

PAN MALAYSIAN INDUSTRIES BERHAD

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

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013**

PAN MALAYSIAN INDUSTRIES BERHAD

Company No : 5138 - W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 30 SEPTEMBER 2013**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Continuing operations				
Revenue	-	-	-	-
Operating expenses	(125)	(230)	(153)	(396)
Loss from operations	<u>(125)</u>	<u>(230)</u>	<u>(153)</u>	<u>(396)</u>
Finance cost	(2,983)	(2,405)	(5,191)	(4,664)
Loss on dilution of interest in an associate	-	(10,425)	-	(10,425)
Share of results of an associate	1,977	9,140	3,355	8,979
Loss before tax	<u>(1,131)</u>	<u>(3,920)</u>	<u>(1,989)</u>	<u>(6,506)</u>
Tax expense	(108)	(106)	(212)	(212)
Loss for the financial period from continuing operations	<u>(1,239)</u>	<u>(4,026)</u>	<u>(2,201)</u>	<u>(6,718)</u>
Discontinued operation				
Profit for the financial period from discontinued operation, net of tax	<u>565</u>	<u>795</u>	<u>1,225</u>	<u>1,445</u>
Loss for the financial period	<u>(674)</u>	<u>(3,231)</u>	<u>(976)</u>	<u>(5,273)</u>
Other comprehensive income :-				
Other comprehensive income, net of tax:				
Share of other comprehensive income of an associate	3,443	(2,486)	4,408	432
Total comprehensive income for the financial period	<u>2,769</u>	<u>(5,717)</u>	<u>3,432</u>	<u>(4,841)</u>
(Loss)/Earnings per share attributable to equity holders of the Company:-				
	Sen	Sen	Sen	Sen
Continuing operations				
Basic and diluted	(0.10)	(0.32)	(0.17)	(0.53)
Discontinued operation				
Basic and diluted	0.04	0.06	0.10	0.11

The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIAN INDUSTRIES BERHAD

Company No: 5138-W
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

	30.09.2013 (Unaudited) RM'000	31.03.2013 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	5	6
Investment property	24,136	23,860
Associate	107,331	97,812
	<u>131,472</u>	<u>121,678</u>
Current Assets		
Non current assets held for sale	55,000	55,000
Trade and other receivables	505	529
Cash and cash equivalents	92	105
	<u>55,597</u>	<u>55,634</u>
TOTAL ASSETS	<u>187,069</u>	<u>177,312</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,163	63,163
Reserves	(51,679)	(56,867)
Total Equity	<u>11,484</u>	<u>6,296</u>
Current Liabilities		
Other payables	37,585	32,754
Bank borrowings	131,986	130,994
Current tax liabilities	6,014	7,268
	<u>175,585</u>	<u>171,016</u>
Total Liabilities	<u>175,585</u>	<u>171,016</u>
TOTAL EQUITY AND LIABILITIES	<u>187,069</u>	<u>177,312</u>
	Sen	Sen
Net assets per share attributable to equity holders of the Company	<u>0.91</u>	<u>0.50</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 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 SEPTEMBER 2013**

CUMULATIVE 6 MONTHS

	Share Capital RM'000	Non- distributable Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 April 2013	63,163	9,793	(66,660)	6,296
Loss for the financial period	-	-	(976)	(976)
Share of other comprehensive income of an associate	-	4,408	-	4,408
Effect on equity transaction of an associate	-	-	1,756	1,756
At 30 September 2013	63,163	14,201	(65,880)	11,484
 At 1 April 2012				
As previously stated	63,163	13,145	(51,906)	24,402
Deferred tax	-	-	(956)	(956)
Change in accounting policies	-	-	11,273	11,273
As restated	63,163	13,145	(41,589)	34,719
Loss for the financial period	-	-	(5,547)	(5,547)
Share of other comprehensive income of an associate	-	432	-	432
At 30 September 2012	63,163	13,577	(47,136)	29,604

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 2013 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 SEPTEMBER 2013**

	CUMULATIVE 6 MONTHS	
	30.09.2013	30.09.2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax		
- Continuing operations	(1,989)	(6,506)
- Discontinued operation	1,404	1,547
Net adjustments :-		
Non-cash items	4,584	4,493
Non-operating items	(3,355)	1,446
Operating profit before working capital changes	<u>644</u>	<u>980</u>
Net changes in working capital	4,628	6,697
Interest received	26	-
Interest expense paid	(4,382)	(4,253)
Net tax paid	(1,645)	(389)
Net cash (used in)/generated from operating activities	<u>(729)</u>	<u>3,035</u>
Cash Flows From Investing Activity		
Additional cost incurred on investment property	<u>(276)</u>	<u>-</u>
Net cash used in investing activity	<u>(276)</u>	<u>-</u>
Cash Flows From Financing Activities		
Drawdown/(Repayment) of bank borrowings	<u>992</u>	<u>(3,032)</u>
Net cash generated from/(used in) financing activities	<u>992</u>	<u>(3,032)</u>
Net (decrease)/increase in cash and cash equivalents	(13)	3
Cash and cash equivalents at 1 April	105	84
Cash and cash equivalents at 30 September	<u>92</u>	<u>87</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 2013 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 SEPTEMBER 2013

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 2013. 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 2013.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2013 except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations with effect from 1 April 2013:-

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-time Adoption of MFRS - Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joints Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

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

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued 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")

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A2. Significant Accounting Policies (continued)

Malaysian Financial Reporting Standards (continued)

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 7 August 2013 decided that Transitioning Entities will be given an option 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 2015.

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 31 March 2016. 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 2013 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 31 March 2016.

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 in the financial period ended 30 September 2013.

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 September 2013.

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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 September 2013.

A7. Dividends Paid

No dividend was paid in the financial period ended 30 September 2013.

A8. Segment Information

The analysis of the Group's operations for the 6 months ended 30 September 2013 is as follows:-

	Continuing operations			Discontinued Operation	
	Investment Property RM'000	Investment Holding RM'000	Sub Total RM'000	Property Investment RM'000	Total Group RM'000
REVENUE					
External revenue	-	-	-	2,029	2,029
	-	-	-	2,029	2,029
RESULTS					
Segment results	(5)	(148)	(153)	1,404	1,251
Finance costs					(5,191)
Share of results of an associate					3,355
Loss before tax					(585)
Segment assets	24,140	279	24,419	55,319	79,738
Investment in associate	-	107,331	107,331	-	107,331
	24,140	107,610	131,750	55,319	187,069

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 September 2013 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 September 2013.

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.

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A14. Discontinued Operation

On 16 May 2013 the Company announced the proposed disposal by Fairway Properties Sdn Bhd, a wholly owned subsidiary of the Company, of all that piece and parcel of freehold land known as Lot No. 1161, Seksyen 0057, Town And District of Kuala Lumpur, state of Wilayah Persekutuan Kuala Lumpur comprised in Geran No. 5573 together with the Fifteen (15) storey office building erected thereon known as Menara PMI, bearing the postal address No.2, Jalan Changkat Ceylon, 50200 Kuala Lumpur to Admiral Gateway Sdn Bhd for a total cash consideration of RM60.0 Million ("Proposed Disposal"). The shareholders of the Company had on 15 November 2013 approved the Proposed Disposal.

In view of the disposal, the operation of the investment property business has been reclassified as discontinued operation as follows :-

	Cumulative 6 Months	
	30/09/2013	30/09/2012
	RM'000	RM'000
Revenue	2,029	2,188
Other income	26	-
Expenses	(651)	(641)
Profit before taxation	1,404	1,547
Tax expenses	(179)	(102)
Profit for the financial period	1,225	1,445

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

B1. Review of Performance

For the financial period ended 30 September 2013, the Group recorded loss before tax of RM2.0 million from continuing operations compared with loss before tax of RM6.5 million from continuing operations for the previous year corresponding period. In the previous year corresponding period, the group recorded RM10.4 million loss arising from dilution of interest in an associate. For discontinued operation, the revenue recorded mainly rental income, decreased marginally due to vacation of certain tenants. Lower profit before tax was due to lower revenue.

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

The Group recorded loss before tax of RM1.1 million from continuing operations for the current quarter compared with loss before tax of RM0.9 million from continuing operations in the preceding quarter. The increased loss for the current quarter was mainly due to financing related expenses.

B3. Prospects for Financial Year Ending 31 March 2014

The Group expects the business environment in the financial year ending 31 March 2014 to remain challenging. Its associate is cautiously optimistic of its performance for the financial year ending 31 December 2013.

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

B4. Profit/(Loss) Before Tax

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

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	-	-	-	-

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B5. Tax expense

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Tax expense comprises :-				
Continuing Operations				
Current taxation	113	106	217	212
Overprovision in respect of prior years	(5)	-	(5)	-
	108	106	212	212
Discontinued Operation				
Current taxation	89	51	179	102

The tax provision of the Group for the period ended 30 September 2013 included the Company and a subsidiary with taxable profit.

B6. Status of Corporate Proposals

On 16 May 2013 the Company announced the proposed disposal by Fairway Properties Sdn Bhd, a wholly owned subsidiary of the Company, of all that piece and parcel of freehold land known as Lot No. 1161, Seksyen 0057, Town And District of Kuala Lumpur, state of Wilayah Persekutuan Kuala Lumpur comprised in Geran No. 5573 together with the Fifteen (15) storey office building erected thereon known as Menara PMI, bearing the postal address No.2, Jalan Changkat Geylon, 50200 Kuala Lumpur to Admiral Gateway Sdn Bhd for a total cash consideration of RM60.0 Million ("Proposed Disposal"). The shareholders of the Company had on 15 November 2013 approved the Proposed Disposal.

On 31 May 2013, the Board announced that the Company is considered a Practice Note 17 ("PN17") company pursuant to Paragraph 8.04 and Paragraph 2.1(a) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The PN17 criteria was triggered as a result of the Company's latest unaudited accounts for the financial year ended 31 March 2013 that was announced on 31 May 2013 where the Company's shareholders' equity on a consolidated basis is 25% or less of the issued and paid-up capital and such shareholders' equity is less than RM40 million.

B7. Group Borrowings

Total Group borrowing as at 30 September 2013 is as follows:-

	RM'000
Short Term Borrowings	
-Secured	131,986

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 September 2013, the Group does not have any financial liabilities measured at fair value through profit or loss.

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B10. Realised and Unrealised Profits/(Losses)

The accumulated losses of the Group comprised the following:-

	30.09.2013	31.03.2013
	RM'000	(Audited) RM'000
The accumulated losses of the Company and its subsidiaries:-		
Realised	(525,034)	(453,238)
Unrealised	28,353	28,353
	(496,681)	(424,885)
Total share of accumulated profits/(losses) of an associate:		
Realised	(282,728)	(282,261)
Unrealised	5,688	(3,098)
	(773,721)	(710,244)
Less : Consolidation adjustments	707,841	643,584
Total accumulated losses	(65,880)	(66,660)

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 September 2013.

B13. Earnings/(Loss) Per Share

(a) Earnings/(Loss) per share

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

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Weighted average number of ordinary shares in issue ('000)	1,263,261	1,263,261	1,263,261	1,263,261
i) Continuing Operations				
Loss for the financial period attributable to equity holders of the Company (RM'000)	(1,239)	(4,026)	(2,201)	(6,718)
Basic and diluted loss per share (sen)	(0.10)	(0.32)	(0.17)	(0.53)
ii) Discontinued Operation				
Profit for the financial period attributable to equity holders of the Company (RM'000)	565	795	1,225	1,445
Basic and diluted earnings per share (sen)	0.04	0.06	0.10	0.11

(b) Diluted loss per share

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

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B14. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2013 was not qualified.

On behalf of the Board
PAN MALAYSIAN INDUSTRIES BERHAD

SOO-HOO SIEW HOON
HO CHUN FUAT
Joint Company Secretaries
26 November 2013