

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

| | SECOND QUARTER | | CUMULATIVE 6 MONTHS | |
|--|----------------|------------|---------------------|------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Continuing Operations | | | | |
| Revenue | 4,056 | 5,282 | 8,623 | 11,564 |
| Other operating income | 51 | 59 | 83 | 252 |
| Operating expenses | (3,450) | (4,822) | (7,444) | (10,632) |
| Profit from operations | 657 | 519 | 1,262 | 1,184 |
| Finance costs | (768) | (1,496) | (1,620) | (2,975) |
| Share of results of associated companies | (48) | (130) | (765) | 4 |
| Loss before taxation | (159) | (1,107) | (1,123) | (1,787) |
| Taxation | (5) | - | (5) | - |
| Loss for the period from continuing operations | (164) | (1,107) | (1,128) | (1,787) |
| Discontinued Operation | | | | |
| Profit for the period from discontinued operation | - | 703 | 223 | 1,421 |
| Gain on disposal of investment property | - | - | 8,932 | - |
| | - | 703 | 9,155 | 1,421 |
| Profit/(Loss) for the financial period | (164) | (404) | 8,027 | (366) |
| Attributable to: | | | | |
| Equity holders of the Company | (157) | (399) | 8,032 | (368) |
| Minority interests | (7) | (5) | (5) | 2 |
| | (164) | (404) | 8,027 | (366) |
| | Sen | Sen | Sen | Sen |
| Earnings per 10 sen share attributable to equity holders of the Company: | | | | |
| - Basic | (0.02) | (0.04) | 0.86 | (0.04) |
| - 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 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHADCompany No : 95469-W
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009**

| | 30.06.2009 | 31.12.2008 |
|---|-------------------|-----------------------------|
| | RM'000 | (Audited) RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 24,524 | 24,941 |
| Prepaid land lease payments | 5,663 | 5,699 |
| Investment in associated companies | 52,590 | 53,355 |
| Long term investments | 770 | 770 |
| | <u>83,547</u> | <u>84,765</u> |
| Current assets | | |
| Inventories | 438 | 390 |
| Receivables | 1,974 | 2,683 |
| Tax recoverable | 8 | 12 |
| Amounts owing by related companies | 940 | 775 |
| Amounts owing by associated companies | 55,674 | 55,673 |
| Deposits, cash and bank balances | 4,054 | 2,289 |
| | <u>63,088</u> | <u>61,822</u> |
| Non-current asset held for sale | - | 30,068 |
| | <u>63,088</u> | <u>91,890</u> |
| TOTAL ASSETS | <u>146,635</u> | <u>176,655</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 92,887 | 92,887 |
| Reserves | 13,698 | 5,666 |
| | <u>106,585</u> | <u>98,553</u> |
| Minority interests | 158 | 163 |
| Total equity | <u>106,743</u> | <u>98,716</u> |
| Non-current liabilities | | |
| Long term bank borrowings | 16,050 | 16,050 |
| Deferred tax liabilities | 1,238 | 1,238 |
| | <u>17,288</u> | <u>17,288</u> |
| Current liabilities | | |
| Payables | 4,163 | 4,412 |
| Amounts owing to ultimate holding company | 142 | 142 |
| Amounts owing to related companies | 228 | 314 |
| Amounts owing to an associated company | 1,013 | 1,496 |
| Short term bank borrowings | 17,058 | 54,287 |
| | <u>22,604</u> | <u>60,651</u> |
| Total liabilities | <u>39,892</u> | <u>77,939</u> |
| TOTAL EQUITY AND LIABILITIES | <u>146,635</u> | <u>176,655</u> |
| | RM | RM |
| Net assets per share attributable to equity holders of the Company | <u>0.11</u> | <u>0.11</u> |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

| | <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> |
| | <u>Capital</u> | <u>Other</u> | <u>Retained</u> | | | |
| | <u>RM'000</u> | <u>Reserves</u> | <u>Profit</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| | | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | | |
| 6 months ended 30.06.2009 | | | | | | |
| Balance as at 1.1.2009 | 92,887 | (7,684) | 13,350 | 98,553 | 163 | 98,716 |
| Profit for the financial period | - | - | 8,032 | 8,032 | (5) | 8,027 |
| Balance as at 30.06.2009 | 92,887 | (7,684) | 21,382 | 106,585 | 158 | 106,743 |
| 6 months ended 30.06.2008 | | | | | | |
| 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 | - | - | (368) | (368) | 2 | (366) |
| Balance as at 30.06.2008 | 92,887 | (6,741) | 15,768 | 101,914 | 297 | 102,211 |

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 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 JUNE 2009**

| | CUMULATIVE 6 MONTHS | |
|---|----------------------------|-------------------|
| | 30.06.2009 | 30.06.2008 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Profit/(Loss) before taxation | | |
| - from continuing operations | (1,123) | (1,787) |
| - from discontinued operation | 9,155 | 1,421 |
| | <u>8,032</u> | <u>(366)</u> |
| Adjustments for:- | | |
| Depreciation and amortisation | 594 | 575 |
| Interest expense | 1,620 | 2,975 |
| Interest income | (37) | (34) |
| Share of results of associated companies | 765 | (4) |
| Gain on disposal of investment property | (8,932) | - |
| Operating profit before working capital changes | <u>2,042</u> | <u>3,146</u> |
| Net change in current assets | 661 | 846 |
| Net change in current liabilities | (249) | 268 |
| Interest paid | (18) | (18) |
| Tax paid | - | (10) |
| Net cash from operating activities | <u>2,436</u> | <u>4,232</u> |
| Cash Flows From Investing Activities | | |
| Interest income received | 37 | 34 |
| Proceeds from disposal of investment property | 39,000 | - |
| Purchase of property, plant and equipment | (141) | (255) |
| Placement of term deposits pledged with banks | (11) | (37) |
| Net cash from/(used in) investing activities | <u>38,885</u> | <u>(258)</u> |
| Cash Flows From Financing Activities | | |
| Interest paid | (1,602) | (2,957) |
| Repayment of hire-purchase creditors | (41) | (41) |
| Repayment of bank borrowings | (37,188) | - |
| Repayment to associated companies | (484) | (372) |
| Repayment to related companies | (251) | (227) |
| Net cash used in financing activities | <u>(39,566)</u> | <u>(3,597)</u> |
| Effect of exchange rate changes | - | 14 |
| Net Increase In Cash And Cash Equivalents | <u>1,755</u> | <u>391</u> |
| Cash And Cash Equivalents At Beginning Of The Period | <u>1,652</u> | <u>2,191</u> |
| Cash And Cash Equivalents At End Of The Period | <u>3,407</u> | <u>2,582</u> |
| Cash And Cash Equivalents consist of:- | | |
| Deposits, cash and bank balances | 4,054 | 3,775 |
| Bank overdrafts | - | (539) |
| | <u>4,054</u> | <u>3,236</u> |
| Less : Deposits pledged to banks | (647) | (654) |
| | <u>3,407</u> | <u>2,582</u> |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS 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 are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and Chapter 9.22 of the Main Market 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 2008.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

A2. Audit Report of Preceding Annual Financial Statements

The audit report of the audited financial statements for the year ended 31 December 2008 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 June 2009.

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 June 2009.

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 June 2009.

A7. Dividends Paid

No dividend was paid during the financial period ended 30 June 2009.

A8. Segmental Information

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

For the 6 months ended 30.06.2009

| | Continuing Operations | | | | Total RM'000 | Discontinued Operation | | Group RM'000 |
|---|-----------------------|------------------|--------------------------------|---------------------------------|-----------------|---------------------------|-----------------------|-----------------|
| | Hotel RM'000 | Travel RM'000 | Universal broking RM'000 | Investment holding RM'000 | | Property RM'000 | Elimination RM'000 | |
| REVENUE | | | | | | | | |
| External sales | 5,194 | 3,342 | - | 87 | 8,623 | 379 | - | 9,002 |
| Inter-segment sales | - | 7 | - | 13 | 20 | 28 | (48) | - |
| | <u>5,194</u> | <u>3,349</u> | <u>-</u> | <u>100</u> | <u>8,643</u> | <u>407</u> | <u>(48)</u> | <u>9,002</u> |
| RESULTS | | | | | | | | |
| Segment results | 1,446 | (4) | - | (200) | 1,242 | 223 | - | 1,465 |
| Interest income | 20 | - | - | - | 20 | - | - | 20 |
| Finance costs | (678) | (19) | - | (923) | (1,620) | - | - | (1,620) |
| Gain on disposal of investment property | - | - | - | - | - | 8,932 | - | 8,932 |
| Share of results of associated companies | - | - | (765) | - | (765) | - | - | (765) |
| Profit/(Loss) before taxation | <u>788</u> | <u>(23)</u> | <u>(765)</u> | <u>(1,123)</u> | <u>(1,123)</u> | <u>9,155</u> | <u>-</u> | <u>8,032</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 June 2009, property, plant and equipment acquired by the Group amounted to RM141,000.

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

There are no material events subsequent to the financial period ended 30 June 2009 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 June 2009.

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. Accordingly, the investment property was classified as a non-current asset held for sale. The disposal was completed on 30 January 2009. Further details of the disposal are disclosed in Note B8.

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

| | SECOND QUARTER | | CUMULATIVE 6 MONTHS | |
|---|----------------|------------|---------------------|------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | - | 977 | 379 | 1,950 |
| Profit for the period from discontinued operation | - | 703 | 223 | 1,421 |
| Cash flows from operating activities | - | 703 | 223 | 1,421 |

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 MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM8.6 million for the six months ended 30 June 2009 under Continuing Operations compared with RM11.6 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 lower loss before tax of RM1.1 million for the six months ended 30 June 2009 compared with a loss of RM1.8 million for the previous year corresponding period mainly due to reduced interest expenses. The contribution from the universal broking associated company during the period under review continued to be affected, especially in the first quarter, by the slowdown in trading activity on Bursa Securities due to the global unfavourable economic conditions.

The disposal of the investment property, which was classified under Discontinued Operation, was completed on 30 January 2009. A gain of RM8.9 million was realised from the disposal and this contributed to the Group recording an overall net profit of RM8.0 million for the six months ended 30 June 2009.

B2. Comparison with Preceding Quarter's Results

The Group's revenue of RM4.1 million for the current quarter was lower than the preceding quarter revenue of RM4.6 million as the revenue from the Group's travel operations was lower in the current quarter. The Group recorded a net loss of RM0.2 million for the current quarter compared to a net profit of RM8.2 million for the preceding quarter. The profit in the preceding quarter was mainly due to the gain on disposal of investment property as mentioned above.

B3. Year 2009 Prospects

The Group's operations are expected to remain challenging amidst the uncertain global financial and economic climate. In view of this, the Group continues to remain cautious of the general business environment for the remaining periods in 2009 and will continue to be prudent in its risk management and review its business strategies to meet the challenges ahead.

B4. Variance on Forecast Profit/Profit Guarantee

This is not applicable to the Group.

B5. Taxation

| | SECOND QUARTER | | CUMULATIVE 6 MONTHS | |
|-------------|----------------|------------|---------------------|------------|
| | 30.06.2009 | 30.06.2008 | 30.06.2009 | 30.06.2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax | 5 | - | 5 | - |

B6. Sale of Unquoted Investment and/or Properties

There were no disposals of unquoted investments or properties in the financial period ended 30 June 2009 except as disclosed in Note B8.

B7. Quoted Securities

- (i) There were no purchases or sales of quoted securities by the Group during the financial period ended 30 June 2009.
- (ii) The investments in quoted securities of the Group are as follows:-

| | 30.06.2009 RM'000 |
|--------------------|----------------------|
| At cost/book value | 312 |
| At market value | 340 |

PAN MALAYSIA HOLDINGS BERHAD

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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 was approved by the Company's shareholders at the extraordinary general meeting held on 19 June 2008. The Disposal was completed on 30 January 2009 with a gain of RM8.9 million.

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

| | 30.06.2009 RM'000 |
|--------------------------|----------------------|
| Bank Borrowings | |
| Short term | |
| - secured | 17,000 |
| - hire purchase creditor | 58 |
| | <u>17,058</u> |
| Long term | |
| - unsecured | 15,820 |
| - hire-purchase creditor | 230 |
| | <u>16,050</u> |
| Total | <u>33,108</u> |

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

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.

B12. Dividend

No dividend has been recommended by the Board for the financial period ended 30 June 2009 (30 June 2008: Nil)

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B13. Earnings Per Share

(i) Basic earnings per share :-

The 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:-

| | SECOND QUARTER | | CUMULATIVE 6 MONTHS | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2009 RM'000 | 30.06.2008 RM'000 | 30.06.2009 RM'000 | 30.06.2008 RM'000 |
| Profit/(Loss) attributable to equity holders of the Company : | | | | |
| - from continuing operations | (157) | (1,102) | (1,123) | (1,789) |
| - from discontinued operation | - | 703 | 9,155 | 1,421 |
| | <u>(157)</u> | <u>(399)</u> | <u>8,032</u> | <u>(368)</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 |
| Earnings/(Loss) per share | | | | |
| - from continuing operations | (0.02) | (0.12) | (0.12) | (0.19) |
| - from discontinued operation | - | 0.08 | 0.98 | 0.15 |
| | <u>(0.02)</u> | <u>(0.04)</u> | <u>0.86</u> | <u>(0.04)</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

19 August 2009