

PAN MALAYSIAN INDUSTRIES BERHAD

**Company No: 5138 - W
(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 JUNE 2012**

PAN MALAYSIAN INDUSTRIES BERHAD

Company No : 5138 - W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FIRST QUARTER ENDED 30 JUNE 2012**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	1,111	1,157	1,111	1,157
Operating expenses	(576)	(594)	(576)	(594)
Profit from operations	535	563	535	563
Finance cost	(2,259)	(2,183)	(2,259)	(2,183)
Share of results of an associate	(161)	27	(161)	27
Loss before tax	(1,885)	(1,593)	(1,885)	(1,593)
Tax expense	(157)	(66)	(157)	(66)
Loss for the financial period	(2,042)	(1,659)	(2,042)	(1,659)
Other comprehensive income/(loss) :-				
Other comprehensive income/(loss), net of tax:				
Share of other comprehensive income/(loss) of an associate	2,918	(1,051)	2,918	(1,051)
Total comprehensive income/(loss) for the financial period	876	(2,710)	876	(2,710)
Total comprehensive income/(loss) attributable to equity holders of the Company:	876	(2,710)	876	(2,710)
	Sen	Sen	Sen	Sen
Loss per share attributable to equity holders of the Company:				
- Basic	(0.16)	(0.13)	(0.16)	(0.13)
- Diluted	N/A	N/A	N/A	N/A

N/A : Not applicable

The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIAN INDUSTRIES BERHADCompany No: 5138-W
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	30.06.2012 (Unaudited) RM'000	31.03.2012 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	6	7
Investment property	38,590	38,727
Associate	133,769	131,012
Land held for property development	10,030	10,030
Goodwill on consolidation	2,269	2,269
	<u>184,664</u>	<u>182,045</u>
Current Assets		
Trade and other receivables	696	981
Cash and cash equivalents	67	84
	<u>763</u>	<u>1,065</u>
TOTAL ASSETS	<u>185,427</u>	<u>183,110</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,163	63,163
Reserves	(37,885)	(38,761)
Total Equity	<u>25,278</u>	<u>24,402</u>
Non-Current Liabilities		
Borrowings	31,526	36,601
Deferred tax	2,273	2,273
	<u>33,799</u>	<u>38,874</u>
Current Liabilities		
Other payables	22,507	21,054
Bank borrowings	103,790	98,653
Current tax	53	127
	<u>126,350</u>	<u>119,834</u>
Total Liabilities	<u>160,149</u>	<u>158,708</u>
TOTAL EQUITY AND LIABILITIES	<u>185,427</u>	<u>183,110</u>
	Sen	Sen
Net assets per share attributable to equity holders of the Company	2.00	1.93

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012****CUMULATIVE 3 MONTHS**

	Share Capital RM'000	Non- distributable Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 April 2012	63,163	13,145	(51,906)	24,402
Loss for the financial period	-	-	(2,042)	(2,042)
Share of other comprehensive income of an associate	-	2,918	-	2,918
At 30 June 2012	63,163	16,063	(53,948)	25,278
At 1 April 2011	63,163	12,545	(46,222)	29,486
Loss for the financial period	-	-	(1,659)	(1,659)
Share of other comprehensive loss of an associate	-	(1,051)	-	(1,051)
At 30 June 2011	63,163	11,494	(47,881)	26,776

The Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	CUMULATIVE 3 MONTHS	
	30.06.2012	30.06.2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(1,885)	(1,593)
Net adjustments :-		
Non-cash items	2,396	2,320
Non-operating items	161	(27)
Operating profit before working capital changes	<u>672</u>	<u>700</u>
Net changes in working capital	1,640	(39)
Interest expense paid	(2,159)	(2,058)
Tax paid	(232)	(45)
Net cash used in operating activities	<u>(79)</u>	<u>(1,442)</u>
Cash Flows From Investing Activity		
Additional cost incurred on land held for property development	-	(42)
Net cash used in investing activity	<u>-</u>	<u>(42)</u>
Cash Flows From Financing Activities		
Drawdown of bank borrowings	62	1,781
Net cash from financing activities	<u>62</u>	<u>1,781</u>
Net (decrease)/increase in cash and cash equivalents	(17)	297
Cash and cash equivalents at 1 April	84	311
Cash and cash equivalents at 30 June	<u>67</u>	<u>608</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to and understanding of changes in the financial position and performance of the Group since the year ended 31 March 2012.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2012 except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations with effect from 1 April 2012:-

FRS 124	Related Party Disclosures
Amendments to FRS 1	Severe Hyperinflation and Removal of fixed Dates for First-time Adopters
Amendments to FRS 7	Transfer of Financial Assets
Amendments to FRS 112	Deferred Tax : Recovery of Underlying Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The Directors expect that the standards and interpretations above will have no material impact on the financial statements of the Group.

Malaysia Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards ("MASB") issues a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities")

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year to be mandatory for annual periods beginning on or after 1 January 2013. The MASB has on 30 June 2012 decided that Transitioning Entities will be given an option of another one year to continue with the existing FRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

Malayan United Industries Berhad, an associate of the Group falls within the scope of definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. As a result, the Group also temporarily deferred the adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 1 April 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

At the date of these financial statements, the Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirement of the MFRS Framework for the financial year ending 1 April 2014.

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A3. Seasonal or Cyclical Factors

The business of the Group's associate where seasonal or cyclical factors would have some effects on the operations are as follows:-

- (a) The retailing operations in Malaysia have seasonal peaks in tandem with the year end school holidays, various festive seasons and during sales promotions. The retailing operations in United Kingdom normally record better sales in the third quarter of the financial year due to Christmas season;
- (b) The hotel operations in United Kingdom normally experience low trading after Christmas, New Year and Easter due to the after effects of the holiday seasons. Additionally, winter periods will also experience a decline in trading; and
- (c) The food and confectionery operations in Malaysia, Singapore and Hong Kong will normally record better sales 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 June 2012.

A5. Changes in Estimates Reported in Prior Interim Periods

There were no changes in estimates of amounts reported in prior financial year which may have a material effect during the financial period ended 30 June 2012.

A6. Issuance or Repayment of Debts and Equity Securities

There were no issuances or repayments of debt and equity securities, share buybacks, share cancellations and resale of treasury shares for the financial period ended 30 June 2012.

A7. Dividends Paid

No dividend was paid in the financial period ended 30 June 2012.

A8. Segment Information

The analysis of the Group's operations for the 3 months ended 30 June 2012 is as follows:-

	Investment Property RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
REVENUE				
External revenue	1,111	-	-	1,111
Inter-segments revenue	3	461	(464)	-
	<u>1,114</u>	<u>461</u>	<u>(464)</u>	<u>1,111</u>
RESULTS				
Segment results	<u>701</u>	<u>(166)</u>		535
Finance costs				(2,259)
Share of results of an associate				(161)
Loss before tax				<u>(1,885)</u>
Tax expense				(157)
Loss for the financial period				<u>(2,042)</u>
Segment assets	<u>51,430</u>	<u>133,997</u>		<u>185,427</u>

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A9. Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the financial period ended 30 June 2012 and up to date of this report that have not been reflected in the financial statements for the said period as at the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 June 2012.

A12. Contingent Liabilities

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

A13. Capital Commitments

The Group has no material capital commitments as at the date of this report.

B. ADDITIONAL INFORMATION PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded a revenue of RM1.1 million for the 3 months ended 30 June 2012. The revenue comprised rental income from its investment property. For the same period, the Group recorded loss before tax of RM1.9 million as compared to RM1.6 million for the previous year corresponding period. The higher loss before tax for the current period was mainly due to higher interest costs and share of results of an associate.

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

The Group recorded a revenue of RM1.1 million in the current quarter consistent with that of the preceding quarter. However, the Group recorded loss before tax of RM1.9 million as compared to RM2.4 million in the preceding quarter. The lower loss for the current quarter was mainly due to share of better results of an associate and lower expenses, both operating and non-operating.

B3. Prospects for Financial Year Ending 31 March 2013

The Group expects the business environment in the financial year ending 31 March 2013 to remain challenging. In spite of this, it expects improved profit contribution from its associate company.

The Group will continue to rationalise its assets in order to improve its financial position.

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B4. Loss Before Tax

Included in the loss before tax are the following items :-

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(137)	(137)	(137)	(137)

B5. Tax expense

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	157	66	157	66
	<u>157</u>	<u>66</u>	<u>157</u>	<u>66</u>

The tax provision of the Group for the financial period ended 30 June 2012 includes the company and a subsidiary with taxable profit.

B6. Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

B7. Group Borrowings

As at 30 June 2012, all the Group borrowings amounting to RM135.3 million are unsecured and classified as current and non-current liabilities. There are no borrowings denominated in foreign currencies.

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 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

B10. Realised and Unrealised Profits/(Losses)

The accumulated losses of the Group comprised the following:-

	30.06.2012	31.03.2012
	RM'000	Audited RM'000
The accumulated losses of the Company and its subsidiaries:-		
Realised	(484,697)	(482,977)
Unrealised	(2,273)	(2,273)
	<u>(486,970)</u>	<u>(485,250)</u>
Total share of accumulated profits/(losses) of an associate:		
Realised	(246,888)	(254,773)
Unrealised	(5,577)	2,469
	<u>(739,435)</u>	<u>(737,554)</u>
Less : Consolidation adjustments	685,487	685,648
Total accumulated losses	<u>(53,948)</u>	<u>(51,906)</u>

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B11. Material Litigation

There is no material litigation as at the date of this report.

B12. Dividend

No dividend has been declared by the Board for the financial period ended 30 June 2012.

B13. Loss Per Share

(a) Loss per share

The loss per share is calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Loss attributable to equity holders of the Company (RM'000)	(2,042)	(1,659)	(2,042)	(1,659)
Weighted average number of ordinary shares in issue ('000)	1,263,261	1,263,261	1,263,261	1,263,261
Loss per share (sen)	(0.16)	(0.13)	(0.16)	(0.13)

(b) Diluted loss per share

Diluted loss per ordinary share is not presented as the Company has no dilutive potential ordinary shares in issue.

B14. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2012 was not qualified.

On behalf of the Board
PAN MALAYSIAN INDUSTRIES BERHAD

SOO-HOO SIEW HOON
HO CHUN FUAT
Joint Company Secretaries
30 August 2012