

PAN MALAYSIAN INDUSTRIES BERHAD

Company No : 5138 - W

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
THIRD QUARTER ENDED 31 DECEMBER 2009**

(The figures are unaudited)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	1,256	2	3,684	42
Operating expenses	(582)	(811)	(2,133)	(1,796)
Profit/(Loss) from operations	674	(809)	1,551	(1,754)
Other income	-	-	156	-
Finance cost	(1,888)	(3,583)	(5,635)	(10,682)
Share of results of associate	3,138	(9,943)	2,200	(12,360)
Profit/(Loss) before tax	1,924	(14,335)	(1,728)	(24,796)
Tax expense	(80)	-	(180)	-
Profit/(Loss) for the financial period	1,844	(14,335)	(1,908)	(24,796)
	Sen	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:				
- Basic	0.15	(1.16)	(0.15)	(2.00)
- Diluted	0.10	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 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 31 DECEMBER 2009**

	31.12.2009 RM'000	31.3.2009 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	4	-
Investment property	39,962	38,914
Associate	138,792	137,750
Land held for property development	10,004	10,004
Goodwill on consolidation	2,269	2,269
	<u>191,031</u>	<u>188,937</u>
Current Assets		
Other receivables	1,623	1,663
Cash and cash equivalents	2,668	8,574
	<u>4,291</u>	<u>10,237</u>
TOTAL ASSETS	<u>195,322</u>	<u>199,174</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	61,983	123,966
Reserves	(13,800)	(72,717)
Total Equity	<u>48,183</u>	<u>51,249</u>
Non-Current Liability		
Deferred tax	<u>2,273</u>	<u>2,273</u>
Current Liabilities		
Other payables	16,502	16,302
Bank borrowings	128,182	129,315
Current tax	182	35
	<u>144,866</u>	<u>145,652</u>
Total Liabilities	<u>147,139</u>	<u>147,925</u>
TOTAL EQUITY AND LIABILITIES	<u>195,322</u>	<u>199,174</u>
	Sen	Sen
Net assets per share attributable to equity holders of the Company	3.89	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.

PAN MALAYSIAN INDUSTRIES BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

CUMULATIVE 9 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	-	(1,158)	-	(1,158)
Loss for the financial period	-	-	(1,908)	(1,908)
Total recognised income and expense	-	(1,158)	(1,908)	(3,066)
Reduction in par value	(61,983)	-	61,983	-
At 31 December 2009	61,983	20,941	(34,741)	48,183
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	-	(4,919)	-	(4,919)
Loss for the financial period	-	-	(24,796)	(24,796)
Total recognised expense	-	(4,919)	(24,796)	(29,715)
At 31 December 2008	123,966	79,023	(145,136)	57,853

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 31 DECEMBER 2009**

	CUMULATIVE 9 MONTHS	
	31.12.2009	31.12.2008
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before tax	(1,728)	(24,796)
Adjustments for :-		
Depreciation of investment property	395	-
Finance cost	5,635	10,682
Interest income	(72)	(42)
Share of results of associate	(2,200)	12,360
Other non-cash items	(2)	24
Operating profit/(loss) before working capital changes	2,028	(1,772)
Net change in current assets	40	2
Net change in current liabilities	(57)	3,315
Interest expense paid	(5,377)	(10,206)
Interest income received	72	42
Tax paid	(33)	-
Net cash used in operating activities	(3,327)	(8,619)
Cash Flows From Investing Activities		
Incidental cost on acquisition of investment property	(1,443)	-
Purchase of property, plant and equipment	(5)	-
Proceeds from disposal of property, plant and equipment	2	-
Net cash used in investing activities	(1,446)	-
Cash Flows From Financing Activities		
Repayment of borrowings	(1,314)	(1,387)
Net cash used in financing activities	(1,314)	(1,387)
Net decrease in cash and cash equivalents	(6,087)	(10,006)
Cash and cash equivalents at beginning of the financial period	(13,027)	(30,443)
Cash and cash equivalents at end of the financial period	(19,114)	(40,449)
Cash and cash equivalents consist of the following:-		
Deposits, bank balances and cash	2,668	89
Bank overdrafts	(21,782)	(40,538)
	(19,114)	(40,449)

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 31 DECEMBER 2009

A. EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements for the financial period ended 31 December 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 31 December 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 31 December 2009.

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 in the financial period ended 31 December 2009.

A7. Dividends Paid

No dividend was paid in the financial period ended 31 December 2009.

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A8. Segment Information

The analysis of the Group's operations for the 9 months ended 31 December 2009 is as follows:-

	Investment Property RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
REVENUE				
External revenue	3,610	74	-	3,684
Inter-segments revenue	12	1,849	(1,861)	-
	<u>3,622</u>	<u>1,923</u>	<u>(1,861)</u>	<u>3,684</u>
RESULTS				
Segment results	<u>2,107</u>	<u>1,203</u>	<u>(1,759)</u>	1,551
Other income				156
Finance costs				(5,635)
Share of results of associate				2,200
Loss before tax				<u>(1,728)</u>
Tax expense				(180)
Loss for the financial period				<u>(1,908)</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 31 December 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 31 December 2009.

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

B1. Review of Performance

The Group recorded a revenue of RM3.7 million for the 9 months ended 31 December 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 RM1.9 million compared with RM24.8 million in the previous year corresponding period. The lower loss was mainly due to share of better results from the associate, reduction in finance cost following the substantial loan repayments in previous financial years, and earnings 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 RM1.3 million in the current quarter, similar level as the preceding quarter. The net profit of RM1.8 million in the current quarter compared with the net loss of RM0.6 million in the preceding quarter was mainly due to share of better results from the associate in the current quarter.

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 to remain challenging in the remaining period of the current financial year.

B4. Variance of Actual Profit from Forecast Profit

The Company had included profit forecasts for the financial years ended/ending 31 March 2009 to 2013 in its Prospectus dated 22 December 2008 issued in relation to the Restricted Offer for Sale undertaken by the Company.

The forecast consolidated loss after tax for the financial year ending 31 March 2010 was RM5.7 million. For the 9 month period ended 31 December 2009, the unaudited consolidated loss after tax was RM1.9 million. The actual results for the full 12-month period will largely depend on the results of the associate, Malayan United Industries Berhad ("MUI"), for the remaining quarter to 31 March 2010. As MUI is a public listed company, there are constraints on MUI with regard to the disclosure of price sensitive information to its shareholders on an exclusive basis. In view of this, it would be difficult for the Company to be in a position to indicate whether the actual results for the financial year ending 31 March 2010 would be in line with that of the forecast.

B5. Tax expense

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	80	-	180	-

The current tax for the financial period ended 31 December 2009 is 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 31 December 2009.

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B7. Quoted Securities

There were no purchases or disposals of quoted securities in the financial period ended 31 December 2009.

B8. Status of Corporate Proposals

Reduction in Par Value and Memorandum Amendment

On 30 December 2009, the Company announced the completion of 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 ("Reduction in Par Value"). The credit arising therefrom was utilised to set-off the accumulated losses of the Company; and
- (b) Amendment to the Company's Memorandum of Association ("M&A"). The M&A of the Company was 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 Reduction in Par Value.

Both the proposals were announced on 8 June 2009 and approved by the shareholders of the Company at an extraordinary general meeting held on 28 August 2009. The High Court of Malaya granted an order on 7 December 2009 confirming the Reduction in Par Value and the office copy of the order was lodged with Companies Commission of Malaysia on 30 December 2009. With this, the proposals were completed.

With the completion of the Reduction in Par Value, the Company's paid-up capital is now reduced to RM61,983,106 comprising 1,239,662,112 ordinary shares of RM0.05 each and the accumulated losses of the Company were set off by RM61,983,105 accordingly from the credit arising from the Reduction in Par Value.

Arising from the Reduction in Par Value, the subscription price of the existing warrants of PMI has been adjusted accordingly from RM0.10 to RM0.05.

B9. Group Borrowings

As at 31 December 2009, all the Group borrowings amounting to RM128.2 million were classified as short term and were 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 31 December 2009.

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B13. 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.

The diluted earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period adjusted for potential dilutive effects of warrants.

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	31.12.2009	3.12.2008	31.12.2009	3.12.2008
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company	1,844	(14,335)	(1,908)	(24,796)
	'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 warrants exercised	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
Earnings/(Loss) per share:				
- Basic	0.15	(1.16)	(0.15)	(2.00)
- Diluted	0.10	N/A	N/A	N/A

N/A: Not applicable as it is antidilutive.

**On behalf of the Board
PAN MALAYSIAN INDUSTRIES BERHAD**

**LEONG PARK YIP
Company Secretary
25 February 2010**