

PAN MALAYSIAN INDUSTRIES BERHAD
Company No : 5138 - W
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 30 SEPTEMBER 2008
(The figures are unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
Revenue	22	97	40	97
Operating expenses	(422)	(1,522)	(985)	(1,762)
Loss from operations	<u>(400)</u>	<u>(1,425)</u>	<u>(945)</u>	<u>(1,665)</u>
Exceptional items (refer to Note A4)	-	(142,318)	-	(142,318)
Loss from operations after exceptional items	(400)	(143,743)	(945)	(143,983)
Finance cost	(3,590)	(5,023)	(7,099)	(13,548)
Share of results of associated companies	730	(1,052)	(2,417)	(4,214)
Loss before tax	<u>(3,260)</u>	<u>(149,818)</u>	<u>(10,461)</u>	<u>(161,745)</u>
Tax expense	-	-	-	-
Loss for the financial period from continuing operations	<u>(3,260)</u>	<u>(149,818)</u>	<u>(10,461)</u>	<u>(161,745)</u>
Discontinued Operations				
Profit from discontinued operations	-	609	-	1,808
Gain on disposal of discontinued operations	-	129,472	-	129,472
	-	130,081	-	131,280
Loss for the financial period	<u>(3,260)</u>	<u>(19,737)</u>	<u>(10,461)</u>	<u>(30,465)</u>
Attributable to:				
Equity holders of the Company	(3,260)	(19,796)	(10,461)	(30,644)
Minority interest	-	59	-	179
	<u>(3,260)</u>	<u>(19,737)</u>	<u>(10,461)</u>	<u>(30,465)</u>
	Sen	Sen	Sen	Sen
(Loss)/Basic earnings per share attributable to equity holders of the Company:-				
- from continuing operations	(0.26)	(12.09)	(0.84)	(13.05)
- from discontinued operations	-	10.49	-	10.58
	<u>(0.26)</u>	<u>(1.60)</u>	<u>(0.84)</u>	<u>(2.47)</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2008 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 30 SEPTEMBER 2008**

	30.09.2008 RM'000	31.3.2008 RM'000 (Audited)
ASSETS		
Non-Current Asset		
Associated companies	160,266	159,207
Current Assets		
Other receivables	4,867	4,869
Deposits, bank balances and cash	1,073	4,392
	5,940	9,261
Non-current assets held for sale	139,159	139,159
	145,099	148,420
TOTAL ASSETS	305,365	307,627
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	123,966	123,966
Reserves	(43,383)	(36,398)
Total Equity	80,583	87,568
Current Liabilities		
Other payables	14,263	14,021
Bank borrowings	210,519	206,038
	224,782	220,059
Total Liabilities	224,782	220,059
TOTAL EQUITY AND LIABILITIES	305,365	307,627
	Sen	Sen
Net assets per 10 sen share attributable to ordinary equity holders of the Company	6.50	7.06

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIAN INDUSTRIES BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008

	Attributable to Equity Holders of the Company				Minority Interest	Total Equity	
CUMULATIVE 6 MONTHS	Share Capital RM'000	Non-distributable Reserves RM'000	Distributable Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
At 1 April 2008	123,966	83,942	-	(120,340)	87,568	-	87,568
Group's share of post-acquisition reserves in associated companies, recognised directly in equity	-	3,476	-	-	3,476	-	3,476
Loss for the period	-	-	-	(10,461)	(10,461)	-	(10,461)
Total recognised expense	-	3,476	-	(10,461)	(6,985)	-	(6,985)
At 30 September 2008	123,966	87,418	-	(130,801)	80,583	-	80,583
At 1 April 2007	1,239,662	445,947	3,948	(1,726,243)	(36,686)	12,806	(23,880)
Group's share of post-acquisition reserves in associated companies, recognised directly in equity	-	7,548	-	-	7,548	-	7,548
Loss for the financial period	-	-	-	(30,644)	(30,644)	179	(30,465)
Total recognised expense	-	7,548	-	(30,644)	(23,096)	179	(22,917)
Disposal of a subsidiary company	-	-	-	-	-	(12,311)	(12,311)
Preference shares issued by a subsidiary company	-	143,550	-	-	143,550	1,450	145,000
At 30 September 2007	1,239,662	597,045	3,948	(1,756,887)	83,768	2,124	85,892

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 2008 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 30 SEPTEMBER 2008**

	CUMULATIVE 6 MONTHS	
	30.09.2008	30.09.2007
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax:		
- from continuing operations	(10,461)	(161,745)
- from discontinued operations	-	2,933
	<u>(10,461)</u>	<u>(158,812)</u>
Adjustments for :-		
Continuing operations		
Finance cost	7,099	13,548
Interest income	(40)	(97)
Impairment of investment in an associated company	-	142,318
Share of results of associated companies	2,417	4,214
Other non-cash items	1	876
Discontinued operations	-	3,303
Operating (loss)/profit before working capital changes	<u>(984)</u>	<u>5,350</u>
Continuing operations		
Net change in current assets	2	(1,996)
Net change in current liabilities	(87)	(27,236)
Interest expenses paid	(5,837)	(13,050)
Interest income received	40	98
Tax refund	-	6,990
Discontinued operations	-	(3,788)
Net cash used in operating activities	<u>(6,866)</u>	<u>(33,632)</u>
Cash Flows From Investing Activities		
Net cash flow from disposal of a subsidiary company	-	253,449
Discontinued operations	-	(2,375)
Net cash from investing activities	<u>-</u>	<u>251,074</u>
Cash Flows From Financing Activities		
Continuing operations		
Interest expenses paid	(935)	(84)
Repayment of borrowings	(847)	(219,633)
Discontinued operations	-	(129)
Net cash used in financing activities	<u>(1,782)</u>	<u>(219,846)</u>
Net decrease in cash and cash equivalents	(8,648)	(2,404)
Cash and cash equivalents at beginning of the financial period	(30,443)	(10,525)
Cash and cash equivalents at end of the financial period	<u>(39,091)</u>	<u>(12,929)</u>
Cash and cash equivalents consist of the following:-		
Continuing operations		
Deposits, bank balances and cash	1,073	25,974
Bank overdrafts	(40,164)	(38,903)
	<u>(39,091)</u>	<u>(12,929)</u>

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

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements for the financial period ended 30 September 2008 are unaudited 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 2008 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 April 2008:

FRS 107	Cash flow statements
FRS 111	Construction contracts
FRS 112	Income taxes
FRS 118	Revenue
FRS 120	Accounting for government grants and disclosure of government assistance
Amendments to	
FRS 121	Effects of changes in foreign exchange rates - net investments in a foreign exchange rates
FRS 134	Interim financial reporting
FRS 137	Provisions, contingent liabilities and contingent assets

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

A2. Audit Report of Preceding Annual Financial Statements

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

A3. Seasonal or Cyclical Factors

The businesses of the Group's associated companies, 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.

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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 in the financial period ended 30 September 2008. The exceptional items for the financial period ended 30 September 2007 were as follow:

	SECOND QUARTER 30.09.2007 RM'000	CUMULATIVE 6 MONTHS 30.09.2007 RM'000
Continuing operations		
Impairment of investment in associated company	(142,318)	(142,318)
<hr/>		
Discontinued operations		
Gain on disposal of a subsidiary company	129,472	129,472
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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 30 September 2008.

A6. Issuance or Repayment 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 30 September 2008.

A7. Dividends Paid

There was no dividend paid in the financial period ended 30 September 2008.

A8. Segment Information

As the Group's main business in the financial period ended 30 September 2008 is investment in associated company, no segmental information is presented on business and geographical segments.

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 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

There were no changes in the composition of the Group during the financial period ended 30 September 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"). The Disposal was subsequently completed on 14 August 2007. Accordingly, MJB was classified as a disposal group held for sale in the previous year corresponding period.

The revenue, results and cash flows of MJB Group for the financial period ended 30 September 2007 (after eliminating inter-company transactions) were as follows:-

	Second Quarter 30.9.2007 Up to date of disposal RM'000	Cumulative 6 months 30.9.2007 Up to date of disposal RM'000
Revenue	28,046	110,677
Profit from operations	990	3,062
Finance cost	(31)	(129)
Profit before tax	959	2,933
Tax expense	(350)	(1,125)
Profit for the period	609	1,808
Cash flows from operating activities		2,448
Cash flows used in investing activities		(2,375)
Cash flows used in financing activities		(129)
Net decrease in cash and cash equivalents		(56)

A13. Non-Current Assets Held For Sale

On 14 September 2007, the Company announced the 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 to its shareholders on a renounceable basis ("Restricted Offer for Sale"). The MUI Shares under the Restricted Offer for Sale have been reclassified under non-current assets held for sale. Further details of the Restricted Offer for Sale are disclosed in Note B8.

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, the Group has no other capital commitments as at 30 September 2008.

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B. ADDITIONAL INFORMATION PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded a net loss of RM10.5 million for the 6 months ended 30 September 2008 compared to RM30.5 million in the previous year corresponding period. The lower loss was mainly due to reduction in finance cost following the substantial loan repayments from the proceeds of disposal of Metrojaya Berhad in the previous financial year and absence of net exceptional losses.

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

The Group recorded a net loss of RM3.3 million for the current quarter compared with the loss of RM7.2 million in the preceding quarter. The lower loss was mainly due to the share of profit of associated companies in the current quarter.

B3. Prospects for Financial Year Ending 31 March 2009

The proceeds raised from the disposal of Metrojaya Berhad in the previous financial year has enabled the Group to repay its bank borrowings substantially. This has improved the financial position of the Group and at the same time reduced its interest expense. Also, the Group is currently implementing the Restricted Offer for Sale, Office Building Acquisition and Land Company Acquisition as detailed in Note B8. These exercises will further improve the financial position of the Group. Through these exercises, the Group will be able to reduce further its gearing and also to have new businesses to generate positive returns to the Group. These will be in addition to the Group's existing substantial interest in the associated company, Malayan United Industries Berhad. The exercises are anticipated to be completed in this current financial year and upon completion the Group expects its operations to improve accordingly.

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast announced by the Company for the financial period ended 30 September 2008.

B5. Taxation

Taxation comprises:-

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Tax expense				
- Discontinued operations	-	(350)	-	(1,125)
	-	(350)	-	(1,125)

B6. Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties in the financial period ended 30 September 2008.

B7. Quoted Securities

There were no purchases or disposals of quoted securities in the financial period ended 30 September 2008.

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B8. Status of Corporate Proposals

Restricted Offer for Sale; Office Building Acquisition; and Land Company Acquisition.

The Company is currently implementing the following corporate exercises:-

- (a) the renounceable restricted offer for sale 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 Company and its subsidiaries to the existing shareholders of the Company at an offer price of RM0.27 per MUI shares based on their respective shareholdings in the Company on a basis and at an entitlement date to be determined later ("Restricted Offer for Sale);
- (b) the acquisition of a 15-storey 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 ("Office Building Acquisition");
- (c) 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 ("Land Company Acquisition"). The main asset of THSB is a piece of vacant freehold land held for development.

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

The Exercises were announced in an announcement dated 14 September 2007 by the Company. The Restricted Offer for Sale will raise RM139.2 million. The proceeds are to be utilised mainly to repay bank borrowings and finance the Office Building Acquisition and Land Company Acquisition.

The Exercises were approved by the Securities Commission on 28 April 2008 and by the shareholders of the Company at an Extraordinary General Meeting held on 7 August 2008. The shareholders of PMH have also approved PMH's disposal under the Office Building Acquisition on 19 June 2008. The Exercises are currently pending completion.

B9. Group Borrowings

As at 30 September 2008, Group borrowings amounted to RM210.5 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 is no material litigation as at date of this report.

B12. Dividend

No dividend has been declared by the Board during the financial period ended 30 September 2008.

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B13. (Loss)/Earnings Per Share

(a) (Loss)/Basic earnings per share

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

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to equity holders of the Company:				
- from continuing operations	(3,260)	(149,818)	(10,461)	(161,745)
- from discontinued operations	-	130,022	-	131,101
Total	<u>(3,260)</u>	<u>(19,796)</u>	<u>(10,461)</u>	<u>(30,644)</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
(Loss)/Basic earnings per share:				
- from continuing operations	(0.26)	(12.09)	(0.84)	(13.05)
- from discontinued operations	-	10.49	-	10.58
Total	<u>(0.26)</u>	<u>(1.60)</u>	<u>(0.84)</u>	<u>(2.47)</u>

* The weighted average number of ordinary shares has taken into account the share consolidation undertaken by the Company that was completed on 8 January 2008.

(b) Diluted earnings per share

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

24 November 2008