

PAN MALAYSIA HOLDINGS BERHADCompany No : 95469-W
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	2,755	3,028	5,381	6,289
Other operating income	32	368	73	472
Operating expenses	(2,265)	(2,564)	(4,408)	(5,577)
Profit from operations	522	832	1,046	1,184
Finance costs	(481)	(583)	(955)	(1,153)
Share of results of associate	(206)	(1,204)	469	(1,023)
(Loss)/Profit before taxation	(165)	(955)	560	(992)
Income tax expense	-	(1)	-	(1)
(Loss)/Profit for the period	(165)	(956)	560	(993)
Attributable to:				
Equity holders of the Company	(165)	(988)	560	(1,011)
Non-controlling interest	-	32	-	18
	(165)	(956)	560	(993)
	Sen	Sen	Sen	Sen
(Loss)/Earnings per share attributable to equity holders of the Company:				
- Basic	(0.02)	(0.11)	0.06	(0.11)
- Diluted	N/A	N/A	N/A	N/A

Notes:-

"N/A" - Not applicable

The Condensed Consolidated Income Statements 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 HOLDINGS BERHAD

Company No : 95469-W
(Incorporated in Malaysia)

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

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(165)	(956)	560	(993)
Fair value for available-for-sale investments	(355)	442	(388)	396
Total comprehensive income/(loss) for the period	<u>(520)</u>	<u>(514)</u>	<u>172</u>	<u>(597)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	(520)	(546)	172	(615)
Non-controlling interest	-	32	-	18
	<u>(520)</u>	<u>(514)</u>	<u>172</u>	<u>(597)</u>

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 HOLDINGS BERHAD

Company No : 95469-W
(Incorporated in Malaysia)

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

	30.06.2012	31.12.2011	01.01.2011
	RM'000	Restated* RM'000	Restated* RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	27,314	27,537	28,517
Investment in associate	49,695	49,227	49,814
Available-for-sale investments	813	1,201	806
	<u>77,822</u>	<u>77,965</u>	<u>79,137</u>
Current assets			
Inventories	457	399	264
Trade and other receivables	1,993	2,061	1,817
Tax recoverable	7	15	3
Amounts owing by related companies	5	952	983
Amounts owing by associate	53,049	53,545	55,705
Deposits, cash and bank balances	1,236	2,326	3,019
	<u>56,747</u>	<u>59,298</u>	<u>61,791</u>
TOTAL ASSETS	<u>134,569</u>	<u>137,263</u>	<u>140,928</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	92,887	92,887	92,887
Other reserves	4,824	5,212	4,817
Retained profits	12,176	11,616	10,192
	<u>109,887</u>	<u>109,715</u>	<u>107,896</u>
Non-controlling interest	-	-	122
Total equity	<u>109,887</u>	<u>109,715</u>	<u>108,018</u>
Non-current liabilities			
Borrowings	14,270	14,480	15,330
Deferred tax liabilities	1,238	1,238	1,238
	<u>15,508</u>	<u>15,718</u>	<u>16,568</u>
Current liabilities			
Trade and other payables	1,733	2,040	2,501
Amounts owing to ultimate holding company	-	115	57
Amounts owing to related companies	48	72	64
Amounts owing to associate	943	943	943
Borrowings	6,450	8,660	12,775
Taxation	-	-	2
	<u>9,174</u>	<u>11,830</u>	<u>16,342</u>
Total liabilities	<u>24,682</u>	<u>27,548</u>	<u>32,910</u>
TOTAL EQUITY AND LIABILITIES	<u>134,569</u>	<u>137,263</u>	<u>140,928</u>
	RM	RM	RM
Net assets per share attributable to equity holders of the Company	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>

* Upon the adoption of the MFRS framework, the Condensed Consolidated Statement 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 HOLDINGS BERHAD

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

	<u>Attributable to Equity Holders of the Company</u>			<u>Total</u>	<u>Non-</u>	<u>Total</u>	
	<u>Share</u>	<u>Non-</u>	<u>Distributable</u>		<u>controlling</u>		<u>Equity</u>
		<u>Capital</u>	<u>Other</u>		<u>Retained</u>		<u>interest</u>
	<u>RM'000</u>	<u>Reserves</u>	<u>Profits</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	
6 months ended 30 June 2012							
Balance as at 1 January 2012 (restated)	92,887	5,212	11,616	109,715	-	109,715	
Total comprehensive income/(loss) for the period	-	(388)	560	172	-	172	
Balance as at 30 June 2012	92,887	4,824	12,176	109,887	-	109,887	
6 months ended 30 June 2011							
Balance as at 1 January 2011 (restated)	92,887	4,817	10,192	107,896	122	108,018	
Total comprehensive income/(loss) for the period	-	396	(1,011)	(615)	18	(597)	
Balance as at 30 June 2011	92,887	5,213	9,181	107,281	140	107,421	

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 HOLDINGS BERHAD

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

	CUMULATIVE 6 MONTHS	
	30.06.2012	30.06.2011
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	560	(992)
Adjustments for:-		
Depreciation and amortisation	501	515
Interest expense	955	1,153
Interest income	(20)	(29)
Share of results of associate	(469)	1,023
Operating profit before working capital changes	1,527	1,670
Net change in current assets	958	(304)
Net change in current liabilities	(446)	(256)
Net tax refund/(paid)	9	(4)
Net cash from operating activities	2,048	1,106
Cash Flows From Investing Activities		
Interest income received	20	29
Placement of term deposits pledged with banks	-	(5)
Purchase of property, plant and equipment	(277)	(48)
Net cash used in investing activities	(257)	(24)
Cash Flows From Financing Activities		
Interest paid	(955)	(1,153)
Repayment of bank borrowings	(2,420)	(2,420)
Repayment of hire-purchase creditors	-	(125)
Repayment from associates	494	2,080
Net cash used in financing activities	(2,881)	(1,618)
Net decrease In Cash And Cash Equivalents	(1,090)	(536)
Cash And Cash Equivalents At Beginning Of The Period	2,326	2,538
Cash And Cash Equivalents At End Of The Period	1,236	2,002
Cash And Cash Equivalents consist of:-		
Deposits, cash and bank balances	1,236	2,488
Less : Deposits pledged to banks	-	(486)
	1,236	2,002

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.

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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 condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

The condensed consolidated 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 condensed consolidated 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 ("FRS").

These condensed consolidated interim financial statements is the Group's first Malaysian Financial Reporting Standards ("MFRS") condensed consolidated 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* ("MFRS 1") 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. The impact of the transition from FRS to MFRS is described in Note 2 below.

A2. Significant Accounting Policies

Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Interim Financial Report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:-

Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM12,397,000 (30 June 2011: RM12,397,000; 31 December 2011: RM12,397,000) were adjusted to retained profits.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:-

Reconciliation of equity as at 1 January 2011

RM'000	FRS as at 01.01.2011	Reclassifications	MFRS as at 01.01.2011
Equity			
Other reserves	(7,580)	12,397	4,817
Retained profits	22,589	(12,397)	10,192

Reconciliation of equity as at 30 June 2011

RM'000	FRS as at 30.06.2011	Reclassifications	MFRS as at 30.06.2011
Equity			
Other reserves	(7,184)	12,397	5,213
Retained profits	21,578	(12,397)	9,181

Reconciliation of equity as at 31 December 2011

RM'000	FRS as at 31.12.2011	Reclassifications	MFRS as at 31.12.2011
Equity			
Other reserves	(7,185)	12,397	5,212
Retained profits	24,013	(12,397)	11,616

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A3. Seasonal or Cyclical Factors

The businesses of the Group are affected by seasonal or cyclical factors.

A4. 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 during the financial period ended 30 June 2012.

A5. 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 June 2012.

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 2012.

A7. Dividends Paid

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

A8. Operating Segments

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

For the 6 months ended 30 June 2012

	Hotel RM'000	Universal broking RM'000	Investment holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
REVENUE						
External sales	5,381	-	-	5,381	-	5,381
Inter-segment sales	-	-	12	12	(12)	-
	<u>5,381</u>	<u>-</u>	<u>12</u>	<u>5,393</u>	<u>(12)</u>	<u>5,381</u>
RESULTS						
Segment results	1,245	-	(199)	1,046	-	1,046
Finance costs	(644)	-	(311)	(955)	-	(955)
Share of results of associate	-	469	-	469	-	469
Profit/(Loss) before taxation	<u>601</u>	<u>469</u>	<u>(510)</u>	<u>560</u>	<u>-</u>	<u>560</u>
Segment assets	30,363	-	54,504	84,867	-	84,867
Investment in associate						49,695
Unallocated assets						7
Total assets						<u>134,569</u>

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

There were no material events subsequent to the financial period ended 30 June 2012 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 June 2012.

A11. 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 lower revenue of RM5.4 million for the six months ended 30 June 2012 compared to RM6.3 million for the previous year corresponding period. The decrease was mainly due to the cessation of the Group's travel operations, which recorded a revenue of RM1.2 million in the previous year corresponding period. The revenue from hotel operations improved slightly from RM5.1 million to RM5.4 million in the period under review. The Group recorded a profit before tax of RM560,000 for the six months ended 30 June 2012 compared to a loss of RM992,000 for the previous year corresponding period. The improved profit was attributable to the following:-

- i) share of higher profit in associate as a result of bad debts recovered;
- ii) improved performance of the hotel operations; and
- iii) lower finance costs due to repayment of borrowings.

B2. Comparison with Preceding Quarter's Results

The Group's revenue of RM2.8 million for the current quarter was slightly higher than the preceding quarter revenue of RM2.6 million. The Group recorded a loss before tax of RM0.2 million for the current quarter compared to a profit before tax of RM0.7 million for the preceding quarter. This was mainly due to share of losses of associate for the current quarter of RM0.2 million compared to share of profit of associate of RM0.7 million for the preceding quarter.

B3. Year 2012 Prospects

Despite challenging external environment, the Malaysian economy is projected to grow at a moderate rate of between 4.0% and 5.0% in 2012. To meet the challenges ahead, the Group will focus on improving the occupancy and average room rate of its hotel operations as well as business development and exercise financial prudence in its universal broking business. The Group expects the performance of its universal brokers business to be challenging for the remaining period of the year.

B4. Variance of Actual Profit from Forecast Profit

This is not applicable to the Group.

B5. Profit/(Loss) Before Tax

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

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	9	13	20	29
Depreciation	(250)	(253)	(501)	(515)

B6. Income Tax Expense

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Current tax	-	1	-	1

There is no current tax due to the utilisation of previously unabsorbed tax losses.

B7. Realised and Unrealised Profits/(Losses)

The retained profits as at the end of the reporting period may be analysed as follows:-

	30.06.2012	31.12.2011
	RM'000	Restated RM'000
Retained profits of the Company and subsidiaries		
- Realised	16,549	16,457
Share of accumulated losses in associated company		
- Realised	(4,373)	(4,841)
	<u>12,176</u>	<u>11,616</u>

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

	30.06.2012
	RM'000
Bank Borrowings Secured	
- : current	6,450
- : non-current	14,270
Total	<u>20,720</u>

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 June 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

B12. Material Litigation

There was no material litigation as at the date of this report.

B13. Dividend

No dividend has been recommended by the Board for the financial period ended 30 June 2012 (30 June 2011: 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:-

	SECOND QUARTER		CUMULATIVE 6 MONTHS	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to equity holders of the Company	(165)	(988)	560	(1,011)
	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	<u>(0.02)</u>	<u>(0.11)</u>	<u>0.06</u>	<u>(0.11)</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 HOLDINGS BERHAD

Soo-Hoo Siew Hoon
Ng Hock Ping
Joint Company Secretaries
24 August 2012