

PAN MALAYSIA HOLDINGS BERHAD

Company No : 95469-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Revenue	2,962	2,885	5,321	5,000
Other operating income	81	37	136	77
Operating expenses	(2,690)	(2,350)	(4,847)	(4,404)
Profit from operations	353	572	610	673
Finance costs	(302)	(299)	(596)	(604)
Share of results of associate	-	(146)	-	(270)
Profit/(Loss) before taxation	51	127	14	(201)
Taxation	-	-	-	-
Profit/(Loss) for the period	51	127	14	(201)
Attributable to:				
Equity holders of the Company	51	127	14	(201)
Non-controlling interest	-	-	-	-
	51	127	14	(201)
	Sen	Sen	Sen	Sen
Profit/(Loss) per share attributable to equity holders of the Company:				
- Basic / Diluted	0.01	0.01	0.00 *	(0.02)

* The profit per share is insignificant

The Condensed Consolidated Statements of profit or loss should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 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 STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	51	127	14	(201)
Fair value for available-for-sale investments	-	-	-	-
Total comprehensive income/(loss) for the period	51	127	14	(201)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	51	127	14	(201)
Non-controlling interest	-	-	-	-
	51	127	14	(201)

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

PAN MALAYSIA HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	31.12.2017	30.06.2017
	RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,794	22,878
Available-for-sale investments	1,790	1,790
	24,584	24,668
Current assets		
Inventories	316	253
Trade and other receivables	2,010	1,812
Current tax assets	18	11
Amounts owing by associate	49,766	49,766
Deposits, cash and bank balances	2,616	2,427
	54,726	54,269
TOTAL ASSETS	79,310	78,937
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	92,887	92,887
Other reserves	1,413	1,413
Accumulated losses	(37,079)	(37,093)
	57,221	57,207
Non-controlling interest	-	-
Total equity	57,221	57,207
Non-current liabilities		
Borrowings	16,337	16,337
Deferred tax liabilities	294	294
	16,631	16,631
Current liabilities		
Trade and other payables	4,917	4,059
Borrowings	529	1,028
Current tax liabilities	12	12
	5,458	5,099
Total liabilities	22,089	21,730
TOTAL EQUITY AND LIABILITIES	79,310	78,937
	RM	RM
Net assets per share attributable to equity holders of the Company	0.06	0.06

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	<u>Attributable to Equity Holders of the Company</u>				<u>Non-</u>	<u>Total</u>
	<u>Share</u>	<u>Non-</u>	<u>Distributable</u>	<u>Total</u>	<u>controlling</u>	<u>Equity</u>
		<u>Other</u>	<u>Retained</u>			
	<u>Capital</u>	<u>Reserves</u>	<u>Profits</u>		<u>interest</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 31 December 2017						
Balance as at 1 July 2017	92,887	1,413	(37,093)	57,207	-	57,207
Total comprehensive income for the financial period	-	-	14	14	-	14
Balance as at 31 December 2017	92,887	1,413	(37,079)	57,221	-	57,221
12 months ended 30 June 2017						
Balance as at 1 July 2016	92,887	1,413	(37,202)	57,098	-	57,098
Total comprehensive income for the financial year	-	-	109	109	-	109
Balance as at 30 June 2017	92,887	1,413	(37,093)	57,207	-	57,207

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

	CUMULATIVE 6 MONTHS	
	31.12.2017	31.12.2016
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	14	(201)
Adjustments for:-		
Interest expense	596	604
Interest income	(25)	(22)
Share of results of associate	-	270
Non-operating items	542	527
Operating profit before working capital changes	1,127	1,178
Net change in working capital	597	(65)
Net tax paid	(7)	(6)
Net cash from operating activities	1,717	1,107
Cash Flows From Investing Activities		
Interest income received	25	22
Purchase of property, plant and equipment	(458)	(89)
Net cash used in investing activities	(433)	(67)
Cash Flows From Financing Activities		
Interest paid	(596)	(604)
Repayment of bank borrowings	(499)	(479)
Net cash used in financing activities	(1,095)	(1,083)
Net increase/(decrease) In Cash And Cash Equivalents	189	(43)
Cash And Cash Equivalents At Beginning Of Financial Period	2,427	2,155
Cash And Cash Equivalents At End Of Financial Period	2,616	2,112

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2017 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 condensed consolidated financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. The Condensed Report, other than for financial instruments and retirement benefit obligations, has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments* and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 *Employee Benefits*.

This condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2017.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2017 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 July 2017:-

- Amendments to MFRS 107 Disclosure Initiative
- Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to MFRS 12 Clarification of the Scope of the Standard

The adoption of the above pronouncements did not have any impact on the financial statements of the group.

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 31 December 2017.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial period, which may have a material effect during the financial period ended 31 December 2017.

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 31 December 2017.

A7. Dividend Paid

No dividend was paid during the financial period ended 31 December 2017 (31 December 2016 : Nil).

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A8. Operating Segments

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

For the 6 months ended 31 December 2017

	Investment				
	Hotel	holding	Total	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	5,321	-	5,321	-	5,321
Inter-segment sales	-	12	12	(12)	-
	<u>5,321</u>	<u>12</u>	<u>5,333</u>	<u>(12)</u>	<u>5,321</u>
RESULTS					
Segment results	773	(163)	610	-	610
Finance costs	(596)	-	(596)	-	(596)
Profit/(Loss) before taxation	<u>177</u>	<u>(163)</u>	<u>14</u>	<u>-</u>	<u>14</u>
Segment assets	<u>28,019</u>	<u>51,273</u>	<u>79,292</u>	<u>-</u>	<u>79,292</u>
Unallocated assets					18
Total assets					<u>79,310</u>

A9. Events Subsequent to the End of the Interim Period

There were no material events subsequent to the financial period ended 31 December 2017 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

- (i) On 1 August 2017, Kayangan Makmur Sdn Bhd, a wholly-owned subsidiary of the Group, has at their Extraordinary General Meeting held on 1 August 2017, obtained approval from the sole shareholder to commence members voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.
- (ii) On 14 September 2017, the following wholly-owned subsidiaries of the Group, has at their Extraordinary General Meeting held on 14 September 2017, obtained approval from the sole shareholder to commence members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016:-
 - a) Destiny Aims Sdn Bhd
 - b) Pengkalen Equities Sdn Bhd
 - c) Pengkalen Properties Sdn Bhd
 - d) Pan Malaysia Travel & Tours Sdn Bhd

The member's voluntary winding-up of the above subsidiaries did not have any material financial or operational effect on the Group for the financial period ended 31 December 2017.

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 December 2017.

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 of the Company and its Principal Subsidiaries

	QUARTER ENDED		Changes %	CUMULATIVE 6		Changes %
	31.12.2017 RM'000	31.12.2016 RM'000		31.12.2017 RM'000	31.12.2016 RM'000	
Revenue						
Hotel	2,962	2,885	2.7	5,321	5,000	6.4
Profit/(Loss) before tax ("PBT / LBT")						
Hotel	207	417	(50.4)	177	240	(26.3)
Financial Services	-	(146)	100.0	-	(270)	100.0
Investment Holdings	(156)	(144)	(8.3)	(163)	(171)	4.7
	<u>51</u>	<u>127</u>	<u>(59.8)</u>	<u>14</u>	<u>(201)</u>	<u>107.0</u>

Quarter Ended 31 December 2017 vs Quarter Ended 31 December 2016

The Group recorded revenue of RM3.0 million for the second quarter ended 31 December 2017 compared with RM2.9 million for the previous year corresponding quarter. The increase in revenue was mainly attributed to higher room occupancy of Corus Paradise Resort Port Dickson ("Corus PD"). The Group recorded lower PBT of RM0.05 million for the second quarter ended 31 December 2017 compared with PBT of RM0.1 million for the previous year corresponding quarter mainly due to higher exceptional expense incurred for the current quarter.

6 months Financial Period Ended 31 December 2017 vs 6 months Financial Period Ended 31 December 2016

For the 6 months ended 31 December 2017, the Group recorded revenue of RM5.3 million and PBT of RM0.01 million compared with revenue of RM5.0 million and LBT of RM0.2 million in the previous year corresponding period. The increase in revenue for current period was mainly attributed to higher room occupancy of Corus PD. Higher PBT was recorded for the 6 months ended 31 December 2017 mainly due to share of loss in associate of RM0.3 million for the previous year corresponding period.

B2. Material Changes in the Quarterly Results Compared with the Results of the Preceding Quarter

	QUARTER ENDED		Changes %
	31.12.2017 RM'000	30.09.2017 RM'000	
Revenue			
Hotel	2,962	2,359	25.6
Profit/(Loss) before tax ("PBT / LBT")			
Hotel	207	(30)	790.0
Investment Holdings	(156)	(7)	(2,128.6)
	<u>51</u>	<u>(37)</u>	<u>237.8</u>

Quarter Ended 31 December 2017 vs Quarter Ended 30 September 2017

The Group recorded higher revenue of RM3.0 million for the current quarter from its hotel operations compared with RM2.4 million for the preceding quarter mainly due to higher room occupancy of Corus PD.

B3. Prospects for Year 2018

Tourists from China remain a major contributor to the hotel operations. The refurbishments of the rooms and amenities will attract tourists from Singapore and other Asian countries. The Group's hotel business will be strengthened through multi-channel marketing to attract more foreign tourists and local corporate clients to Corus PD.

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B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit/(Loss) Before Tax

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

	QUARTER ENDED		Changes %	CUMULATIVE 6 MONTHS		Changes %
	31.12.2017 RM'000	31.12.2016 RM'000		31.12.2017 RM'000	31.12.2016 RM'000	
Interest income	12	11	9.1	25	22	13.6
Depreciation	(270)	(264)	(2.3)	(542)	(527)	(2.8)

B6. Trade Receivables

(a) The Group's normal trade credit terms is 30 days.

(b) The ageing analysis of trade receivables of the Group is as follows:-

	CUMULATIVE 6 MONTHS		Changes %
	31.12.2017 RM'000	31.12.2016 RM'000	
Neither past due	114	177	(35.6)
Not past due			
1 to 30 days	266	416	(36.1)
31 to 60 days	86	-	100.0
61 to 90 days	52	18	188.9
More than 90 days	73	44	65.9
	<u>591</u>	<u>655</u>	<u>(9.8)</u>

B7. Income Tax Expense

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

B8. Realised and Unrealised Profits or Losses

The breakdown of the accumulated losses of the group as at 31 December 2017 into realised and unrealised losses as follows:-

	31.12.2017	30.06.2017	Changes	
	RM'000	RM'000 (Audited)		%
Total accumulated losses of the Company and its subsidiaries:				
- realised	(465,631)	(465,645)	0.0	*
- unrealised	(294)	(294)	-	
	<u>(465,925)</u>	<u>(465,939)</u>	0.0	*
Total share of accumulated losses of associate:				
- realised	(54,854)	(54,854)	-	
- unrealised	786	786	-	
	<u>(519,993)</u>	<u>(520,007)</u>	0.0	*
Less : Consolidation adjustments	482,914	482,914	-	
	<u>(37,079)</u>	<u>(37,093)</u>	0.0	*

* The changes are insignificant

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B9. Status of Corporate Proposals

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

B10. Group Borrowings

(a) Total Group borrowings as at 31 December 2017 was as follows:-

	31.12.2017		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured	16,337	529	16,866

	31.12.2016		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured	17,375	496	17,871

(b) Repayment of RM251,000 was made during the current quarter.

(c) There were no bank borrowings denominated in foreign currency as at the reporting date.

B11. Derivative Financial Instruments

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

B12. Fair Values Changes of Financial Liabilities

As at 31 December 2017, the Group did not have any financial liabilities measured at fair value through profit or loss.

B13. Material Litigation

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

B14. Dividend

No dividend was declared by the Board for the financial period ended 31 December 2017 (31 December 2016: Nil).

B15. Profit/(Loss) Per Share

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

The profit/(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:-

	QUARTER ENDED		Changes %	CUMULATIVE 6 MONTHS		Changes %
	31.12.2017 RM'000	31.12.2016 RM'000		31.12.2017 RM'000	31.12.2016 RM'000	
Profit/(Loss) attributable to equity holders of the Company	51	127	(59.8)	14	(201)	107.0
	Units '000	Units '000	%	Units '000	Units '000	%
Weighted average number of ordinary shares in issue	928,867	928,867	-	928,867	928,867	-
	Sen	Sen	%	Sen	Sen	%
Profit/(Loss) per share	0.01	0.01	(59.8)	0.00 *	(0.02)	107.0

(ii) The diluted earnings per share is not disclosed as there is no dilutive potential ordinary shares.

* The profit per share is insignificant

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B16. Audit Report of Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2017 was unmodified.

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

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries
27 February 2018