

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2008

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2008**

| | FOURTH QUARTER | | CUMULATIVE 12 MONTHS | |
|------------------------------------------|-----------------------|-------------------|-----------------------------|-------------------|
| | 31.12.2008 | 31.12.2007 | 31.12.2008 | 31.12.2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 5,346 | 12,444 | 25,941 | 69,023 |
| Other operating income | 2,085 | 570 | 9,431 | 10,700 |
| Operating expenses | (8,146) | (8,989) | (35,645) | (58,779) |
| (Loss) / Profit from operations | (715) | 4,025 | (273) | 20,944 |
| Finance costs | (523) | (593) | (3,113) | (3,737) |
| (Loss) / Profit before taxation | (1,238) | 3,432 | (3,386) | 17,207 |
| Taxation | (1,449) | 3,890 | (1,617) | 3,838 |
| (Loss) / Profit for the financial period | (2,687) | 7,322 | (5,003) | 21,045 |
| | Sen | Sen | Sen | Sen |
| (Loss) / Earnings per 40 sen share: | | | | |
| - Basic | (0.33) | 0.90 | (0.61) | 2.58 |
| - Diluted | N/A | N/A | N/A | N/A |

Notes:-

"N/A" - Not applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

PAN MALAYSIA CAPITAL BERHAD

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

| | 31.12.2008 | 31.12.2007 |
|------------------------------------------------------------|-------------------|-----------------------------|
| | RM'000 | (Audited) RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 8,584 | 9,562 |
| Prepaid land lease payments | 1,464 | 1,482 |
| Intangible assets | 144,037 | 144,037 |
| Goodwill on consolidation | 1,580 | 1,580 |
| Other investments | 390 | 390 |
| Deferred tax assets | 16,000 | 16,000 |
| Other receivables, deposits and prepayment | 211 | 205 |
| | <hr/> | <hr/> |
| | 172,266 | 173,256 |
| Current assets | | |
| Trade receivables | 83,265 | 184,986 |
| Other receivables, deposits and prepayments | 12,830 | 12,562 |
| Marketable securities | 1,858 | 3,786 |
| Deposits, cash and bank balances | 111,036 | 100,329 |
| | <hr/> | <hr/> |
| | 208,989 | 301,663 |
| | <hr/> | <hr/> |
| TOTAL ASSETS | 381,255 | 474,919 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders | | |
| Share capital | 326,124 | 326,124 |
| Reserves | (172,981) | (167,978) |
| | <hr/> | <hr/> |
| Total Equity | 153,143 | 158,146 |
| Non-current liabilities | | |
| Long term loans - unsecured | 54,384 | 54,384 |
| Deferred tax liabilities | 6 | - |
| Current liabilities | | |
| Amounts owing to brokers and clients | 90,274 | 165,268 |
| Other payables and accruals | 81,813 | 96,645 |
| Tax liabilities | 1,635 | 482 |
| | <hr/> | <hr/> |
| | 173,722 | 262,395 |
| | <hr/> | <hr/> |
| Total Liabilities | 228,112 | 316,779 |
| | <hr/> | <hr/> |
| TOTAL EQUITY AND LIABILITIES | 381,255 | 474,925 |
| | <hr/> | <hr/> |
| | RM | RM |
| Net Assets Per Share attributable to equity holders | 0.19 | 0.19 |
| | <hr/> | <hr/> |

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

PAN MALAYSIA CAPITAL BERHAD

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(Incorporated in Malaysia)

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

| CUMULATIVE 12 MONTHS | Share Capital RM'000 | Non Distributable | Distributable | Total Equity RM'000 |
|-------------------------------|----------------------------|-----------------------------|---------------------------------|---------------------------|
| | | Other Reserves RM'000 | Accumulated Losses RM'000 | |
| Balance as at 1.1.2008 | 326,124 | 30,350 | (198,328) | 158,146 |
| Loss for the financial year | - | - | (5,003) | (5,003) |
| Balance as at 31.12.2008 | 326,124 | 30,350 | (203,331) | 153,143 |
| Balance as at 1.1.2007 | 326,124 | 30,350 | (219,373) | 137,101 |
| Profit for the financial year | - | - | 21,045 | 21,045 |
| Balance as at 31.12.2007 | 326,124 | 30,350 | (198,328) | 158,146 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

PAN MALAYSIA CAPITAL BERHAD

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

| | CUMULATIVE 12 MONTHS | |
|----------------------------------------------------------|-----------------------------|-------------------|
| | 31.12.2008 | 31.12.2007 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| (Loss) / Profit before taxation | (3,386) | 17,207 |
| Adjustments for:- | | |
| Depreciation | 1,506 | 1,742 |
| Finance costs | 3,113 | 3,737 |
| Interest income | (4,179) | (5,075) |
| Other non-cash items | 64 | (4,469) |
| Operating (loss) / profit before working capital changes | (2,882) | 13,142 |
| Net change in current assets | 102,843 | 9,309 |
| Net change in current liabilities | (92,554) | (673) |
| Deposits withdrawn from trust monies | 5,308 | 1,075 |
| Tax paid | (71) | (116) |
| Interest paid | (386) | (1,018) |
| Interest income received | 2,553 | 4,331 |
| Net cash from operating activities | 14,811 | 26,050 |
| Cash Flows From Investing Activities | | |
| Dividend received | 83 | 40 |
| Interest income received | 1,627 | 744 |
| Proceeds from disposal of marketable securities | 759 | 2,967 |
| Proceeds from disposal of property, plant and equipment | 47 | - |
| Purchase of property, plant and equipment | (600) | (747) |
| Purchase of investments | (712) | - |
| Capital repayment from marketable securities | - | 350 |
| Net cash from investing activities | 1,204 | 3,354 |
| Cash Flows From Financing Activities | | |
| Repayment of short term bank borrowing | - | (5,000) |
| Net cash used in financing activities | - | (5,000) |
| Net Increase In Cash and Cash Equivalents | 16,015 | 24,404 |
| Cash And Cash Equivalents At Beginning Of The Year | 83,911 | 59,507 |
| Cash And Cash Equivalents At End Of The Period | 99,926 | 83,911 |
| Cash And Cash Equivalents consists of:- | | |
| Deposits, cash and bank balances | 111,036 | 100,329 |
| Deposits pledged to banks | (150) | (150) |
| Deposits maintained as trust monies | (10,960) | (16,268) |
| | 99,926 | 83,911 |

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

PAN MALAYSIA CAPITAL BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT

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 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 financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2007:-

FRS 107 Cash Flow Statements
FRS 112 Income Taxes
FRS 118 Revenue
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the audited financial statements for the year ended 31 December 2007 was not qualified.

A3. Seasonal or Cyclical Factors

The businesses of the Group are not materially affected by seasonal or cyclical factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are 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 2008.

A5. Changes in Estimates Reported in Prior Interim Periods

There were no changes in estimates of amounts reported in prior financial period, which may have a material effect in the financial period ended 31 December 2008.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

There was no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the financial period ended 31 December 2008.

A7. Dividends Paid

No dividend was paid in the financial period ended 31 December 2008.

A8. Segmental Information

Segment information is not provided as the activities of the Group comprise principally stockbroking and related services in Malaysia.

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NOTES TO THE INTERIM FINANCIAL REPORT

A9. Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

During the financial period ended 31 December 2008, property, plant and equipment acquired by the Group amounted to RM600,000.

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

There are no material events subsequent to the financial period ended 31 December 2008 that have not been reflected in the interim 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 in the financial period ended 31 December 2008.

A12. Commitments and Contingent Liabilities

(i) Contingent Liabilities

The Group does not have any material contingent liabilities as at the date of this report.

(ii) Capital Commitments

31.12.2008
RM'000

Contracted but not provided for

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NOTES TO THE INTERIM FINANCIAL REPORT

B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The universal broking operation was affected by the lack lustre performance of Bursa Securities brought on by the current global economic and financial crisis. As a result, group revenue decreased to RM25.9 million for the 12 months ended 31 December 2008 from RM69.0 million in the same period last year due to lower brokerage income. Accordingly, the Group recorded a loss before tax of RM3.4 million for the financial period under review compared with the profit before tax of RM17.2 million in the same period last year.

B2. Comparison with Preceding Quarter's Results

The Group's recorded revenue of RM5.3 million for the current quarter which is marginally higher than the preceding quarter's revenue of RM5.0 million. The Group's loss before tax was lower at RM1.2 million for the current quarter compared with RM2.2 million in the preceding quarter due to lower operating expenses in the current quarter.

B3. Year 2009 Prospects

The universal broking operation is expected to remain challenging amidst concerns over the current global economic conditions and financial crisis and the listless performance of the Malaysian equity market. As such, the Group continues to remain cautious of the general business environment for the financial year ending 31 December 2009.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Taxation

Taxation comprises the following:-

| | FOURTH QUARTER | | CUMULATIVE 12 MONTHS | |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31.12.2008 RM'000 | 31.12.2007 RM'000 | 31.12.2008 RM'000 | 31.12.2007 RM'000 |
| Current taxation | 398 | 13 | 487 | 65 |
| Deferred tax | 6 | (3,800) | 6 | (3,800) |
| Under/(Over) provision in respect of prior years | 1,045 | (103) | 1,124 | (103) |
| | <u>1,449</u> | <u>(3,890)</u> | <u>1,617</u> | <u>(3,838)</u> |

The current taxation of the Group for the financial period ended 31 December 2008 is due to taxable profits in certain subsidiaries and non-availability of group relief for losses in other subsidiaries.

B6. Sale of Unquoted Investments and/or Properties

There were no disposals of unquoted investments or properties for the financial period ended 31 December 2008

B7. Quoted Securities

(i) There were no purchases or sales of quoted securities by the Group in the financial period ended 31 December 2008 other than by the universal broking subsidiary.

(ii) The investments in quoted securities by the Group, other than by the universal broking subsidiary, are as follows:-

| | 31.12.2008 RM'000 |
|-----------------|----------------------|
| At cost | 11,948 |
| At book value | 888 |
| At market value | <u>888</u> |

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NOTES TO THE INTERIM FINANCIAL REPORT

B8. Status of Corporate Proposals

There are no outstanding corporate proposals as at the date of this report.

B9. Group Borrowings and Debt Securities

- (i) As at 31 December 2008, no bank facilities were utilised by the Group.
- (ii) The Company has a term loan of RM54.4 million due to a former related company. The term loan is repayable on 31 December 2010.

B10. Off Balance Sheet Financial Instruments

The Group does not have any material off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

The material litigation of the Group as at the date of this report are as follows:-

Proceedings have been and will be initiated by PM Securities Sdn. Bhd. and Pan Malaysia Equities Sdn. Bhd. against various clients and debtors whose accounts are in default or overdue. As at 31 December 2008, these subsidiary companies have filed claims against various clients and debtors in the aggregate sums of RM810.7 million together with interest and costs.

Counterclaims have been filed against these subsidiary companies alleging claims of RM110.1 million as at 31 December 2008 together with interest, cost and other general unspecified damages. The requisite defences have been filed accordingly.

B12. Dividend

No dividend has been recommended by the Board for the financial period ended 31 December 2008 (31 December 2007 : Nil).

B13. (Loss) / Earnings Per Share

- (i) (Loss) / Basic earnings per share :-

The (loss) / basic earnings per ordinary share is calculated by dividing the (loss) / profit for the financial period with the weighted average number of ordinary shares in issue during the financial period as follows:-

| | FOURTH QUARTER | | CUMULATIVE 12 MONTHS | |
|------------------------------------------------------------|-----------------------|-------------------|-----------------------------|-------------------|
| | 31.12.2008 | 31.12.2007 | 31.12.2008 | 31.12.2007 |
| (Loss) / Profit for the financial period (RM'000) | (2,687) | 7,322 | (5,003) | 21,045 |
| Weighted average number of ordinary shares in issue ('000) | 815,309 | 815,309 | 815,309 | 815,309 |
| (Loss) / Earnings per share (sen) | <u>(0.33)</u> | <u>0.90</u> | <u>(0.61)</u> | <u>2.58</u> |

- (ii) The diluted earnings per share is not disclosed as it is not applicable.

BY ORDER OF THE BOARD
PAN MALAYSIA CAPITAL BERHAD

LEONG PARK YIP
Company Secretary

20 February 2009