

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	5,601	3,667	5,601	3,667
Other operating income	787	1,263	787	1,263
Operating expenses	(7,443)	(6,214)	(7,443)	(6,214)
Loss from operations	(1,055)	(1,284)	(1,055)	(1,284)
Finance costs	(715)	(749)	(715)	(749)
Loss before taxation	(1,770)	(2,033)	(1,770)	(2,033)
Tax expense	(81)	(24)	(81)	(24)
Loss for the financial period	(1,851)	(2,057)	(1,851)	(2,057)
	Sen	Sen	Sen	Sen
Loss per share:				
- Basic	(0.23)	(0.25)	(0.23)	(0.25)
- 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 2009 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 COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Loss for the financial period	(1,851)	(2,057)	(1,851)	(2,057)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the financial period	(1,851)	(2,057)	(1,851)	(2,057)

(The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 FINANCIAL POSITION
AS AT 31 MARCH 2010**

	31.03.2010	31.12.2009
	RM'000	(Restated) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,871	11,238
Intangible assets	144,037	144,037
Goodwill on consolidation	1,580	1,580
Other investments	200	200
Deferred tax assets	16,000	16,000
Other receivables, deposits and prepayment	217	217
	<u>172,905</u>	<u>173,272</u>
Current assets		
Trade receivables	160,056	136,416
Other receivables, deposits and prepayments	12,885	12,942
Other investments	1,539	-
Marketable Securities	-	1,303
Deposits, cash and bank balances	106,205	107,704
	<u>280,685</u>	<u>258,365</u>
TOTAL ASSETS	<u>453,590</u>	<u>431,637</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	326,124	326,124
Reserves	(181,494)	(179,757)
Total Equity	<u>144,630</u>	<u>146,367</u>
Non-current liabilities	54,292	54,390
Current liabilities		
Amounts owing to brokers and clients	168,111	146,206
Other payables and accruals	86,319	84,452
Tax liabilities	238	222
	<u>254,668</u>	<u>230,880</u>
Total Liabilities	<u>308,960</u>	<u>285,270</u>
TOTAL EQUITY AND LIABILITIES	<u>453,590</u>	<u>431,637</u>
	RM	RM
Net Assets Per Share attributable to equity holders	<u>0.18</u>	<u>0.18</u>

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 31 MARCH 2010**

CUMULATIVE 3 MONTHS	Non Distributable		Accumulated Losses	Total Equity
	Share Capital	Other Reserves		
	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2010, as previously stated	326,124	30,350	(210,107)	146,367
Effects of adopting FRS 139	-	-	114	114
Balance as at 1.1.2010, as restated	326,124	30,350	(209,993)	146,481
Total comprehensive loss	-	-	(1,851)	(1,851)
Balance as at 31.03.2010	326,124	30,350	(211,844)	144,630
Balance as at 1.1.2009	326,124	30,350	(203,331)	153,143
Total comprehensive loss	-	-	(2,057)	(2,057)
Balance as at 31.03.2009	326,124	30,350	(205,388)	151,086

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(1,770)	(2,033)
Adjustments for:-		
Depreciation	379	288
Finance costs	715	749
Interest income	(485)	(746)
Other non-cash items	(688)	(754)
Operating loss before working capital changes	(1,849)	(2,496)
Interest paid	(69)	(79)
Interest income received	269	409
Net change in current assets	(23,326)	(25,996)
Net change in current liabilities	23,337	21,435
Tax paid	(64)	(414)
Tax refund	-	20
Withdrawal of deposits belonging to clients maintained as trust monies	8,112	7,343
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	(87)	970
Net cash from operating activities	6,323	1,192
Cash Flows From Investing Activities		
Interest income received	216	337
Purchase of property, plant and equipment	(11)	(638)
Proceeds from disposal of other investments	-	1
Net cash from/(used in) investing activities	205	(300)
Net Increase In Cash and Cash Equivalents	6,528	892
Cash And Cash Equivalents At Beginning Of The Period	56,056	62,804
Cash And Cash Equivalents At End Of The Period	62,584	63,696
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	106,205	103,613
Deposits pledged to banks	(350)	(344)
Deposits maintained as trust monies	(43,271)	(39,573)
	62,584	63,696

(The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to and understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded derivatives
Improvement to FRSs issued in 2009 in respect of various FRSs including Amendments to FRS 117	

Other than for the application of FRS 101, FRS 139 and Amendments to FRS 117, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 101: Presentation of Financial Statements

This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

Additionally, FRS 101 require the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objective, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 Related Party Disclosures. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

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A1. (b) FRS139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of reserves/retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

Other Investments

(i) Available for sale investments

Prior to 1 January 2010, the Group classified its unquoted investments which were held for non-trading purposes as long term investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 as available for sale investments. These investments do not have quoted market price in an active market of which fair value cannot be reliably measured at 1 January 2010 shall continued to be carried at cost less impairment loss.

(ii) Investments at fair value through profit or loss

Prior to 1 January 2010, the Group classified its quoted investments in equity instruments which were held for short term as marketable securities. Such investments were carried at the lower of cost and market value, determined on a portfolio basis. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 as investments at fair value through profit or loss. As the previous year carrying amounts of these investments has been stated at market value, no adjustments to their previous year carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010.

Borrowings

Prior 1 January 2010, the Group non-current borrowings were carried at cost. Upon adoption of FRS 139, borrowings are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the borrowings, EIR amortisation and impairment losses are recognised in the statement of comprehensive income.

Impact on opening balance

In accordance with the transitional provision of FRS 139, the above changes are applied prospectively and the comparative figures of the Group as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following balances in the statement of financial position as at 1 January 2010:

	← At 1 January 2010 →		
	As previously stated RM'000	Effect of FRS 139 RM'000	As restated RM'000
Non-current liabilities	54,384	(114)	54,270
Accumulated losses	(210,107)	114	(209,993)

(c) Amendments to FRS 117: Leases

The Group has adopted the amendments to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures of the Group have been restated following the adoption of the amendments to FRS 117:

	← At 31 December 2009 →	
	As previously stated RM'000	As restated RM'000
Cost		
Property, plant and equipment	9,792	11,238
Prepaid lease payments	1,446	-

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NOTES TO THE INTERIM FINANCIAL REPORT

A2. Seasonal or Cyclical Factors

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

A3. 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 March 2010.

A4. 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 March 2010.

A5. 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 March 2010.

A6. Dividends Paid

No dividend was paid in the financial period ended 31 March 2010.

A7. Operating Segment

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

A8. Material Events Subsequent to the End of the Interim Period

There are no material events subsequent to the financial period ended 31 March 2010 that have not been reflected in the interim financial statements for the said period as at the date of this report.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group in the financial period ended 31 March 2010.

A10. 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 higher revenue of RM5.6 million for the period ended 31 March 2010, compared with RM3.7 million recorded for the corresponding period last year. For the same period, loss before tax was marginally lower at RM1.8 million compared with RM2.0 million last year. The improvement in the results during the period under review was mainly due to higher brokerage income.

B2. Comparison with Preceding Quarter's Results

The Group recorded revenue of RM5.6 million and loss before tax of RM1.8 million for the current quarter compared with the revenue of RM6.0 million and loss of RM3.6 million recorded in the preceding quarter. The lower loss in the current quarter was mainly due to the lower operating expenses in the said quarter.

B3. Year 2010 Prospects

The Group looks forward to an improved volume of brokerage business as well as higher income from its assets management business for 2010 with the recovery of the United States and Asian economies and their positive effects on the Malaysian capital markets activity. However, the Group remains cautious amidst the current financial crisis in Europe.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Taxation

Taxation comprises the following:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Current taxation	81	24	81	24

The current taxation of the Group for the financial period ended 31 March 2010 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 March 2010.

B7. Quoted Securities

(i) There were no purchases or sales of quoted securities by the Group in the financial period ended 31 March 2010 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:-

	31.03.2010 RM'000
At cost	11,948
At book value/fair value	1,539

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 March 2010, no bank facilities were utilised by the Group.

(ii) The Company has a term loan of RM54.3 million due to a company related to a corporate shareholder of the Company. The term loan is measured at amortised cost method.

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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 May 2010, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM535.7 million together with interest and costs.

Counterclaims have been filed against these subsidiaries alleging claims of RM5.2 million as at 12 May 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 March 2010 (31 March 2009 : 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:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Loss for the financial period (RM'000)	(1,851)	(2,057)	(1,851)	(2,057)
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Loss per share (sen)	(0.23)	(0.25)	(0.23)	(0.25)

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

B14. Audit Report of Preceding Annual Financial Statements

The audit report of the audited financial statements for the year ended 31 December 2009 was not qualified.

BY ORDER OF THE BOARD
PAN MALAYSIA CAPITAL BERHAD

LEONG PARK YIP
Company Secretary
21 May 2010