

PAN MALAYSIA HOLDINGS BERHAD

Registration No : 198301000236 (95469-W)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 MARCH 2022

(The figures are unaudited)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	1,271	402	3,043	2,871
Cost of services	(460)	(254)	(1,016)	(1,245)
Gross profit	811	148	2,027	1,626
Other operating income	18	13	1,781	121
Administrative expenses	(1,032)	(812)	(2,584)	(2,708)
Finance costs	(203)	(221)	(614)	(641)
Impairment reversal on financial assets (Note A4(b))	-	564	192	1,977
Profit/(loss) before taxation	(406)	(308)	802	375
Income tax expense	-	-	-	-
Profit/(loss) after taxation/Total comprehensive income/(expenses) attributable to owners of the Company	(406)	(308)	802	375
Earnings/(loss) per share attributable to owners of the Company:	Sen	Sen	Sen	Sen
Basic/Diluted	(0.04)	(0.03)	0.09	0.04

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	31.03.2022	30.06.2021
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	14,921	15,429
Right-of-use asset	4,080	4,146
	<hr/>	<hr/>
	19,001	19,575
Current Assets		
Inventories	64	50
Trade and other receivables	32,675	32,512
Current tax assets	30	25
Cash and bank balances	393	197
	<hr/>	<hr/>
	33,162	32,784
	<hr/>	<hr/>
TOTAL ASSETS	52,163	52,359
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	92,887	92,887
Accumulated losses	(62,085)	(62,887)
	<hr/>	<hr/>
Total Equity	30,802	30,000
Non-Current Liabilities		
Borrowing	14,511	13,331
Deferred tax liability	294	294
	<hr/>	<hr/>
	14,805	13,625
Current Liabilities		
Trade and other payables	6,556	7,554
Borrowing	-	1,180
	<hr/>	<hr/>
	6,556	8,734
	<hr/>	<hr/>
Total Liabilities	21,361	22,359
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	52,163	52,359
	<hr/>	<hr/>
	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 2021 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 MARCH 2022**

	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
At 1 July 2021	92,887	(62,887)	30,000
Total comprehensive income for the financial period	-	802	802
At 31 March 2022	<u>92,887</u>	<u>(62,085)</u>	<u>30,802</u>
At 1 July 2020	92,887	(62,539)	30,348
Total comprehensive income for the financial period	-	375	375
At 31 March 2021	<u>92,887</u>	<u>(62,164)</u>	<u>30,723</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 2021 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 MARCH 2022**

	CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021
	RM'000	RM'000
Operating Activities		
Profit before taxation	802	375
Depreciation	815	826
Gain on disposal of property, plant and equipment	-	(1)
Interest expense	614	641
Impairment reversal on financial assets	(192)	(1,977)
Operating profit/(loss) before working capital changes	2,039	(136)
Net change in working capital	(1,435)	855
Net tax paid	(5)	(6)
Net cash from operating activities	599	713
Investing Activities		
Purchase of property, plant and equipment	(241)	(39)
Repayment from/(advance to) an associate	324	(50)
Proceeds from disposal of property, plant and equipment	-	1
Net cash from/(for) investing activities	83	(88)
Financing Activities		
Interest paid	(486)	(521)
Net cash for financing activities	(486)	(521)
Net increase in cash and cash equivalents	196	104
Cash and cash equivalents at beginning of financial period	197	194
Cash and cash equivalents at end of financial period	393	298

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2021 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 2021. 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 2021.

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 2021, except for the following:

<u>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</u>	<u>Effective Date</u>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

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 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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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Registration No : 198301000236 (95469-W)

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A3. Seasonal or Cyclical Factors

The hotel business of the Group comprising the Corus Paradise Resort in Port Dickson, Negeri Sembilan is affected by seasonal or cyclical factors.

The stockbroking and asset management business of the Group's associate, Pan Malaysia Capital Berhad is not 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 March 2022 other than the following items:

(a) Coronavirus Disease 2019 (COVID-19)

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

(b) Impairment reversal/(losses) on financial assets

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Amount owing by an associate	-	367	192	1,779
Other receivables	-	197	-	198
	-	564	192	1,977

A5. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial year, which may have a material effect during the financial period ended 31 March 2022.

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 March 2022.

A7. Dividend Paid

No dividend was paid during the financial period ended 31 March 2022 (31 March 2021 : Nil).

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(Incorporated in Malaysia)

A8. Operating Segments

Cumulative nine months ended 31 March 2022

	Hotel RM'000	Investment holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
REVENUE					
External sales	3,043		3,043	-	3,043
Inter-segment sales	-	18	18	(18)	-
	<u>3,043</u>	<u>18</u>	<u>3,061</u>	<u>(18)</u>	<u>3,043</u>
RESULTS					
Segment results	1,448	(32)	1,416	-	1,416
Finance costs	(614)	-	(614)	-	(614)
Profit before taxation	<u>834</u>	<u>(32)</u>	<u>802</u>	<u>-</u>	<u>802</u>
Segment assets	<u>20,131</u>	<u>32,002</u>	<u>52,133</u>	<u>-</u>	<u>52,133</u>
Unallocated assets					<u>30</u>
Total assets					<u>52,163</u>

Cumulative nine months ended 31 March 2021

REVENUE					
External sales	2,871	-	2,871	-	2,871
Inter-segment sales	-	18	18	(18)	-
	<u>2,871</u>	<u>18</u>	<u>2,889</u>	<u>(18)</u>	<u>2,871</u>
RESULTS					
Segment results	(652)	1,668	1,016	-	1,016
Finance costs	(641)	-	(641)	-	(641)
Profit/(loss) before taxation	<u>(1,293)</u>	<u>1,668</u>	<u>375</u>	<u>-</u>	<u>375</u>
Segment assets	<u>21,923</u>	<u>30,941</u>	<u>52,864</u>	<u>-</u>	<u>52,864</u>
Unallocated assets					<u>24</u>
Total assets					<u>52,888</u>

A9. Events Subsequent to the End of the Financial Period

There were no material events subsequent to the financial period ended 31 March 2022 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 March 2022.

A11. Commitments and Contingent Liabilities

(i) Contingent Liabilities

The Group does not have any material contingent liabilities not provided for as at 31 March 2022.

(ii) Capital Commitments

The Group does not have any material capital commitments as at 31 March 2022.

PAN MALAYSIA HOLDINGS BERHAD

Registration No : 198301000236 (95469-W)

(Incorporated in Malaysia)

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			CUMULATIVE 9 MONTHS		
	31.03.2022	31.03.2021	Changes	31.03.2022	31.03.2021	Changes
	(Q3FY22)	(Q3FY21)		(9MFY22)	(9MFY21)	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue						
Hotel	1,271	402	216.2	3,043	2,871	6.0
Profit/(loss) before tax (PBT/(LBT))						
Hotel	(325)	(700)	53.6	834	(1,293)	164.5
Investment holding	(81)	392	(120.7)	(32)	1,668	(101.9)
	(406)	(308)	(31.8)	802	375	113.9

Q3FY22 vs Q3FY21

The Group's Corus Paradise Resort Port Dickson reported a revenue of RM1.3 million for Q3FY22 which is 216.2% above Q3FY21. This was mainly due to the increase in occupancy rate from 11.4% in 2021 to 31.5% in 2022 as traveling between states was allowed to resume during the current quarter. The Group's LBT of RM0.4 million was higher than the RM0.3 million in Q3FY21 which included an impairment reversal of RM0.6 million.

9MFY22 vs 9MFY21

For the 9 months ended 31 March 2022, the Group's revenue was 6% higher than the same period last year primarily due to higher average room rate. The occupancy rate for our hotel was 25.0% for 9MFY22, compared with 26.1% for 9MFY21. The PBT of the Group improved by 113.9% from RM0.4 million in 9MFY21 to RM0.8 million in 9MFY22 due to lower cost of services.

Pursuant to MFRS 128, our Group does not account for its share of results of our associate Pan Malaysia Capital Berhad as its share of losses has exceeded the Group's interest in this associate. Our Group's unrecognised share of profit for Q3FY22 and 9MFY22 is RM63,400 and RM48,000 respectively.

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

	QUARTER ENDED		
	31.03.2022	31.12.2021	Changes
	(Q3FY22)	(Q2FY22)	
	RM'000	RM'000	%
Revenue			
Hotel	1,271	1,581	(19.6)
Profit/(loss) before tax (PBT/(LBT))			
Hotel	(325)	1,715	(119.0)
Investment holding	(81)	(142)	43.0
	(406)	1,573	(125.8)

The Group reported a lower revenue of RM1.3 million in Q3FY22 compared with RM1.6 million in the preceding quarter as Q2FY22 is normally the peak season for our hotel in Port Dickson. The occupancy rate for our hotel reduced from 37.6% in Q2FY22 to 31.5% in Q3FY22. The Group reported an LBT of RM0.4 million in Q3FY22 compared with a PBT of RM1.6 million in the preceding quarter which included a one-off reversal of provision for service charges of RM1.7 million.

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B3. Prospects for the Financial Year Ending 30 June 2022

With the international borders of Malaysia reopening on 1 April 2022, the Group expects the revenue of our hotel business to gradually improve. However, the results are expected to be weighed down by higher cost of services including the new minimum wages implemented by the government from 1 May 2022.

B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit Before Taxation

Included in the profit before taxation are the following:

	QUARTER ENDED			CUMULATIVE 9 MONTHS		
	31.03.2022	31.03.2021	Changes	31.03.2022	31.03.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Depreciation	(274)	(276)	0.7	(815)	(826)	1.3
Gain on disposal of property, plant and equipment	-	-	-	-	1	(100.0)
Interest expense	(203)	(221)	8.1	(614)	(641)	4.2

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:

	31.03.2022	30.06.2021	Changes
	RM'000	RM'000	%
Not past due	144	11	1209.1
Past due			
1 to 30 days	19	-	100.0
31 to 60 days	4	-	100.0
61 to 90 days	1	-	100.0
More than 90 days	46	3	1433.3
	214	14	1428.6

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

	31.03.2022			30.06.2021		
	Non-current	Current	Total	Non-current	Current	Total
	RM'000	RM'000	Borrowing RM'000	RM'000	RM'000	Borrowing RM'000
Secured term loan	14,511	-	14,511	13,331	1,180	14,511

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

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B9. Derivative Financial Instruments

There were no derivative financial instruments as at 31 March 2022.

B10. Fair Values Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 31 March 2022.

B11. Material Litigation

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

B12. Dividend

No dividend was declared by the Board for the financial period ended 31 March 2022 (31 March 2021: Nil).

B13. Earnings/(loss) Per Share

	QUARTER ENDED		CUMULATIVE 9 MONTHS	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Weighted average number of ordinary shares in issue ('000)	928,867	928,867	928,867	928,867
Profit attributable to owners of the Company (RM'000)	(406)	(308)	802	375
Basic/diluted earnings per share attributable to owners of the Company (sen)	(0.04)	(0.03)	0.09	0.04

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 2021 was unmodified.

BY ORDER OF THE BOARD
PAN MALAYSIA HOLDINGS BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 26 May 2022