

PAN MALAYSIAN INDUSTRIES BERHAD

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

**INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2014**

PAN MALAYSIAN INDUSTRIES BERHAD

Company No : 5138 - W
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOURTH QUARTER ENDED 31 MARCH 2014**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	-	-	-	-
Operating expenses	(58)	(139)	(901)	(921)
Loss from operations	<u>(58)</u>	<u>(139)</u>	<u>(901)</u>	<u>(921)</u>
Non operating expenses	(29,675)	996	(30,914)	(27,802)
Finance cost	(1,872)	(2,186)	(9,608)	(9,084)
Share of results of an associate	(156)	2,832	1,233	9,596
(Loss)/Profit before tax	<u>(31,761)</u>	<u>1,503</u>	<u>(40,190)</u>	<u>(28,211)</u>
Tax expense	199	(1,165)	(124)	(3,883)
Loss/(Profit) for the financial period/year from continuing operations	<u>(31,562)</u>	<u>338</u>	<u>(40,314)</u>	<u>(32,094)</u>
Discontinued operation				
Profit for the financial period/year from discontinued operation, net of tax	<u>4,008</u>	<u>6</u>	<u>5,785</u>	<u>7,138</u>
Profit/(Loss) for the financial period/year	<u>(27,554)</u>	<u>344</u>	<u>(34,529)</u>	<u>(24,956)</u>

(Loss)/Earnings per share attributable to equity holders of the Company:-

	Sen	Sen	Sen	Sen
Continuing operations				
Basic and diluted	(2.50)	0.03	(3.19)	(2.54)

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
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period/year	(27,554)	344	(34,529)	(24,956)
Other comprehensive income :-				
Other comprehensive income, net of tax:				
Share of other comprehensive income/ (expenses) of an associate	501	(6,130)	6,307	(3,467)
Total comprehensive profit/(loss) for the financial period/ year	<u>(27,053)</u>	<u>(5,786)</u>	<u>(28,222)</u>	<u>(28,423)</u>

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 31 MARCH 2014**

	31.03.2014 (Unaudited) RM'000	31.03.2013 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	4	6
Investment property	24,523	23,860
Associate	75,677	97,812
	<u>100,204</u>	<u>121,678</u>
Current Assets		
Non current assets held for sale	-	55,000
Trade and other receivables	500	529
Tax recoverable	308	-
Cash and cash equivalents	2,143	105
	<u>2,951</u>	<u>55,634</u>
TOTAL ASSETS	<u>103,155</u>	<u>177,312</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	63,163	63,163
Reserves	(85,089)	(56,867)
Total Equity	<u>(21,926)</u>	<u>6,296</u>
Current Liabilities		
Other payables	33,642	32,754
Bank borrowings	86,817	130,994
Current tax liabilities	4,622	7,268
	<u>125,081</u>	<u>171,016</u>
Total Liabilities	<u>125,081</u>	<u>171,016</u>
TOTAL EQUITY AND LIABILITIES	<u>103,155</u>	<u>177,312</u>
	Sen	Sen
Net (liabilities)/assets per share attributable to equity holders of the Company	<u>(1.74)</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 YEAR ENDED 31 MARCH 2014**

CUMULATIVE 12 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 year	-	-	(34,529)	(34,529)
Share of other comprehensive income of an associate	-	5,101	-	5,101
Effect on equity transaction of an associate	-	-	1,206	1,206
At 31 March 2014	63,163	14,894	(99,983)	(21,926)
At 1 April 2012	63,163	13,145	(41,589)	34,719
Loss for the financial year	-	-	(24,956)	(24,956)
Share of other comprehensive loss of an associate	-	(145)	(115)	(260)
Reversal of share of other comprehensive loss of an associate	-	(3,207)	-	(3,207)
At 31 March 2013	63,163	9,793	(66,660)	6,296

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	CUMULATIVE 12 MONTHS	
	31.03.2014	31.03.2013
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before tax		
- Continuing operations	(40,190)	(28,211)
- Discontinued operation	6,739	7,987
Net adjustments :-		
Non-cash items	9,666	(7,442)
Non-operating items	23,942	(9,596)
Loss on dilution in an associate	-	39,329
Operating profit before working capital changes	<u>157</u>	<u>2,067</u>
Net changes in working capital	152	11,605
Interest received	50	-
Interest expense paid	(8,948)	(8,537)
Net tax paid	(4,033)	(820)
Net cash (used in)/generated from operating activities	<u>(12,622)</u>	<u>4,315</u>
Cash Flows From Investing Activity		
Additional cost incurred on investment property	(663)	(34)
Proceeds from disposal of property, plant and equipment	59,500	-
Net cash generated from/(used in) investing activity	<u>58,837</u>	<u>(34)</u>
Cash Flows From Financing Activities		
Repayment of bank borrowings	(44,177)	(4,260)
Net cash used in financing activities	<u>(44,177)</u>	<u>(4,260)</u>
Net increase in cash and cash equivalents	2,038	21
Cash and cash equivalents at 1 April	105	84
Cash and cash equivalents at 31 March	<u>2,143</u>	<u>105</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 YEAR ENDED 31 MARCH 2014

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:-

Amendment to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 119	Employee Benefits (revised)	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to FRS 1	Government Loans	1 January 2013
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRSs Annual Improvements 2009 - 2011 Cycle		1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance		1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Mandatory Effective Date of FRS 9 and Transition Disclosures		1 January 2015
FRS 9	Financial Instruments	1 January 2015

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)

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

Subsequent to the year end 31 March 2014, the Board of Directors have intended for the investment property and investment in associate to be sold off. As such, the carrying amount of the investment in associate have been impaired to market value.

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 year ended 31 March 2014.

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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 year ended 31 March 2014.

A7. Dividends Paid

No dividend was paid in the financial year ended 31 March 2014.

A8. Segment Information

The analysis of the Group's operations for the 12 months ended 31 March 2014 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	-	-	-	3,617	3,617
	-	-	-	3,617	3,617
RESULTS					
Segment results	(1,389)	(30,426)	(31,815)	6,845	(24,970)
Finance costs	-	(9,608)	(9,608)	(106)	(9,714)
Share of results of an associate				-	1,233
Profit/(Loss) before tax				6,739	(33,451)
Segment assets	24,529	614	25,143	2,335	27,478
Investment in associate	-	75,677	75,677	-	75,677
	24,529	76,291	100,820	2,335	103,155

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 year ended 31 March 2014 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 year ended 31 March 2014.

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 12 Months	
	31/03/2014	31/03/2013
	RM'000	RM'000
Revenue	3,617	4,300
Other income	4,550	-
Fair value gain on investment property	-	5,000
Expenses	(1,322)	(1,313)
Finance cost	(106)	-
Profit before taxation	6,739	7,987
Tax expenses	(954)	(849)
Profit for the financial year	5,785	7,138

The Disposal was completed on 20 February 2014 in accordance with the terms and conditions of the sale and purchase agreement .

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

B1. Review of Performance

For the financial year ended 31 March 2014, the Group recorded a loss before tax of RM40.2 million from continuing operations compared with a loss before tax of RM28.2 million from continuing operations for the previous year . The higher loss before tax was due to the impairment of the carrying value of investment in an associate to market value. For discontinued operation, lower profit for the current year was due to the disposal of an investment property.

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

The Group recorded loss before tax of RM31.8 million from continuing operations for the current quarter compared with loss before tax of RM6.4 million in the preceding quarter. The higher loss in the current quarter was mainly due to the impairment loss on investment in an associate.

B3. Prospects for Financial Year Ending 31 March 2015

The Group expects the business environment in the financial year ended 31 March 2015 to remain challenging. Its associate will continue to assess potential investment opportunities to enhance its shareholders value.

B4. Profit/(Loss) Before Tax

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

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Penalty on tax liability	-	-	1,239	-
Loss on dilution of interest in an associate	-	(3,207)	-	39,329
Impairment loss on investment in an associate	29,675	-	29,675	-
Impairment loss on goodwills on consolidation	-	2,269	-	2,269
Fair value gain on investment property	-	(58)	-	(13,796)

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B5. Tax expense

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Tax expense comprises :-				
Continuing Operations				
Current taxation	(199)	1,281	126	1,601
Deferred tax	-	(116)	-	2,273
Over/(Under)provision in respect of prior years	-	-	(2)	9
	<u>(199)</u>	<u>1,165</u>	<u>124</u>	<u>3,883</u>
Discontinued Operation				
Tax expense	671	667	954	849

The tax provision of the Group for the financial year ended 31 March 2014 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 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.

The Proposed Disposal was completed on 20 February 2014 in accordance with the terms and conditions of the sale and purchase agreement .

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 had been 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 31 March 2014 is as follows:-

	RM'000
Short Term Borrowings	
-Secured	<u>86,817</u>

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 31 March 2014, 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:-

	31.03.2014	31.03.2013
	RM'000	(Audited) RM'000
The accumulated losses of the Company and its subsidiaries:-		
Realised	(509,560)	(453,238)
Unrealised	13,796	28,353
	(495,764)	(424,885)
Total share of accumulated profits/(losses) of an associate:		
Realised	(287,670)	(282,261)
Unrealised	7,956	(3,098)
	(775,478)	(710,244)
Less : Consolidation adjustments	675,495	643,584
Total accumulated losses	(99,983)	(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 year ended 31 March 2014.

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:

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
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)/Profit for the financial period/year attributable to equity holders of the Company (RM'000)	(31,562)	338	(40,314)	(32,094)
Basic and diluted loss per share (sen)	(2.50)	0.03	(3.19)	(2.54)
ii) Discontinued Operation				
Profit for the financial period/year attributable to equity holders of the Company (RM'000)	4,008	6	5,785	7,138
Basic and diluted earnings per share (sen)	0.32	0.00	0.46	0.57

(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
LEE CHIK SIONG
Joint Company Secretaries
30 May 2014