

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Revenue	6,075	4,870	18,651	15,144
Other operating income	1,352	2,367	2,624	5,930
Operating expenses	(8,091)	(7,150)	(23,362)	(21,626)
Profit/(Loss) from operations	(664)	87	(2,087)	(552)
Finance costs	(676)	(693)	(2,021)	(2,109)
Loss before taxation	(1,340)	(606)	(4,108)	(2,661)
Tax income/(expense)	60	(171)	(109)	(358)
Loss for the financial period	(1,280)	(777)	(4,217)	(3,019)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the financial period	<u>(1,280)</u>	<u>(777)</u>	<u>(4,217)</u>	<u>(3,019)</u>
	Sen	Sen	Sen	Sen
Loss per share:				
- Basic	(0.16)	(0.10)	(0.52)	(0.37)
- Diluted	N/A	N/A	N/A	N/A

Notes:-

"N/A" - Not applicable

(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

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011**

	30.09.2011	31.12.2010
	RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,478	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	224	220
	<u>171,519</u>	<u>172,257</u>
Current assets		
Other investments	1,362	1,658
Clients' investment portfolio	114,549	86,343
Trade receivables	61,542	62,659
Other receivables, deposits and prepayments	2,678	2,622
Tax assets	302	203
Deposits, cash and bank balances	125,658	161,604
	<u>306,091</u>	<u>315,089</u>
TOTAL ASSETS	<u>477,610</u>	<u>487,346</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	326,124	326,124
Reserves	(187,362)	(183,146)
Total Equity	<u>138,762</u>	<u>142,978</u>
Non-current liabilities	54,303	54,253
Current liabilities		
Amounts owing to brokers and clients	200,768	183,961
Other payables and accruals	83,743	106,135
Tax liabilities	34	19
	<u>284,545</u>	<u>290,115</u>
Total Liabilities	<u>338,848</u>	<u>344,368</u>
TOTAL EQUITY AND LIABILITIES	<u>477,610</u>	<u>487,346</u>
	RM	RM
Net Assets Per Share attributable to equity holders	<u>0.17</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 30 SEPTEMBER 2011**

	<u>Non-Distributable</u>		Accumulated Losses	Total Equity
	Share Capital	Other Reserves		
CUMULATIVE 9 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 loss	-	-	(4,217)	(4,217)
Balance as at 30.09.2011	326,124	30,350	(217,712)	138,762
Balance as at 1.1.2010	326,124	30,350	(209,993)	146,481
Total comprehensive loss	-	-	(3,019)	(3,019)
Balance as at 30.09.2010	326,124	30,350	(213,012)	143,462

(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

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	CUMULATIVE 9 MONTHS	
	30.09.2011	30.09.2010
	RM'000	RM'000
Cash Flows From Operating Activities		
Loss before taxation	(4,108)	(2,661)
Adjustments for:-		
Non-cash items	(221)	(1,883)
Non-operating items	135	24
Operating loss before working capital changes	(4,194)	(4,520)
Net change in current assets	(25,881)	17,117
Net change in current liabilities	(7,447)	(2,376)
Withdrawal of deposits belonging to clients maintained as trust monies	13,583	395
Withdrawal/(Placement) of dealers' and remisiers' deposits maintained as trust monies	316	(241)
Net tax paid	(192)	(330)
Interest paid	(109)	(172)
Interest income received	933	770
Net cash (used in)/from operating activities	(22,991)	10,643
Cash Flows From Investing Activities		
Dividend received	118	-
Interest income received	938	1,259
Purchase of property, plant and equipment	(50)	(263)
Proceeds from disposal of property, plant and equipment	41	40
Net cash from investing activities	1,047	1,036
Net (Decrease)/Increase In Cash and Cash Equivalents	(21,944)	11,679
Cash And Cash Equivalents At Beginning Of The Period	78,566	56,056
Cash And Cash Equivalents At End Of The Period	56,622	67,735
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	125,658	119,257
Deposits pledged to banks	(277)	(379)
Deposits maintained as trust monies	(68,759)	(51,143)
	56,622	67,735

(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, other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to FRS 139 Financial Instruments: Recognition and Measurement.

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 30 September 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 30 September 2011.

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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 30 September 2011.

A6. Dividends Paid

No dividend was paid in the financial period ended 30 September 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 30 September 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 30 September 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 RM18.7 million and loss before tax ("LBT") of RM4.1 million for the period ended 30 September 2011, compared with revenue of RM15.1 million and LBT of RM2.7 million for the corresponding period last year. The higher revenue in the period under review was mainly contributed from the higher brokerage fee income and advisory fee income. However, the higher LBT in the period under review was mainly due to higher operating expenses and lower other operating income.

B2. Comparison with Preceding Quarter's Results

The Group recorded revenue of RM6.1 million and LBT of RM1.3 million for the current quarter compared with the revenue of RM5.0 million and LBT of RM3.3 million recorded in the preceding quarter. The lower loss in the current quarter were mainly contributed by higher brokerage fee income and advisory fee income recorded by the Group.

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 and asset management business for the current financial year.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Taxation

Taxation comprises the following:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Current taxation	(60)	171	109	358

The current taxation of the Group for the financial period ended 30 September 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 30 September 2011.

B7. Quoted Securities

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

	30.09.2011
	RM'000
At cost	11,948
At book value/fair value	1,362

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 September 2011, 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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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 30 September 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 30.09.2011	At 30.06.2011
	RM'000	RM'000
Realised losses	(233,706)	(232,426)
Unrealised profit	15,994	15,994
Total accumulated losses	(217,712)	(216,432)

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 9 November 2011, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM178.9 million together with interest and costs.

B14. Dividend

No dividend has been recommended by the Board for the financial period ended 30 September 2011 (30 September 2010 : Nil).

B15. 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:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Loss for the financial period (RM'000)	(1,280)	(777)	(4,217)	(3,019)
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Loss per share (sen)	(0.16)	(0.10)	(0.52)	(0.37)

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

B16. 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
17 November 2011