

PAN MALAYSIAN INDUSTRIES BERHAD

Company No : 5138 - W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOURTH QUARTER ENDED 31 MARCH 2008
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2008 RM'000	31.03.2007 RM'000 (Restated)	31.03.2008 RM'000	31.03.2007 RM'000 (Audited)
Continuing Operations				
Revenue	54	-	274	11
Operating expenses	(1,246)	(458)	(3,462)	(1,437)
Loss from operations	(1,192)	(458)	(3,188)	(1,426)
Exceptional items (refer to Note A4)	22,198	4,238	(123,998)	19,560
Profit/(Loss) from operations after exceptional items	21,006	3,780	(127,186)	18,134
Finance cost	(3,495)	(9,662)	(20,534)	(41,526)
Share of results of associated companies	(2,703)	(10,982)	1,748	(111,323)
Profit/(Loss) before tax	14,808	(16,864)	(145,972)	(134,715)
Tax income	-	2	-	2
Profit/(Loss) for the financial period from continuing operations	14,808	(16,862)	(145,972)	(134,713)
Discontinued Operations				
Profit from discontinued operations	-	4,925	1,808	13,234
Gain on disposal of discontinued operations	-	-	129,472	-
	-	4,925	131,280	13,234
Profit/(Loss) for the financial period	14,808	(11,937)	(14,692)	(121,479)
Attributable to:				
Equity holders of the Company	14,808	(12,390)	(14,871)	(122,698)
Minority interest	-	453	179	1,219
	14,808	(11,937)	(14,692)	(121,479)
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share attributable to equity holders of the Company:-				
- from continuing operations	1.19	(1.36)	(11.78)	(10.87)
- from discontinued operations	-	0.36	10.58	0.97
	1.19	(1.00)	(1.20)	(9.90)
Diluted earnings per share attributable to equity holders of the Company:-				
- from continuing operations	0.83	N/A	N/A	N/A
- from discontinued operations	-	N/A	N/A	N/A
	0.83	N/A	N/A	N/A

N/A - Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2007 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 BALANCE SHEET
AS AT 31 MARCH 2008**

	31.03.2008 RM'000	31.3.2007 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	-	1
Associated companies	135,922	428,208
	<u>135,922</u>	<u>428,209</u>
Current Assets		
Other receivables	4,869	218
Tax recoverable	-	6,997
Deposits, bank balances and cash	4,392	299
	9,261	7,514
Assets of disposal group classified as held for sale	-	207,294
Non-current assets held for sale	164,929	-
	<u>174,190</u>	<u>214,808</u>
TOTAL ASSETS	<u>310,112</u>	<u>643,017</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	123,966	1,239,662
Reserves	(34,956)	(1,276,348)
	89,010	(36,686)
Minority interest	-	12,806
Total Equity	<u>89,010</u>	<u>(23,880)</u>
Non-Current Liabilities		
Borrowings	-	148,915
Current Liabilities		
Other payables	15,064	29,707
Borrowings	206,038	424,415
	221,102	454,122
Liabilities directly associated with assets classified as held for sale	-	63,860
	<u>221,102</u>	<u>517,982</u>
Total Liabilities	<u>221,102</u>	<u>666,897</u>
TOTAL EQUITY AND LIABILITIES	<u>310,112</u>	<u>643,017</u>
	Sen	Sen
Net assets/(liabilities) per 10 sen (2007: 50 sen) share attributable to ordinary equity holders of the Company	7.18	(1.48)

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

	Attributable to Equity Holders of the Company				Minority Interest	Total Equity
	Share Capital RM'000	Non-distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000
CUMULATIVE 12 MONTHS						
At 1 April 2007	1,239,662	445,947	3,948	(1,726,243)	(36,686)	12,806
Group's share of post-acquisition reserves in associated companies, recognised directly in equity	-	(3,765)	-	(1,342)	(5,107)	-
Loss for the period	-	-	-	(14,871)	(14,871)	179
Total recognised expense	-	(3,765)	-	(16,213)	(19,978)	179
Disposal of a subsidiary company	-	(417)	-	417	-	(12,311)
Preference shares issued by a subsidiary company	-	143,550	-	-	143,550	1,450
Par value reduction	(1,115,696)	-	-	1,115,696	-	-
Share premium reduction	-	(265,625)	-	265,625	-	-
Winding up of subsidiary companies	-	(210,171)	-	212,295	2,124	(2,124)
Transfer of capital and general reserve to accumulated losses	-	(25,578)	(3,948)	29,526	-	-
At 31 March 2008	123,966	83,941	-	(118,897)	89,010	-
At 1 April 2006	1,239,662	386,510	3,948	(1,708,918)	(78,798)	25,656
Effects of adoption of FRS 3 by an associated company	-	-	-	54,159	54,159	-
	1,239,662	386,510	3,948	(1,654,759)	(24,639)	25,656
Group's share of post-acquisition reserves in associated companies, recognised directly in equity	-	(7,185)	-	51,214	44,029	-
Loss for the financial period	-	-	-	(122,698)	(122,698)	1,219
Total recognised expense	-	(7,185)	-	(71,484)	(78,669)	1,219
Capital repayment to minority shareholders of a subsidiary company	-	-	-	-	-	(14,743)
Preference shares issued by a subsidiary company	-	66,622	-	-	66,622	674
At 31 March 2007	1,239,662	445,947	3,948	(1,726,243)	(36,686)	12,806

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

	CUMULATIVE 12 MONTHS	
	31.03.2008	31.03.2007
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax:		
- from continuing operations	(145,972)	(134,715)
- from discontinued operations	132,405	20,487
	<u>(13,567)</u>	<u>(114,228)</u>
Adjustments for :-		
Continuing operations		
Depreciation	-	1
Finance cost	20,534	41,526
Interest income	(274)	(11)
Impairment of investment in an associated company	123,998	-
Share of results of associated companies	(1,748)	111,323
Other non-cash items	719	(19,593)
Discontinued operations	(126,168)	7,357
Operating profit before working capital changes	<u>3,494</u>	<u>26,375</u>
Continuing operations		
Net change in current assets	(4,653)	(351)
Net change in current liabilities	(26,548)	27,409
Interest expenses paid	(18,369)	(44,013)
Interest income received	274	11
Tax refund	6,998	8,549
Discontinued operations	(3,658)	(8,495)
Net cash (used in)/from operating activities	<u>(42,462)</u>	<u>9,485</u>
Cash Flows From Investing Activities		
Net cash flow from disposal of a subsidiary company	253,449	-
Discontinued operations	(2,375)	(10,971)
Net cash from/(used in) investing activities	<u>251,074</u>	<u>(10,971)</u>
Cash Flows From Financing Activities		
Continuing operations		
Interest expenses paid	(1,788)	(1,230)
Repayment of borrowings	(226,598)	(27,691)
Discontinued operations	(129)	(15,146)
Net cash used in financing activities	<u>(228,515)</u>	<u>(44,067)</u>
Net decrease in cash and cash equivalents	(19,903)	(45,553)
Effects of exchange rate fluctuations on cash held	(15)	(21)
Cash and cash equivalents at beginning of the financial period	(10,525)	35,049
Cash and cash equivalents at end of the financial period	<u>(30,443)</u>	<u>(10,525)</u>
Cash and cash equivalents consist of the following:-		
Continuing operations		
Deposits, bank balances and cash	4,392	299
Bank overdrafts	(34,835)	(30,306)
Discontinued operations		
Deposits, bank balances and cash	-	19,482
	<u>(30,443)</u>	<u>(10,525)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2007 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 31 MARCH 2008

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements for the financial period ended 31 March 2008 are unaudited (except for the 6-month financial period to 30 September 2007 which were audited), and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The significant accounting policies and methods of computation applied in this unaudited interim financial report are consistent with those adopted in the audited annual financial statements for the financial year ended 31 March 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 April 2007:

FRS 117 Leases
FRS 124 Related Party Disclosures

Under the Discontinued Operations, the leasehold land and buildings were previously classified under property, plant and equipment. With the adoption of FRS 117, the leasehold land and buildings are now classified under prepaid lease payment.

The adoption of FRS 124 does not have any significant financial impact on the Group.

Comparatives

The following comparatives have been restated due to the adoption of new FRS:

Discontinued Operations:

	As previously reported RM'000	Adjustment FRS 117 RM'000	As restated RM'000
At 31 March 2007			
Property, plant and equipment	56,249	(12,154)	44,095
Prepaid lease payments	-	12,154	12,154
	<hr/>	<hr/>	<hr/>

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the preceding annual financial statements was not qualified.

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A3. Seasonal or Cyclical Factors

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

(a) Subsidiaries

The retailing operations in Malaysia have seasonal peaks in tandem with the year end school holidays, various festive seasons and during sales promotions.

The subsidiary involved in retailing operations was disposed of to an associated company in the current financial year.

(b) Associated Companies

- (i) The retailing operations in United Kingdom normally record better sales in the third quarter of the financial year due to the Christmas season, whilst the retailing operations in Malaysia is as disclosed above;
- (ii) 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
- (iii) 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 31 March 2008 other than the exceptional items as follows:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Continuing operations:				
Reversal/(Impairment) of investment in associated company	22,198	-	(123,998)	-
Gain on foreign exchange	-	4,238	-	19,560
	22,198	4,238	(123,998)	19,560
Discontinued operations:				
Gain on disposal of a subsidiary company	-	-	129,472	-

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 in the financial period ended 31 March 2008.

A6. Issuance or Repayments of Debts and Equity Securities

There was no issuance or repayment of debt and equity securities, share buyback, share cancellation, and resale of treasury shares in the financial period ended 31 March 2008.

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A7. Dividends Paid

There was no dividend paid in the financial period ended 31 March 2008.

A8. Segment Information

The analysis of the Group's operations for the 12 months ended 31 March 2008 is as follows:-

	<u>Continuing Operations</u>	<u>Discontinued Operations</u>	
	1.4.2007 to 31.3.2008	1.4.2007 to 14.8.2007	
	Investment Holding RM'000	Retailing RM'000	Group RM'000
REVENUE			
External revenue	274	110,677	110,951
RESULTS			
Segment results	(3,188)	3,262	74
Less: Elimination	-	(200)	(200)
Exceptional items	(123,998)	-	(123,998)
(Loss)/Profit from operations after exceptional items	(127,186)	3,062	(124,124)
Finance costs	(20,534)	(129)	(20,663)
Share of results of associated companies	1,748	-	1,748
Gain on disposal of discontinued operations	-	129,472	129,472
(Loss)/Profit before tax	(145,972)	132,405	(13,567)
Tax expense	-	(1,125)	(1,125)
(Loss)/Profit for the financial period	(145,972)	131,280	(14,692)

A9. Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements. Certain properties were reclassified to prepaid lease payments as disclosed in Note A1.

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

There were no material events subsequent to the financial period ended 31 March 2008 and up to date of this report that have not been reflected in the financial statements for the said period.

A11. Changes in the Composition of the Group

The Group completed the disposal of Metrojaya Berhad, a 91.06% owned subsidiary, on 14 August 2007. Further details of the disposal are disclosed in Note B8(a).

On 28 March 2008, provisional liquidators were appointed for Favourmark Corporation Sdn Bhd ("Favourmark") and Pamford Limited ("Pamford"). Both Favourmark and Pamford are wholly-owned subsidiaries of the Company.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 March 2008.

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A12. Discontinued Operations

On 31 October 2006, the Company and its wholly-owned subsidiary company, Excelton Sdn Bhd ("Excelton"), entered into an agreement with Libertyray (M) Sdn Bhd ("LMSB"), a wholly-owned subsidiary of Malayan United Industries Berhad, to dispose a total of 113,751,983 ordinary shares of RM1.00 each representing an equity interest of approximately 91.06% in Metrojaya Berhad ("MJB") to LMSB ("Disposal"). Accordingly, MJB was classified as a disposal group held for sale. The Disposal was subsequently completed on 14 August 2007.

The revenue, results and cash flows of MJB Group (after eliminating inter-company transactions) are as follows:-

	FOURTH QUARTER		CUMULATIVE 12MONTHS	
	31.03.2008	31.03.2007	31.03.2008 Up to date of disposal	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	-	99,844	110,677	378,772
Profit from operations	-	8,576	3,062	20,890
Finance cost	-	(108)	(129)	(403)
Profit before tax	-	8,468	2,933	20,487
Tax expense	-	(3,929)	(1,125)	(7,253)
Profit after tax	-	4,539	1,808	13,234
Gain on disposal of discontinued operations	-	-	129,472	-
Profit for the financial period	-	4,539	131,280	13,234
Cash flows from operating activities			2,579	19,447
Cash flows used in investing activities			(2,375)	(11,069)
Cash flows used in financing activities			(129)	(15,146)
Net cash flows			75	(6,768)

The major classes of assets and liabilities of MJB Group classified as held for sale as at 31 March 2007 (after eliminating inter-company items) are as follows:-

	31.03.2007 RM'000 (Audited)
Assets:	
Property, plant and equipment	44,095
Investment properties	36,638
Prepaid lease payments	12,154
Other investments	7,362
Goodwill on consolidation	21,895
Deferred tax assets	1,454
Inventories	50,513
Trade and other receivables	13,144
Tax recoverable	557
Deposits, bank balances and cash	19,482
Assets of disposal group classified as held for sale	207,294
Liabilities:	
Deferred tax liabilities	345
Trade and other payables	61,477
Tax liabilities	2,038
Liabilities directly associated with assets classified as held for sale	63,860
Net assets attributable to discontinued operations	143,434

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A13. Non-Current Assets Held For Sale

On 14 September 2007, the Company announced the proposed divestment of 26.56% equity interest comprising 515,405,240 shares of RM1.00 each in Malayan United Industries Berhad ("MUI") ("MUI Shares) held by the Group by way of a restricted offer for sale by the Company on a renounceable basis ("Proposed Restricted Offer for Sale"). The MUI Shares under the Proposed Restricted Offer for Sale are reclassified under non-current assets held for sale. Further details of the Proposed Restricted Offer for Sale are disclosed in Note B8(b).

A14. Contingent Liabilities

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

A15. Capital Commitments

Save as disclosed in Note B8(b), the Group has no other capital commitments as at 31 March 2008.

B. ADDITIONAL INFORMATION PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group made a substantial gain of RM129.5 million from the disposal of Metrojaya Berhad but this was offset by an impairment of investment in an associated company which was necessary in view of the Proposed Restricted Offer for Sale as detailed in Note B8(b). As a result, the Group recorded a much smaller loss of RM14.7 million for the financial year ended 31 March 2008 compared to a loss of RM121.5 million in the previous year.

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

The Group recorded a net profit of RM14.8 million for the current quarter compared with RM1.0 million in the preceding quarter, mainly due to reversal of impairment of investment in associated company in the current quarter.

B3. Prospects for Financial Year Ending 31 March 2009

With the proceeds raised from the disposal of Metrojaya Berhad, the Group was able to repay its bank borrowings substantially. This disposal has improved the financial position of the Group and at the same time reduces interest expense for the Group in the future periods.

In addition to the above, the Group is currently undertaking a Proposed Restricted Offer for Sale, Proposed Office Building Acquisition and Proposed Land Company Acquisition as detailed in Note B8(b). These proposals will further improve the financial position of the Group. Through these proposals, the Group will be able to reduce further its gearing and also to have new businesses to generate positive returns to the Group. This will be in addition to the Group's existing substantial interest in the associated company, Malayan United Industries Berhad.

The proposals above are anticipated to be completed in the financial year ending 31 March 2009 and upon completion the Group expects its results to improve accordingly.

B4 Variance of Actual Profit from Forecast Profit

There was no profit forecast announced by the Company for the financial year ended 31 March 2008.

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B5. Taxation

Taxation comprises:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Tax income/(expense)				
- Continuing operations	-	2	-	2
- Discontinued operations	-	(3,929)	(1,125)	(7,253)
	-	(3,927)	(1,125)	(7,251)

The tax expense of discontinued operations in the current financial period was higher than the statutory tax rate due to certain expenses not deductible for tax.

B6. Sale of Unquoted Investments and/or Properties

There were no gain/(loss) on disposals of unquoted investments or properties in the financial period ended 31 March 2008 other than those disclosed in Note A4.

B7. Quoted Securities

There were no purchases and disposals of quoted securities of the Group in the financial period ended 31 March 2008.

B8. Status of Corporate Proposals

**(a) Affected Listed Issuer pursuant to Practice Note 17/2005 ("PN17") of the Listing Requirements of Bursa Securities;
Capital Reconstruction; and
MJB Disposal.**

The Company had on 8 March 2006 announced the following corporate exercises:-

- (i) Reduction of share capital pursuant to Section 64(1) of the Companies Act, 1965 (the "Act") involving the reduction of the par value of each existing ordinary share of PMI in issue from RM0.50 to RM0.05 via cancellation of RM0.45 of the par value of existing ordinary share of RM0.50 each ("Par Value Reduction") and the credit arising therefrom to be utilised to set off the accumulated losses of PMI;
- (ii) Reduction of the share premium account of PMI of up to RM265.6 million pursuant to Sections 64(1) and 60(2) of the Act ("Share Premium Reduction") and the credit arising therefrom to be utilised to set off the accumulated losses of PMI;
- (iii) Consolidation of 2 ordinary shares of RM0.05 each in PMI (after the Par Value Reduction) into 1 ordinary share of RM0.10 each in PMI ("Consolidated PMI Share") resulting in the reduction in the number of PMI shares from 2,479,324,224 ordinary shares of RM0.05 each amounting to RM123,966,211 (after the Par Value Reduction) to 1,239,662,112 new ordinary shares of RM0.10 each amounting to RM123,966,211 ("Share Consolidation"); and
- (iv) Amendment to the Company's Memorandum of Association to facilitate the Capital Reconstruction ("the Amendment").

The Par Value Reduction, Share Premium Reduction and Share Consolidation shall collectively be known as the "Capital Reconstruction".

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On 31 October 2006, the Company and its wholly-owned subsidiary, Excelton Sdn Bhd ("Excelton"), entered into a Share Sale Agreement with Libertyray (M) Sdn Bhd ("LMSB"), a wholly-owned subsidiary of Malayan United Industries Berhad, to dispose a total of 113,751,983 ordinary shares of RM1.00 each representing an equity interest of approximately 91.06% in Metrojaya Berhad ("MJB") to LMSB for a cash consideration of RM2.40 per MJB share totalling RM273.0 million ("MJB Disposal").

The Capital Reconstruction, the Amendment and the MJB Disposal shall collectively be referred to as the "Proposals".

The Securities Commission ("SC") had vide its letter dated 14 May 2007 approved the Share Consolidation and MJB Disposal. The Proposals were approved by the shareholders of PMI at the extraordinary general meeting held on 3 August 2007. The MJB Disposal was subsequently completed on 14 August 2007.

The High Court of Malaya, Kuala Lumpur, has on 26 November 2007 granted an order approving the Par Value Reduction and the Share Premium Reduction. Following the implementation of the Par Value Reduction and the Share Consolidation, the entire issued and paid-up share capital of RM123,966,211 comprising 1,239,662,112 ordinary shares of RM0.10 each ("Consolidated Shares") and 543,460,016 warrants of PMI after adjustments ("New Warrants") were credited into the Central Depository System accounts of the entitled shareholders and/or warrant holders of PMI on 7 January 2008. The Consolidated Shares and New Warrants were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 8 January 2008. With these, the Capital Reconstruction is completed.

The MJB Disposal realised a substantial capital gain of RM129.5 million and reduced the accumulated losses of the Company and the Group. In addition, the MJB Disposal raised proceeds of RM273.0 million which were substantially utilised to repay bank borrowings of the Group, resulting in lower gearing and interest savings for the Group. The accumulated losses of the Company and the Group were further reduced with the completion of the Capital Reconstruction as mentioned above.

(b) Proposed Restricted Offer for Sale; Proposed Office Building Acquisition; and Proposed Land Company Acquisition.

In its announcement dated 14 September 2007, the Company has announced the following proposed corporate exercises:-

- (i) the divestment of 26.56% equity interest comprising 515,405,240 ordinary shares of RM1.00 each in Malayan United Industries Berhad ("MUI") ("MUI Shares) held by the Group by way of a restricted offer for sale by the Company on a renounceable basis (Proposed Restricted Offer for Sale);
- (ii) the acquisition of a 15-storey purpose built office building located at No.2, Jalan Changkat Ceylon, Kuala Lumpur by the Company from Pan Malaysia Holdings Berhad ("PMH") for a cash consideration of RM39.0 million ("Proposed Office Building Acquisition");
- (iii) the acquisition of the entire issued and paid-up share capital of Two Holdings Sdn Bhd ("THSB") by the Company from MUI Properties Berhad for a cash consideration of RM9.3 million ("Proposed Land Company Acquisition"). The main asset of THSB is a piece of vacant freehold land held for development.

The Proposed Restricted Offer for Sale, Proposed Office Building Acquisition and Proposed Land Company Acquisition are collectively referred to as the "Current Proposals".

The Proposed Restricted Offer for Sale will raise substantial proceeds, the amount of which will be based on the offer price to be fixed by the Board of Directors at a date to be determined. The proceeds are to be utilised to repay bank borrowings and to finance the Proposed Office Building Acquisition and Proposed Land Company Acquisition. The Company proposed to undertake the Proposed Office Building Acquisition and Proposed Land Company Acquisition as new businesses to generate positive returns to the Group.

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The Current Proposals are undertaken to further improve the financial condition of the Group. The Securities Commission has vide its letter dated 28 April 2008 approved the Current Proposals which are currently pending the approvals of shareholders of the Company and also the shareholders of PMH in respect of PMH's disposal under the Proposed Office Building Acquisition.

B9. Group Borrowings

As at 31 March 2008, the Group borrowings amounted to RM206.0 million which are short term and unsecured. There are no borrowings denominated in foreign currencies.

B10. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk as at the date of this report.

B11. Material Litigation

There are no material litigation as at date of this report.

B12. Dividend

No dividend has been declared by the Board for the financial year ended 31 March 2008.

B13. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

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

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company:				
- from continuing operations	14,808	(16,862)	(145,972)	(134,713)
- from discontinued operations	-	4,472	131,101	12,015
Total	<u>14,808</u>	<u>(12,390)</u>	<u>(14,871)</u>	<u>(122,698)</u>
	000	000	000	000
Weighted average number of ordinary shares in issue *	<u>1,239,662</u>	<u>1,239,662</u>	<u>1,239,662</u>	<u>1,239,662</u>
	Sen	Sen	Sen	Sen
Basic earnings/(loss) per share:				
- from continuing operations	1.19	(1.36)	(11.78)	(10.87)
- from discontinued operations	-	0.36	10.58	0.97
Total	<u>1.19</u>	<u>(1.00)</u>	<u>(1.20)</u>	<u>(9.90)</u>

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(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of warrants.

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company:				
- from continuing operations	14,808	(16,862)	(145,972)	(134,713)
- from discontinued operations	-	4,472	131,101	12,015
Total	14,808	(12,390)	(14,871)	(122,698)
	000	000	000	000
Weighted average number of ordinary shares in issue *	1,239,662	1,239,662	1,239,662	1,239,662
Effects of dilution of convertible warrants*	543,460	543,460	543,460	543,460
Adjusted weighted average number of ordinary shares in issue and issuable	1,783,122	1,783,122	1,783,122	1,783,122
	Sen	Sen	Sen	Sen
Diluted earnings per share:				
- from continuing operations	0.83	#	#	#
- from discontinued operations	-	#	#	#
Total	0.83	#	#	#

* The weighted average number of ordinary shares and the effects of dilution of convertible warrants are after taking into effect the Share Consolidation which was completed on 8 January 2008.

The diluted earnings per share is not disclosed as it is antidilutive.

On behalf of the Board
PAN MALAYSIAN INDUSTRIES BERHAD

LEONG PARK YIP
Company Secretary

28 May 2008