

PAN MALAYSIAN INDUSTRIES BERHAD

Company No : 5138 - W

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
SECOND QUARTER ENDED 30 SEPTEMBER 2009**

(The figures are unaudited)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	1,229	22	2,428	40
Operating expenses	(1,023)	(422)	(1,551)	(985)
Profit/(Loss) from operations	206	(400)	877	(945)
Other income	156	-	156	-
Finance cost	(1,851)	(3,590)	(3,747)	(7,099)
Share of results of associate	902	730	(938)	(2,417)
Loss before tax	(587)	(3,260)	(3,652)	(10,461)
Tax expense	(10)	-	(100)	-
Loss for the financial period	(597)	(3,260)	(3,752)	(10,461)
	Sen	Sen	Sen	Sen
Loss per share attributable to equity holders of the Company	(0.05)	(0.26)	(0.30)	(0.84)
Diluted earnings per share	N/A	N/A	N/A	N/A

N/A - Not applicable as the exercise price of the warrants under the assumed exercise of the warrants is higher than the average market price of the shares.

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIAN INDUSTRIES BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009**

	30.9.2009 RM'000	31.3.2009 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	5	-
Investment property	38,653	38,914
Associate	137,992	137,750
Land held for property development	10,004	10,004
Goodwill on consolidation	2,269	2,269
	<u>188,923</u>	<u>188,937</u>
Current Assets		
Other receivables	1,633	1,663
Cash and cash equivalents	6,164	8,574
	<u>7,797</u>	<u>10,237</u>
TOTAL ASSETS	<u>196,720</u>	<u>199,174</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	123,966	123,966
Reserves	(75,289)	(72,717)
Total Equity	<u>48,677</u>	<u>51,249</u>
Non-Current Liability		
Deferred tax	<u>2,273</u>	<u>2,273</u>
Current Liabilities		
Other payables	16,402	16,302
Bank borrowings	129,233	129,315
Current tax	135	35
	<u>145,770</u>	<u>145,652</u>
Total Liabilities	<u>148,043</u>	<u>147,925</u>
TOTAL EQUITY AND LIABILITIES	<u>196,720</u>	<u>199,174</u>
	Sen	Sen
Net assets per 10 sen share attributable to equity holders of the Company	3.93	4.13

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2009 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 30 SEPTEMBER 2009**

CUMULATIVE 6 MONTHS

	Share Capital RM'000	Non- distributable Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 April 2009	123,966	22,099	(94,816)	51,249
Group's share of post-acquisition reserves in associate, recognised directly in equity	-	1,180	-	1,180
Loss for the financial period	-	-	(3,752)	(3,752)
Total recognised income and expense	-	1,180	(3,752)	(2,572)
At 30 September 2009	123,966	23,279	(98,568)	48,677
At 1 April 2008	123,966	83,942	(120,340)	87,568
Group's share of post-acquisition reserves in associate, recognised directly in equity	-	3,476	-	3,476
Loss for the financial period	-	-	(10,461)	(10,461)
Total recognised income and expense	-	3,476	(10,461)	(6,985)
At 30 September 2008	123,966	87,418	(130,801)	80,583

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 2009 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 2009**

	CUMULATIVE 6 MONTHS	
	30.09.2009	30.09.2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(3,652)	(10,461)
Adjustments for :-		
Depreciation of investment property	260	-
Finance cost	3,747	7,099
Interest income	(53)	(40)
Share of results of associate	938	2,417
Other non-cash items	(2)	1
Operating profit/(loss) before working capital changes	1,238	(984)
Net change in current assets	30	2
Net change in current liabilities	(30)	(87)
Interest expense paid	(3,616)	(6,772)
Interest income received	53	40
Net cash used in operating activities	(2,325)	(7,801)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(5)	-
Proceeds from disposal of property, plant and equipment	2	-
Net cash used in investing activities	(3)	-
Cash Flows From Financing Activities		
Repayment of borrowings	(214)	(847)
Net cash used in financing activities	(214)	(847)
Net decrease in cash and cash equivalents	(2,542)	(8,648)
Cash and cash equivalents at beginning of the financial period	(13,027)	(30,443)
Cash and cash equivalents at end of the financial period	(15,569)	(39,091)
Cash and cash equivalents consist of the following:-		
Deposits, bank balances and cash	6,164	1,073
Bank overdrafts	(21,733)	(40,164)
	(15,569)	(39,091)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2009 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 2009

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 2009 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 ("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 2009.

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 associates 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 2009.

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 2009.

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 2009.

A7. Dividends Paid

There was no dividend paid in the financial period ended 30 September 2009.

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A8. Segment Information

The analysis of the Group's operations for the 6 months ended 30 September 2009 is as follows:-

	Investment Holding RM'000	Investment Property RM'000	Elimination RM'000	Group RM'000
REVENUE				
External revenue	55	2,373	-	2,428
Inter-segments revenue	945	1	(946)	-
	<u>1,000</u>	<u>2,374</u>	<u>(946)</u>	<u>2,428</u>
RESULTS				
Segment results	585	1,393	(945)	1,033
Finance costs	(3,747)	(945)	945	(3,747)
Share of results of associate	(938)	-		(938)
(Loss)/Profit before tax	<u>(4,100)</u>	<u>448</u>		<u>(3,652)</u>
Tax expense	-	(100)		(100)
(Loss)/Profit for the financial period	<u>(4,100)</u>	<u>348</u>		<u>(3,752)</u>

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 2009 and up to date of this report that have not been reflected in the financial statements.

A11. Changes in the Composition of the Group

Triple Tiara (M) Sdn Bhd ("TTSB"), which was placed under creditors voluntary winding-up on 13 March 2007, was dissolved on 27 July 2009 pursuant to Section 272(5) of the Companies Act, 1965. TTSB was a wholly-owned subsidiary of Hikari Builders Sdn Bhd ("Hikari") which in turn is a 72.77% owned subsidiary of PMI. Hikari is also under creditors' voluntary winding-up.

Other than the above, there were no changes in the composition of the Group during the financial period ended 30 September 2009.

A14. Contingent Liabilities

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

A15. Capital Commitments

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

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

B1. Review of Performance

The Group recorded a revenue of RM2.4 million for the 6 months ended 30 September 2009. The revenue comprised substantially rental income from its investment property acquired on 30 January 2009. For the same period, the Group recorded a lower net loss of RM3.8 million compared with RM10.5 million in the previous year corresponding period. The lower loss was mainly due to the share of lower losses in associate and reduction in finance cost following the substantial loan repayments in previous financial years. In addition, the loss was partly mitigated by the profit from the investment property.

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

The Group recorded a revenue of RM1.2 million in the current quarter, similar level as the preceding quarter. The net loss was lower at RM0.6 million in the current quarter compared with the net loss of RM3.2 million in the preceding quarter. The lower loss was mainly due to the better results from the associate.

B3. Prospects for Financial Year Ending 31 March 2010

The successful completion of various corporate exercises has placed the Group in a better financial position with significantly reduced gearing. However, the Group expects the business environment in 2009 to remain challenging in light of uncertainties over the sustainability of the recovery in the major economies and the effects on the global economic outlook. The Group therefore remains cautious of the trading environment for the remaining periods of the current financial year.

B4. Variance of Actual Profit from Forecast Profit

There was no profit forecast announced by the Company relating to the financial period ended 30 September 2009.

B5. Tax expense

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	(10)	-	(100)	-

The current tax for the financial period ended 30 September 2009 was in respect of a subsidiary with chargeable income.

B6. Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties in the financial period ended 30 September 2009.

B7. Quoted Securities

There were no purchases or disposals of quoted securities in the financial period ended 30 September 2009.

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B8. Status of Corporate Proposals

Proposed Reduction in Par Value and Proposed Memorandum Amendment

On 8 June 2009, the Company announced the following proposals:-

- (a) Reduction of share capital pursuant to Section 64(1) of the Companies Act, 1965 ("Act") involving the reduction of the par value of each existing ordinary share in the Company from RM0.10 to RM0.05 via the cancellation of RM0.05 of the par value of each existing ordinary share of RM0.10 each in the Company in issue ("Proposed Reduction in Par Value"). The credit arising therefrom will be utilised to set-off the accumulated losses of the Company; and
- (b) Amendment to the Company's Memorandum of Association ("M&A") to facilitate the Proposed Reduction in Par Value.

The Proposed Reduction in Par Value would allow the accumulated losses of the Company to be set-off and this will reduce the accumulated losses of the Company and the Group substantially. The Proposed Reduction in Par Value would also improve the capital structure and facilitate the Company to undertake any fund raising exercises in the future.

The M&A of the Company is to be amended to facilitate the change in the par value of the Company's ordinary shares and the increase in the number of authorised shares of the Company arising from the Proposed Reduction in Par Value.

Both the proposals were approved by the shareholders of the Company at an extraordinary general meeting held on 28 August 2009. The Proposed Reduction in Par Value is now pending approval from the High Court of Malaya.

B9. Group Borrowings

As at 30 September 2009, Group borrowings amounted to RM129.2 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 the date of this report.

B12. Dividend

No dividend has been declared by the Board for the financial period ended 30 September 2009.

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B13. Loss Per Share

(a) Loss per share

The loss per share is calculated by dividing the loss 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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Loss attributable to equity holders of the Company	(597)	(3,260)	(3,752)	(10,461)
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	1,239,662	1,239,662	1,239,662	1,239,662
	Sen	Sen	Sen	Sen
Loss per share	(0.05)	(0.26)	(0.30)	(0.84)

(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
30 November 2009**