

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008
The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2008 RM'000	30.09.2007 RM'000	30.09.2008 RM'000	30.09.2007 RM'000
Continuing Operations				
Revenue	5,153	6,574	16,717	18,999
Other operating income	120	32	372	883
Operating expenses	(5,909)	(5,962)	(16,541)	(17,817)
(Loss)/Profit from operations	(636)	644	548	2,065
Finance costs	(1,506)	(1,491)	(4,481)	(4,344)
Share of results of associated companies	(811)	1,234	(807)	4,781
(Loss)/Profit before taxation	(2,953)	387	(4,740)	2,502
Taxation	-	-	-	(9)
(Loss)/Profit for the period from continuing operations	(2,953)	387	(4,740)	2,493
Discontinued Operation				
Profit for the period from discontinued operation	745	585	2,166	1,739
(Loss)/Profit for the financial period	(2,208)	972	(2,574)	4,232
Attributable to:				
Equity holders of the Company	(2,137)	914	(2,505)	4,153
Minority interests	(71)	58	(69)	79
	(2,208)	972	(2,574)	4,232
	Sen	Sen	Sen	Sen
(Loss)/Earnings per 10 sen share attributable to equity holders of the Company:				
- Basic	(0.24)	0.10	(0.28)	0.46
- Diluted	N/A	N/A	N/A	N/A

Notes:-

"N/A" - Not applicable

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W
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**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2008**

	30.09.2008	31.12.2007
	RM'000	(Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,741	25,025
Prepaid land lease payments	5,717	5,771
Investment in associated companies	54,286	55,093
Long term investments	871	871
	<hr/>	<hr/>
	85,615	86,760
Current assets		
Inventories	702	614
Short term investments	-	2
Receivables	3,149	4,457
Tax recoverable	-	1
Amounts owing by related companies	675	557
Amounts owing by associated companies	56,115	55,759
Deposits, cash and bank balances	2,964	3,197
	<hr/>	<hr/>
	63,605	64,587
Non-current asset held for sale	28,376	28,376
	<hr/>	<hr/>
	91,981	92,963
	<hr/>	<hr/>
TOTAL ASSETS	177,596	179,723
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	92,887	92,887
Reserves	6,890	9,381
	<hr/>	<hr/>
	99,777	102,268
Minority interests	226	295
	<hr/>	<hr/>
Total equity	100,003	102,563
Non-current liabilities		
Long term bank borrowings	15,657	15,649
Deferred tax liabilities	295	295
	<hr/>	<hr/>
	15,952	15,944
Current liabilities		
Payables	5,308	4,742
Amounts owing to ultimate holding company	71	71
Amounts owing to related companies	255	290
Amounts owing to an associated company	943	943
Taxation	-	1
Short term bank borrowings	55,064	55,169
	<hr/>	<hr/>
	61,641	61,216
Total liabilities	77,593	77,160
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	177,596	179,723
	<hr/>	<hr/>
	RM	RM
Net assets per share attributable to equity holders of the Company	0.11	0.11
	<hr/>	<hr/>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

	<u>Attributable to Equity Holders of the Company</u>				<u>Minority</u>	<u>Total</u>
	<u>Share</u>	<u>Non-</u>	<u>Distributable</u>	<u>Total</u>	<u>Interests</u>	<u>Equity</u>
CUMULATIVE 9 MONTHS	Capital	Other	Retained			
	RM'000	Reserves	Profit	RM'000	RM'000	RM'000
		RM'000	RM'000	RM'000		
30.09.2008						
Balance as at 1.1.2008	92,887	(6,755)	16,136	102,268	295	102,563
Exchange adjustments, recognised in equity	-	14	-	14	-	14
Loss for the financial period	-	-	(2,505)	(2,505)	(69)	(2,574)
Balance as at 30.09.2008	92,887	(6,741)	13,631	99,777	226	100,003
30.09.2007						
Balance as at 1.1.2007	92,887	(6,514)	9,881	96,254	230	96,484
Exchange adjustments, recognised in equity	-	(238)	-	(238)	-	(238)
Profit for the financial period	-	-	4,153	4,153	79	4,232
Balance as at 30.09.2007	92,887	(6,752)	14,034	100,169	309	100,478

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

	CUMULATIVE 9 MONTHS	
	30.09.2008	30.09.2007
	RM'000	RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before taxation		
- from continuing operations	(4,740)	2,502
- from discontinued operation	2,166	1,739
	<u>(2,574)</u>	<u>4,241</u>
Adjustments for:-		
Depreciation and amortisation	863	1,504
Interest expense	4,481	4,344
Interest income	(44)	(45)
Share of results of associated companies	807	(4,781)
Other non-cash items	(2)	73
	<u>3,531</u>	<u>5,336</u>
Operating profit before working capital changes		
Net change in current assets	864	(1,610)
Net change in current liabilities	407	(97)
Tax refund	-	103
Tax paid	(15)	(11)
	<u>4,787</u>	<u>3,721</u>
Net cash from operating activities		
Cash Flows From Investing Activities		
Interest income received	44	45
Proceeds from disposal of investments	4	-
Purchase of property, plant and equipment	(525)	(123)
Placement of term deposits pledged with banks	(38)	(9)
	<u>(515)</u>	<u>(87)</u>
Net cash used in investing activities		
Cash Flows From Financing Activities		
Drawdown of bank borrowings	-	630
Interest paid	(4,481)	(4,344)
Repayment of bank borrowings	(62)	(62)
	<u>(4,543)</u>	<u>(3,776)</u>
Net cash used in financing activities		
Effect Of Exchange Rate Changes	14	(238)
Net Decrease In Cash And Cash Equivalents	(257)	(380)
Cash And Cash Equivalents At Beginning Of The Period	2,191	2,298
Cash And Cash Equivalents At End Of The Period	<u>1,934</u>	<u>1,918</u>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	2,964	2,524
Bank overdrafts	(376)	-
	<u>2,588</u>	<u>2,524</u>
Less : Deposits pledged to banks	(654)	(606)
	<u>1,934</u>	<u>1,918</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2007 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 FRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The significant accounting policies and methods of computation applied in this unaudited interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2007:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have any significant financial impact on the Group.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the audited financial statements for the year ended 31 December 2007 was not qualified.

A3. Seasonal or Cyclical Factors

The businesses of the Group are not materially affected by seasonal or cyclical factors.

A4. 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 during the financial period ended 30 September 2008.

A5. Changes in Estimates Reported in Prior Interim Periods

There were no changes in estimates of amounts reported in prior financial year, which may have a material effect during the financial period ended 30 September 2008.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt 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 2008.

A7. Dividends Paid

No dividend was paid during the financial period ended 30 September 2008.

A8. Segmental Information

Segment information is presented in respect of the Group's business segments.

For the 9 months ended 30.09.2008

	Continuing Operations				Total RM'000	Discontinued Operation	Elimination RM'000	Group RM'000
	Hotel RM'000	Travel RM'000	Universal broking RM'000	Investment holding RM'000		Property RM'000		
REVENUE								
External sales	7,009	9,708	-	-	16,717	2,925	-	19,642
Inter-segment sales	-	37	-	28	65	174	(239)	-
	<u>7,009</u>	<u>9,745</u>	<u>-</u>	<u>28</u>	<u>16,782</u>	<u>3,099</u>	<u>(239)</u>	<u>19,642</u>
RESULTS								
Segment results	1,413	(284)	-	(625)	504	2,166	-	2,670
Interest income	44	-	-	-	44	-	-	44
Finance costs	(1,018)	(54)	-	(3,409)	(4,481)	-	-	(4,481)
Share of results of associated companies	-	-	(807)	-	(807)	-	-	(807)
Profit/(Loss) before taxation	<u>439</u>	<u>(338)</u>	<u>(807)</u>	<u>(4,034)</u>	<u>(4,740)</u>	<u>2,166</u>	<u>-</u>	<u>(2,574)</u>

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A9. Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

During the financial period ended 30 September 2008, property, plant and equipment acquired by the Group amounted to RM525,000.

A10. Material Events Subsequent to the End of the Interim Period

There are no material events subsequent to the financial period ended 30 September 2008 that have not been reflected in the interim financial statements for the said period as at the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2008.

A12. Discontinued Operation

On 14 September 2007, the Company entered into an agreement with Pan Malaysian Industries Berhad ("PMI") to dispose to PMI the office building located at No. 2, Jalan Changkat Ceylon, Kuala Lumpur. Further details of the Disposal are disclosed in Note B8. Accordingly, the investment property is classified as a non-current asset held for sale.

The revenue, results and cash flows of the investment property are as follows:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Revenue	975	993	2,925	3,014
Profit for the period from discontinued operation	745	585	2,166	1,739
Cash flows from operating activities	745	766	2,166	2,282

A13. Commitments and Contingent Liabilities

(i) Contingent Liabilities

The Group does not have any material contingent liabilities as at the date of this report.

(ii) Capital Commitments

The Group does not have any material capital commitments as at the date of this report.

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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM16.7 million for the nine months ended 30 September 2008 under Continuing Operations compared with RM19.0 million for the previous year corresponding period. The lower revenue was mainly due to the lower contribution from the Group's travel operations. The Group recorded a loss before tax of RM4.7 million for the nine months ended 30 September 2008 under Continuing Operations compared with profit of RM2.5 million for the previous year corresponding period. This was mainly attributable to lower contributions from the universal broking associated company due to the drastic decrease in value of market transactions on Bursa Securities.

The investment property, which is currently classified under Discontinued Operation, recorded an improvement of RM0.4 million in profits for the nine months period ended 30 September 2008 to RM2.2 million.

Overall, the Group recorded a loss of RM2.6 million for the nine months ended 30 September 2008 compared with profit of RM4.2 million in the previous year corresponding period.

B2. Comparison with Preceding Quarter's Results

The Group's overall revenue of RM6.1 million for the current quarter was marginally lower than that of the preceding quarter revenue of RM6.3 million. The Group recorded a net loss of RM2.2 million for the current quarter compared to a net profit of RM1.0 million for the preceding quarter. The lower contribution from the Group's travel operations and the universal broking associated company as explained above have affected the current quarter's results.

B3. Year 2008 Prospects

The Group's operations are expected to remain challenging due to the current unfavourable economic climate arising from the slowdown of the US economy, current global financial crisis and inflationary concerns on the domestic front. In view of these, the Group remains cautious of the general business environment for the remaining period in 2008.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Taxation

Taxation comprises the following:-

	<u>THIRD QUARTER</u>		<u>CUMULATIVE 9 MONTHS</u>	
	<u>30.09.2008</u>	<u>30.09.2007</u>	<u>30.09.2008</u>	<u>30.09.2007</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax	-	-	-	(9)

B6. Sale of Unquoted Investment and/or Properties

There were no disposals of unquoted investments or properties in the financial period ended 30 September 2008.

B7. Quoted Securities

(i) Purchases and disposals of quoted securities by the Group during the financial period ended 30 September 2008 are as follows:-

	<u>RM'000</u>
a) Total purchases	-
b) Total disposals	2
Total gain on disposals	2

(ii) The investments in quoted securities of the Group are as follows:-

	<u>30.09.2008</u>
	<u>RM'000</u>
At cost/book value	383
At market value	370

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B8. Status of Corporate Proposals

On 14 September 2007, the Company entered into an agreement with Pan Malaysian Industries Berhad ("PMI") to dispose to PMI the office building located at No.2, Jalan Changkat Ceylon, Kuala Lumpur for a cash consideration of RM39.0 million ("Disposal").

The Disposal has been approved by the Company's shareholders at the extraordinary general meeting held on 19 June 2008. PMI has obtained the approvals of the Securities Commission on 28 April 2008 and its shareholders at the extraordinary general meeting held on 7 August 2008 for the acquisition of the said office building. The Disposal is pending completion.

Other than the above, the Group has not announced any corporate proposals which have not been completed as at the date of this report.

B9. Group Borrowings and Debt Securities

	30.09.2008 RM'000
(i) Bank Borrowings	
Short term	
- secured	52,188
- unsecured	2,876
	<hr/> 55,064
Long term	
- hire-purchase creditors	337
- unsecured	15,320
	<hr/> 15,657
Total	<hr/> <hr/> 70,721

B10. Off Balance Sheet Financial Instruments

The Group does not have any material off balance sheet financial instruments as at the date of this report.

B11. Material Litigation

- (i) On 13 September 1995, Wakefield Nominees Ltd ("WNL"), which is incorporated in Hong Kong, presented a petition to the Supreme Court of Bermuda against the Company and AGA Holdings Ltd ("AGA") in which the Company allegedly has a 35% equity interest. WNL has petitioned to seek for compensation in respect of the dilution of its interest in AGA and Central Reinsurance Limited ("CRL"), a subsidiary company of AGA.

Consequent to the petition described above, Receivers and Managers have been appointed by the court for AGA and the Receivers and Managers have further petitioned and obtained an order to liquidate CRL. The Company's solicitors are of the opinion that based upon available evidence, the Company has a valid defence to the petition.

- (ii) A suit was filed on 17 May 1996 in the High Court of Kuala Lumpur by Loyal Design Sdn Bhd ("LDSB"), a wholly-owned subsidiary of Malayan United Industries Berhad ("MUI"), against the Company and all its former directors for breach of directors' duties in conducting the affairs of the Company during the period involved with the takeover offer by MUI through LDSB in respect of the Company. The suit also sought to declare, inter alia, that various options granted by the Company under the Company's Executive Share Option Scheme ("ESOS") were void. The parties to the suit had agreed to effect a full and final settlement by way of a compromise and a consent order was recorded on 12 January 2006, whereupon LDSB discontinued its claim against the Company and all its former directors. The compromise has no impact on the Company.

Former employees of the Company with 6,880,000 shares ("Interveners") had rejected the compromise and had filed applications for leave to intervene in the suit. The Interveners had filed respective defences and counterclaims against MUI and the Company, inter alia, for a declaration that the ESOS is valid and binding and for an order that MUI purchases from them the ESOS shares under the said takeover offer. MUI and the Company had filed their replies and defences to the counterclaims and this matter is now pending trial. The solicitors of both the companies are of the opinion, based on documents available, that the Interveners' alleged entitlements are doubtful.

Other than the above, there are no material litigations as at the date of this report.

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B12. Dividend

No dividend has been recommended by the Board for the financial period ended 30 September 2008 (30 September 2007 : Nil)

B13. (Loss)/Earnings Per Share

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

The (loss)/earnings per ordinary share is calculated by dividing the profit for the period attributable to equity holders of the Company with the weighted average number of shares in issue during the period as follows:-

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company :				
- from continuing operations	(2,953)	387	(4,740)	2,493
- from discontinued operation	745	585	2,166	1,739
	<u>(2,208)</u>	<u>972</u>	<u>(2,574)</u>	<u>4,232</u>
	Units	Units	Units	Units
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	928,867	928,867	928,867	928,867
	Sen	Sen	Sen	Sen
(Loss)/Earnings per share				
- from continuing operations	(0.32)	0.04	(0.51)	0.27
- from discontinued operation	0.08	0.06	0.23	0.19
	<u>(0.24)</u>	<u>0.10</u>	<u>(0.28)</u>	<u>0.46</u>

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

BY ORDER OF THE BOARD
PAN MALAYSIA HOLDINGS BERHAD

LEONG PARK YIP
Company Secretary

Dated: 19 November 2008