

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	3,543	4,294	13,243	12,917
Other operating income	69	52	5,470	135
Operating expenses	(3,691)	(3,936)	(12,363)	(11,380)
Profit/(Loss) from operations	(79)	410	6,350	1,672
Finance costs	(623)	(668)	(1,837)	(2,288)
Share of results of associates	(270)	(480)	(1,052)	(1,245)
Profit/(Loss) before taxation	(972)	(738)	3,461	(1,861)
Income tax expense	(11)	(3)	(14)	(8)
Profit/(Loss) for the period from continuing operations	(983)	(741)	3,447	(1,869)
Discontinued Operation				
Profit for the period from discontinued operation	-	-	-	223
Gain on disposal of investment property	-	-	-	8,932
	-	-	-	9,155
Profit/(Loss) for the period	(983)	(741)	3,447	7,286
Attributable to:				
Equity holders of the Company	(964)	(733)	3,470	7,299
Minority interests	(19)	(8)	(23)	(13)
	(983)	(741)	3,447	7,286
	Sen	Sen	Sen	Sen
Earnings/(Loss) per share attributable to equity holders of the Company:				
- Basic	(0.10)	(0.08)	0.37	0.79
- 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 2009 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 COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	(983)	(741)	3,447	7,286
Available-for-sale investments' fair value movements	(16)	-	(36)	-
Total comprehensive income/(loss) for the period	<u>(999)</u>	<u>(741)</u>	<u>3,411</u>	<u>7,286</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(980)	(733)	3,434	7,299
Minority interests	(19)	(8)	(23)	(13)
	<u>(999)</u>	<u>(741)</u>	<u>3,411</u>	<u>7,286</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

	30.09.2010	31.12.2009 (Restated)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,943	29,302
Investment in associates	49,982	50,994
Available-for-sale investments	748	702
	79,673	80,998
Current assets		
Inventories	341	257
Trade and other receivables	1,713	2,060
Tax recoverable	-	13
Amounts owing by related companies	1,107	1,110
Amounts owing by associates	55,705	55,772
Deposits, cash and bank balances	2,758	4,078
	61,624	63,290
TOTAL ASSETS	141,297	144,288
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	92,887	92,887
Reserves	15,157	11,574
	108,044	104,461
Minority interests	142	165
Total equity	108,186	104,626
Non-current liabilities		
Borrowings	28,024	28,105
Deferred tax liabilities	1,238	1,238
	29,262	29,343
Current liabilities		
Trade and other payables	2,618	4,128
Amounts owing to ultimate holding company	-	199
Amounts owing to related companies	47	29
Amounts owing to associates	943	1,015
Borrowings	237	4,946
Taxation	4	2
	3,849	10,319
Total liabilities	33,111	39,662
TOTAL EQUITY AND LIABILITIES	141,297	144,288
	RM	RM
Net assets per share attributable to equity holders of the Company	0.12	0.11

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 2010**

	<u>Attributable to Equity Holders of the Company</u>				<u>Minority</u>	<u>Total</u>
	<u>Share</u>	<u>Non-</u>		<u>Total</u>	<u>Interests</u>	<u>Equity</u>
		<u>Capital</u>	<u>Distributable</u>			
	<u>RM'000</u>	<u>Other</u>	<u>Retained</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
		<u>Reserves</u>	<u>Profits</u>			
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>		
9 months ended 30.09.2010						
Balance as at 1.1.2010, as previously stated	92,887	(7,684)	19,258	104,461	165	104,626
Effects of adoption of FRS 139	-	82	67	149	-	149
Balance as at 1.1.2010, as restated	92,887	(7,602)	19,325	104,610	165	104,775
Total comprehensive income/(loss) for the period	-	(36)	3,470	3,434	(23)	3,411
Balance as at 30.09.2010	92,887	(7,638)	22,795	108,044	142	108,186
9 months ended 30.09.2009						
Balance as at 1.1.2009	92,887	(7,684)	13,350	98,553	163	98,716
Total comprehensive income/(loss) for the period	-	-	7,299	7,299	(13)	7,286
Balance as at 30.09.2009	92,887	(7,684)	20,649	105,852	150	106,002

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010

	CUMULATIVE 9 MONTHS	
	30.09.2010	30.09.2009
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation		
- from continuing operations	3,461	(1,861)
- from discontinued operation	-	9,155
	<u>3,461</u>	<u>7,294</u>
Adjustments for:-		
Bad debts recovered	(1,062)	-
Depreciation and amortisation	912	905
Gain on disposal of investment property	-	(8,932)
Gain on disposal of property, plant and equipment	(7)	-
Interest expense	1,837	2,288
Interest income	(40)	(52)
Provision for doubtful debts no longer required	(4,230)	-
Share of results of associates	1,052	1,245
Others	-	(18)
Operating profit before working capital changes	<u>1,923</u>	<u>2,730</u>
Net change in current assets	263	102
Net change in current liabilities	(1,510)	123
Interest paid	(7)	(28)
Tax paid	(9)	-
Tax refund	9	-
Net cash from operating activities	<u>669</u>	<u>2,927</u>
Cash Flows From Investing Activities		
Interest income received	40	52
Placement of term deposits pledged with banks	330	(18)
Proceeds from disposal of investment property	-	39,000
Proceeds from disposal of investments	-	69
Proceeds from disposal of property, plant and equipment	7	-
Purchase of property, plant and equipment	(553)	(160)
Net cash (used in)/from investing activities	<u>(176)</u>	<u>38,943</u>
Cash Flows From Financing Activities		
Interest paid	(1,881)	(2,260)
Repayment of bank borrowings	(4,630)	(37,188)
Repayment of hire-purchase creditors	(79)	(62)
Payment from a subsidiary not consolidated	5,292	-
Payment to ultimate holding company	(199)	-
Payment to associates	(6)	(598)
Payment from/(to) related companies	21	(299)
Net cash used in financing activities	<u>(1,482)</u>	<u>(40,407)</u>
Net (decrease)/increase in Cash And Cash Equivalents	(989)	1,463
Cash And Cash Equivalents At Beginning Of The Period	<u>3,421</u>	<u>1,652</u>
Cash And Cash Equivalents At End Of The Period	<u>2,432</u>	<u>3,115</u>
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	2,758	3,769
Less : Deposits pledged to banks	(326)	(654)
	<u>2,432</u>	<u>3,115</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009 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 have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 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 2009. 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 2009.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2, Group and Treasury Share Transactions
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives : Embedded derivatives

Improvements to FRSs issued in 2009 in respect of various FRSs including Amendments to FRS 117.

Other than for the application of FRS 8, FRS 101, FRS 139 and Amendments to FRS 117, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8 : Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the management who makes decisions on the allocation of resources and assess the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

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A2. Significant Accounting Policies (Cont'd)

(b) FRS 101 : Presentation of Financial Statements

The adoption of revised FRS 101 will have the following impact on the consolidated financial statements:

- i) This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.
- ii) This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.
- iii) Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.
- iv) This Standard introduces a new requirement to disclose information on the objective, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

(c) FRS 139 : Financial Instruments - Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

i) Available-for-sale ("AFS") investments

Prior to 1 January 2010, the Group classified its investments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon adoption of FRS 139, these investments are designated at 1 January 2010 as available-for-sale financial asset and accordingly are stated at fair value.

Investments that do not have quoted market price in an active market of which fair value cannot be reliably measured at 1 January 2010 shall continue to be carried at cost less impairment loss.

ii) Borrowings

Prior to 1 January 2010, the Group's non-current borrowings were carried at cost. Upon adoption of FRS139, borrowings are initially measured at fair value and subsequently at amortised cost using the effective interest rate (EIR) method. Gains and losses arising from the derecognition of the borrowings, EIR amortisation and impairment losses are recognised in the statement of comprehensive income.

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A2. Significant Accounting Policies (Cont'd)

Impact on opening balance

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following balances in the statement of financial position as at 1 January 2010.

	← At 1 January 2010 →		
	Previously stated	Effect of FRS139	As restated
	RM'000	RM'000	RM'000
Assets			
Available-for-sale investments	702	82	784
Investment in associates	50,994	39	51,033
Liabilities			
Non-current borrowings	28,105	(28)	28,077
Equity			
Other reserves	(7,684)	82	(7,602)
Retained profits	19,258	67	19,325

(d) Amendments to FRS 117 : Leases

The Group has adopted the Amendments to FRS 117. The Group has reassessed and determined that all leasehold land are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendments.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the Amendments to FRS 117:

Cost	At 31 December 2009	
	As previously stated	As restated
	RM'000	RM'000
Property, plant and equipment	23,675	29,302
Prepaid lease payments	5,627	-

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 2010.

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 2010.

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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 2010.

A7. Dividends Paid

No dividend was paid during the financial period ended 30 September 2010.

A8. Operating Segments

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

For the 9 months ended 30.09.2010

	Hotel RM'000	Travel RM'000	Universal broking RM'000	Investment holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
REVENUE							
External sales	7,300	5,943	-	-	13,243	-	13,243
Inter-segment sales	2	3	-	18	23	(23)	-
	<u>7,302</u>	<u>5,946</u>	<u>-</u>	<u>18</u>	<u>13,266</u>	<u>(23)</u>	<u>13,243</u>
RESULTS							
Segment results	1,606	(100)	-	4,844	6,350	-	6,350
Finance costs	(995)	(18)	-	(824)	(1,837)	-	(1,837)
Share of results of associates	-	-	(1,052)	-	(1,052)	-	(1,052)
Profit/(Loss) before taxation	<u>611</u>	<u>(118)</u>	<u>(1,052)</u>	<u>4,020</u>	<u>3,461</u>	<u>-</u>	<u>3,461</u>
Segment assets	<u>33,357</u>	<u>1,383</u>	<u>-</u>	<u>56,575</u>	<u>91,315</u>	<u>-</u>	<u>91,315</u>
Investments in associates							49,982
Unallocated assets							-
Total assets							<u>141,297</u>

A9. Material Events Subsequent to the End of the Interim Period

There are no material events subsequent to the financial period ended 30 September 2010 that have not been reflected in the interim financial statements for the said period as at the date of this report.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2010.

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A11. 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.

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

	THIRD QUARTER 30.09.2009 RM'000	CUMULATIVE 9 MONTHS 30.09.2009 RM'000
Revenue	-	379
Profit for the period from discontinued operation	-	223
Cash flows from operating activities	-	223

A12. 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 a higher revenue of RM13.2 million for the nine months ended 30 September 2010 compared with RM12.9 million for the previous year corresponding period. The increase was contributed mainly by the higher revenue from the Group's travel operations. For the same period this year, the Group recorded a profit before tax of RM3.4 million compared with a loss of RM1.9 million for the previous year corresponding period. The profit for the period included the recovery of debt previously written off from a subsidiary not consolidated.

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

B2. Comparison with Preceding Quarter's Results

The Group's revenue of RM3.5 million for the current quarter was lower than the preceding quarter revenue of RM4.5 million which had higher contribution from the Group's travel operations. The Group recorded a net loss of RM1.0 million for the current quarter compared to a net profit of RM5.1 million for the preceding quarter. The profit in the preceding quarter included the recovery of debt as mentioned in B1.

B3. Year 2010 Prospects

The Group continues to remain cautious of the general business environment relating to our Group's operations for the remaining period in 2010 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. Income Tax Expense

	THIRD QUARTER		CUMULATIVE 9 MONTHS	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Current tax	11	3	14	8

B6. Sale of Unquoted Investment and/or Properties

There were no disposals of unquoted investments or properties in the financial period ended 30 September 2010.

B7. Quoted Securities

- There were no purchases or sales of quoted securities by the Group during the financial period ended 30 September 2010.
- The investments in quoted securities of the Group are as follows:-

	30.09.2010 RM'000
At cost	18,050
At book/market value	358

B8. Status of Corporate Proposals

The Group has not announced any corporate proposals which have not been completed as at the date of this report.

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B9. Group Borrowings

	30.09.2010
	RM'000
Bank Borrowings	
Current	
- secured	210
- unsecured	27
	<u>237</u>
Non-current	
- secured	27,899 *
- unsecured	125
	<u>28,024</u>
Total	<u>28,261</u>

* Measured at amortised cost

B10. Derivative Financial Instruments

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

B11. Fair Values Changes of Financial Liabilities

As at 30 September 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

There are no material litigations as at the date of this report.

B13. Dividend

No dividend has been recommended by the Board for the financial period ended 30 September 2010 (30 September 2009: Nil)

B14. Earnings/(Loss) Per Share

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

The earnings/(loss) per ordinary share is calculated by dividing the profit/(loss) 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	
	30.09.2010	30.09.2009	30.09.2010	30.09.2009
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company :				
- from continuing operations	(964)	(733)	3,470	(1,856)
- from discontinued operation	-	-	-	9,155
	<u>(964)</u>	<u>(733)</u>	<u>3,470</u>	<u>7,299</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	(0.10)	(0.08)	0.37	(0.20)
- from discontinued operation	-	-	-	0.99
	<u>(0.10)</u>	<u>(0.08)</u>	<u>0.37</u>	<u>0.79</u>

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

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B15. Audit Report of Preceding Annual Financial Statements

The audit report of the audited financial statements for the year ended 31 December 2009 was not qualified.

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

LEONG PARK YIP
Company Secretary

26 November 2010