

PAN MALAYSIA HOLDINGS BERHAD

Registration No : 198301000236 (95469-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	645	2,605	2,469	4,723
Cost of services	(373)	(1,049)	(991)	(1,957)
Gross profit	272	1,556	1,478	2,766
Other operating income	21	87	108	183
Administrative expenses	(270)	(405)	(581)	(817)
Other operating expenses	(607)	(927)	(1,315)	(1,766)
Finance costs	(209)	(259)	(420)	(522)
(Loss)/Profit before tax and impairment losses	(793)	52	(730)	(156)
Reversal of impairment losses on financial assets (Refer Note A4 (b))	1,524	232	1,413	919
Profit before taxation/Attributable to owners of the Company	731	284	683	763
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes of equity instrument	-	(835)	-	(1,122)
Total comprehensive income/(expenses) for the financial period/Attributable to owners of the Company	731	(551)	683	(359)
Earnings per share attributable to owners of the Company:	Sen	Sen	Sen	Sen
Basic / Diluted	0.08	0.03	0.07	0.08

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	31.12.2020 RM'000	30.06.2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	15,931	16,403
Right-of-use asset	4,190	4,234
	<u>20,121</u>	<u>20,637</u>
Current Assets		
Inventories	55	66
Trade and other receivables	769	917
Current tax assets	22	18
Amount owing by an associate	31,452	29,991
Deposits, cash and bank balances	423	194
	<u>32,721</u>	<u>31,186</u>
TOTAL ASSETS	<u>52,842</u>	<u>51,823</u>
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	92,887	92,887
Accumulated losses	(61,856)	(62,539)
Total Equity	<u>31,031</u>	<u>30,348</u>
Non-Current Liabilities		
Borrowing	13,468	13,468
Deferred tax liabilities	294	294
	<u>13,762</u>	<u>13,762</u>
Current Liabilities		
Trade and other payables	7,227	6,670
Borrowing	822	1,043
	<u>8,049</u>	<u>7,713</u>
Total Liabilities	<u>21,811</u>	<u>21,475</u>
TOTAL EQUITY AND LIABILITIES	<u>52,842</u>	<u>51,823</u>
	RM	RM
Net assets per share attributable to owners of the Company	0.03	0.03

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	Share Capital RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000
At 1 July 2020	92,887	-	(62,539)	30,348
Total comprehensive income for the financial period	-	-	683	683
At 31 December 2020	<u>92,887</u>	<u>-</u>	<u>(61,856)</u>	<u>31,031</u>
At 1 July 2019	92,887	892	(58,785)	34,994
Total comprehensive (expenses)/income for the financial period	-	(1,122)	763	(359)
At 31 December 2019	<u>92,887</u>	<u>(230)</u>	<u>(58,022)</u>	<u>34,635</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019
	RM'000	RM'000
Operating Activities		
Profit before taxation	683	763
Adjustments for:		
Depreciation	550	566
Gain on disposal of property, plant and equipment	(1)	-
Interest expense	420	522
Reversal of impairment losses on financial assets	(1,413)	(919)
Operating profit before working capital changes	239	932
Net change in working capital	518	109
Net tax paid	(4)	(5)
Net cash from operating activities	753	1,036
Investing Activities		
(Advance to)/Repayment from associate	(50)	360
Purchase of property, plant and equipment	(34)	(384)
Proceeds from disposal of property, plant and equipment	1	-
Net cash used in investing activities	(83)	(24)
Financing Activities		
Interest paid	(220)	(522)
Repayment of bank borrowing	(221)	(563)
Net cash used in financing activities	(441)	(1,085)
Net increase/(decrease) in cash and cash equivalents	229	(73)
Cash And Cash Equivalents At Beginning Of Financial Period	194	268
Cash And Cash Equivalents At End Of Financial Period	423	195

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The condensed consolidated financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting*, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of the Companies Act 2016 in Malaysia. The Condensed Report, other than for financial instruments has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments*.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

A2. Significant Accounting Policies

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 30 June 2020, except for the following:

<u>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</u>	<u>Effective Date</u>
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020

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.

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:

<u>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</u>	<u>Effective Date</u>
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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A3. Seasonal or Cyclical Factors

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

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the financial period ended 31 December 2020 other than the following items:

(a) Coronavirus Disease 2019 (COVID-19)

The outbreak of COVID-19 has resulted in the occurrence of a multitude of associated events such as temporarily closing of business, travel restrictions and quarantine measures across the globe. These measures and policies affect supply chains and the production of goods and services and lower economic activity which is likely to result in a reduced demand for the Group's goods and services. The Group exercises judgement, in light of all facts and circumstances, to assess the extent in which these series of events provide additional evidence about the condition that existed at the reporting date and therefore affects the recognition and measurement of the Group's assets and liabilities at 31 December 2020.

(b) Reversal of impairment losses on financial assets

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Reversal of impairment losses on:				
- amount owing by an associate	1,523	232	1,412	919
- other receivables	1	-	1	-
	<u>1,524</u>	<u>232</u>	<u>1,413</u>	<u>919</u>

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial period, which may have a material effect during the financial period ended 31 December 2020.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances or repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 December 2020.

A7. Dividend Paid

No dividend was paid during the financial period ended 31 December 2020 (31 December 2019 : Nil).

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A8. Operating Segments

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

For the 6 months ended 31 December 2020

	Hotel	Investment holding	Total	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	2,469	-	2,469	-	2,469
Inter-segment sales	-	12	12	(12)	-
	<u>2,469</u>	<u>12</u>	<u>2,481</u>	<u>(12)</u>	<u>2,469</u>
RESULTS					
Segment results	(173)	1,276	1,103	-	1,103
Finance costs	(420)	-	(420)	-	(420)
(Loss)/Profit before taxation	<u>(593)</u>	<u>1,276</u>	<u>683</u>	<u>-</u>	<u>683</u>
Segment assets	<u>22,250</u>	<u>30,570</u>	<u>52,820</u>	<u>-</u>	<u>52,820</u>
Unallocated assets					<u>22</u>
Total assets					<u>52,842</u>

A9. Events Subsequent to the End of the Financial Period

There were no material events subsequent to the financial period ended 31 December 2020 that have not been reflected in the interim financial statements for the said period as at the date of this report.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 December 2020.

A11. Commitments and Contingent Liabilities

(i) Contingent Liabilities

The Group does not have any material contingent liabilities not provided for as at 31 December 2020.

(ii) Capital Commitments

The Group does not have any material capital commitments as at 31 December 2020.

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B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Principal Subsidiaries

	QUARTER ENDED		Changes %	CUMULATIVE 6 MONTHS		Changes %
	31.12.2020 RM'000	31.12.2019 RM'000		31.12.2020 RM'000	31.12.2019 RM'000	
Revenue						
Hotel	645	2,605	(75.2)	2,469	4,723	(47.7)
(Loss)/Profit before tax ("(LBT)/PBT")						
Hotel	(687)	159	(532.1)	(593)	77	(870.1)
Investment holding	1,418	125	1,034.4	1,276	686	86.0
	<u>731</u>	<u>284</u>	<u>157.4</u>	<u>683</u>	<u>763</u>	<u>(10.5)</u>

The imposition of Conditional Movement Control Order (CMCO) in various states in Malaysia since 14 October 2020 has affected the Group's hotel business, causing revenue to fall by 75.2% and 47.7% for the current quarter and current year-to-date, respectively, compared to the corresponding period in 2019. However, the impact from the decrease in revenue was mitigated by the reversal of impairment losses on financial assets, which resulted in the Group reporting a PBT in the current financial period.

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

	QUARTER ENDED		Changes %
	31.12.2020 RM'000	30.09.2020 RM'000	
Revenue			
Hotel	645	1,824	(64.6)
(Loss)/Profit before tax ("LBT)/PBT")			
Hotel	(687)	94	(830.9)
Investment holding	1,418	(142)	1,098.6
	<u>731</u>	<u>(48)</u>	<u>1,622.9</u>

As a result of the CMCO, the Group's revenue fell 64.6% compared with the preceding quarter. With the reversal of impairment losses on financial assets in the current quarter, the Group reported a PBT of RM0.73 million compared to an LBT in the preceding quarter.

B3. Prospects for the Financial Year Ending 30 June 2021

The performance for Corus Paradise Resort, Port Dickson was adversely affected for the second quarter ended 31 December 2020 amidst the uncertainties due to the COVID-19 outbreak. However, with rising cases of the pandemic, travel restrictions have since been reimposed subsequent to 31 December 2020. Unless the Movement Control Order 2.0 and border restrictions are lifted or relaxed, the Group's hotel business will remain challenging. The Management will continue to take appropriate measures to mitigate the impact of these uncertainties.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

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B5. Profit Before Taxation

Included in the profit before taxation are the following:

	QUARTER ENDED			CUMULATIVE 6 MONTHS		
	31.12.2020 RM'000	31.12.2019 RM'000	Changes %	31.12.2020 RM'000	31.12.2019 RM'000	Changes %
Depreciation	(275)	(297)	7.4	(550)	(566)	2.8
Gain on disposal of property, plant and equipment	1	-	100.0	1	-	100.0
Interest expense	(209)	(259)	19.3	(420)	(522)	19.5
Provision for legal suit	(56)	-	(100.0)	(113)	-	(100.0)

B6. Trade Receivables

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

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

	31.12.2020 RM'000	30.06.2020 RM'000	Changes %
Not past due	50	62	(19.4)
Past due			
1 to 30 days	7	-	100.0
More than 90 days	4	15	(73.3)
	<u>61</u>	<u>77</u>	<u>(20.8)</u>

B7. Status of Corporate Proposals

There were no corporate proposals announced that are not completed as at the date of this report.

B8. Group Borrowing

	31.12.2020			30.06.2020		
	Non-current RM'000	Current RM'000	Total Borrowing RM'000	Non-current RM'000	Current RM'000	Total Borrowing RM'000
Secured term loan	13,468	822	14,290	13,468	1,043	14,511

There was no bank borrowing denominated in foreign currency as at the end of the financial period.

B9. Derivative Financial Instruments

There were no derivative financial instruments as at 31 December 2020.

B10. Fair Values Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 31 December 2020

B11. Material Litigation

There was no material litigation not provided for as at the date of this report.

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B12. Dividend

No dividend was declared by the Board for the financial period ended 31 December 2020 (31 December 2019: Nil).

B13. Earnings Per Share

	QUARTER ENDED		CUMULATIVE 6 MONTHS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	731	284	683	763
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue	928,867	928,867	928,867	928,867
	Sen	Sen	Sen	Sen
Earnings per share	0.08	0.03	0.07	0.08

The company has not issued any potentially dilutive ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

B14. Audit Report of Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2020 was unmodified.

BY ORDER OF THE BOARD
PAN MALAYSIA HOLDINGS BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 23 February 2021