | (104)  |
| Net cash used in financing activities            | <u>(56,776)</u>                                |
| Net decrease in cash and cash equivalents        | (38,574)                                       |
| Exchange translation differences                 | 3,816  |
| Cash and cash equivalents at 1 January 2015      | 125,984  |
| Cash and cash equivalents at 30 June 2016        | <u>91,226</u>                                  |

Note : There are no comparative figures for the cumulative 18 months period ended 30 June 2016 due to the Company's change of financial year end to 30 June 2016.

The Condensed Consolidated Statement 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  
(Incorporated in Malaysia)

## 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 |

**PAN MALAYSIA CORPORATION BERHAD**

Company No : 4920 - D  
(Incorporated in Malaysia)

**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. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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 June 2016 other than the exceptional item as follows:-

| Exceptional item   | QUARTER ENDED |              | CUMULATIVE    |
|--|---------------|--------------|---------------|
|  | 30/06/2016    | 30/06/2015   | 18 MONTHS     |
|  | RM'000        | RM'000       | 30/06/2016    |
|  |               |              | RM'000        |
| Fair value gain on investment property                   | 1,968         | -            | 1,968         |
| Net gain on foreign exchange                             | 2,364         | 1,658        | 7,490         |
| Gain on redemption of preference shares of an investment | 6,752         | -            | 6,752         |
|  | <u>11,084</u> | <u>1,658</u> | <u>16,210</u> |

**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 June 2016.

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

As at 30 June 2016, 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 June 2016.

**A8. Dividends Paid**

No dividend was paid by the Company during the financial period ended 30 June 2016 (31 December 2014: Nil).

# PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D  
(Incorporated in Malaysia)

## A9. Segment Information

The analysis of the Group's operations for the financial period ended 30 June 2016 is as follows:-

|                        | Food<br>RM'000 | Investment<br>Holding<br>RM'000 | Total<br>RM'000 |
|------------------------|----------------|---------------------------------|-----------------|
| <b>REVENUE</b>         |                |                                 |                 |
| - External revenue     | 103,505        | 4,215                           | 107,720         |
| Total                  | <u>103,505</u> | <u>4,215</u>                    | <u>107,720</u>  |
| <b>RESULTS</b>         |                |                                 |                 |
| Segment results        | 2,823          | 15,635                          | 18,458          |
| Finance cost           | (40)           | (220)                           | (260)           |
| Profit before taxation | <u>2,783</u>   | <u>15,415</u>                   | <u>18,198</u>   |
| <b>Segment assets</b>  | <u>171,104</u> | <u>155,662</u>                  | 326,766         |
| Unallocated assets     |                |                                 | <u>1,350</u>    |
|                        |                |                                 | <u>328,116</u>  |

## A10. 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.

## A11. Events Subsequent to the End of the Interim Reporting Period

There are no material events subsequent to the financial period ended 30 June 2016 that have not been reflected in the financial statements for the said period as at the date of this report.

## A12. Changes in the Composition of the Group

During the financial year, the following dormant/inactive wholly-owned subsidiaries of the Group were placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act 1965 ("Winding-Up"):-

- i) Bidou Holdings Sdn Bhd
- ii) Clacton Holdings Sdn Bhd
- iii) Delight Consolidated Sdn Bhd
- iv) Lembaran Megah Sdn Bhd
- v) Mikonwadi Sdn Bhd
- vi) PMCW Enterprises Sdn Bhd
- vii) PMCW Holdings Sdn Bhd
- viii) Jerico Sdn Bhd

The Winding-Up of subsidiaries is part of the Group's continuing rationalisation effort to improve efficiency within the Group and to save future costs associated with maintaining these subsidiaries.

The Winding-Up of the above subsidiaries does not have any material financial or operational effect on the Group for the current financial period ending 30 June 2016.

Other than the above, there are no changes in the composition of the Group during the financial period ended 30 June 2016.

## A13. Contingent Liabilities

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

## A14. 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 ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS**

**B1. Review of Performance**

In the current quarter, the Group recorded a revenue of RM15.7 million and profit before tax of RM10.7 million as compared with revenue of RM17.0 million and profit before tax of RM2.2 million in the quarter ended 30 June 2015. The higher profit before tax in the current quarter was mainly attributed to gain on redemption of preference shares of an investment. The food segment recorded higher profit before tax of RM1.6 million in the current quarter compared with RM0.3 million the previous year corresponding quarter mainly attributed to fair value gain on investment property.

For the cumulative 18 months financial period, the profit before tax of RM18.2 million was mainly attributed to gain on redemption of preference shares of an investment, unrealised foreign exchange gain arising from the depreciation of Ringgit Malaysia against Singapore Dollar on translation of amount owing by a foreign subsidiary and fair value gain on investment property.

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

In the current quarter, the Group recorded revenue of RM15.7 million and profit before tax of RM10.7 million as compared with the preceding quarter's revenue of RM16.9 million and loss before tax of RM2.0 million.

The loss before tax in the preceding quarter was due to unrealised foreign exchange loss compared with unrealised foreign exchange gain in the current quarter.

**B3. Prospects for Year 2016**

According to Bank Negara Malaysia, the Malaysian economy is projected to achieve real gross domestic product growth rate of between 4% and 5% in 2016, amidst weaker consumer sentiment.

The Group will endeavour to improve sales by increasing its export to countries with high market potential such as China and South East Asian countries. In the domestic market, efforts to improve productivity and distribution network will continue.

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

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

|   | QUARTER ENDED |            | CUMULATIVE |
|---|---------------|------------|------------|
|   | 30/06/2016    | 30/06/2015 | 18 MONTHS  |
|   | RM'000        | RM'000     | 30/06/2016 |
|   |               |            | RM'000     |
| Depreciation / amortisation                   | (417)         | (458)      | (2,747)    |
| Dividend income                               | 5             | -          | 12         |
| Impairment loss on investment                 | -             | -          | (230)      |
| Interest income                               | 841           | 919        | 5,241      |
| Interest income from related party            | 93            | 93         | 560        |
| Reversal of/ (impairment) loss on receivables | (2)           | 85         | 89         |
| Write down of inventories                     | (417)         | (151)      | (2,082)    |

## PAN MALAYSIA CORPORATION BERHAD

Company No : 4920 - D  
(Incorporated in Malaysia)

### B5. Taxation

Taxation comprises:-

|  | QUARTER ENDED |            | CUMULATIVE   |
|--|---------------|------------|--------------|
|  | 30/06/2016    | 30/06/2015 | 18 MONTHS    |
|  | RM'000        | RM'000     | 30/06/2016   |
| Current tax expense                              | 683           | 139        | 1,916        |
| Deferred tax                                     | 184           | -          | 184          |
| Under/(Over) provision in respect of prior years | (29)          | (23)       | 245          |
|  | <u>838</u>    | <u>116</u> | <u>2,345</u> |

The effective taxation rate of the financial period ended 30 June 2016 is lower than the statutory rate, due to exceptional items not subjected to tax.

### B6. Status of Corporate Proposals

- a) 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 ("Dato Dr Yu") 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.

On 11 August 2016, the Company announced that Megawise and Dato' Dr Yu mutually agreed to extend the cut-off date to fulfil the condition precedent in the Share Sale Agreement to 11 September 2016.

- b) On 27 November 2015, KAF Investment Bank Berhad had, on behalf of the Board of Directors of the Company, announced that the Company proposes to undertake the following proposals:-
- proposed reduction of the issued and paid-up share capital of the Company pursuant to Section 64 of the Companies Act, 1965 ("Act") involving the cancellation of RM0.30 of the par value of each existing ordinary share of RM0.50 each held in the Company ("Proposed Par Value Reduction");
  - proposed reduction of RM438.3 million from the share premium reserve of the Company pursuant to Sections 60(2) and 64 of the Act ("Proposed Share Premium Reduction");
  - proposed capital distribution to the shareholders of the Company involving a cash distribution of RM0.08 for each ordinary share in the Company pursuant to the Proposed Share Premium Reduction; and
  - proposed amendments to certain clauses of the Memorandum & Articles of Association of the Company to facilitate the implementation of the Proposed Par Value Reduction ("Proposed M&A Amendments"),
- (hereinafter collectively referred to as the "Proposals").

On 3 March 2016, all the special resolutions for the Proposals as set out in the Notice of Extraordinary General Meeting ("EGM") of the Company dated 5 February 2016 and tabled at the EGM of PMCB were approved by the shareholders.

On 13 April 2016, the Company announced that the High Court of Malaya has granted an order confirming the Par Value Reduction, Share Premium Reduction and Capital Distribution pursuant to Section 64 of the Companies Act, 1965 ("Court Order").

On 29 April 2016, the Company announced that the entitlement date for the Capital Distribution has been fixed on 16 May 2016. The payment for the Capital Distribution is fixed on 26 May 2016.

On 16 May 2016, an office copy of the Court Order has been lodged with the Companies Commission of Malaysia for the Par Value Reduction, Share Premium Reduction and Capital Distribution to take effect accordingly.

The payment for the capital distribution has been made to the entitled shareholders of the Company on 26 May 2016. As such, the proposals have been fully implemented and completed on 26 May 2016.

Other than the above, the Group has not announced any corporate proposals which have not been completed as at the date of this report.

**PAN MALAYSIA CORPORATION BERHAD**

**Company No : 4920 - D  
(Incorporated in Malaysia)**

**B7. Group Borrowings**

(a) Total Group borrowings as at 30 June 2016 are as follows:-

|   | <b>RM'000</b> |
|---|---------------|
| Borrowings                                |               |
| - non-current (finance lease liabilities) | 54            |
| - current (finance lease liabilities)     | 42            |
|   | <u>96</u>     |

(b) There are no foreign borrowings as at 30 June 2016 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 June 2016, 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 June 2016 (31 December 2014: Nil).

**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:-

|   | <b>QUARTER ENDED</b> |                   | <b>CUMULATIVE</b> |
|---|----------------------|-------------------|-------------------|
|   | <b>30/06/2016</b>    | <b>30/06/2015</b> | <b>18 MONTHS</b>  |
|   |                      |                   | <b>30/06/2016</b> |
| Profit attributable to equity holders of the Company (RM'000) | 9,894                | 2,232             | 15,853            |
| Weighted average number of ordinary shares in issue ('000)    | 708,397              | 708,397           | 708,397           |
| Earnings per share (sen)                                      | <u>1.40</u>          | <u>0.32</u>       | <u>2.24</u>       |

(ii) The diluted earnings per share is not disclosed as there is no dilutive potential ordinary shares.

**PAN MALAYSIA CORPORATION BERHAD**

Company No : 4920 - D  
(Incorporated in Malaysia)

**B13. Other Matters**

The utilisation of the balance of the proceeds from the disposal of the cement-based associates is as follows:

|  | <b>Balance<br/>as at<br/>01/01/2015<br/>RM'000</b> | <b>Amount<br/>utilised<br/>RM'000</b> | <b>Balance<br/>as at<br/>30/06/2016<br/>RM'000</b> |
|--|--|---------------------------------------|--|
| <b>Proposed utilisation as approved by the<br/>Securities Commission ("SC")</b>  |  |                                       |  |
| 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  | <u>31,000</u>                                      | <u>-</u>                              | <u>31,000</u>                                      |

**B14. Realised and Unrealised Profits/(Losses)**

Total retained profits / (accumulated losses ) of the Group comprised the following:-

|  | <b>30/06/2016<br/>RM'000</b> | <b>31/12/2014<br/>Audited<br/>RM'000</b> |
|--|------------------------------|--|
| Realised                                 | (638,138)                    | (1,260,477)                              |
| Unrealised                               | 28,372                       | 20,425                                   |
|  | <u>(609,766)</u>             | <u>(1,240,052)</u>                       |
| Less: Consolidation adjustments          | 676,605                      | 672,087                                  |
| Retained profits / ( Accumulated losses) | <u>66,839</u>                | <u>(567,965)</u>                         |

**B15. Comparative Figures**

There are no comparative figures for the cumulative 18 months period ended 30 June 2016 due to the Company's change of financial year end to 30 June 2016.

**B16. 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: 29 August 2016**