PAN MALAYSIA HOLDINGS BERHAD
Company No : 95469-W
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2018

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2018	**31.12.2017**	**31.12.2018**	**31.12.2017**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	2,327	2,962	4,280	5,321
Other operating income	59	81	113	136
Operating expenses	(2,332)	(2,690)	(4,370)	(4,847)
Profit from operations	54	353	23	610
Exceptional items (refer Note A4)	210	-	284	-
Finance costs	(263)	(302)	(536)	(596)
Profit/(Loss) before taxation	1	51	(229)	14
Tax expense	-	-	-	-
Profit/(Loss) for the financial period	1	51	(229)	14
Profit/(Loss) attributable to:				
Equity holders of the Company	1	51	(229)	14
Non-controlling interests	-	-	-	-
Profit/(Loss) for the financial period	1	51	(229)	14
	Sen	**Sen**	**Sen**	**Sen**
Profit/(Loss) per share attributable to equity holders of the Company:				
- Basic / Diluted	0.00 *	0.01	(0.02)	0.00 *

* 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 2018 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 OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Profit/(Loss) for the financial period	1	51	(229)	14
Fair value changes of investments	359	-	229	-
Total comprehensive income for the financial period	360	51	-	14
Total comprehensive income attributable to:				
Equity holders of the Company	360	51	-	14
Non-controlling interests	-	-	-	-
Total comprehensive income for the financial period	360	51	-	14

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 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 31 DECEMBER 2018

	31.12.2018 RM'000	01.07.2018 RM'000 (Restated)	30.06.2018 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	21,882	22,388	22,388
Investments	2,658	2,429	2,429
	24,540	24,817	24,817
Current Assets			
Inventories	339	340	340
Trade and other receivables	1,368	1,510	1,510
Current tax assets	8	3	3
Amount owing by an associate	40,205	40,421	49,066
Deposits, cash and bank balances	711	2,229	2,229
	42,631	44,503	53,148
TOTAL ASSETS	67,171	69,320	77,965
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share capital	92,887	92,887	92,887
Other reserves	2,281	2,052	2,052
Accumulated losses	(47,272)	(47,043)	(38,398)
	47,896	47,896	56,541
Non-Controlling Interests	-	-	-
Total Equity	47,896	47,896	56,541
Non-Current Liabilities			
Borrowings	15,267	15,267	15,267
Deferred tax liabilities	294	294	294
	15,561	15,561	15,561
Current Liabilities			
Trade and other payables	3,168	4,779	4,779
Borrowings	546	1,084	1,084
	3,714	5,863	5,863
Total Liabilities	19,275	21,424	21,424
TOTAL EQUITY AND LIABILITIES	67,171	69,320	77,965
	RM	**RM**	**RM**
Net assets per share attributable to equity holders of the Company	0.05	0.05	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 2018 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 CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Attributable to Equity Holders of the Company				Total Equity
		Non-Distributable	Distributable		
	Share Capital RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000
6 months ended 31 December 2018					
At 1 July 2018	92,887	2,052	(38,398)	56,541	56,541
Effects of adopting MFRS 9	-	-	(8,645)	(8,645)	(8,645)
Restated as at 1 July 2018	92,887	2,052	(47,043)	47,896	47,896
Total comprehensive income/(expense) for the financial period	-	229	(229)	-	-
At 31 December 2018	92,887	2,281	(47,272)	47,896	47,896
6 months ended 31 December 2017					
At 1 July 2017	92,887	1,413	(37,093)	57,207	57,207
Total comprehensive income for the financial period	-	-	14	14	14
At 31 December 2017	92,887	1,413	(37,079)	57,221	57,221

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 2018 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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	CUMULATIVE 6 MONTHS	
	31.12.2018	**31.12.2017**
	RM'000	**RM'000**
Cash Flows From Operating Activities		
(Loss)/Profit before taxation	(229)	14
Adjustments for:-		
Interest expense	536	596
Interest income	(4)	(25)
Non-operating items	549	542
Reversal of impairment on amount owing by an associate	(284)	-
Operating profit before working capital changes	568	1,127
Net change in working capital	(1,468)	597
Net tax paid	(5)	(7)
Net cash (used)/ from operating activities	(905)	1,717
Cash Flows From Investing Activities		
Interest income received	4	25
Repayment from associate	500	-
Purchase of property, plant and equipment	(43)	(458)
Net cash from/(used) in investing activities	461	(433)
Cash Flows From Financing Activities		
Interest paid	(536)	(596)
Repayment of bank borrowings	(538)	(499)
Net cash used in financing activities	(1,074)	(1,095)
Net (decrease)/increase in cash and cash equivalents	(1,518)	189
Cash And Cash Equivalents At Beginning Of Financial Period	2,229	2,427
Cash And Cash Equivalents At End Of Financial Period	711	2,616

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 2018. 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 2018.

A2. Significant Accounting Policies

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 107: Disclosure Initiative
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRS Standards 2014 - 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretation (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

The amendments to MFRS 107 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

A2. Significant Accounting Policies (Continued)

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 119: Plan Amendment Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 140: Transfer of Investment Property	1 January 2018
Amendments to References to the Conceptual Framework in MFRS Standard	1 January 2020
Annual Improvements to MFRS Standards 2014 - 2016 Cycles:	
- Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
- Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the guidance in MFRS 139 on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. The new standard contains 3 principal classification categories for financial assets (measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income) and eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available-for-sale financial assets.

MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an 'expected credit loss' ("ECL") model. The new impairment model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. It involves a 3-stage approach under which financial assets move through the stages as their credit quality changes. This new impairment model applies to financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets, lease receivables, loan commitments and certain financial guarantee contracts.

On the date of initial application, MFRS 9 did not affect the classification and measurement assets and financial liabilities, except that impairment of amounts owing by an associate has increased by RM8.6 million as at 1 July 2018 as a result of applying the ECL model. As permitted by the transitional provisions of MFRS 9, the Group has elected not to restate comparative figures and thus these adjustments were recognised in the opening accumulated losses.

A2. Significant Accounting Policies (Continued)

The following disclosure summarises the impact of transition to MFRS 9 on the opening accumulated losses on 1 July 2018. There was no impact on other components of equity.

	As at 30 June 2018 RM'000	Adjustments due to adoption of MFRS 9 RM'000	Adjusted opening balance as at 1 July 2018 RM'000
Effects on:			
Amount owing by an associate	49,066	(8,645)	40,421
Effects on:			
Accumulated losses	(38,398)	(8,645)	(47,043)

The information presented for the financial period ended 30 September 2017 did not reflect the requirements of MFRS 9 and therefore is not comparable to the information presented for the financial period ended 30 September 2018.

MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the distinct promised goods or services underlying the particular performance obligation is transferred to the customers. The amendments to MFRS 15 further clarify the concept of ‘distinct’ for the purposes of this accounting standard. In addition, extensive disclosures are also required by MFRS 15 about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group has concluded that the initial application of MFRS 15 does not have any material financial impacts to the current period and prior year 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 2018 other than the exceptional item as follows:-

Exceptional item	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Reversal of impairment on amount owing by an associate	210	-	284	-

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 2018.

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 2018.

A7. Dividend Paid

No dividend was paid during the financial period ended 31 December 2018 (31 December 2017 : Nil).

A8. Operating Segments

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

For the 6 months ended 31 December 2018

	Hotel	Investment holding	Total	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	4,280	-	4,280	-	4,280
Inter-segment sales	-	12	12	(12)	-
	4,280	12	4,292	(12)	4,280
RESULTS					
Segment results	207	100	307	-	307
Finance costs	(536)	-	(536)	-	(536)
(Loss)/Profit before taxation	(329)	100	(229)	-	(229)
Segment assets	24,957	42,206	67,163	-	67,163
Investment in associate	-	-	-	-	-
	24,957	42,206	67,163	-	67,163
Unallocated assets					8
Total assets					67,171

A9. Events Subsequent to the End of the Financial Period

There were no material events subsequent to the financial period ended 31 December 2018 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

On 29 January 2019, the Company has announced that the following direct and indirect wholly-owned subsidiaries of the Company have been dissolved pursuant to Section 439(1)(b) of the Companies Act 2016:-

Company name	Date of dissolution
Pengkalen Equities Sdn Bhd	26 December 2018
Pengkalen Properties Sdn Bhd	26 December 2018
Destiny Aims Sdn Bhd	26 December 2018
Kayangan Makmur Sdn Bhd	1 January 2019

Other than the above, there were no changes in the composition of the Group during the financial period ended 31 December 2018.

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.

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 MONTHS		Changes
	31.12.2018 RM'000	31.12.2017 RM'000	%	31.12.2018 RM'000	31.12.2017 RM'000	%
Revenue						
Hotel	2,327	2,962	(21.4)	4,280	5,321	(19.6)
Profit/(Loss) before tax ("PBT/LBT")						
Hotel	(44)	207	(121.3)	(329)	177	(285.9)
Investment Holdings	45	(156)	128.8	100	(163)	161.3
	1	51	(98.0)	(229)	14	(1,735.7)

Quarter Ended 31 December 2018 vs Quarter Ended 31 December 2017

The Group recorded revenue of RM2.3 million for the second quarter ended 31 December 2018 compared with RM3.0 million for the previous year corresponding quarter. The Group recorded a break-even for the second quarter ended 31 December 2018 compared with a PBT of RM51,000 for the previous year corresponding quarter. The decrease in revenue and PBT in the current quarter were mainly attributed to lower room occupancy of Corus Paradise Resort Port Dickson ("Corus PD") arising from lower arrivals of tourists from China.

6 months Financial Period Ended 31 December 2018 vs 6 months Financial Period Ended 31 December 2017

For the 6 months ended 31 December 2018, the Group recorded revenue of RM4.3 million and LBT of RM0.2 million compared with revenue of RM5.3 million and PBT of RM0.01 million in the previous year corresponding period. The decrease in revenue for the current period was mainly due to lower room occupancy of Corus PD arising from lower arrivals of tourists from China.

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

	QUARTER ENDED		Changes
	31.12.2018	30.09.2018	
	RM'000	RM'000	%
Revenue			
Hotel	2,327	1,953	19.2
Profit/(Loss) before tax ("PBT/LBT")			
Hotel	(44)	(285)	84.6
Investment Holdings	45	55	(18.2)
	1	(230)	100.4

Quarter Ended 31 December 2018 vs Quarter Ended 30 September 2018

The Group recorded a higher revenue of RM2.3 million for the current quarter from its hotel operations compared with RM2.0 million in the preceding quarter, mainly due to an increase in room occupancy. As a result, a break-even was recorded for the current quarter compared with the previous quarter's LBT of RM0.2 million.

B3. Prospects for the Financial Year Ending 30 June 2019

Trading conditions in Port Dickson will continue to be difficult, with an oversupply of accommodation, lack of destination appeal and the recent drop in arrivals from the China market. The intense competition has resulted in price-cutting by hotels, affecting not only hotel room occupancy but also average room rates. The hotel management has redefined its marketing strategies and expect to see improvement in the next two quarters.

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
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
	RM'000	RM'000	%	RM'000	RM'000	%
Interest income	1	12	(91.7)	4	25	(84.0)
Depreciation	(275)	(270)	(1.9)	(549)	(542)	(1.3)

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
	31.12.2018 RM'000	31.12.2017 RM'000	%
Neither past due	201	114	76.3
Not past due			
1 to 30 days	26	266	(90.2)
31 to 60 days	121	86	40.7
61 to 90 days	29	52	(44.2)
More than 90 days	19	73	(74.0)
	396	591	(33.0)

B7. Income Tax Expense

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

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.

B9. Group Borrowings

(a) Total Group borrowings as at 31 December 2018 were as follows:-

	31.12.2018		
	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
Secured	15,267	546	15,813

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

(b) Repayment of RM269,000 was made during the current quarter.

(c) There were no bank borrowing denominated in foreign currency as at the end of the financial period.

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 31 December 2018, the Group did 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 was declared by the Board for the financial period ended 31 December 2018 (31 December 2017: Nil).

B14. Profit/(Loss) Per Share

(a) Profit/(Loss) Per Share

The basic 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
	31.12.2018 RM'000	31.12.2017 RM'000	%	31.12.2018 RM'000	31.12.2017 RM'000	%
Profit/(Loss) attributable to equity holders of the Company	1	51	(98.0)	(229)	14	(1735.7)
	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	0.00 *	0.01	(98.0)	(0.02)	0.00 *	(1735.7)

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

* The profit per share is insignificant

B15. Audit Report of Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2018 was unmodified.

BY ORDER OF THE BOARD
PAN MALAYSIA HOLDINGS BERHAD

Lee Chik Siong
Norlyn Binti Kamal Basha
Joint Company Secretaries

Date: 26 February 2019