

**PAN MALAYSIA CAPITAL BERHAD**

Company No : 76771 - M  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011**

	<b>FOURTH QUARTER</b>		<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	5,326	7,593	23,977	22,737
Cost of services	(3,105)	(3,574)	(12,497)	(11,741)
Gross profit	2,221	4,019	11,480	10,996
Interest income	379	347	1,299	1,590
Other operating income	74	165	380	291
Depreciation and amortization	(268)	(329)	(1,061)	(1,441)
Other operating expenses	(3,682)	(4,588)	(16,452)	(16,664)
Non-operating income (refer Note A3)	4,313	298	5,304	4,588
Finance costs	(563)	(497)	(2,584)	(2,606)
Profit/(Loss) before taxation	2,474	(585)	(1,634)	(3,246)
Tax income/(expense)	60	102	(49)	(256)
Profit/(Loss) for the financial year	2,534	(483)	(1,683)	(3,502)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit/(loss) for the financial year	2,534	(483)	(1,683)	(3,502)
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earning/(Loss) per share:				
- Basic	0.31	(0.06)	(0.21)	(0.43)
- 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 31 DECEMBER 2011**

	31.12.2011	31.12.2010
	RM'000	(Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,275	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	225	220
	<u>171,317</u>	<u>172,257</u>
<b>Current assets</b>		
Other investments	2,368	1,658
Clients' investment portfolio	115,819	86,343
Trade receivables	66,061	62,659
Other receivables, deposits and prepayments	2,617	2,622
Tax assets	754	203
Deposits, cash and bank balances	127,250	161,604
	<u>314,869</u>	<u>315,089</u>
<b>TOTAL ASSETS</b>	<u>486,186</u>	<u>487,346</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	326,124	326,124
Reserves	(184,829)	(183,146)
<b>Total Equity</b>	<u>141,295</u>	<u>142,978</u>
<b>Non-current liabilities</b>	54,326	54,253
<b>Current liabilities</b>		
Amounts owing to brokers and clients	205,554	183,961
Other payables and accruals	84,988	106,135
Tax liabilities	23	19
	<u>290,565</u>	<u>290,115</u>
<b>Total Liabilities</b>	<u>344,891</u>	<u>344,368</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>486,186</u>	<u>487,346</u>
	RM	RM
<b>Net Assets Per Share attributable to equity holders</b>	<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 YEAR ENDED 31 DECEMBER 2011**

<b>CUMULATIVE 12 MONTHS</b>	<b>Non-Distributable</b>		<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Other Reserves</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1.1.2011	326,124	30,350	(213,496)	142,978
Total comprehensive loss	-	-	(1,683)	(1,683)
Balance as at 31.12.2011	326,124	30,350	(215,179)	141,295
Balance as at 1.1.2010	326,124	30,350	(209,994)	146,480
Total comprehensive loss	-	-	(3,502)	(3,502)
Balance as at 31.12.2010	326,124	30,350	(213,496)	142,978

(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 YEAR ENDED 31 DECEMBER 2011**

	<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2011</b>	<b>31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before taxation	(1,634)	(3,246)
Adjustments for:-		
Non-cash items	(1,276)	(687)
Non-operating items	18	(70)
Operating loss before working capital changes	<u>(2,892)</u>	<u>(4,003)</u>
Changes in working capital	(33,365)	56,278
Withdrawal/(Placement) of deposits belonging to clients maintained as trust monies	16,982	(31,867)
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	998	505
Net tax paid	(600)	(646)
Interest paid	-	(24)
Interest income received	1,359	1,043
Net cash (used in)/from operating activities	<u>(17,518)</u>	<u>21,286</u>
<b>Cash Flows From Investing Activities</b>		
Dividend received	118	-
Interest income received	1,318	1,607
Purchase of property, plant and equipment	(115)	(552)
Proceeds from disposal of property, plant and equipment	52	169
Net cash from investing activities	<u>1,373</u>	<u>1,224</u>
<b>Cash Flows From Financing Activities</b>	<u>-</u>	<u>-</u>
Net (Decrease)/Increase In Cash and Cash Equivalents	(16,145)	22,510
Cash And Cash Equivalents At Beginning Of The Year	<u>78,566</u>	<u>56,056</u>
<b>Cash And Cash Equivalents At End Of The Year</b>	<u><b>62,421</b></u>	<u><b>78,566</b></u>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	127,250	161,604
Deposits pledged to banks	(150)	(379)
Deposits maintained as trust monies	<u>(64,679)</u>	<u>(82,659)</u>
	<u>62,421</u>	<u>78,566</u>

(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 year ended 31 December 2011 other than the non-operating income as follows:-

Non-operating income	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	3,000	-	3,019	2,500
Allowance for doubtful debts no longer required	307	2	1,575	1,733
Reversal of impairment on other investments	1,006	296	710	355
	<u>4,313</u>	<u>298</u>	<u>5,304</u>	<u>4,588</u>

**A4. Changes in Estimates Reported in Prior Interim Years**

There were no changes in estimates of amounts reported in prior financial year, which may have a material effect in the financial year ended 31 December 2011.

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**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 year ended 31 December 2011.

**A6. Dividends Paid**

No dividend was paid in the financial year ended 31 December 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 year ended 31 December 2011 that have not been reflected in the interim financial statements for the said year 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 year ended 31 December 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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**B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS**

**B1. Review of Performance**

The Group recorded higher revenue of RM24.0 million and lower loss before tax ("LBT") of RM1.6 million for the year ended 31 December 2011, compared with revenue of RM22.7 million and LBT of RM3.2 million for the same period last year.

The higher revenue and lower LBT of the Group in the period under review was mainly contributed from the stockbroking business and corporate finance activities. The stockbroking business of the Group recorded higher gross brokerage fee income mainly due to higher trading activities and the volatility of the market in the current year. The gross brokerage income of the stockbroking business of the Group in the current year increased by 3.5% compared to the same period last year. The increase is in tandem with the increase in Bursa Malaysia turnover. The average market share as at 31 December 2011 of the stockbroking business of the Group improved by 0.02% in value compared to the same period last year. The corporate advisory activities recorded 17% increase in corporate advisory fee income compared to the same period last year. In addition, higher non-operating income has also reduced the LBT.

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

The Group recorded lower revenue of RM5.3 million and profit before tax ("PBT") of RM 2.5 million for the current quarter compared with the revenue of RM6.1 million and LBT of RM1.3 million recorded in the preceding quarter. The lower revenue in the current quarter was mainly due to lower corporate advisory fee income from corporate advisory activities of the Group. However, the PBT in the current quarter was mainly due to debt recoveries and lower operating expenses recorded by the stockbroking business of the Group.

**B3. Year 2012 Prospects**

The Group expects the business environment to remain challenging in view of the continuous uncertain global economic conditions. However, various government announcements and initiatives may have positive impact on the local market activities. Various initiatives by the Group are in place to meet these challenges and to improve the volume of brokerage and asset management businesses 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:-

	FOURTH QUARTER		CUMULATIVE 12 MONTHS	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Current taxation	73	(88)	180	272
Deferred tax	(4)	-	(4)	-
Over provision in respect of prior years	(129)	(14)	(127)	(16)
	<u>(60)</u>	<u>(102)</u>	<u>49</u>	<u>256</u>

The current taxation of the Group for the financial year ended 31 December 2011 is due to taxable profits in certain subsidiaries and non-availability of group relief for losses in other subsidiaries.

**B6. Status of Corporate Proposals**

There are no outstanding corporate proposals as at the date of this report.

**B7. Group Borrowings and Debt Securities**

- (i) As at 31 December 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.

**B8. Derivative Financial Instruments**

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

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**B9. Fair Values Changes Of Financial Liabilities**

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

**B10. Realised and Unrealised Profits/(Losses)**

The accumulated losses of the Group comprised the following:-

	<b>At 31.12.2011</b>	<b>At 31.12.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Realised losses	(231,177)	(229,490)
Unrealised profit	15,998	15,994
Total accumulated losses	(215,179)	(213,496)

**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 14 February 2012, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM173.6 million together with interest and costs.

**B12. Dividend**

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

**B13. Earnings/(Loss) Per Share**

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

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

	<b>FOURTH QUARTER</b>		<b>CUMULATIVE 12 MONTHS</b>	
	<b>31.12.2011</b>	<b>31.12.2010</b>	<b>31.12.2011</b>	<b>31.12.2010</b>
Profit/(Loss) for the financial year (RM'000)	2,534	(483)	(1,683)	(3,502)
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Earnings/(Loss) per share (sen)	0.31	(0.06)	(0.21)	(0.43)

(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**

**Soo-Hoo Siew Hoon**  
**Ng Hock Ping**  
**Joint Company Secretaries**  
**23 February 2012**