DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	109	(42)

DIVIDENDS

No dividend was paid since the end of the previous financial period and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity and Note 21 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT (Cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ULTIMATE HOLDING COMPANY

The ultimate holding company is Malayan United Industries Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

DIRECTORS

The names of the directors who served during the financial year and up to the date of this report are as follows:-

Dr Wong Hong Meng (Re-designated as chairman on 25 May 2017)
Farizon Binti Ibrahim
Wong Nyen Faat*

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Raymond Yeoh Huat Hock
Ho Ruey Ming (He Rui Ming)
Wong Shuk Fuen

*Director of the Company and its subsidiaries

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

None of the directors holding office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related Corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 25 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM75,000,000 and RM37,950 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 21 to the financial statements.

Signed in accordance with a resolution of the directors dated 11 October 2017.

Dr Wong Hong Meng

Wong Nyen Faat

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dr Wong Hong Meng and Wong Nyen Faat, being two of the directors of Pan Malaysia Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 38 to 105 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2017 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 31 on page 106 which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 11 October 2017.

Dr Wong Hong Meng **Wong Nyen Faat**

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Wong Shuk Fuen, being the officer primarily responsible for the financial management of Pan Malaysia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 38 to 106 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Wong Shuk Fuen,
at Kuala Lumpur in the Federal Territory
on this 11 October 2017

Before me
P.Valliamah
Commissioner for Oaths

Wong Shuk Fuen

INDEPENDENT AUDITORS' REPORT

To The Members Of Pan Malaysia Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pan Malaysia Holdings Berhad, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 38 to 105.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report.

Recoverability of amount owing by an associate Refer to Note 12 to the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group has amount owing by an associate amounting to approximately RM49.766 million, which represents 92% and 63% of the Group's current assets and total assets respectively. We focused on this area due to the significance of the carrying amount and the inherent judgement involved in the impairment review process.	▪ Our procedures in relation to management's impairment assessment included:- - Verifying to the collections for the current year and reviewing its historical collection trend; and - Reviewing management's assessment and basis of estimation on the adequacy of allowance for impairment losses by evaluating the estimated intrinsic value of the associate's Universal Broker licence and comparing the adjusted net assets of the associate against the carrying amount.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 31 on page 106 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as Issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Ung Voon Huay
Approval No: 03233/09/2018J
Chartered Accountant

11 October 2017

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2017

		The Group		The Company	
		30.6.2017	30.6.2016	30.6.2017	30.6.2016
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	22,878	23,750	-	-
Investments in subsidiaries	6	-	-	480	480
Investment in an associate	7	-	270	-	270
Other investments	8	1,790	872	1,790	872
		24,668	24,892	2,270	1,622
Current assets					
Inventories	9	253	208	-	-
Trade and other receivables	10	1,488	980	21	16
Amount owing by subsidiaries	11	-	-	6,876	6,602
Amount owing by an associate	12	49,766	50,266	49,766	50,266
Amount owing by related companies	13	324	226	-	-
Current tax assets		11	8	-	-
Cash and cash equivalents	14	2,427	2,154	508	34
		54,269	53,842	57,171	56,918
TOTAL ASSETS		78,937	78,734	59,441	58,540
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	92,887	92,887	92,887	92,887
Reserves	16	1,413	495	1,413	495
Accumulated losses		(37,093)	(37,202)	(37,407)	(37,365)
TOTAL EQUITY		57,207	56,180	56,893	56,017

The accompanying notes form an integral part of the financial statements.

	Note	The Group 30.6.2017 RM'000	The Group 30.6.2016 RM'000	The Company 30.6.2017 RM'000	The Company 30.6.2016 RM'000
LIABILITIES					
Non-current liabilities					
Term loan	17	16,337	17,375	-	-
Deferred tax liabilities	18	294	294	-	-
		16,631	17,669	-	-
Current liabilities					
Trade and other payables	19	3,577	2,950	90	73
Amount owing to subsidiaries	11	-	-	2,458	2,450
Amount owing to an associate	12	481	943	-	-
Amount owing to related companies	13	1	1	-	-
Term loan	17	1,028	975	-	-
Current tax liabilities		12	16	-	-
		5,099	4,885	2,548	2,523
TOTAL LIABILITIES		21,730	22,554	2,548	2,523
TOTAL EQUITY AND LIABILITIES		78,937	78,734	59,441	58,540

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2017

	Note	The Group 1.7.2016 to 30.6.2017 12 months RM'000	The Group 1.1.2015 to 30.6.2016 18 months RM'000	The Company 1.7.2016 to 30.6.2017 12 months RM'000	The Company 1.1.2015 to 30.6.2016 18 months RM'000
Revenue	20	9,379	12,908	24	36
Cost of services		(4,069)	(5,659)	-	-
Gross profit		5,310	7,249	24	36
Other operating income		828	414	598	192
		6,138	7,663	622	228
Administrative expenses		(1,497)	(1,810)	(394)	(437)
Other operating expenses		(3,068)	(4,975)	-	-
Finance costs		(1,182)	(1,958)	-	-
Share of results in an associate, net of tax		(270)	165	(270)	-
Profit/(Loss) before taxation	21	121	(915)	(42)	(209)
Income tax expense	22	(12)	(8)	-	-
Profit/(Loss) after taxation		109	(923)	(42)	(209)
Other comprehensive income					
Items that May be Reclassified Subsequently to Profit or Loss					
Fair value changes of available-for-sale financial assets		918	-	918	-
Total comprehensive income/(expenses) for the financial year/period		1,027	(923)	876	(209)

The accompanying notes form an integral part of the financial statements.

	Note	The Group 1.7.2016 to 30.6.2017 12 months RM'000	The Group 1.1.2015 to 30.6.2016 18 months RM'000	The Company 1.7.2016 to 30.6.2017 12 months RM'000	The Company 1.1.2015 to 30.6.2016 18 months RM'000
Profit/(Loss) after taxation attributable to:-					
Owners of the Company		109	(923)	(42)	(209)
Total comprehensive income/ (expenses) attributable to:-					
Owners of the Company		109	(923)	(42)	(209)
Earnings/(Loss) per share (sen)	23				
- Basic		0.01	(0.10)		
- Diluted		0.01	(0.10)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2017

The Group	Share capital RM'000	Available for-sale reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance as at 1.1.2015	92,887	495	(36,279)	57,103
Loss after taxation/Total comprehensive expenses for the financial period	-	-	(923)	(923)
Balance as at 30.6.2016/1.7.2016	92,887	495	(37,202)	56,180
Profit after taxation for the financial year	-	-	109	109
Other comprehensive income for the financial year:-				
Fair value changes of available-for-sale financial assets	-	918	-	918
Total comprehensive income for the financial year	-	918	109	1,027
Balance as at 30.6.2017	92,887	1,413	(37,093)	57,207

The accompanying notes form an integral part of the financial statements.

The Company	Share capital RM'000	Available-for-sale reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance at 1.1.2015	92,887	495	(37,156)	56,226
Loss after taxation/Total comprehensive expenses for the financial period	-	-	(209)	(209)
Balance as at 30.6.2016/1.7.2016	92,887	495	(37,365)	56,017
Loss after taxation for the financial year	-	-	(42)	(42)
Other comprehensive income for the financial year:-				
Fair value changes of available-for-sale financial assets	-	918	-	918
Total comprehensive income/(expense) for the financial year	-	918	(42)	876
Balance as at 30.6.2017	92,887	1,413	(37,407)	56,893

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2017

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	121	(915)	(42)	(209)
Adjustments for:-				
Depreciation of property, plant and equipment	1,058	1,499	-	1
Impairment losses on:				
- investment in an associate	-	-	270	-
Interest expense on term loan	1,182	1,958	-	-
Interest income	(46)	(78)	(4)	(27)
Reversal of impairment losses on:				
- investment in an associate	-	-	-	(165)
- related companies	(586)	-	(586)	-
- other receivables	(18)	(35)	-	-
Gain on disposal of motor vehicle	(8)	-	(8)	-
Share of results in an associate	270	(165)	-	-
Operating profit/(loss) before working capital changes	1,973	2,264	(370)	(400)
Increase in inventories	(45)	(60)	-	-
(Increase)/Decrease in trade and other receivables	(490)	(216)	(5)	9
Increase/(Decrease) in trade and other payables	627	(1,336)	17	(40)
Cash from/(for) operations	2,065	652	(358)	(431)
Income tax refunded	-	4	-	-
Income tax paid	(19)	(9)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	2,046	647	(358)	(431)

The accompanying notes form an integral part of the financial statements.

	Note	The Group 1.7.2016 to 30.6.2017 12 months RM'000	The Group 1.1.2015 to 30.6.2016 18 months RM'000	The Company 1.7.2016 to 30.6.2017 12 months RM'000	The Company 1.1.2015 to 30.6.2016 18 months RM'000
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Repayment from/(Advances to) related companies		488	(143)	586	-
Repayment from an associate		38	500	500	500
Interest received		46	78	4	27
Advances to subsidiaries		-	-	(274)	(1,526)
Purchase of property, plant and equipment	5	(186)	(248)	-	-
Proceeds from disposal of motor vehicle		8	-	8	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		394	187	824	(999)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Repayment of term loan		(985)	(1,296)	-	-
Advances from/(Repayment to) subsidiaries		-	-	8	(9)
Interest paid		(1,182)	(1,958)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(2,167)	(3,254)	8	(9)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		273	(2,420)	474	(1,439)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/ PERIOD		2,154	4,574	34	1,473
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/ PERIOD	14	2,427	2,154	508	34

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 30 June 2017

1. CORPORATE INFORMATION

Pan Malaysia Holdings Berhad ('the Company') is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and the principal place of business of the Company are located at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur.

The ultimate holding company is Malayan United Industries Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements for the financial year ended 30 June 2017 comprise the Company and its subsidiaries and the Group's investment in an associate. The financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 11 October 2017.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

3. BASIS OF PREPARATION

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.

3.1 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 14 Regulatory Deferral Accounts

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101: Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

3. BASIS OF PREPARATION (CONTINUED)

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

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

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 127: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 – 2014 Cycle

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.

3.2 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 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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 107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

3. BASIS OF PREPARATION (CONTINUED)

3.2 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:- (continued)

Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 12: Clarification of the Scope of the Standard	1 January 2017
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

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 existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.

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. The Group anticipates that the application of MFRS 15 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

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. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application. However, additional disclosure notes on the statements of cash flows may be required.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(g) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 BASIS OF CONSOLIDATION (CONTINUED)

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the end of the reporting period. Monetary assets and liabilities at the end of the reporting year are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONTINUED)

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets based on the settlement date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Assets (Continued)

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Assets (Continued)

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting year. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. Fair value through profit or loss category also comprises contingent consideration in a business combination.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Fair value through profit or loss category also comprises contingent consideration in a business combination. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Equity Instruments

Equity instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting year if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting year if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 30 June 2017. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less any impairment losses, and is not depreciated.

Construction-in-progress represents renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Long term leasehold land	66 - 92 years
Buildings	2%
Office equipment	10% - 20%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Plant and machinery	5% - 10%
Renovation	10% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting year to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss, investments in subsidiaries and investments in associates), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.8 IMPAIRMENT (CONTINUED)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting year for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 INCOME TAXES (CONTINUED)

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

(c) Goods & Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable. In addition, receivables and payables are also stated with the amount of GST included (where applicable). The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.12 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the year in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.14 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 RELATED PARTIES (CONTINUED)

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.15 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.16 REVENUE AND OTHER INCOME

(a) Hotel Operations

Revenue from hotel comprises sales of room, food and beverage. Sale of room is recognised upon actual occupancy of rooms by guest whilst sale of food and beverage is recognised upon delivery to guest.

(b) Management Fees

Management fees are recognised on an accrual basis.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

4.17 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.18 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.19 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

5. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2016 RM'000	Additions RM'000	Depreciation Charges RM'000	At 30.6.2017 RM'000
30.6.2017				
Net Book Value				
Long term leasehold land	4,587	-	(88)	4,499
Buildings	17,838	-	(720)	17,118
Office equipment	759	162	(149)	772
Furniture and fittings	13	-	(2)	11
Plant and machinery	72	-	(13)	59
Renovation	481	24	(86)	419
	23,750	186	(1,058)	22,878

	At 01.1.2015 RM'000	Additions RM'000	Reclassi-fication RM'000	Depreciation Charges RM'000	At 30.6.2016 RM'000
30.6.2016					
Net Book Value					
Long term leasehold land	4,719	-	-	(132)	4,587
Buildings	18,919	-	-	(1,081)	17,838
Office equipment	729	227	-	(197)	759
Furniture and fittings	16	-	-	(3)	13
Plant and machinery	79	-	11	(18)	72
Renovation	528	21	-	(68)	481
Construction-in-progress	11	-	(11)	-	-
	25,001	248	-	(1,499)	23,750

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group	At Cost RM'000	Accumulated Depreciation RM'000	Accumulated Impairment Losses RM'000	Net Book Value RM'000
30.6.2017				
Freehold land	180	-	(180)	-
Long term leasehold land	6,617	(2,118)	-	4,499
Buildings	34,765	(15,021)	(2,626)	17,118
Office equipment	3,064	(2,292)	-	772
Furniture and fittings	1,417	(1,406)	-	11
Motor vehicles	164	(164)	-	-
Plant and machinery	307	(248)	-	59
Renovation	972	(553)	-	419
	47,486	(21,802)	(2,806)	22,878
30.6.2016				
Freehold land	180	-	(180)	-
Long term leasehold land	6,617	(2,030)	-	4,587
Buildings	34,765	(14,301)	(2,626)	17,838
Office equipment	2,902	(2,143)	-	759
Furniture and fittings	1,417	(1,404)	-	13
Motor vehicles	294	(294)	-	-
Plant and machinery	307	(235)	-	72
Renovation	948	(467)	-	481
	47,430	(20,874)	(2,806)	23,750

The Company	At 01.7.2016 RM'000	Depreciation Charge RM'000	At 30.6.2017 RM'000
30.6.2017			
Net Book Value			
Office equipment	-	-	-

	At 01.1.2015 RM'000	Depreciation Charge RM'000	At 30.6.2016 RM'000
30.6.2016			
Net Book Value			
Office equipment	1	(1)	-

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
30.6.2017			
Net Book Value			
Office equipment	263	(263)	-
Furniture and fittings	119	(119)	-
	382	(382)	-
30.6.2016			
Net Book Value			
Office equipment	263	(263)	-
Furniture and fittings	119	(119)	-
Motor vehicles	130	(130)	-
	512	(512)	-

The leasehold land and buildings of the Group with a total net book value of RM21,617,000 (30.6.2016 : RM22,425,000) have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 17 to the financial statements.

6. INVESTMENTS IN SUBSIDIARIES

	The Company 30.6.2017 RM'000	The Company 30.6.2016 RM'000
Unquoted shares, at cost	7,863	7,863
Accumulated impairment losses	(7,383)	(7,383)
	480	480

The details of the subsidiaries are as follows:

Name of Subsidiaries	Effective Equity Interest held by The Company 30.6.2017 %	The Company 30.6.2016 %	Subsidiary 30.6.2017 %	Subsidiary 30.6.2016 %	Principal Activities
Golden Carps Pte. Ltd. +~	100	100	-	-	Inactive
Grandvestment Company Limited +#	100	100	-	-	Dormant
Kayangan Makmur Sdn. Bhd. +∞	100	100	-	-	Investment holding
Pengkalen Equities Sdn. Bhd. +Ω	100	100	-	-	Investment holding and dealing
Pengkalen Foodservices Sdn. Bhd. +	100	100	-	-	Inactive
Pengkalen Holiday Resort Sdn. Bhd. *	100	100	-	-	Operating a hotel
Pengkalen Properties Sdn. Bhd. +Ω	100	100	-	-	Inactive
Pan Malaysia Travel & Tours Sdn. Bhd. +Ω	99.3	99.3	0.07	0.07	Travel agent & provision of travel related services
Asia Entertainment Network Sdn. Bhd. ^	60	60	-	-	In liquidation
Pengkalen Building Materials Sdn. Bhd. ^	100	100	-	-	In liquidation
Pengkalen Electronics Industries Sdn. Bhd. ^	67	67	-	-	In liquidation

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (continued)

	Effective Equity Interest held by				
	The Company		Subsidiary		
	30.6.2017	30.6.2016	30.6.2017	30.6.2016	
Name of Subsidiaries	%	%	%	%	**Principal Activities**
Technitone (M) Sdn. Bhd. ^	64.10	64.10	-	-	In liquidation
Subsidiary of Pan Malaysia Travel & Tours Sdn. Bhd.					
Destiny Aims Sdn. Bhd. +Ω	-	-	100	100	Dormant
Subsidiary of Pengkalen Foodservices Sdn. Bhd.					
Twin Phoenix Sdn. Bhd. +	-	-	100	100	Dormant
Subsidiary of Technitone (M) Sdn. Bhd.					
Office Business Systems Sdn. Bhd. ^	-	-	100	100	In liquidation
Subsidiary of Office Business Systems Sdn. Bhd.					
Office Business Systems (Malacca) Sdn. Bhd. ^	-	-	65	65	In liquidation
Office Business Systems (Penang) Sdn. Bhd. ^	-	-	100	100	In liquidation
Sensor Equipment Sdn. Bhd. ^	-	-	100	100	In liquidation

*	*Subsidiaries audited by Crowe Horwath Malaysia.*
+	*Subsidiaries audited by other firms of chartered accountants.*
#	*Subsidiaries incorporated in Hong Kong.*
~	*Subsidiaries incorporated in Singapore.*
^	*Subsidiaries under liquidation and not dealt with in the consolidated financial statements of the Group for financial year/period ended 30 June 2017 and 30 June 2016. The contributions of these subsidiaries to the Group are insignificant.*
∞	*Placed under members' voluntary winding up 1 August 2017*
Ω	*Placed under members' voluntary winding up 14 September 2017*

7. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Unquoted shares, at cost	296,672	296,672	296,672	296,672
Share of post acquisition reserve	(54,068)	(53,798)	-	-
	242,604	242,874	296,672	296,672
Accumulated impairment losses	(242,604)	(242,604)	(296,672)	(296,402)
	-	270	-	270

Accumulated impairment losses:-				
At 1 July 2016/1 January 2015	242,604	242,604	296,402	296,567
Addition during the financial year/period (Note 21)	-	-	270	-
Reversal during the financial year/period (Note 21)	-	-	-	(165)
At 30 June 2017/30 June 2016	242,604	242,604	296,672	296,402

7. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The details of the associates, which are all incorporated in Malaysia, are as follows:-

	Effective Equity Interest held by				
	The Company		Associate		
Name of Associate	**30.6.2017 %**	**30.6.2016 %**	**30.6.2017 %**	**30.6.2016 %**	**Principal Activities**
Pan Malaysia Capital Berhad	34.84	34.84	-	-	Investment holding
Subsidiaries of Pan Malaysia Capital Berhad					
Bayan Niaga Sdn. Bhd.	-	-	100	100	Investment holding
KESB Nominees (Asing) Sdn. Bhd.	-	-	100	100	Dormant
KESB Nominees (Tempatan) Sdn. Bhd.	-	-	100	100	Nominee and custodian services
Meridian Nominees (Tempatan) Sdn. Bhd.	-	-	100	100	Share registration, nominees and custodian services
Pan Malaysia Equities Sdn. Bhd.	-	-	100	100	Property and investment holding
PCB Asset Management Sdn. Bhd.	-	-	100	100	Research and fund management services
PM Asset Management Sdn. Bhd.	-	-	100	100	Investment holding
PM Nominees (Asing) Sdn. Bhd.	-	-	100	100	Nominees and custodian services
PM Nominees (Tempatan) Sdn. Bhd.	-	-	100	100	Nominees and custodian services
PM Options & Futures Sdn. Bhd.	-	-	100	100	Inactive
PM Securities Sdn. Bhd.	-	-	100	99.99	Stock and sharebroking and corporate advisory services
Miranex Sdn. Bhd.	-	-	100	100	Moneylending

All the above associates are accounted for using the equity method in the consolidated financial statements.

7. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The summarised financial information of the associate is as follows:

	30.6.2017 RM'000	30.6.2016 RM'000
At 30 June		
Non-current assets	37,999	38,217
Current assets	106,945	255,135
Non-current liabilities	(221)	(208)
Current liabilities	(146,319)	(292,363)
Net (liabilities)/assets	(1,596)	781
12-months/18-months period ended 30 June		
Revenue	16,169	31,320
(Loss)/Profit for the financial year/period/Total comprehensive income/(expenses)	(2,377)	473
Group's share of (loss)/profit for the financial year/period	(270)	165
Reconciliation of net assets to carrying amount		
Group's share of net assets above	-	270
Carrying amount of the Group's interests in the associate	-	270

8. OTHER INVESTMENTS

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Quoted shares outside Malaysia	1,725	807	1,725	807
Club memberships	65	65	65	65
	1,790	872	1,790	872

Other investments of the Group are designated as available-for-sale financial assets and are measured at fair value.

9. INVENTORIES

	The Group	
	30.6.2017 RM'000	30.6.2016 RM'000
Consumables, food and beverages, at cost	253	208
Recognised in profit or loss :-		
Inventories recognised as cost of sales	1,259	1,678

10. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Trade receivables – third parties	734	728	-	-
Allowance for impairment losses	-	(544)	-	-
	734	184	-	-
Other receivables	10,971	11,235	18	13
Allowance for impairment losses	(10,807)	(10,999)	(1)	(1)
	164	236	17	12
Refundable deposits	551	551	83	83
Allowance for impairment losses	(79)	(79)	(79)	(79)
	472	472	4	4
	1,370	892	21	16
Prepayments	118	88	-	-
	1,488	980	21	16

(a) The Group's normal trade credit term is 30 days (30.6.2016 : 30 days)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) The reconciliation of movements in the allowance for impairment loss are as follows:

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Trade receivables				
At 1 July 2016/1 January 2015	544	544	-	-
Reversal during financial year/ period	(544)			
At 30 June 2017/30 June 2016	-	544	-	-
Other receivables				
At 1 July 2016/1 January 2015	10,999	11,034	1	1
Written off	(174)	-	-	-
Reversal during the financial year/ period (Note 21)	(18)	(35)	-	-
At 30 June 2017/30 June 2016	10,807	10,999	1	1
Refundable deposits				
At 1 July 2016/1 January 2015	79	79	79	79
Addition during the financial year/ period	-	-	-	-
At 30 June 2017/30 June 2016	79	79	79	79

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	30.6.2017 RM'000	30.6.2016 RM'000
Amount Owing by Subsidiaries		
Current		
Non-trade balances	341,883	341,609
Allowance for impairment losses	(335,007)	(335,007)
	6,876	6,602
Amount Owing to Subsidiaries		
Current		
Non-trade balances	2,458	2,450

The non-trade balances (current) represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

12. AMOUNTS OWING BY/(TO) AN ASSOCIATE

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Amount Owing by an Associate				
Current				
Non-trade balances	49,766	50,266	49,766	50,266
Amount Owing to an Associate				
Current				
Non-trade balances	481	943	-	-

The non-trade balances (current) represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

13. AMOUNTS OWING BY/(TO) RELATED COMPANIES

	The Group		The Company	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Amount Owing by Related Companies				
Current				
Non-trade balances	713	1,201	18	604
Allowance for impairment losses:-				
At 1 July 2016/1 January 2015	(975)	(975)	(604)	(604)
Reversal during the financial year/period (Note 21)	586	-	586	-
At 30 June 2017/30 June 2016	(389)	(975)	(18)	(604)
	324	226	-	-
Amount Owing to Related Companies				
Current				
Non-trade balances	1	1	-	-

The non-trade balances (current) represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and are to be settled in cash.

14. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Cash and bank balances	527	585	58	34
Deposits with a licensed bank	1,900	1,569	450	-
	2,427	2,154	508	34

The deposits with a licensed bank of the Group and the Company bore an effective interest rate of 2.9% (30.6.2016 : 2.9%) per annum at the end of the reporting period. The deposits have a maturity period of 1 day (30.6.2016 : 1 day) for the Group and the Company.

15. SHARE CAPITAL

	The Group/The Company			
	30.6.2017		30.6.2016	
	Number of shares ('000)	RM'000	Number of shares ('000)	RM'000
Authorised Ordinary shares with no par value (2016 – par value of RM0.10 each)	N/A	N/A	30,000,000	3,000,000
Issued and fully paid-up Ordinary shares with no par value (2016 – par value of RM0.10 each)	928,867	92,887	928,867	92,887

N/A: Not applicable pursuant to the Companies Act 2016 which came into operation on 31 January 2017 as disclosed below.

On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. Consequently, the amount standing to the credit of the Company's share premium became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

16. RESERVES

	The Group 30.6.2017 RM'000	The Group 30.6.2016 RM'000	The Company 30.6.2017 RM'000	The Company 30.6.2016 RM'000
Non-distributable:				
Available-for-sale reserve	1,413	495	1,413	495

Available-for-sale-reserve arose from fair value gains or losses on financial assets classified as available-for-sale.

17. TERM LOAN

	The Group 30.6.2017 RM'000	The Group 30.6.2016 RM'000
Current		
Not later than 1 year	1,028	975
Non-current		
Later than 1 year and not later than 2 years	1,093	1,042
Later than 2 years and not later than 5 years	3,761	3,578
Later than 5 years	11,483	12,755
	16,337	17,375
	17,365	18,350

(a) The term loan is secured by a first party legal charge over the leasehold land and buildings of the Group as disclosed in Note 5 to the financial statements. In addition, the term loan is guaranteed by the ultimate holding company.

(b) The term loan is repayable in one hundred sixty eight (168) monthly instalments commencing December 2014.

18. DEFERRED TAX LIABILITIES

	The Group	
	30.6.2017 RM'000	30.6.2016 RM'000
At 1 July 2016/1 January 2015	294	294
Recognised in profit or loss	-	-
At 30 June 2017/30 June 2016	294	294

(a) The deferred tax liabilities are made up of the following:-

	The Group	
	30.6.2017 RM'000	30.6.2016 RM'000
Accelerated capital allowances over depreciation	294	294

(b) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Taxable temporary differences	(1,886)	(1,345)	(1)	(1)
Unutilised tax losses	24,300	24,300	16,224	16,224
Unabsorbed capital allowances	6,106	6,064	2,832	3,008
	28,520	29,019	19,055	19,231

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit will be available against which the deductible temporary difference could be utilised.

The deductible temporary differences do not expire under the current tax legislation.

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Trade payables:-				
Third parties	670	333	-	-
Other payables:-				
Other payables	1,434	1,024	1	1
Provisions	1,295	1,239	-	-
Accruals	178	354	89	72
	2,907	2,617	90	73
	3,577	2,950	90	73

(a) The normal trade credit terms granted to the Group and to the Company range from 14 to 60 (30.6.2016 : 14 to 60) days.

(b) Included in provisions is an amount of RM1,295,000 (30.6.2016 : RM1,239,000) for legal claims brought against a subsidiary of the Group.

20. REVENUE

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000
Revenue from hotel operations	9,379	12,908	-	-
Management fees from subsidiaries	-	-	24	36
	9,379	12,908	24	36

21. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	**1.1.2015 to 30.6.2016 18 months RM'000**	**1.7.2016 to 30.6.2017 12 months RM'000**	**1.1.2015 to 30.6.2016 18 months RM'000**
Profit/(Loss) before taxation is at after charging/(crediting):-				
Auditors' remuneration:				
Statutory audit				
- current year	111	117	65	65
- overprovision in the previous financial year	(33)	(11)	(17)	-
Depreciation of property, plant and equipment (Note 5)	1,058	1,499	-	1
Directors' remuneration (Note 25)	122	128	122	128
Impairment losses on:				
- investment in an associate (Note 7)	-	-	270	-
Interest expense on financial liabilities not at fair value through profit or loss:				
- term loan	1,182	1,958	-	-
Provision for legal suit settlement	91	222	-	-
Rental expense on:				-
- equipment	-	35	-	-
- land and building	-	68	-	-
Staff costs (Note 24)	2,660	4,148	-	-
Gain on disposal of motor vehicle	(8)	-	(8)	-
Interest income on financial assets not at fair value through profit or loss:				
- deposits with a licensed bank	(46)	(78)	(4)	(27)
Management fees received and receivable from a subsidiary	-	-	(24)	(36)
Rental income on premises	(70)	(134)	-	-
Reversal of impairment losses on:				
- investment in an associate (Note 7)	-	-	-	(165)
- related companies (Note 13)	(586)	-	(586)	-
- other receivables (Note 10)	(18)	(35)	-	-

22. INCOME TAX EXPENSE

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000
Current tax:				
- current financial year/period	12	16	-	-
- overprovision in the previous financial period/year	-	(8)	-	-
	12	8	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (30.6.2016: 24%) of the estimated assessable profit for the financial year/period.

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000
Profit/(Loss) before taxation	121	(915)	(42)	(209)
Tax at the statutory tax rate of 24% (2016 : 24%)	29	(220)	(10)	(50)
Tax effects of:-				
Non-allowable expenses	179	188	193	57
Non-taxable income	(141)	-	(141)	-
Deferred tax assets not recognised during the financial year/period	-	95	-	-
Share of results in an associate	65	(40)	-	-
Utilisation of deferred tax assets previously not recognised	(120)	(7)	(42)	(7)
Overprovision of current tax in the previous financial period/year	-	(8)	-	-
	12	8	-	-

23. EARNINGS/(LOSS) PER SHARE

	The Group	
	1.7.2016 to 30.6.2017 12 months	**1.1.2015 to 30.6.2016 18 months**
Earnings/(Loss) attributable to owners of the Company (RM'000)	109	(923)
Weighted average number of ordinary shares in issue ('000)	928,867	928,867
Basic earnings/(loss) per share (sen)	0.01	(0.10)

The Company has not issued any diluted potential ordinary shares and hence, the diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share.

24. EMPLOYEE BENEFITS

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	**1.1.2015 to 30.6.2016 18 months RM'000**	**1.7.2016 to 30.6.2017 12 months RM'000**	**1.1.2015 to 30.6.2016 18 months RM'000**
Wages, salaries and bonuses	1,959	2,905	-	-
Contributions to defined contribution plan	224	333	-	-
Social security contributions	41	59	-	-
Retirement gratuity	-	10	-	-
Other benefits	436	841	-	-
	2,660	4,148	-	-

25. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Directors during the financial year/ period was as follows:-

	The Group		**The Company**	
	1.7.2016 to 30.6.2017 12 months RM'000	**1.1.2015 to 30.6.2016 18 months RM'000**	**1.7.2016 to 30.6.2017 12 months RM'000**	**1.1.2015 to 30.6.2016 18 months RM'000**
Directors				
Non-executive Directors				
Short-term employee benefits				
- fee	108	111	108	111
- other benefits	14	17	14	17
Total directors' remuneration (Note 21)	122	128	122	128

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Company	
	1.7.2016 to 30.6.2017 12 months	**1.1.2015 to 30.6.2016 18 months**
	Number Of Directors	
Non-executive Directors		
Below RM50,000	3	3
	3	3

26. RELATED PARTY DISCLOSURES

(a) **Identities of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its ultimate holding company, associates, key management personnel and entities within the same group of companies.

Related parties of the Group include:

(i) Malayan United Industries Berhad, the ultimate holding company;

(ii) Direct and indirect subsidiaries and associates of the ultimate holding company; and

(iii) Pan Malaysia Capital Berhad, an associate of the Company.

(b) **Significant Related Party Transactions and Balances**

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year/ period:-

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000
Management fee received and receivable from a subsidiary	-	-	24	36
Repayment from/(Advances to) related companies	488	(143)	-	-
Net repayment from an associate	38	500	500	500
Advances to subsidiaries	-	-	(274)	(1,526)
Advances from/(Repayment to) subsidiaries	-	-	8	(9)

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

27. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their services provided.

The Group is organised into 3 main reportable segments as follows:-

(a) Hotel

Hotel operations.

(b) Stockbroking

Comprise mainly businesses involved in stock and sharebroking, corporate advisory services, research and fund management services, nominee and custodian services principally engaged by an associate.

(c) Investment holding

Comprise mainly investment, dormant and inactive subsidiaries.

The Group Executive Committee assesses the performance of the reportable segments based on their profit/(loss) before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to reportable segments.

Each reportable segment assets is measured based on all assets of the segment other than investment in an associate and tax-related assets.

Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly income taxes and related expenses.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

27. OPERATING SEGMENTS (CONTINUED)

BUSINESS SEGMENTS

30.6.2017	**Hotel RM'000**	**Stockbroking RM'000**	**Investment holding RM'000**	**The Group RM'000**
Revenue				
External revenue	9,379	-	-	9,379
Inter-segment revenue	-	-	24	24
	9,379	-	24	9,403
Consolidation adjustments				(24)
Consolidated revenue				9,379
Results				
Segment profit/(loss) before interest and taxation	1,354	-	(51)	1,303
Finance costs				(1,182)
Share of results in an associate				(270)
Consolidation adjustments				270
Consolidated profit before taxation				121
Segment profit/(loss) before interest and taxation includes the following:-				
Interest income	(42)	-	(4)	(46)
Interest expenses	1,182	-	-	1,182
Depreciation	1,058	-	-	1,058
Reversal of impairment of other receivables	-	-	(18)	(18)
Share of results in an associate	-	-	270	270

27. OPERATING SEGMENTS (CONTINUED)

BUSINESS SEGMENTS (CONTINUED)

30.6.2017	Hotel RM'000	Stockbroking RM'000	Investment holding RM'000	The Group RM'000
Assets				
Segment assets	27,949	-	61,902	89,851
Unallocated assets:				
- investments in an associate				-
- current tax assets				11
Consolidation adjustments				(10,925)
Consolidated total assets				78,937
Additions to non-current assets other than financial instruments are:-				
Property, plant and equipment	186	-	-	186
Liabilities				
Segment liabilities	49,630	-	400,690	450,320
Unallocated liabilities:				
- deferred tax liabilities				294
- current tax liabilities				12
Consolidation adjustments				(428,896)
Consolidated total liabilities				21,730

27. OPERATING SEGMENTS (CONTINUED)

BUSINESS SEGMENTS (CONTINUED)

30.6.2016	**Hotel RM'000**	**Stockbroking RM'000**	**Investment holding RM'000**	**The Group RM'000**
Revenue				
External revenue	12,908	-	-	12,908
Inter-segment revenue	-	-	36	36
	12,908	-	36	12,944
Consolidation adjustments				(36)
Consolidated revenue				12,908
Results				
Segment profit/(loss) before interest and taxation	1,282	-	(234)	1,048
Finance costs				(1,958)
Share of results in an associate				165
Consolidation adjustments				(170)
Consolidated loss before taxation				(915)
Segment profit/(loss) before interest and taxation includes the following:-				
Interest income	(50)	-	(28)	(78)
Interest expenses	1,958	-	-	1,958
Depreciation	1,499	-	-	1,499
Reversal of impairment of other receivables	(35)	-	-	(35)
Share of results in an associate	-	-	(165)	(165)

27. OPERATING SEGMENTS (CONTINUED)

BUSINESS SEGMENTS (CONTINUED)

30.6.2016	**Hotel RM'000**	**Stockbroking RM'000**	**Investment holding RM'000**	**The Group RM'000**
Assets				
Segment assets	28,369	-	60,732	89,101
Unallocated assets:				
- investments in an associate				270
- current tax assets				8
Consolidation adjustments				(10,645)
Consolidated total assets				78,734
Additions to non-current assets other than financial instruments are:-				
Property, plant and equipment	248	-	-	248
Liabilities				
Segment liabilities	50,202	-	400,656	450,858
Unallocated liabilities:				
- deferred tax liabilities				294
- current tax liabilities				16
Consolidation adjustments				(428,614)
Consolidated total liabilities				22,554

GEOGRAPHICAL INFORMATION

No geographical analysis has been prepared as the Group operates wholly in Malaysia.

MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

28. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

28.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have material impact on the loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowing with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's deposits with a licensed bank are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined by MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 17 to the financial statements.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(a) Market Risk (Continued)

(ii) Interest Rate Risk (Continued)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000	1.7.2016 to 30.6.2017 12 months RM'000	1.1.2015 to 30.6.2016 18 months RM'000
Effects on Loss After Taxation				
Increase of 100 basis points	(146)	(128)	(3)	-
Decrease of 100 basis points	146	128	3	-

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

If prices for quoted investments at the end of the reporting year strengthened by 1% (30.6.2016 : 1%) with all other variables being held constant, the Group's other comprehensive income would have increased by RM8,000 (30.6.2016 : RM8,000). A 1% (30.6.2016 : 1%) weakening in the quoted prices would have had an equal but opposite effect on Group's other comprehensive income. The Company does not have any quoted investments and hence, no sensitivity analysis is presented.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 30 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(b) Credit Risk (Continued)

(iii) Ageing Analysis

The ageing analysis of trade receivables at the end of the reporting year is as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Amount RM'000
30.6.2017				
Not past due	336	-	-	336
Past due:				
− 1 to 30 days	201	-	-	201
− 31 to 60 days	106	-	-	106
− 61 to 90 days	91	-	-	91
− more than 90 days	-	-	-	-
	734	-	-	734
30.6.2016				
Not past due	20	-	-	20
Past due:				
− 1 to 30 days	66	-	-	66
− 31 to 60 days	54	-	-	54
− 61 to 90 days	44	-	-	44
− more than 90 days	544	(286)	(258)	-
	728	(286)	(258)	184

At the end of the reporting year, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
30.6.2017						
<u>Non-derivative Financial Liabilities</u>						
Term loan	6.60	17,365	25,213	2,168	8,674	14,371
Trade and other payables	-	3,577	3,551	3,551	-	-
Amount owing to an associate	-	481	481	481	-	-
Amount owing to related companies	-	1	1	1	-	-
		21,424	29,246	6,201	8,674	14,371

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (Continued)

Maturity Analysis (Continued)

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
30.6.2016						
Non-derivative Financial Liabilities						
Term loan	6.85	18,350	27,072	2,168	8,674	16,230
Trade and other payables	-	2,950	2,950	2,950	-	-
Amount owing to an associate	-	943	943	943	-	-
Amount owing to related companies	-	1	1	1	-	-
		22,244	30,966	6,062	8,674	16,230

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

(c) Liquidity Risk (Continued)

Maturity Analysis (Continued)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (continued):-

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
30.6.2017						
Non-derivative Financial Liabilities						
Trade and other payables	-	90	90	90	-	-
Amount owing to subsidiaries	-	2,458	2,458	2,458	-	-
		2,548	2,548	2,548	-	-
30.6.2016						
Non-derivative Financial Liabilities						
Trade and other payables	-	73	73	73	-	-
Amount owing to subsidiaries	-	2,450	2,450	2,450	-	-
		2,523	2,523	2,523	-	-

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.2 CAPITAL RISK MANAGEMEMT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on gearing ratio, which is net debt divided by total equity. The Group includes within net debts, borrowing from financial institution, less cash and cash equivalents. The gearing ratio of the Group at the end of the reporting year was as follows:-

	The Group	
	30.6.2017	**30.6.2016**
	RM'000	**RM'000**
Term loan (Note 17)	17,365	18,350
Less: Cash and bank balances (Note 14)	(527)	(585)
Less: Deposits with a licensed bank (Note 14)	(1,900)	(1,569)
Net debt	14,938	16,196
Equity attributable to owners of the Company	57,207	56,180
Gearing ratio	0.26	0.29

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	30.6.2017 RM'000	**30.6.2016 RM'000**	**30.6.2017 RM'000**	**30.6.2016 RM'000**
Financial Assets				
Available-for-sale Financial Assets				
Other investment (Note 8)	1,790	872	1,790	872
Loans and Receivables Financial Assets				
Trade and other receivables (Note 10)	1,370	892	21	16
Amount owing by subsidiaries (Note 11)	-	-	6,876	6,602
Amount owing by an associate (Note 12)	49,766	50,266	49,766	50,266
Amount owing by related companies (Note 13)	324	226	-	-
Deposits with a licensed bank (Note 14)	1,900	1,569	450	-
Cash and bank balances (Note 14)	527	585	58	34
	53,887	53,538	57,171	56,918
Financial Liabilities				
Other Financial Liabilities				
Term loan (Note 17)	17,365	18,350	-	-
Trade and other payables (Note 19)	3,547	2,933	90	73
Amount owing to subsidiaries (Note 11)	-	-	2,458	2,450
Amount owing to an associate (Note 12)	481	943	-	-
Amount owing to related companies (Note 13)	1	1	-	-
	21,394	22,227	2,548	2,523

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting year:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.6.2017								
Financial Assets								
Other investments:								
– quoted shares	1,725	-	-	-	-	-	1,725	1,725
– club membership	-	-	65	-	-	-	65	65
Financial Liability								
Term loan	-	-	-	-	17,365	-	17,365	17,365

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 FAIR VALUE INFORMATION (CONTINUED)

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.6.2016								
Financial Assets								
Other investments:								
– quoted shares	807	-	-	-	-	-	807	807
– club membership	-	-	65	-	-	-	65	65
Financial Liability								
Term loan	-	-	-	-	18,350	-	18,350	18,350

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 FAIR VALUE INFORMATION (CONTINUED)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.6.2017								
Financial Assets								
Other investments:								
– quoted shares	1,725	-	-	-	-	-	1,725	1,725
– club membership	-	-	65	-	-	-	65	65

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 FAIR VALUE INFORMATION (CONTINUED)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30.6.2016								
Financial Assets								
Other investments:								
– quoted shares	807	-	-	-	-	-	807	807
– club membership	-	-	65	-	-	-	65	65

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair values above have been determined using the following basis:-

(i) The fair value of quoted investments is determined at their quoted closing bid prices at the end of the reporting year.

(ii) The fair value of club membership is determined by reference to current market price of such similar membership.

There were no transfer between level 1 and level 2 during the financial year.

28. FINANCIAL INSTRUMENTS (CONTINUED)

28.4 FAIR VALUE INFORMATION (CONTINUED)

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair values above have been determined using the following basis:-

(i) The fair values of term loan is determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting year. The interest rate used to discount the estimated cash flows is 6.60% (30.6.2016 : 6.85%) per annum.

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 12 December 2014, the Company announced that Dato' Dr Yu Kuan Chon had entered into a Share Sale Agreement with various vendors to acquire 642,700,783 shares in the Company for a total cash consideration of approximately RM77.1 million.

On 11 August 2016, the Company announced that the Offeror and the Vendors had mutually agreed to extend the Cut-Off date to fulfill the Condition Precedent for a further period of one month commencing from 12 August 2016 and expiring on 11 September 2016. This is the eighteenth extension for the Offeror and the Vendors, following the expiry of the first extension on 11 April 2015.

On 13 September 2016, the Company announced that the Offeror and the Vendors had mutually agreed to terminate the Share Sale Agreement due to the Condition Precedent not being fulfilled by the Cut-Off Date of 12 September 2016.

(ii) The Companies Act, 2016 came into effect on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaces the existing Companies Act 1965. Amongst the key changes introduced under the Companies Act 2016 that have affected the financial statements of the Group and of the Company upon its initial adoption are:-

(a) Removal of the authorised share capital;
(b) Ordinary shares will cease to have par value; and
(c) Share premium account and capital redemption reserve will become part of the share capital.

The adoption of the Companies Act 2016 has been applied prospectively and the impacts of adoption are disclosed in the respective notes to the financial statements.

30. COMPARATIVE INFORMATION

The Company has changed its financial year end from 31 December to 30 June to be coterminous with its ultimate holding company effective from previous reporting period. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and their related notes are not comparable to that for the current 12 months period ended 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the accumulated losses of the Group and of the Company at the end of the reporting year into realised and unrealised losses are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	The Group		The Company	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Total accumulated losses of the Company and its subsidiaries:				
- realised	(465,645)	(466,024)	(37,407)	(37,365)
- unrealised	(294)	(294)	-	-
	(465,939)	(466,318)	(37,407)	(37,365)
Total share of accumulated losses of an associate:				
- realised	(54,854)	(54,584)	-	-
- unrealised	786	786	-	-
	(520,007)	(520,116)	(37,407)	(37,365)
Less: Consolidation adjustments	482,914	482,914	-	-
At 30 June 2017/30 June 2016	(37,093)	(37,202)	(37,407)	(37,365)

PROPERTIES OWNED BY THE GROUP

As At 30 June 2017

Location & Description	Usage	Tenure	Approximate Area	Approximate Age of the Building	Net Book Value	Date of Acquisition/ Last Revaluation
			Sq. Metres	*No. Of Years*	***RM'000***	
State of Negeri Sembilan Darul Khusus						
4 lots of land with a 10-storey resort hotel at Lot 286, 288, 289 and 848, 3 1/2 km, Jalan Pantai, Port Dickson	Hotel	Leasehold Expiring 2059/2087	55,760	22	21,617	1993

ANALYSIS OF SHAREHOLDINGS

As At 6 October 2017

Class of Share : Ordinary shares
Voting Rights : 1 vote per ordinary share

Substantial Shareholders
as per Register of Substantial Shareholders

Name	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
1. Tan Sri Dato' Khoo Kay Peng	–	–	642,700,783	69.19
2. Malayan United Industries Berhad	–	–	642,700,783	69.19
3. Loyal Design Sdn Bhd	358,496,163	38.59	–	–
4. MUI Media Ltd	170,877,552	18.40	–	–
5. Megawise Sdn Bhd	82,749,507	8.91	–	–
6. Pan Malaysia Corporation Berhad	–	–	82,749,507	8.91
7. KKP Holdings Sdn Bhd	–	–	642,700,783	69.19
8. Soo Lay Holdings Sdn Bhd	–	–	642,700,783	69.19
9. Norcross Limited	–	–	642,700,783	69.19
10. Cherubim Investment (HK) Limited	–	–	642,700,783	69.19

Distribution of Shareholders

Holdings	*No. of Holders*	*%*	*No. of Shares*	*%*
Less than 100 shares	380	5.58	14,796	0.00
100 - 1,000 shares	1,796	26.37	1,585,766	0.17
1,001 - 10,000 shares	3,386	49.72	15,195,920	1.64
10,001 - 100,000 shares	986	14.48	33,472,948	3.60
100,001 to less than 5% of issued shares	259	3.81	266,511,759	28.69
5% and above of issued shares	3	0.04	612,123,222	65.90
Total	6,810	100.00	928,867,411	100.00

Thirty (30) Largest Registered Shareholders

	Name	No. of Shares	%
1.	Loyal Design Sdn Bhd	358,496,163	38.59
2.	MUI Media Ltd	170,877,552	18.40
3.	Megawise Sdn Bhd	82,749,507	8.91
4.	Acquiline Sdn Bhd	30,463,488	3.28
5.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Oon Hooi Lin	26,000,000	2.80
6.	AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account for Lim Fung Neng	23,595,000	2.54
7.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Kuan Chon	9,106,700	0.98
8.	AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account – Ambank (M) Berhad for Yu Kuan Huat	8,986,300	0.97
9.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Securities Account for Oon Hooi Lin	8,900,000	0.96
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Securities Account for Chan Sow Keng	8,388,500	0.90
11.	AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account – Ambank (M) Berhad for The Nai Sim	7,971,400	0.86
12.	TA Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Kuan Chon	6,316,600	0.68
13.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - For UOB Kay Hian Pte Ltd	6,270,700	0.68
14.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Securities Account for Chan Yan Meng	4,657,000	0.50
15.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Securities Account for Yu Kuan Chon	4,554,200	0.49
16.	RHB Capital Nominees (Tempatan) Sdn Bhd - Securities Account for Liew Kok Tze	3,796,000	0.41
17.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Lee Chun Weng	3,772,200	0.41
18.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Cheong Swee Yong	3,437,700	0.37
19.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Securities Account for Cheong Swee Yong	3,380,500	0.36
20.	AMSEC Nominees (Tempatan) Sdn Bhd - Securities Account for Yu Kuan Chon	3,380,000	0.36
21.	B-OK Sdn Bhd	3,278,300	0.35
22.	Ong Yew Beng	2,900,000	0.31
23.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account for Ding Chee Ling	2,648,400	0.29
24.	Public Nominees (Tempatan) Sdn Bhd - Securities Account For Yu Chong Choo	2,478,900	0.27
25.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account For Ng Bing Tiam @ Goh Kee Sang	2,381,200	0.26
26.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account For Lim Yet Lien	2,214,000	0.24
27.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Securities Account for Lim Wen Tzer	2,181,800	0.23
28.	Bank Kerjasama Rakyat Malaysia Berhad	1,985,751	0.21
29.	Kenanga Nominees (Tempatan) Sdn Bhd - Securities Account For Ching Nye Mi @ Chieng Ngie Chay	1,938,000	0.21
30.	Maybank Nominees (Tempatan) Sdn Bhd - Securities Account For Tan Ching Ching	1,685,400	0.18
	Total	798,791,261	86.00

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Pan Malaysia Holdings Berhad
95469-W
Incorporated in Malaysia

FORM OF PROXY

IMPORTANT!
Please take note that all the fields underlined in this proxy form are mandatory and must be completed in full and accurately. The Company reserves the right to invalidate and/or reject any proxy form which is not complete or accurately filled in.

No. of Shares Held: ____________________

I/We ________________________________ NRIC / Company No. ____________________
of ________________________________ Tel. No. ____________________
being a member of PAN MALAYSIA HOLDINGS BERHAD hereby appoint ____________________
________________________________ NRIC No. ____________________
of ________________________________ (percentage of shareholding represented: ________%)
or failing him/her, ________________________________ NRIC No. ____________________
of ________________________________ (percentage of shareholding represented: ________%)

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Fourth Annual General Meeting of the Company to be held at Rembau Room, Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul Khusus on Thursday, 30 November 2017 at 4.30 p.m. and at any adjournment thereof, and to vote as indicated below:-

	Resolutions	For	Against
1.	To approve Directors' fees of RM100,572 .		
2.	To approve Directors' Benefits (other than Directors' Fees) of up to RM62,000.		
3.	To re-appoint Dr Wong Hong Meng as Director of the Company.		
4.	To re-elect Puan Farizon binti Ibrahim as Director of the Company.		
5.	To re-appoint Messrs Crowe Horwath as auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Proposed authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		

(Please indicate with 'X' how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Seal

____
Signature

Signed this ____________ day of ____________ 2017

Notes:-

1. *Only a member whose name appears on the Record of Depositors as at 20 November 2017 shall be entitled to attend and vote at the meeting. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of the members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.*
2. *A member entitled to attend and vote shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one (1) proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary share in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991.*
3. *Where a member and/or an exempt authorised nominee, appoint two or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
4. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
5. *The Form of Proxy must be deposited at the registered office of the Company at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
6. *Pursuant to the Bursa Securities Main Market Listing Requirements, all resolutions set out in this Notice will be put to vote by way of poll.*

Fold here first

Stamp

The Company Secretary
Pan Malaysia Holdings Berhad
Unit 3, 191, Jalan Ampang
50450 Kuala Lumpur
Malaysia