

**PAN MALAYSIA CAPITAL BERHAD**

**Company No : 76771 - M**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009**

**The figures have not been audited**

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

	<b>FOURTH QUARTER</b>		<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2009 RM'000</b>	<b>31.12.2008 RM'000</b>	<b>31.12.2009 RM'000</b>	<b>31.12.2008 RM'000</b>
Revenue	5,998	5,346	26,684	25,941
Other operating income	1,192	2,085	3,709	9,431
Operating expenses	(10,094)	(8,146)	(34,586)	(35,645)
Loss from operations	(2,904)	(715)	(4,193)	(273)
Finance costs	(717)	(523)	(2,855)	(3,113)
Loss before taxation	(3,621)	(1,238)	(7,048)	(3,386)
Tax income / (expense)	418	(1,449)	272	(1,617)
Loss for the financial period	(3,203)	(2,687)	(6,776)	(5,003)
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Loss per 40 sen share:				
- Basic	(0.39)	(0.33)	(0.83)	(0.61)
- 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 31 DECEMBER 2009**

	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>(Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,792	8,584
Prepaid land lease payments	1,447	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	217	211
	<hr/>	<hr/>
	173,273	172,266
<b>Current assets</b>		
Trade receivables	136,416	83,265
Other receivables, deposits and prepayments	12,941	12,829
Marketable securities	1,302	1,859
Deposits, cash and bank balances	107,704	111,032
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	258,363	208,985
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	431,636	381,251
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	326,124	326,124
Reserves	(179,757)	(172,981)
	<hr/>	<hr/>
<b>Total Equity</b>	146,367	153,143
	<hr/>	<hr/>
<b>Non-current liabilities</b>	54,390	54,390
<b>Current liabilities</b>		
Amounts owing to brokers and clients	146,206	90,274
Other payables and accruals	84,451	81,809
Tax liabilities	222	1,635
	<hr/>	<hr/>
	230,879	173,718
	<hr/>	<hr/>
<b>Total Liabilities</b>	285,269	228,108
	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	431,636	381,251
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	RM	RM
<b>Net Assets Per Share attributable to equity holders</b>	0.18	0.19
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(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**

Company No : 76771 - M

(Incorporated in Malaysia)

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

<b>CUMULATIVE 12 MONTHS</b>	<b>Share Capital RM'000</b>	<b>Non Distributable</b>	<b>Accumulated Losses RM'000</b>	<b>Total Equity RM'000</b>
		<b>Other Reserves RM'000</b>		
Balance as at 1.1.2009	326,124	30,350	(203,331)	153,143
Loss for the financial year	-	-	(6,776)	(6,776)
Balance as at 31.12.2009	326,124	30,350	(210,107)	146,367
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

(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 31 DECEMBER 2009**

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before taxation	(7,048)	(3,386)
Adjustments for:-		
Depreciation	1,270	1,506
Finance costs	2,855	3,113
Interest income	(2,639)	(4,313)
Other non-cash items	(1,862)	68
Operating loss before working capital changes	(7,424)	(3,012)
Interest paid	(299)	(386)
Interest income received	1,755	2,602
Net change in current assets	(52,304)	102,719
Net change in current liabilities	56,017	(92,557)
Tax paid	(1,141)	(52)
Tax refund	35	-
Withdrawal of deposits belonging to clients maintained as trust monies	(4,298)	817
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	929	5,468
Net cash (used in)/from operating activities	(6,730)	15,599
<b>Cash Flows From Investing Activities</b>		
Dividend received	12	182
Interest income received	957	1,705
Proceeds from disposal of other investments	190	-
Proceeds from disposal of marketable securities	1,400	758
Proceeds from disposal of property, plant and equipment	51	49
Purchase of property, plant and equipment	(2,504)	(600)
Purchase of investments	-	(711)
Net cash from investing activities	106	1,383
Net (Decrease)/Increase In Cash and Cash Equivalents	(6,624)	16,982
Cash And Cash Equivalents At Beginning Of The Period	62,804	45,822
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>56,180</b>	<b>62,804</b>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	107,704	111,032
Deposits pledged to banks	(271)	(344)
Deposits maintained as trust monies	(51,253)	(47,884)
	56,180	62,804

(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 31 December 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 31 December 2009.

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

There were no issuances or repayments 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 2009.

**A7. Dividends Paid**

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

**A12. Commitments and Contingent Liabilities**

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

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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 RM26.7 million for the year ended 31 December 2009, marginally higher than RM25.9 million recorded last year. However, the Group recorded loss before tax of RM7.0 million for the year ended 31 December 2009 compared with a loss of RM3.4 million last year. The higher loss in the period under review was mainly due to lower other operating income.

**B2. Comparison with Preceding Quarter's Results**

The Group recorded revenue of RM6.0 million and loss before tax of RM3.6 million for the current quarter compared with the revenue of RM6.6 million and loss before tax of RM1.3 million recorded in the preceding quarter. The higher loss before tax in the current quarter was mainly due to the lower brokerage income and higher operating expenses incurred by the Group in the said quarter.

**B3. Year 2010 Prospects**

The Group looks forward to a greater volume of brokerage business for 2010 resulting from the anticipated recovery by the major global economies and its positive effects on the Malaysian capital markets activity.

**B4. Variance on Forecast Profit/Profit Guarantee**

This is not applicable to the Group.

**B5. Taxation**

Taxation comprises the following:-

	<b>FOURTH QUARTER</b>		<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	(22)	398	124	487
Deferred tax	-	6	-	6
(Over)/Under provision in respect of prior years	(396)	1,045	(396)	1,124
	<b>(418)</b>	<b>1,449</b>	<b>(272)</b>	<b>1,617</b>

The current taxation of the Group for the financial period ended 31 December 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 31 December 2009 other than the disposal of an unquoted investment for RM190,000 with no gain or loss arising therefrom.

**B7. Quoted Securities**

(i) There were no purchases or sales of quoted securities by the Group in the financial period ended 31 December 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:-

	<b>31.12.2009</b>
	<b>RM'000</b>
At cost	11,948
At book value	1,302
At market value	<b>1,302</b>

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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 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.

**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 17 February 2010, these subsidiary companies have filed claims against various clients and debtors in the aggregate sums of RM811.8 million together with interest and costs.

Counterclaims have been filed against these subsidiary companies alleging claims of RM139.9 million as at 17 February 2010 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 2009 (31 December 2008 : Nil).

**B13. Loss Per Share**

- (i) Loss per share :-

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

	<b>FOURTH QUARTER</b>		<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
Loss for the financial period (RM'000)	(3,203)	(2,687)	(6,776)	(5,003)
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Loss per share (sen)	<u>(0.39)</u>	<u>(0.33)</u>	<u>(0.83)</u>	<u>(0.61)</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**

**22 February 2010**