

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

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

	QUARTER ENDED		CUMULATIVE 3 MONTHS
	30/09/2016 RM'000	30/09/2015 RM'000	30/09/2016 RM'000
Revenue	18,264	16,792	18,264
Cost of sales	(12,036)	(11,115)	(12,036)
Gross profit	<u>6,228</u>	<u>5,677</u>	<u>6,228</u>
Other income	259	255	259
Administration and operating expenses	(3,290)	(3,197)	(3,290)
Other expenses	-	(230)	-
Selling and distribution expenses	(3,133)	(3,237)	(3,133)
Exceptional items (refer note A4)	1,449	6,636	1,449
Finance costs	(5)	(49)	(5)
Profit before taxation	<u>1,508</u>	<u>5,855</u>	<u>1,508</u>
Taxation	(190)	(467)	(190)
Profit for the financial period	<u>1,318</u>	<u>5,388</u>	<u>1,318</u>
Profit for the financial period attributable to:-			
Equity holders of the Company	<u>1,318</u>	<u>5,388</u>	<u>1,318</u>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earnings per share attributable to equity holders of the Company:			
Basic / Diluted	0.19	0.76	0.19

Note : There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**PAN MALAYSIA CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Financial Period Ended 30 September 2016**

	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
			RM'000
Profit for the financial period	1,318	5,388	1,318
<b>Other comprehensive income, net of tax</b>			
Net gain on fair value changes of equity investments	5,926	44	5,926
Foreign currency translation differences for foreign operations	(362)	475	(362)
Total comprehensive income for the financial period	<u>6,882</u>	<u>5,907</u>	<u>6,882</u>
Total comprehensive income for the financial period attributable to:-			
Equity holders of the Company	<u>6,882</u>	<u>5,907</u>	<u>6,882</u>

Note : There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 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 2016**

	30/09/2016	30/06/2016
	RM'000	Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,685	30,035
Investment property	9,569	9,282
Investments	95,899	80,043
Goodwill on consolidation	58,206	58,206
Trademarks	4,984	4,984
	<u>198,343</u>	<u>182,550</u>
<b>Current assets</b>		
Inventories	13,740	15,141
Trade and other receivables	22,406	20,137
Tax recoverable	1,513	1,350
Deposits, bank balances and cash	97,114	98,980
	<u>134,773</u>	<u>135,608</u>
Non current assets held for sale	-	9,930
	<u>134,773</u>	<u>145,538</u>
<b>TOTAL ASSETS</b>	<u>333,116</u>	<u>328,088</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	154,671	154,671
Treasury shares	(30,484)	(30,484)
Reserves	195,353	188,471
<b>Total Equity</b>	<u>319,540</u>	<u>312,658</u>
<b>Non-current liabilities</b>		
Loans and borrowings	21	54
Deferred tax liabilities	1,858	1,813
	<u>1,879</u>	<u>1,867</u>
<b>Current liabilities</b>		
Loans and borrowings	61	42
Trade and other payables	11,598	13,511
Taxation	38	10
	<u>11,697</u>	<u>13,563</u>
<b>Total Liabilities</b>	<u>13,576</u>	<u>15,430</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>333,116</u>	<u>328,088</u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.45 *	0.44 *

\* 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 period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**PAN MALAYSIA CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**For the Financial Period Ended 30 September 2016**

**Attributable to Equity Holders of the Company**

	Non-Distributable					Retained Profits / (Accumulated Losses)	Total Equity
	Share Capital	Treasury Shares	Share Premium	Capital Redemption Reserve	Other Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Cumulative 3 months</u></b>							
At 1 July 2016	154,671	(30,484)	33,961	33,327	55,622	65,561	312,658
Other comprehensive income:							
Net gain on fair value changes of equity investments	-	-	-	-	-	5,926	5,926
Foreign exchange translation differences for foreign operations	-	-	-	-	(362)	-	(362)
Profit for the financial period	-	-	-	-	-	1,318	1,318
Total comprehensive income/(loss) for the financial period	-	-	-	-	(362)	7,244	6,882
At 30 September 2016	154,671	(30,484)	33,961	33,327	55,260	72,805	319,540
<b><u>Cumulative 18 months</u></b>							
At 1 January 2015	386,678	(30,484)	472,258	33,327	57,367	(562,609)	356,537
Capital reduction	(232,007)	-	-	-	-	232,007	-
Share premium reduction	-	-	(381,626)	-	-	381,626	-
Capital distribution	-	-	(56,671)	-	-	-	(56,671)
At 30 June 2016	154,671	(30,484)	33,961	33,327	57,367	51,024	299,866
Other comprehensive income:							
Net loss on fair value changes of equity investments	-	-	-	-	-	(950)	(950)
Foreign exchange translation differences for foreign operations	-	-	-	-	(1,745)	-	(1,745)
Profit for the financial period	-	-	-	-	-	15,487	15,487
Total comprehensive income/(loss) for the financial period	-	-	-	-	(1,745)	14,537	12,792
At 30 June 2016	154,671	(30,484)	33,961	33,327	55,622	65,561	312,658

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial statements.

**PAN MALAYSIA CORPORATION BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Financial Period Ended 30 September 2016**

	<b>CUMULATIVE 3 MONTHS 30/09/2016</b>
	<b>RM'000</b>
Cash Flows From Operating Activities	
Profit before taxation	1,508
Net adjustments:-	
Non-cash items	(481)
Non-operating items	(1,430)
Operating loss before working capital changes	<u>(403)</u>
Net change in working capital	<u>(2,429)</u>
Cash used in operating activities	(2,832)
Dividend received	
Interest paid	(6)
Interest received	1,025
Net tax paid	(327)
Net cash used in operating activities	<u>(2,140)</u>
Cash Flows From Investing Activities	
Purchase of property, plant and equipment	(27)
Net cash used in investing activities	<u>(27)</u>
Cash Flows From Financing Activities	
Repayment of hire purchase	(18)
Net cash used in financing activities	<u>(18)</u>
Net decrease in cash and cash equivalents	(2,185)
Exchange translation differences	692
Cash and cash equivalents at 1 July 2016	<u>84,328</u>
Cash and cash equivalents at 30 September 2016	<u>82,835</u>

Note : There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2016 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 period ended 30 June 2016. 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 period ended 30 June 2016.

#### 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 period, 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)	Effective Date
· MFRS 14 Regulatory Deferral Accounts	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: Investment Entities-Appling the Consolidation Exception	1 January 2016
· Amendments to MFRS 101: 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 127: Equity Method in Separate Financial Statements	1 January 2016
· Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

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 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share based Payment Transactions	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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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 the 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. 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 September 2016 other than the exceptional item as follows:-

Exceptional item	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
			RM'000
Net gain on foreign exchange	1,449	6,636	1,449

**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 30 September 2016.

**A6. 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 September 2016.

**A7. Dividends Paid**

No dividend was paid by the Company during the financial period ended 30 September 2016 (30 September 2015: Nil).

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**A8. Segment Information**

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

	<b>Food</b>	<b>Investment</b>	<b>Total</b>
	<b>RM'000</b>	<b>Holding</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>REVENUE</b>			
- External revenue	17,492	772	18,264
Total	<u>17,492</u>	<u>772</u>	<u>18,264</u>
<b>RESULTS</b>			
Segment results	(144)	1,658	1,514
Finance cost	(6)	-	(6)
Profit/(Loss) before taxation	<u>(150)</u>	<u>1,658</u>	<u>1,508</u>
<b>Segment assets</b>	<u>163,792</u>	<u>167,811</u>	331,603
Unallocated assets			<u>1,513</u>
			<u>333,116</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 2016 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**

On 15 September 2016, the Company announced that Acmes Investment Limited ("Acmes"), a wholly-owned subsidiary of Jaguh Padu Sdn Bhd incorporated in Hong Kong ("HK"), which is in turn a wholly-owned subsidiary of the Company was deregistered and dissolved on 9 September 2016 following an earlier application by Acmes to the Companies Registry in HK for its deregistration in accordance with the Companies Ordinance. The dissolution of Acmes will not have any material effect on the earnings and net assets of the Group for the financial year ending 30 June 2017.

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

**A12. Contingent Liabilities**

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

**A13. Capital Commitments**

As at the date of this report, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Contracted but not provided for	1,796
Authorised but not contracted for	1,764
	<u>3,560</u>



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### B ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

#### B1. Review of Performance

In the current quarter, the Group recorded revenue of RM18.3 million and profit before tax of RM1.5 million compared with revenue of RM16.8 million and profit before tax of RM5.9 million in the quarter ended 30 September 2015. The higher revenue was mainly due to increase in domestic sales. The decrease in profit before tax was mainly attributed to a lower unrealised foreign exchange gain arising from the depreciation of Ringgit Malaysia against Singapore Dollar on translation of amount owing by a foreign subsidiary.

For the 3 months ended 30 September 2016, the profit before tax of RM1.5 million was mainly attributed to the unrealised foreign exchange gain arising from the depreciation of Ringgit Malaysia against Singapore Dollar on translation of amount owing by a foreign subsidiary.

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

In the current quarter, the Group recorded revenue of RM18.3 million and profit before tax of RM1.5 million compared with the preceding quarter's revenue of RM15.7 million and profit before tax of RM10.7 million.

The higher revenue was mainly due to increase in domestic sales. The higher profit before tax in the preceding quarter was mainly due to gain on redemption of preference shares of an investment, fair value gain on investment property and higher foreign exchange gain.

#### B3. Prospects for Year 2016/2017

Bank Negara Malaysia projected the Malaysian economy to grow between 4.0% to 4.5% in terms of real gross domestic product in 2016. The cautious business sentiments and consumer spending are expected to continue into the first half of 2017.

According to the International Monetary Fund ("IMF") in its World Economic Outlook update published in October 2016, global growth in real GDP is projected to slow to 3.1% in 2016 before recovering to 3.4% in 2017.

The Group's existing base of customer is expected to remain stable. Going forward, more resources will be put in to develop the emerging markets in Asia. Efforts will be initiated to explore collaborative opportunities to improve the revenue and profitability of the Group's chocolate and confectionery business.

In view of the continued challenging local and global economic environments, the Group is cautious on the performance of its chocolate and confectionery business in 2016/2017.

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

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

	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
			RM'000
Depreciation / amortisation	(460)	(471)	(460)
Dividend income	-	4	-
Impairment loss on investment	-	(230)	-
Interest income	931	796	931
Interest income from related party	94	95	94
Write down of inventories	(78)	(482)	(78)

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**B5. Taxation**

Taxation comprises:-

	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS
	RM'000	RM'000	30/09/2016
Current tax expense	190	150	190
Under provision in respect of prior years	-	317	-
	<u>190</u>	<u>467</u>	<u>190</u>

The effective taxation rate of the financial period ended 30 September 2016 is lower than the statutory rate, due to 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 ("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 13 September 2016, the Company announced that Dato' Dr Yu and Megawise had mutually agreed to terminate the Share Sale Agreement due to the Condition Precedent not being fulfilled by the last extended Cut-Off Date of 12 September 2016 ("Termination"). Upon Termination, the Agreement shall be of no further effect and the parties shall be released from all further obligations to each other. The Termination is not expected to have any material effect on the earnings, net assets and gearing of the Group for the financial year ending 30 June 2017.

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

**B7. Group Borrowings**

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

	RM'000
Borrowings	
- non-current (finance lease liabilities)	21
- current (finance lease liabilities)	58
- current (unsecured)	<u>3</u>
	<u>82</u>

(b) There are no foreign borrowings as at 30 September 2016 included in (a) above.

**B8. Derivative Financial Instruments**

There were no derivative financial instruments at the date of this report.

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**B9. Fair Value Changes of Financial Liabilities**

As at 30 September 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 September 2016 (30 September 2015: 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:-

	QUARTER ENDED		CUMULATIVE
	30/09/2016	30/09/2015	3 MONTHS 30/09/2016
Profit attributable to equity holders of the Company (RM'000)	1,318	5,388	1,318
Weighted average number of ordinary shares in issue ('000)	708,397	708,397	708,397
Earnings per share (sen)	0.19	0.76	0.19

(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 01/07/2016 RM'000	Amount utilised RM'000	Balance as at 30/09/2016 RM'000
<b>Proposed utilisation as approved by the 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	31,000	-	31,000

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

Total retained profits of the Group comprised the following:-

	30/09/2016 RM'000	30/06/2016 Audited RM'000
Realised	(69,801)	(68,902)
Unrealised	34,447	26,304
	(35,354)	(42,598)
Less: Consolidation adjustments	108,159	108,159
Retained profits	72,805	65,561

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**B15. Comparative Figures**

There are no comparative figures for the cumulative 3 months period ended 30 September 2016 due to the Company's change of financial year end from 31 December to 30 June in the previous financial period to be coterminous with its ultimate holding company, Malayan United Industries Berhad.

**B16. Auditors' Report**

The auditors' report on the audited financial statements for the financial period ended 30 June 2016 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: 24 November 2016**