

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

The figures have not been audited

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

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	10,434	6,011	14,101	15,627
Other operating income	246	3,326	1,509	5,468
Operating expenses	(10,031)	(8,844)	(16,245)	(19,294)
Profit/(Loss) from operations	649	493	(635)	1,801
Finance costs	(755)	(850)	(1,504)	(1,735)
(Loss)/Profit before taxation	(106)	(357)	(2,139)	66
Tax expense	(34)	(15)	(58)	(54)
(Loss)/Profit for the financial period	(140)	(372)	(2,197)	12
	Sen	Sen	Sen	Sen
(Loss)/Earnings per 40 sen share:				
- Basic	(0.02)	(0.05)	(0.27)	0.001
- 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 2008 and the accompanying explanatory notes attached to the interim financial statements)

PAN MALAYSIA CAPITAL BERHAD

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

	30.06.2009	31.12.2008
	RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,258	8,584
Prepaid land lease payments	1,456	1,464
Intangible assets	144,037	144,037
Goodwill on consolidation	1,580	1,580
Other investments	200	390
Deferred tax assets	16,000	16,000
Other receivables, deposits and prepayment	214	211
	<u>172,745</u>	<u>172,266</u>
Current assets		
Trade receivables	164,251	83,265
Other receivables, deposits and prepayments	12,435	12,829
Marketable securities	1,819	1,859
Deposits, cash and bank balances	91,885	111,032
	<u>270,390</u>	<u>208,985</u>
TOTAL ASSETS	<u>443,135</u>	<u>381,251</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	326,124	326,124
Reserves	(175,178)	(172,981)
Total Equity	<u>150,946</u>	<u>153,143</u>
Non-current liabilities	54,390	54,390
Current liabilities		
Amounts owing to brokers and clients	151,604	90,274
Other payables and accruals	85,347	81,809
Tax liabilities	848	1,635
	<u>237,799</u>	<u>173,718</u>
Total Liabilities	<u>292,189</u>	<u>228,108</u>
TOTAL EQUITY AND LIABILITIES	<u>443,135</u>	<u>381,251</u>
	RM	RM
Net Assets Per Share attributable to equity holders	<u>0.19</u>	<u>0.19</u>

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

PAN MALAYSIA CAPITAL BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

CUMULATIVE 6 MONTHS	Non Distributable		Accumulated Losses	Total Equity
	Share Capital	Other Reserves		
	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2009	326,124	30,350	(203,331)	153,143
Loss for the financial period	-	-	(2,197)	(2,197)
Balance as at 30.06.2009	326,124	30,350	(205,528)	150,946
Balance as at 1.1.2008	326,124	30,350	(198,328)	158,146
Profit for the financial period	-	-	12	12
Balance as at 30.06.2008	326,124	30,350	(198,316)	158,158

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 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 30 JUNE 2009**

	CUMULATIVE 6 MONTHS	
	30.06.2009	30.06.2008
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(2,139)	66
Adjustments for:-		
Depreciation	613	756
Finance costs	1,504	1,735
Interest income	(1,354)	(2,254)
Other non-cash items	(520)	(1,528)
Operating loss before working capital changes	(1,896)	(1,225)
Net change in current assets	(80,304)	43,137
Net change in current liabilities	63,519	(38,157)
Withdrawal of deposit belonging to clients maintained as trust monies	3,254	3,328
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	494	-
Tax (paid)/refund	(824)	390
Interest paid	(156)	(425)
Interest income received	822	1,515
Net cash (used in)/from operating activities	(15,091)	8,563
Cash Flows From Investing Activities		
Dividend received	10	27
Interest income received	532	739
Proceeds from disposal of other investments	190	-
Proceeds from disposal of marketable securities	202	13
Proceeds from disposal of property, plant and equipment	37	-
Purchase of property, plant and equipment	(1,279)	(40)
Purchase of investments	-	(373)
Net cash (used in)/from investing activities	(308)	366
Net (Decrease)/Increase In Cash and Cash Equivalents	(15,399)	8,929
Cash And Cash Equivalents At Beginning Of The Period	62,804	83,910
Cash And Cash Equivalents At End Of The Period	47,405	92,839
Cash And Cash Equivalents consists of:-		
Deposits, cash and bank balances	91,885	105,929
Deposits pledged to banks	(344)	(150)
Deposits maintained as trust monies	(44,136)	(12,940)
	47,405	92,839

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

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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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

The accounting policies, methods of computation and basis of consolidation applied in this unaudited interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2008.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the audited financial statements for the year ended 31 December 2008 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 30 June 2009.

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 30 June 2009.

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 30 June 2009.

A7. Dividends Paid

No dividend was paid in the financial period ended 30 June 2009.

A8. Segmental Information

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

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 are no material events subsequent to the financial period ended 30 June 2009 that have not been reflected in the interim financial statements for the said period as at the date of this report.

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NOTES TO THE INTERIM FINANCIAL REPORT

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the financial period ended 30 June 2009.

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

	30.06.2009 RM'000
Contracted but not provided for	<u>294</u>

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NOTES TO THE INTERIM FINANCIAL REPORT

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

B1. Review of Performance

The Group recorded revenue of RM14.1 million and loss before tax of RM2.1 million for the 6 months ended 30 June 2009 compared with revenue of RM15.6 million and profit before tax of RM66,000 in the same period last year. The universal broking operation continued to be affected, especially in the first quarter, by the lower trading volumes and value on Bursa Securities brought on by the global economic slowdown.

B2. Comparison with Preceding Quarter's Results

The Group recorded a higher revenue of RM10.4 million and lower loss before tax of RM0.1 million for the current quarter compared with the revenue of RM3.7 million and loss before tax of RM2.0 million recorded in the preceding quarter. The improvements in the current quarter were mainly due to better trading volumes and value on Bursa Securities.

B3. Year 2009 Prospects

The universal broking operation is expected to remain challenging as there are still concerns over the current global economic uncertainties and their effects on the performance of the Malaysian equity market. As such, the Group continues to remain cautious of the general business environment for the remaining periods in 2009.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Taxation

Taxation comprises the following:-

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	34	15	58	67
Over provision in respect of prior years	-	-	-	(13)
	<u>34</u>	<u>15</u>	<u>58</u>	<u>54</u>

The current taxation of the Group for the financial period ended 30 June 2009 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 30 June 2009 other than the disposal of an unquoted investment for RM190,000 with no gain or loss arising therefrom for the Group.

B7. Quoted Securities

(i) There were no purchases or sales of quoted securities by the Group in the financial period ended 30 June 2009 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:-

	30.06.2009
	RM'000
At cost	11,948
At book value	710
At market value	<u>710</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 30 June 2009, no bank facilities were utilised by the Group.
- (ii) The Company has a term loan of RM54.4 million due to a company related to a corporate shareholder of the 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 12 August 2009, 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 RM140.8 million as at 12 August 2009 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 30 June 2009 (30 June 2008 : 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:-

	<u>SECOND QUARTER</u>		<u>CUMULATIVE 6 MONTHS</u>	
	<u>30.06.2009</u>	<u>30.06.2008</u>	<u>30.06.2009</u>	<u>30.06.2008</u>
(Loss)/Profit for the financial period (RM'000)	(140)	(372)	(2,197)	12
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
(Loss)/Earnings per share (sen)	<u>(0.02)</u>	<u>(0.05)</u>	<u>(0.27)</u>	<u>0.001</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

19 August 2009