

**PAN MALAYSIA CAPITAL BERHAD**

Company No : 76771 - M  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013**

	<b>FIRST QUARTER</b>		<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2013 RM'000</b>	<b>31.03.2012 RM'000</b>	<b>31.03.2013 RM'000</b>	<b>31.03.2012 RM'000</b>
Revenue	2,658	5,913	2,658	5,913
Cost of services	(1,375)	(3,411)	(1,375)	(3,411)
Gross profit	1,283	2,502	1,283	2,502
Other income	322	325	322	325
Other operating expenses	(4,289)	(3,772)	(4,289)	(3,772)
Loss from operations	(2,684)	(945)	(2,684)	(945)
Non-operating income (refer Note A3)	2,685	3,625	2,685	3,625
Finance costs	(643)	(686)	(643)	(686)
(Loss)/Profit before tax	(642)	1,994	(642)	1,994
Tax expense	(46)	(57)	(46)	(57)
(Loss)/Profit for the financial period	(688)	1,937	(688)	1,937
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period	(688)	1,937	(688)	1,937
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
(Loss)/earning per share:				
- Basic	(0.08)	0.24	(0.08)	0.24
- 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 2012 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 2013**

	<b>31.03.2013</b> <b>RM'000</b>	<b>31.12.2012</b> <b>RM'000</b> <b>Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,889	8,093
Other investments	200	200
Intangible assets	44,037	44,037
Goodwill on consolidation	1,580	1,580
Deferred tax assets	5,001	5,001
Deposits	233	231
	<u>58,940</u>	<u>59,142</u>
<b>Current assets</b>		
Other investments	1,183	1,717
Trade and other receivables	37,132	50,317
Current tax assets	1,125	995
Deposits, cash and bank balances	79,248	75,036
	<u>118,688</u>	<u>128,065</u>
<b>TOTAL ASSETS</b>	<u>177,628</u>	<u>187,207</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	326,124	326,124
Reserves	30,350	30,350
Accumulated losses	(329,422)	(328,734)
<b>Total Equity</b>	<u>27,052</u>	<u>27,740</u>
<b>Current liabilities</b>		
Amounts owing to brokers and clients	15,336	25,014
Other payables and accruals	80,886	80,099
Borrowings - unsecured	54,354	54,354
<b>Total Liabilities</b>	<u>150,576</u>	<u>159,467</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>177,628</u>	<u>187,207</u>
	RM	RM
<b>Net assets per share attributable to equity holders</b>	<u>0.03</u>	<u>0.03</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 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 2013**

	<u>Non Distributable</u>		<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Other Reserves</b>		
<b>CUMULATIVE 3 MONTHS</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1.1.2013	326,124	30,350	(328,734)	27,740
Total comprehensive loss	-	-	(688)	(688)
Balance as at 31.03.2013	326,124	30,350	(329,422)	27,052
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

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 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 2013**

	<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
(Loss)/Profit before taxation	(642)	1,994
Adjustments for:-		
Depreciation	204	231
Finance costs	643	686
Interest income	(660)	(581)
Other non-cash items	483	(730)
Operating profit before working capital changes	28	1,600
Net change in working capital	3,713	(261)
Interest paid	(13)	(49)
Interest received	414	263
Tax paid	(176)	(135)
Net cash flows from operating activities	3,966	1,418
<b>Cash Flows From Investing Activities</b>		
Interest received	332	318
Purchase of property, plant and equipment	-	(4)
Proceeds from disposal of property, plant and equipment	-	24
Net cash flows from investing activities	332	338
<b>Cash Flows From Financing Activities</b>	-	-
Net Increase In Cash and Cash Equivalents	4,298	1,756
Cash And Cash Equivalents At Beginning Of The Period	74,668	74,366
<b>Cash And Cash Equivalents At End Of The Period</b>	<b>78,966</b>	<b>76,122</b>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	79,248	76,483
Deposits pledged to banks	(282)	(361)
	78,966	76,122

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

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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, 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 Malaysian Financial Reporting Standards ("MFRS") 139 Financial Instrument: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2013 :-

MFRS 3	<i>Business Combinations</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Consolidated and Separate Financial Statements (revised)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (revised)</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS - Government Loans</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joints Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements 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 were 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 2013 other than the non-operating income as follows:-

	<b>FIRST QUARTER</b>		<b>CUMULATIVE 3 MONTHS</b>	
	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bad debts recovered	3,045	3,139	3,045	3,139
Gain on disposal of property, plant and equipment	-	12	-	12
Gain on foreign exchange (realised)	124	246	124	246
Impairment on other investments	(534)	-	(534)	-
Reversal of impairment on receivables	50	228	50	228
	<b>2,685</b>	<b>3,625</b>	<b>2,685</b>	<b>3,625</b>

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**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 during the financial period ended 31 March 2013.

**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 31 March 2013.

**A6. Dividends Paid**

No dividend was paid during the financial period ended 31 March 2013 .

**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 31 March 2013 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 period ended 31 March 2013.

**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 revenue of RM2.7 million and loss before tax ("LBT") of RM0.6 million for the period ended 31 March 2013, compared with revenue of RM5.9 million and profit before tax of RM2.0 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 asset management fees.

The gross brokerage income from the stockbroking business of the Group decreased by 59% compared to the same period last year due to the decrease in Bursa Malaysia's turnover and lower trading activities.

The Group recorded LBT for the current period under review mainly due to lower brokerage income and non-recurring expenses by stockbroking business.

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

The Group recorded revenue of RM2.7 million and loss before tax ("LBT") of RM0.6 million for the current quarter compared with the revenue of RM3.4 million and LBT of RM101.4 million recorded in the preceding quarter. The lower revenue in the current quarter was mainly due to lower gross brokerage income and interest income. The Group recorded higher LBT for the preceding quarter mainly due to impairment of intangible assets.

**B3. Year 2013 Prospects**

Despite the challenging global economy, the Malaysian economy is expected to grow between 5.0% and 6.0%. The Group expects the business environment for the financial year ending 31 December 2013 to be challenging. Nevertheless, the Group will strengthen its stockbroking activities with various comprehensive strategies to improve its financial performance. These include plans to rationalise its branch network, enlarge its team of dealer's representatives, participate more actively in IPO financing and increase the use of margin financing. Also, we aim to form a new corporate finance team during the year.

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

This is not applicable to the Group.

**B5. (Loss)/Profit before tax**

Included in the (loss)/profit before tax are the following:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	660	581	660	581
Depreciation	(204)	(231)	(204)	(231)

**B6. Tax Expense**

Tax expense comprises the following:-

	FIRST QUARTER		CUMULATIVE 3 MONTHS	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	RM'000	RM'000	RM'000	RM'000
Current tax expense	46	57	46	57

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**

On 26 February 2013, the Board announced that the Company is considered a Practice Note 17 ("PN17") company pursuant to Paragraph 2.1(a) of PN17 and Paragraph 8.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The PN17 criteria was triggered as a result of the Company's latest unaudited financial statements for the financial year ended 31 December 2012 that was announced on 26 February 2013 stating that the Company's shareholders' equity on a consolidated basis is 25% or less of the issued and paid-up capital and such shareholders' equity is less than RM40 million.

On 2 May 2013, the Board of Directors of the Company has announced that the Company has yet to formalize a Regularisation Plan to address its PN17 status. The Company has approximately nine (9) months to submit its Regularisation Plan to the relevant authorities for approval.

Other than the above, there are no outstanding corporate proposals as at the date of this report.

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**B8. Group Borrowings and Debt Securities**

- (i) As at 31 March 2013, 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 31 March 2013, 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 31.03.2013 RM'000	At 31.12.2012 RM'000 (Audited)
Realised losses	(334,423)	(333,735)
Unrealised profits	5,001	5,001
Total accumulated losses of the Group	<u>(329,422)</u>	<u>(328,734)</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 6 May 2013, these subsidiaries have filed claims against various clients and debtors in the aggregate sums of RM70.8 million together with interest and costs.

**B13. Dividend**

No dividend has been recommended by the Board for the financial period ended 31 March 2013 (31 March 2012 : Nil).

**B14. (Loss)/Earning Per Share**

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

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

	<u>FIRST QUARTER</u>		<u>CUMULATIVE 3 MONTHS</u>	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
(Loss)/profit for the financial period (RM'000)	(688)	1,937	(688)	1,937
Weighted average number of ordinary shares in issue ('000)	815,309	815,309	815,309	815,309
(Loss)/earning per share (sen)	<u>(0.08)</u>	<u>0.24</u>	<u>(0.08)</u>	<u>0.24</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 2012 was not qualified.

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

**Soo-Hoo Siew Hoon  
Company Secretary  
13 May 2013**