

**PAN MALAYSIA CAPITAL BERHAD**

Company No : 76771 - M  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**  
The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	<b>FIRST QUARTER</b>		<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	5,913	7,536	5,913	7,536
Cost of services	(3,411)	(3,946)	(3,411)	(3,946)
Gross profit	2,502	3,590	2,502	3,590
Other income	325	347	325	347
Other operating expenses	(3,772)	(4,420)	(3,772)	(4,420)
Loss from operations	(945)	(483)	(945)	(483)
Non-operating income (refer Note A3)	3,625	1,722	3,625	1,722
Finance costs	(686)	(674)	(686)	(674)
Profit before taxation	1,994	565	1,994	565
Taxation	(57)	(47)	(57)	(47)
Profit for the financial period	1,937	518	1,937	518
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	1,937	518	1,937	518
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Earning per share:				
- Basic	0.24	0.06	0.24	0.06
- Diluted	N/A	N/A	N/A	N/A

Notes:-  
"N/A" - Not applicable

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 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 STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2012**

	<b>31.03.2012</b>	<b>31.12.2011</b>	<b>01.01.2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated*</b>	<b>Restated*</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9,036	9,275	10,220
Other investments	200	200	200
Intangible assets	144,037	144,037	144,037
Goodwill on consolidation	1,580	1,580	1,580
Deferred tax assets	16,000	16,000	16,000
Deposits	227	225	220
	<u>171,080</u>	<u>171,317</u>	<u>172,257</u>
<b>Current assets</b>			
Other investments	2,368	2,368	1,658
Trade receivables	55,934	66,061	62,659
Other receivables, deposits and prepayments	2,619	2,617	2,622
Current tax assets	860	754	203
Deposits, cash and bank balances	99,773	97,185	119,920
	<u>161,554</u>	<u>168,985</u>	<u>187,062</u>
<b>TOTAL ASSETS</b>	<u>332,634</u>	<u>340,302</u>	<u>359,319</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders</b>			
Share capital	326,124	326,124	326,124
Reserves	(182,892)	(184,829)	(183,146)
<b>Total Equity</b>	<u>143,232</u>	<u>141,295</u>	<u>142,978</u>
<b>Non-current liabilities</b>			
	54,327	54,327	54,253
<b>Current liabilities</b>			
Amounts owing to brokers and clients	49,879	59,670	55,934
Other payables and accruals	85,146	84,987	106,135
Current tax liabilities	50	23	19
	<u>135,075</u>	<u>144,680</u>	<u>162,088</u>
<b>Total Liabilities</b>	<u>189,402</u>	<u>199,007</u>	<u>216,341</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>332,634</u>	<u>340,302</u>	<u>359,319</u>
	RM	RM	RM
<b>Net Assets Per Share attributable to equity holders</b>	<u>0.18</u>	<u>0.17</u>	<u>0.18</u>

\* Upon the adoption of the MFRS Framework, the Condensed Consolidated Statements of Financial Position as at 31 December 2011 and 1 January 2011 have been restated.

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**PAN MALAYSIA CAPITAL BERHAD**

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	Share Capital RM'000	Non Distributable	Accumulated Losses RM'000	Total Equity RM'000
		Other Reserves RM'000		
<b>CUMULATIVE 3 MONTHS</b>				
Balance as at 1.1.2012	326,124	30,350	(215,179)	141,295
Total comprehensive income	-	-	1,937	1,937
Balance as at 31.03.2012	326,124	30,350	(213,242)	143,232
Balance as at 1.1.2011	326,124	30,350	(213,496)	142,978
Total comprehensive income	-	-	518	518
Balance as at 31.03.2011	326,124	30,350	(212,978)	143,496

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**PAN MALAYSIA CAPITAL BERHAD**

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012**

	<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2012 RM'000</b>	<b>31.03.2011 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	1,994	565
Adjustments for:-		
Depreciation	231	283
Dividend income	-	(118)
Finance costs	686	674
Interest income	(581)	(591)
Other non-cash items	(730)	(1,659)
Operating profit/(loss) before working capital changes	1,600	(846)
Interest paid	(49)	(44)
Interest received	263	76
Net change in current assets	10,845	(27,045)
Net change in current liabilities	(10,269)	8,577
Tax paid	(140)	(63)
(Placements)/Withdrawal of deposits belonging to clients maintained as trust monies	(2,840)	540
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	2,747	441
Net cash from/(used in) operating activities	2,157	(18,364)
<b>Cash Flows From Investing Activities</b>		
Dividend received	-	118
Interest received	318	314
Purchase of property, plant and equipment	(4)	(50)
Proceeds from disposal of property, plant and equipment	24	-
Net cash from investing activities	338	382
Net Increase/(Decrease) In Cash and Cash Equivalents	2,495	(17,982)
Cash And Cash Equivalents At Beginning Of The Period	62,148	78,098
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>64,643</b>	<b>60,116</b>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	99,773	101,160
Deposits pledged to banks	(361)	(581)
Deposits maintained as trust monies	(34,769)	(40,463)
	64,643	60,116

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011 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 MFRS 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. 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 2011. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRSs").

These interim financial statements is the Group's first MFRS interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* has been applied.

The date of transition to the MFRS framework is 1 January 2011. At the transition date, the Group has performed the assessment of the impact of adoption of MFRS and concluded that there is no material impact.

**Comparative**

The following comparative amounts have been restated to conform with the current quarter presentation:-

	As previously reported RM'000	Change in presentation RM'000	As restated RM'000
<b>At 1 January 2011</b>			
Clients' investment portfolio	86,343	(86,343)	-
Deposits, cash and bank balances	161,604	(41,684)	119,920
Amounts owing to brokers and clients	183,961	128,027	55,934
<b>At 31 December 2011</b>			
Clients' investment portfolio	85,754	(85,754)	-
Deposits, cash and bank balances	157,315	(60,130)	97,185
Amounts owing to brokers and clients	205,554	145,884	59,670

**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 2012 other than the non-operating income as follows:-

Non-operating income	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Bad debts recovered	3,139	-	3,139	-
Gain on disposal of property, plant and equipment	12	-	12	-
Gain on foreign exchange (realised)	246	63	246	63
Reversal of impairment on other investments	-	1,539	-	1,539
Writeback of allowance for doubtful debts	228	120	228	120
	3,625	1,722	3,625	1,722

**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 2012.

**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 2012.

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A6. Dividends Paid**

No dividend was paid in the financial period ended 31 March 2012.

**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 2012 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 2012.

**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 lower revenue of RM5.9 million and higher profit before tax ("PBT") of RM2.0 million for the period ended 31 March 2012, compared with revenue of RM7.5 million and PBT of RM0.6 million for the same period last year.

The lower revenue of the Group in the period under review was mainly due to lower gross brokerage fee income and the absence of corporate advisory income. The gross brokerage income of the stockbroking business of the Group in the period under review decreased by 14.5% compared to the same period last year.

The decrease is mainly due to :

- (a) decrease in Bursa Malaysia turnover, where the turnover in value decreased by 11.7%.
- (b) decrease in average brokerage fee by 0.1%.

Despite the decrease, the average market share as at 31 March 2012 of the stockbroking business of the Group improved by 14% in value.

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

The Group recorded higher revenue of RM5.9 million and lower profit before tax ("PBT") of RM2.0 million for the current quarter compared with the revenue of RM5.3 million and PBT of RM2.5 million recorded in the preceding quarter. The higher revenue in the current quarter was mainly due to higher gross brokerage income from the stockbroking business of the Group which is in line with Bursa Malaysia increased in turnover by 35%. However, the lower PBT was recorded due to writeback of impairment on investment in the preceding quarter.

**B3. Year 2012 Prospects**

The global economic outlook for 2012 will remain dampened by continuing concerns of the unsustainable levels of sovereign debts plaguing the Euro area. Despite the subdued forecast, the Malaysian economy expects to show a growth of between 4% and 5%.

The Group expects the various business initiatives it has recently put in place to yield positive results for its stockbroking and asset management businesses for the remaining period of the year.

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

This is not applicable to the Group.

**B5. Profit before tax**

Included in the profit before tax are the followings items:

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	581	591	581	591
Depreciation of property, plant and equipment	(231)	(283)	(231)	(283)

**B6. Taxation**

Taxation comprises the following:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	57	47	57	47

The effective rate of taxation is lower than the statutory rate due to utilisation of unabsorbed tax loss carried forward of certain subsidiaries.

**B7. Status of Corporate Proposals**

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

**B8. Group Borrowings and Debt Securities**

- (i) As at 31 March 2012, 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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**B9. Derivative Financial Instruments**

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

**B10. Fair Values Changes Of Financial Liabilities**

As at 31 March 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

**B11. Realised and Unrealised Profits/(Losses)**

The accumulated losses of the Group comprised the following:-

	<b>At 31.03.2012</b>	<b>At 31.12.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Audited)</b>
Realised losses	(229,240)	(231,177)
Unrealised profit	15,998	15,998
Total accumulated losses	(213,242)	(215,179)

**B12. 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 15 May 2012, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM169.0 million together with interest and costs.

**B13. Dividend**

No dividend has been recommended by the Board for the financial period ended 31 March 2012 (31 March 2011 : Nil).

**B14. Earnings Per Share**

(i) Earnings per share :-

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

	<b>FIRST QUARTER</b>		<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Profit for the financial period (RM'000)	1,937	518	1,937	518
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Earnings per share (sen)	0.24	0.06	0.24	0.06

(ii) The diluted earnings per share is not disclosed as there is no dilutive potential ordinary shares.

**B15. Audit Report of Preceding Annual Financial Statements**

The audit report of the audited financial statements for the year ended 31 December 2011 was not qualified.

**BY ORDER OF THE BOARD**  
**PAN MALAYSIA CAPITAL BERHAD**

**Soo-Hoo Siew Hoon**  
**Ng Hock Ping**  
**Joint Company Secretaries**  
**21 May 2012**