

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	7,536	5,601	7,536	5,601
Other operating income	2,085	787	2,085	787
Operating expenses	(8,382)	(7,443)	(8,382)	(7,443)
Profit/(Loss) from operations	1,239	(1,055)	1,239	(1,055)
Finance costs	(674)	(715)	(674)	(715)
Profit/(Loss) before taxation	565	(1,770)	565	(1,770)
Tax expense	(47)	(81)	(47)	(81)
Profit/(Loss) for the financial period	518	(1,851)	518	(1,851)
	Sen	Sen	Sen	Sen
Earning/(Loss) per share:				
- Basic	0.06	(0.23)	0.06	(0.23)
- 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 2010 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 2011**

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the financial period	518	(1,851)	518	(1,851)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the financial period	518	(1,851)	518	(1,851)

(The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 2011**

	31.03.2011	31.12.2010
	RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,988	10,220
Other investments	200	200
Intangible assets	144,037	144,037
Goodwill on consolidation	1,580	1,580
Deferred tax assets	16,000	16,000
Other receivables, deposits and prepayment	222	220
	<u>172,027</u>	<u>172,257</u>
Current assets		
Other investments	3,197	1,658
Clients' investment portfolio	98,020	86,343
Trade receivables	89,465	62,659
Other receivables, deposits and prepayments	2,977	2,622
Tax assets	204	203
Deposits, cash and bank balances	137,411	161,604
	<u>331,274</u>	<u>315,089</u>
TOTAL ASSETS	<u>503,301</u>	<u>487,346</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	326,124	326,124
Reserves	(182,627)	(183,146)
Total Equity	<u>143,497</u>	<u>142,978</u>
Non-current liabilities	54,253	54,253
Current liabilities		
Amounts owing to brokers and clients	219,534	183,961
Other payables and accruals	86,014	106,135
Tax liabilities	3	19
	<u>305,551</u>	<u>290,115</u>
Total Liabilities	<u>359,804</u>	<u>344,368</u>
TOTAL EQUITY AND LIABILITIES	<u>503,301</u>	<u>487,346</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 2010 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 2011**

	<u>Non Distributable</u>		Accumulated Losses	Total Equity
	Share Capital	Other Reserves		
CUMULATIVE 3 MONTHS	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2011	326,124	30,350	(213,495)	142,979
Total comprehensive income	-	-	518	518
Balance as at 31.03.2011	326,124	30,350	(212,977)	143,497
Balance as at 1.1.2010	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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

	CUMULATIVE 3 MONTHS	
	31.03.2011	31.03.2010
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	565	(1,770)
Adjustments for:-		
Depreciation	283	379
Dividend income	(118)	-
Finance costs	674	715
Interest income	(591)	(485)
Other non-cash items	(1,659)	(688)
Operating loss before working capital changes	(846)	(1,849)
Interest paid	(44)	(69)
Interest income received	76	269
Net change in current assets	(38,721)	(23,326)
Net change in current liabilities	14,821	23,337
Tax paid	(63)	(64)
Withdrawal of deposits belonging to clients maintained as trust monies	7,571	8,112
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	441	(87)
Net cash (used in)/from operating activities	(16,765)	6,323
Cash Flows From Investing Activities		
Dividend received	118	-
Interest income received	314	216
Purchase of property, plant and equipment	(50)	(11)
Net cash from investing activities	382	205
Net (Decrease)/Increase In Cash and Cash Equivalents	(16,383)	6,528
Cash And Cash Equivalents At Beginning Of The Period	78,566	56,056
Cash And Cash Equivalents At End Of The Period	62,183	62,584
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	137,411	106,205
Deposits pledged to banks	(581)	(350)
Deposits maintained as trust monies	(74,647)	(43,271)
	62,183	62,584

(The Condensed Consolidated Statement Of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010 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 2010. 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 2010.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives: Embedded derivatives

Improvements to FRSs issued in 2010 in respect of various FRSs.

Other than the disclosures under the amendments to FRS 7, the adoption of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

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 2011.

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 2011.

PAN MALAYSIA CAPITAL BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT

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 2011.

A6. Dividends Paid

No dividend was paid in the financial period ended 31 March 2011.

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 2011 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 2011.

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 RM7.5 million and profit before tax of RM0.6 million for the period ended 31 March 2011, compared with revenue of RM5.6 million and loss before tax of RM1.8 million for the corresponding period last year. The improvement in the results during the period under review was mainly due to higher brokerage fee income and fair value gain on short term quoted investments.

B2. Comparison with Preceding Quarter's Results

The Group recorded revenue of RM7.5 million and profit before tax of RM0.6 million for the current quarter compared with the revenue of RM7.6 million and loss before tax of RM0.6 million recorded in the preceding quarter. The profit in the current quarter was mainly due to the higher fair value gain on short term quoted investments.

B3. Year 2011 Prospects

The Group expects the business environment to remain challenging. Various initiatives are in place to meet these challenges and to improve the volume of brokerage business for the current financial year. The Group continues to look forward to the improving income from its corporate finance activities and asset management business.

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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
Current taxation	47	81	47	81

The current taxation of the Group for the financial period ended 31 March 2011 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 2011.

B7. Quoted Securities

(i) There were no purchases or sales of quoted securities by the Group in the financial period ended 31 March 2011 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:-

	31.03.2011
	RM'000
At cost	11,948
At book value/fair value	3,197
	15,145

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 2011, no bank facilities were utilised by the Group.

(ii) The Company has a term loan of RM54.2 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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NOTES TO THE INTERIM FINANCIAL REPORT

B10. Derivative Financial Instruments

There were no derivative financial instruments as at the date of this report.

B11. Fair Values Changes Of Financial Liabilities

As at 31 March 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Realised and Unrealised Profits/(Losses)

The accumulated losses of the Group comprised the following:-

	At 31.03.2011	At 31.12.2010
	RM'000	RM'000
Realised losses	(228,971)	(229,489)
Unrealised profit	15,994	15,994
Total accumulated losses	(212,977)	(213,495)

B13. 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 16 May 2011, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM204.3 million together with interest and costs.

B14. Dividend

No dividend has been recommended by the Board for the financial period ended 31 March 2011 (31 March 2010 : Nil).

B15. Profit/(Loss) Per Share

(i) Profit/(Loss) per share :-

The profit/(loss) per ordinary share is calculated by dividing the profit/(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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Profit/(Loss) for the financial period (RM'000)	518	(1,851)	518	(1,851)
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Profit/(Loss) per share (sen)	0.06	(0.23)	0.06	(0.23)

(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 2010 was not qualified.

BY ORDER OF THE BOARD
PAN MALAYSIA CAPITAL BERHAD

LEONG PARK YIP
Company Secretary

23 May 2011