

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Revenue	4,211	6,075	13,937	18,651
Cost of services	(2,291)	(2,919)	(7,354)	(9,392)
Gross profit	1,920	3,156	6,583	9,259
Other income	372	303	1,106	1,030
Other operating expenses	(3,521)	(4,710)	(11,435)	(13,563)
Loss from operations	(1,229)	(1,251)	(3,746)	(3,274)
Non-operating (expenses)/income (refer Note A3)	(493)	587	5,089	1,187
Finance costs	(675)	(676)	(2,019)	(2,021)
Loss before taxation	(2,397)	(1,340)	(676)	(4,108)
Tax (expense)/income	(66)	60	(442)	(109)
Loss for the financial period	(2,463)	(1,280)	(1,118)	(4,217)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the financial period	(2,463)	(1,280)	(1,118)	(4,217)
	Sen	Sen	Sen	Sen
Loss per share:				
- Basic	(0.30)	(0.16)	(0.14)	(0.52)
- 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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

	30.09.2012 RM'000	31.12.2011 RM'000 Restated*	01.01.2011 RM'000 Restated*
ASSETS			
Non-current assets			
Property, plant and equipment	8,086	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	231	225	220
	<u>170,134</u>	<u>171,317</u>	<u>172,257</u>
Current assets			
Other investments	1,598	2,368	1,658
Trade receivables	71,788	66,061	62,659
Other receivables, deposits and prepayments	3,853	2,617	2,622
Current tax assets	892	754	203
Deposits, cash and bank balances	73,913	97,185	119,920
	<u>152,044</u>	<u>168,985</u>	<u>187,062</u>
TOTAL ASSETS	<u>322,178</u>	<u>340,302</u>	<u>359,319</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital	326,124	326,124	326,124
Reserves	(185,947)	(184,829)	(183,146)
Total Equity	<u>140,177</u>	<u>141,295</u>	<u>142,978</u>
Non-current liabilities	54,327	54,327	54,253
Current liabilities			
Amounts owing to brokers and clients	42,684	59,670	55,934
Other payables and accruals	84,965	84,987	106,135
Current tax liabilities	25	23	19
	<u>127,674</u>	<u>144,680</u>	<u>162,088</u>
Total Liabilities	<u>182,001</u>	<u>199,007</u>	<u>216,341</u>
TOTAL EQUITY AND LIABILITIES	<u>322,178</u>	<u>340,302</u>	<u>359,319</u>
	RM	RM	RM
Net assets per share attributable to equity holders	<u>0.17</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

Company No : 76771 - M

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

CUMULATIVE 9 MONTHS	Non Distributable		Accumulated Losses	Total Equity
	Share Capital	Other Reserves		
	RM'000	RM'000	RM'000	RM'000
Balance as at 1.1.2012	326,124	30,350	(215,179)	141,295
Total comprehensive loss		-	(1,118)	(1,118)
Balance as at 30.09.2012	326,124	30,350	(216,297)	140,177
Balance as at 1.1.2011	326,124	30,350	(213,496)	142,978
Total comprehensive loss		-	(4,217)	(4,217)
Balance as at 30.09.2011	326,124	30,350	(217,713)	138,761

(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

Company No : 76771 - M
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	CUMULATIVE 9 MONTHS	
	30.09.2012 RM'000	30.09.2011 RM'000
Cash Flows From Operating Activities		
Loss before taxation	(676)	(4,108)
Adjustments for:-		
Depreciation	671	793
Dividend income	-	(118)
Finance costs	2,019	2,021
Interest income	(2,099)	(1,768)
Other non-cash items	562	(1,014)
Operating profit/(loss) before working capital changes	477	(4,194)
Net change in current assets	(7,545)	1,902
Net change in current liabilities (Placement) / Withdrawal of deposits belonging to clients maintained as trust monies	(18,927)	(23,311)
Withdrawal of dealers' and remisiers' deposits maintained as trust monies	(2,144)	1,664
Interest paid	2,685	316
Interest received	(101)	(109)
Tax paid	1,082	933
Net cash flows used in operating activities	(583)	(192)
	<u>(25,056)</u>	<u>(22,991)</u>
Cash Flows From Investing Activities		
Dividend received	-	118
Interest received	1,099	938
Purchase of property, plant and equipment	(63)	(50)
Proceeds from disposal of property, plant and equipment	595	41
Net cash flows from investing activities	1,631	1,047
	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities		
Net Decrease In Cash and Cash Equivalents	(23,425)	(21,944)
Cash And Cash Equivalents At Beginning Of The Period	62,923	78,566
Cash And Cash Equivalents At End Of The Period	<u>39,498</u>	<u>56,622</u>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	73,913	96,361
Deposits pledged to banks	(278)	(277)
Deposits maintained as trust monies	(34,137)	(39,462)
	<u>39,498</u>	<u>56,622</u>

(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

Company No : 76771 - M

(Incorporated in Malaysia)

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
At 1 January 2011			
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
At 31 December 2011			
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 30 September 2012 other than the non-operating income/(expenses) as follows:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2012 RM'000	30.09.2011 RM'000	30.09.2012 RM'000	30.09.2011 RM'000
Bad debts recovered	59	19	5,375	19
Gain on disposal of property, plant and equipment	2	41	14	41
Gain on foreign exchange (realised)	3	14	275	155
Impairment on other investments	(356)	(414)	(770)	(296)
(Impairment)/reversal of impairment on receivables	(201)	927	195	1,268
	(493)	587	5,089	1,187

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT

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 during the financial period ended 30 September 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 during the financial period ended 30 September 2012.

A6. Dividends Paid

No dividend was paid during the financial period ended 30 September 2012.

A7. Operating Segment

Segmental information is not provided as the activities of the Group comprise principally stockbroking and related services, which are conducted in Malaysia.

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

There were no material events subsequent to the financial period ended 30 September 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 30 September 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.

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

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 revenue of RM13.9 million and loss before tax ("LBT") of RM0.7 million for the nine months ended 30 September 2012, compared with revenue of RM18.7 million and LBT of RM4.1 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 income and the absence of corporate advisory income.

The gross brokerage income from the stockbroking business of the Group decreased by 21% compared to the same period last year due to the decrease in Bursa Malaysia's turnover and lower brokerage fee.

The Group recorded lower LBT for the current period under review mainly due to higher debt recovery by the stockbroking subsidiary.

B2. Comparison with Preceding Quarter's Results

The Group recorded revenue of RM4.2 million and loss before tax ("LBT") of RM2.4 million for the current quarter compared with the revenue of RM3.8 million and LBT of RM0.3 million recorded in the preceding quarter. The higher revenue in the current quarter was mainly due to higher revenue from the Initial Public Offer (IPO) financing activities. The Group recorded higher LBT for the current quarter mainly due to lower debt recovery from stockbroking business.

B3. Year 2012 Prospects

The global economic outlook for 2012 remains uncertain due to the sovereign debts plaguing the Euro area. Despite the subdued global forecast, the Malaysian economy expects to show a growth of between 4% and 5%.

The Group expects the performance for the remaining period of the year to be challenging.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Loss before tax

Included in the loss before tax are the following:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	741	575	2,099	1,768
Depreciation	(216)	(248)	(671)	(793)

B6. Taxation

Taxation comprises the following:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	65	(60)	225	109
Under provision in respect of prior years	1	-	217	-
	66	(60)	442	109

The tax provision of the Group is mainly due to taxable profits of certain subsidiaries and the absence of group relief on losses incurred by other subsidiaries.

B7. Status of Corporate Proposals

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

PAN MALAYSIA CAPITAL BERHAD

Company No : 76771 - M

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT

B8. Group Borrowings and Debt Securities

- (i) As at 30 September 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.

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 30 September 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:-

	At 30.09.2012 RM'000	At 31.12.2011 RM'000 (Restated)
Realised losses	(232,295)	(231,177)
Unrealised profits	15,998	15,998
Total accumulated losses of the Group	<u>(216,297)</u>	<u>(215,179)</u>

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 12 November 2012, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM127.9 million together with interest and costs.

B13. Dividend

No dividend has been recommended by the Board for the financial period ended 30 September 2012 (30 September 2011 : Nil).

B14. 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:-

	<u>THIRD QUARTER</u>		<u>CUMULATIVE 9 MONTHS</u>	
	30.09.2012	30.09.2011	30.09.2012	30.09.2011
Loss for the financial period (RM'000)	(2,463)	(1,280)	(1,118)	(4,217)
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
Loss per share (sen)	<u>(0.30)</u>	<u>(0.16)</u>	<u>(0.14)</u>	<u>(0.52)</u>

- (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
26 November 2012**