

**PAN MALAYSIA CORPORATION BERHAD**

Company No : 4920 - D  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Revenue	25,358	20,486	45,303	37,304
Cost of sales	(17,275)	(14,389)	(30,766)	(26,524)
Gross profit	<u>8,083</u>	<u>6,097</u>	<u>14,537</u>	<u>10,780</u>
Other income	(1,799)	949	2,057	1,858
Administration and operating expenses	(3,771)	(3,646)	(7,770)	(6,778)
Selling and distribution expenses	(1,801)	(2,081)	(3,840)	(4,342)
Exceptional item (refer note A4)	183	(1,758)	1,385	(1,895)
Profit/(Loss) before taxation	<u>895</u>	<u>(439)</u>	<u>6,369</u>	<u>(377)</u>
Taxation	(764)	(793)	(1,113)	(870)
Profit/(Loss) for the financial period	<u>131</u>	<u>(1,232)</u>	<u>5,256</u>	<u>(1,247)</u>
Profit/(Loss) for the financial period attributable to:-				
Equity holders of the Company	<u>131</u>	<u>(1,232)</u>	<u>5,256</u>	<u>(1,247)</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 / Diluted	0.02	(0.18)	0.74	(0.18)

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31/12/2018 RM'000	31/12/2017 RM'000	31/12/2018 RM'000	31/12/2017 RM'000
Profit/(Loss) for the financial period	131	(1,232)	5,256	(1,247)
<b>Other comprehensive income/(expenses), net of tax</b>				
Net loss on fair value changes of equity investments	(1,741)	(301)	(3,246)	(1,028)
Foreign currency translation differences for foreign operations	(295)	115	(510)	(194)
Total comprehensive income/(expenses) for the financial period	<u>(1,905)</u>	<u>(1,418)</u>	<u>1,500</u>	<u>(2,469)</u>
Total comprehensive income/(expenses) for the financial period attributable to:-				
Equity holders of the Company	<u>(1,905)</u>	<u>(1,418)</u>	<u>1,500</u>	<u>(2,469)</u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	31/12/2018	30/06/2018
	RM'000	Restated RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	31,089	31,708
Investment property	12,896	12,558
Investments	86,144	89,829
Goodwill on consolidation	45,406	45,406
Trademarks	4,984	4,984
Deferred tax assets	240	234
	<u>180,759</u>	<u>184,719</u>
<b>Current assets</b>		
Inventories	12,926	13,158
Trade and other receivables	23,863	16,713
Refund assets	600	519
Current tax assets	1,394	1,850
Deposits, bank balances and cash	93,690	93,327
	<u>132,473</u>	<u>125,567</u>
	<u>313,232</u>	<u>310,286</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	221,959	221,959
Treasury shares	(30,484)	(30,484)
Reserves	106,344	104,844
	<u>297,819</u>	<u>296,319</u>
<b>Total Equity</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,019	992
<b>Current liabilities</b>		
Trade and other payables	12,889	11,883
Refund liabilities	1,000	865
Current tax liabilities	505	227
	<u>14,394</u>	<u>12,975</u>
	<u>15,413</u>	<u>13,967</u>
<b>Total Liabilities</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<u>313,232</u>	<u>310,286</u>
	<b>RM</b>	<b>RM</b>
Net Assets per share attributable to equity holders of the Company	0.42 *	0.42 *

\* The net assets per share is based on the number of ordinary shares in issue less treasury shares .

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 31 DECEMBER 2018**

	Share Capital	Treasury Shares	Exchange Translation Reserve	Fair Value Reserve	Retained Profits	Total Equity
<u>Cumulative 6 months</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2018	221,959	(30,484)	(580)	2,278	104,070	297,243
Effect of :						
Initial adoption of MFRS 9 adjustments	-	-	-	-	(578)	(578)
Initial adoption of MFRS 15 adjustments	-	-	-	-	(346)	(346)
At 1 July 2018 (Restated)	221,959	(30,484)	(580)	2,278	103,146	296,319
Other comprehensive income:						
Net loss on fair value changes of equity investments	-	-	-	(3,246)	-	(3,246)
Foreign currency translation differences for foreign operations	-	-	(510)	-	-	(510)
Profit for the financial period	-	-	-	-	5,256	5,256
Total comprehensive income/(expenses) for the financial period	-	-	(510)	(3,246)	5,256	1,500
At 31 December 2018	221,959	(30,484)	(1,090)	(968)	108,402	297,819
At 1 July 2017	221,959	(30,484)	(1,655)	5,474	107,294	302,588
Effect of :						
Initial adoption of MFRS 15 adjustments	-	-	-	-	(352)	(352)
At 1 July 2017 (Restated)	221,959	(30,484)	(1,655)	5,474	106,942	302,236
Other comprehensive income:						
Net loss on fair value changes of equity investments	-	-	-	(1,028)	-	(1,028)
Foreign currency translation differences for foreign operations	-	-	(194)	-	-	(194)
Loss for the financial period	-	-	-	-	(1,247)	(1,247)
Total comprehensive expenses for the financial period	-	-	(194)	(1,028)	(1,247)	(2,469)
At 31 December 2017	221,959	(30,484)	(1,849)	4,446	105,695	299,767

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 31 DECEMBER 2018**

	<b>CUMULATIVE 6 MONTHS</b>	
	<b>31/12/2018</b>	<b>31/12/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit/(Loss) before taxation	6,369	(377)
Net adjustments:-		
Non-cash items	(1,692)	(408)
Non-operating items	(1,329)	1,706
Operating profit before working capital changes	<u>3,348</u>	<u>921</u>
Net change in working capital	<u>(5,044)</u>	<u>1,642</u>
Cash (used in)/generated from operations	(1,696)	2,563
Interest received	1,650	1,262
Net tax (paid)/ refund	(386)	238
Net cash (used in)/generated from operating activities	<u>(432)</u>	<u>4,063</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(182)	(1,003)
Investment in an associate	(750)	-
Proceeds from redemption of debenture	1,189	-
Placement of fixed deposit for more than 3 months	(5,083)	-
Uplift of fixed deposits pledged with licensed banks	1,286	400
Use of restricted fund to purchase property, plant and equipment (Note B14)	-	1,062
Net cash (used in)/generated from investing activities	<u>(3,540)</u>	<u>459</u>
<b>Cash Flows From Financing Activities</b>		
Advance to related company	(15)	-
Net cash used in financing activities	<u>(15)</u>	<u>-</u>
Net (Decrease)/increase in cash and cash equivalents	(3,987)	4,522
Exchange translation differences	285	(795)
Cash and cash equivalents at 1 July	61,831	50,762
Cash and cash equivalents at 31 December	<u>58,129</u>	<u>54,489</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES PURSUANT TO MFRS 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 30 June 2018. 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 30 June 2018.

**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, 2016 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)

- . Amendments to MFRS 107: Disclosure Initiative
- . Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
- . Annual Improvements to MFRS Standards 2014 - 2016 Cycle: Amendments to MFRS 12: Clarification of the Scope of the Standard
- . Amendments to MFRS 15: Revenue from Contracts with Customers
- . Amendments to MFRS 9: Financial Instruments

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

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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)**

**MFRS 9 Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139 on the impairment of financial assets. The new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics.

MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available-for-sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

In order to measure the consequences of the new standards, the Group has engaged the review on the business model corresponding to the financial assets. Investment in equity instruments and debt instrument are measured at fair value through profit or loss. The Group has applied the simplified approach and record 12 months expected losses on its financial assets at amortised cost and there were no significant impact on the Group's financial performance and position.

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 requires an entity to recognise revenue to depict the transfer of promised goods to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. Revenue is recognised when a customer obtains control of goods, i.e. when the customer has the ability to direct the use of the goods.

The Group has adopted MFRS 15 using the full retrospective method of adoption. The impact to the Group is to estimate the goods of return based on the Trading Term Agreement with customers that provide a right of return. Besides, the Group has reclassified the sales related expenses to offset against the revenue which was treated as marketing and distribution expenses previously. The marketing and distribution expenses included rebates, promotion support and other sales related discount to customers. The adoption of MFRS 15 has no significant financial impact to the Group.

The restatement of the Group's financial statement as at 31 December 2017 is as below :-

**i) Reconciliation of Profit & Loss**

	<b>As Previously Reported 31/12/2017 RM'000</b>	<b>Effect of MFRS 15 RM'000</b>	<b>Restated 31/12/2017 RM'000</b>
Revenue	39,861	(2,557)	37,304
Cost of sales	(26,524)	-	(26,524)
Gross profit	13,337	(2,557)	10,780
Other income	1,858	-	1,858
Administration and operating expenses	(6,778)	-	(6,778)
Selling and distribution expenses	(6,896)	2,554	(4,342)
Exceptional item (refer note A4)	(1,895)	-	(1,895)
Loss before taxation	(374)	(3)	(377)
Taxation	(870)	-	(870)
Loss for the financial period	(1,244)	(3)	(1,247)

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

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

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

**ii) Reconciliation of Financial Position**

	<b>As Previously Reported 30/06/2018 RM'000</b>	<b>Effect of MFRS 9 RM'000</b>	<b>Effect of MFRS 15 RM'000</b>	<b>Restated 30/06/2018 RM'000</b>
<b>ASSETS</b>				
Non-Current Assets	94,890	-	-	94,890
Investments	89,649	180	-	89,829
<b>Total Non-Current Assets</b>	<b>184,539</b>	<b>180</b>	<b>-</b>	<b>184,719</b>
Inventories	13,158	-	-	13,158
Trade and other receivables	17,275	(562)	-	16,713
Current tax assets	1,850	-	-	1,850
Refund assets	-	-	519	519
Deposits, bank balances and cash	93,523	(196)	-	93,327
<b>Total Current Assets</b>	<b>125,806</b>	<b>(758)</b>	<b>519</b>	<b>125,567</b>
<b>TOTAL ASSETS</b>	<b>310,345</b>	<b>(578)</b>	<b>519</b>	<b>310,286</b>
<b>EQUITY</b>				
Share capital	221,959	-	-	221,959
Treasury shares	(30,484)	-	-	(30,484)
Reserves	105,768	(578)	(346)	104,844
<b>Total Equity</b>	<b>297,243</b>	<b>(578)</b>	<b>(346)</b>	<b>296,319</b>
<b>LIABILITIES</b>				
Non-Current Liabilities	992	-	-	992
Trade and other payables	11,883	-	-	11,883
Refund Liabilities	-	-	865	865
Current tax liabilities	227	-	-	227
<b>Total Current Liabilities</b>	<b>12,110</b>	<b>-</b>	<b>865</b>	<b>12,975</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>310,345</b>	<b>(578)</b>	<b>519</b>	<b>310,286</b>



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

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

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

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 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
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 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:'	
- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:

**Amendments to MFRS 9: Prepayment Features with Negative Compensation**

Under MFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion - Solely Payments of Principal and Interest) and the instrument is held within the appropriate business model for that classification. The amendments to MFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

**A3. Seasonal or Cyclical Factors**

The food business of the Group is affected by seasonal factors.

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**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 31 December 2018 other than the exceptional item as follows:-

Exceptional item	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	RM'000	RM'000	RM'000	RM'000
Net gain/(loss) on foreign exchange:				
- Realised	(4)	(217)	56	(189)
- Unrealised	187	(1,541)	1,329	(1,706)
	<u>183</u>	<u>(1,758)</u>	<u>1,385</u>	<u>(1,895)</u>

**A5. Changes In Estimates of Amounts Reported Previously**

There were no changes in estimates of amounts reported in prior financial years which may have a material effect in the financial period ended 31 December 2018.

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

As at 31 December 2018, the number of treasury shares held is 64,959,800 ordinary shares.

Ordinary shares issued and fully paid:	No Of Shares In '000	RM'000
At 31 December 2018 (net of 64,959,800 treasury shares)	<u>708,397</u>	<u>221,959</u>

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations and resale of treasury shares for the financial period ended 31 December 2018.

**A7. Dividend Paid**

No dividend was paid by the Company during the financial period ended 31 December 2018 (31 December 2017: Nil).

**A8. Operating Segments**

Segment information is presented in respect of the Group's business segments.

**For the 6 months ended 31 December 2018**

	Food RM'000	Investment Holding RM'000	Total RM'000
<b>REVENUE</b>			
- External revenue	45,303	-	45,303
Total	<u>45,303</u>	<u>-</u>	<u>45,303</u>
<b>RESULTS</b>			
Segment results	5,221	1,148	6,369
Profit before taxation	<u>5,221</u>	<u>1,148</u>	<u>6,369</u>
<b>Segment assets</b>	<u>160,746</u>	<u>151,092</u>	<u>311,838</u>
Unallocated assets			<u>1,394</u>
			<u>313,232</u>

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**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 Period**

There were no material events subsequent to the financial period ended 31 December 2018 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**

- (a) On 22 October 2018, Pan Malaysia Corporation Berhad ("PMC") announced that Uniwell Nominees (Tempatan) Sdn Bhd, a wholly-owned subsidiary of the Group was placed under members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016 ("Winding-Up").
- (b) On 15 November 2018, PMC announced that Tiffany Hampers & Gifts Pte Ltd ("THG") and Specialist Food Retailers Pte Ltd ("SFR"), both incorporated in Singapore and indirect wholly-owned subsidiaries of PMC, have been struck off from the Register on 5 November 2018 following an earlier application by THG and SFR to the Companies Registry in Singapore.

The Winding-Up and dissolution of the subsidiaries did not have any material financial or operational effect to the Group.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 December 2018.

**A12. Contingent Liabilities**

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

**A13. Capital Commitments**

As at 31 December 2018, the Group has commitments in respect of capital expenditure as follows:-

	RM'000
Authorised but not contracted for	265
Contracted but not provided for	-

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

**B1. Review of Performance**

	QUARTER ENDED		CHANGES	CUMULATIVE 6 MONTHS		CHANGES
	31/12/2018 RM'000	31/12/2017 RM'000	%	31/12/2018 RM'000	31/12/2017 RM'000	%
Revenue	25,358	20,486	23.8	45,303	37,304	21.4
Profit/(Loss) before tax ("PBT/(LBT)")	895	(439)	(303.9)	6,369	(377)	(1,789.4)

**Quarter ended 31 December 2018 vs Quarter ended 31 December 2017**

For the current quarter ended 31 December 2018, the Group recorded revenue of RM25.4 million compared with RM20.5 million in the corresponding quarter of the financial period ended 31 December 2017, representing an increase of RM4.9 million driven by higher local and export sales in Crispy and Tango. The appointment of a new distributor in Singapore has broadened the market coverage leading to higher demand.

The Group recorded PBT of RM0.9 million for the current quarter ended 31 December 2018 compared with LBT of RM0.4 million for the preceding financial period's corresponding quarter. The increase in PBT was mainly due to higher sales.

**Financial period ended 31 December 2018 vs Financial period ended 31 December 2017**

For the financial period ended 31 December 2018, the Group recorded revenue of RM45.3 million compared with RM37.3 million for the preceding financial period ended 31 December 2017, representing an increase of RM8.0 million driven by higher local sales in Crispy and Tango.

The Group recorded PBT of RM6.4 million for the financial period ended 31 December 2018 compared with LBT of RM0.4 million for the financial period ended 31 December 2017. The increase in PBT was mainly due to higher sales, unrealised gain on foreign exchange translation of intragroup balances and lower operating expenses after the combination of the factory and sales and marketing arm into single location.

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

	QUARTER ENDED		CHANGES
	31/12/2018 RM'000	30/09/2018 RM'000	%
Revenue	25,358	19,945	27.1
Profit before tax ("PBT")	895	5,474	(83.6)

For the current quarter, the Group recorded higher revenue of RM25.4 million, representing an increase of RM5.4 million compared with RM19.9 million in the preceding quarter. The increase in revenue was mainly driven by higher export sales in Tango, Tudor Gold and contract manufacturing to Singapore, Korea, Myanmar and Vietnam.

The Group recorded PBT of RM0.9 million compared with the preceding quarter's PBT of RM5.5 million. The lower PBT was mainly due to the reversal of fair value gain on investment.

**B3. Prospects for the financial year ending 30 June 2019**

The 21% growth in the Group's revenue for the six months ended 31 December 2018 was driven by aggressive marketing initiatives in both the domestic and international markets. Robust promotions with selected sales channel in Malaysia propelled revenue in the second quarter. Regionally, Vietnam, Myanmar and the Philippines performed better due to extended product range and stepped-up effort to meet festive demands.

This trend is expected to continue for the remainder of this financial year as the Group focuses on developing innovative product offerings, new business models and targeted marketing campaigns.

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

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

	QUARTER ENDED		CHANGES %	CUMULATIVE 6 MONTHS		CHANGES %
	31/12/2018 RM'000	31/12/2017 RM'000		31/12/2018 RM'000	31/12/2017 RM'000	
Depreciation / amortisation	(447)	(429)	(4.2)	(911)	(867)	(5.1)
Interest income	852	680	25.3	1,650	1,262	30.7
Interest income from related party	59	59	-	118	153	(22.9)
Write down of inventories	(67)	(8)	(737.5)	(130)	(137)	5.1

**B5. Taxation**

Taxation comprises:-

	QUARTER ENDED		CHANGES %	CUMULATIVE 6 MONTHS		CHANGES %
	31/12/2018 RM'000	31/12/2017 RM'000		31/12/2018 RM'000	31/12/2017 RM'000	
Current tax expense	(764)	(813)	(6.0)	(1,113)	(890)	25.1
Over provision in respect of prior year	-	20	(100.0)	-	20	(100.0)
	<u>(764)</u>	<u>(793)</u>	<u>(3.7)</u>	<u>(1,113)</u>	<u>(870)</u>	<u>27.9</u>

The effective tax rate for the financial period ended 31 December 2018 is lower than the statutory tax rate applicable mainly due to utilisation of unabsorbed tax credit against the taxable profit of certain subsidiary.

**B6. Status of Corporate Proposals**

On 20 September 2018, a wholly-owned subsidiary, Megafort Sdn Bhd ("MSB") entered into a joint venture and shareholders agreement with Baker & Cook Pte Ltd ("B&C") for the purpose of forming a Joint Venture Company to carry on the franchise business of retail food and beverage outlet in Malaysia.

On 24 September 2018, Pan Malaysia Corporation Berhad announced that joint venture company under the name of Baker & Cook (Malaysia) Sdn Bhd (1296339-M) ("B&C Malaysia") has been incorporated on 24 September 2018. The principal activity of B&C Malaysia is to establish and operate the franchise business of retail food and beverage outlets operated and conducted under the trade names of "Baker & Cook" and "Plank Sourdough Pizza" subject to the terms and conditions of the Joint Venture and Shareholders Agreement dated 20 September 2018.

The current paid-up share capital of B&C Malaysia is RM1,500,000.00, comprising of 100,000 ordinary shares.

The Shareholders and their respective shareholding in B&C Malaysia are as follows:-

- a) Megafort Sdn Bhd - 50%; and
- b) Baker & Cook Pte Ltd - 50%.

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

**B7. Trade Receivables**

(a) The credit term of trade receivables range from 30 to 120 days.

(b) The ageing of trade receivables as at the end of the reporting period was:-

	31/12/2018 RM'000	30/06/2018 RM'000	CHANGES %
Not past due	9,991	5,542	80.3
Past due 1-30 days	3,754	2,438	54.0
Past due 31-60 days	1,553	1,207	28.7
Past due 61-120 days	1,161	374	210.4
Past due more than 120 days	454	-	100.0
	<u>16,913</u>	<u>9,561</u>	<u>76.9</u>

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**B8. Group Borrowings**

There were no Group borrowings as at 31 December 2018 (31 December 2017: Nil).

**B9. Derivative Financial Instruments**

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

**B10. Fair Value Changes of Financial Liabilities**

As at 31 December 2018, the Group did not have any financial liabilities measured at fair value through profit or loss.

**B11. Material Litigations**

There were no material litigations as at the date of this report.

**B12. Dividend**

No dividend was declared by the Board for the financial period ended 31 December 2018 (31 December 2017: Nil).

**B13. 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:-

	QUARTER ENDED		CHANGES	CUMULATIVE		CHANGES
	31/12/2018	31/12/2017	%	31/12/2018	31/12/2017	%
Profit/(Loss) attributable to equity holders of the Company (RM'000)	131	(1,232)	110.6	5,256	(1,247)	521.5
Weighted average number of ordinary shares in issue ('000)	708,397	708,397	-	708,397	708,397	-
Earnings/(Loss) per share (sen)	0.02	(0.18)	511.1	0.74	(0.18)	511.1

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

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**B14. Other Matters**

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

<b>Proposed utilisation as approved by the Securities Commission ("SC")</b>	<b>Balance as at 01/07/2018 RM'000</b>	<b>Amount utilised RM'000</b>	<b>Balance as at 31/12/2018 RM'000</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.	26,693	-	26,693
Total	<u>26,693</u>	<u>-</u>	<u>26,693</u>

**B15. Auditors' Report**

The auditors' report on the audited financial statements for the financial year ended 30 June 2018 was unmodified.

**By order of the Board**  
**PAN MALAYSIA CORPORATION BERHAD**

**LEE CHIK SIONG**  
**NORLYN BINTI KAMAL BASHA**  
Joint Company Secretaries

Date: 13 February 2019