

PAN MALAYSIA HOLDINGS BERHAD

Registration No : 198301000236 (95469-W)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2023**

(The figures are unaudited)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
				(Audited)
Revenue	870	1,061	5,258	4,104
Cost of services	(656)	(563)	(2,741)	(1,579)
Gross profit	214	498	2,517	2,525
Other operating income	2,651	20	2,767	1,801
Administrative expenses	(1,914)	(1,182)	(5,441)	(3,766)
Finance costs	(190)	(200)	(784)	(814)
Impairment reversal on financial assets (Note A4)	-	-	-	192
Profit/(Loss) before taxation	761	(864)	(941)	(62)
Tax income	161	-	161	-
Profit/(Loss) after taxation	922	(864)	(780)	(62)
Other comprehensive income:				
Revaluation of buildings	12,204	-	12,204	-
Total comprehensive income/(expenses) attributable to owners of the Company	13,126	(864)	11,424	(62)
Earnings/(Loss) per share attributable to owners of the Company:	Sen	Sen	Sen	Sen
Basic/Diluted	0.10	(0.09)	(0.08)	(0.01)

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	30.06.2023	30.06.2022
	RM'000	RM'000
		(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	32,081	14,680
Right-of-use asset	3,970	4,058
	<hr/>	<hr/>
	36,051	18,738
Current Assets		
Inventories	70	68
Trade and other receivables	32,320	32,344
Current tax assets	37	32
Cash and bank balances	74	267
	<hr/>	<hr/>
	32,501	32,711
TOTAL ASSETS	<hr/> 68,552 <hr/>	<hr/> 51,449 <hr/>
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	92,887	92,887
Revaluation reserves	12,204	-
Accumulated losses	(63,729)	(62,949)
	<hr/>	<hr/>
Total Equity	41,362	29,938
Non-Current Liabilities		
Borrowing	13,808	14,511
Deferred tax liabilities	3,987	294
	<hr/>	<hr/>
	17,795	14,805
Current Liabilities		
Trade and other payables	8,692	6,706
Borrowing	703	-
	<hr/>	<hr/>
	9,395	6,706
Total Liabilities	<hr/> 27,190 <hr/>	<hr/> 21,511 <hr/>
TOTAL EQUITY AND LIABILITIES	<hr/> 68,552 <hr/>	<hr/> 51,449 <hr/>
	RM	RM
Net assets per share attributable to owners of the Company	0.04	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 2022 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 YEAR ENDED 30 JUNE 2023**

	Share Capital RM'000	Revaluation Reserves RM'000	Accumulated Losses RM'000	Total RM'000
At 1 July 2022	92,887	-	(62,949)	29,938
Total comprehensive expenses for the financial year	-	-	(780)	(780)
Revaluation of buildings	-	12,204	-	12,204
At 30 June 2023	92,887	12,204	(63,729)	41,362
At 1 July 2021	92,887	-	(62,887)	30,000
Total comprehensive expenses for the financial year	-	-	(62)	(62)
At 30 June 2022	92,887	-	(62,949)	29,938

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	CUMULATIVE 12 MONTHS	
	30.06.2023	30.06.2022
	RM'000	RM'000
		(Audited)
Operating Activities		
Loss before taxation	(941)	(62)
Depreciation	1,694	1,088
Property, plant and equipment written off	5	-
Interest expense	784	814
Impairment reversal on property, plant and equipment	(2,626)	-
Impairment reversal on financial assets	-	(192)
Reversal of provision for service charge	-	(1,738)
Operating loss before working capital changes	(1,084)	(90)
Net change in working capital	247	179
Net tax paid	(5)	(7)
Net cash from/(for) operating activities	(842)	82
Investing Activities		
Purchase of property, plant and equipment	(328)	(251)
Repayment from an associate	520	509
Net cash from investing activities	192	258
Financing Activities		
Advance from ultimate holding company	487	215
Advance from related companies	600	-
Interest paid	(630)	(485)
Net cash from/(for) financing activities	457	(270)
Net increase/(decrease) in cash and cash equivalents	(193)	70
Cash and cash equivalents at beginning of financial year	267	197
Cash and cash equivalents at end of financial year	74	267

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2022 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 2022. 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 2022.

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 2022, except for the following:

<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

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>
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
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 112: International Tax Reform – Pillar Two Model Rules	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

(b) Revaluation of buildings (property, plant and equipment)

The Group re-assessed its accounting policy for property, plant and equipment with respect to measurement of certain classes of property, plant and equipment after initial recognition. The Group has previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

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A2. Significant Accounting Policies (CONT'D)

(b) Revaluation of buildings (property, plant and equipment) (cont'd)

During the financial year ended 30 June 2023, the Group elected to change the method of accounting for buildings classified as property, plant and equipment, as the Group believes that the revaluation model more effectively demonstrates the carrying value of the buildings. In addition, the activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates can be derived.

After initial recognition, the Group uses the revaluation model, whereby buildings will be measured at fair value at the date of the revaluation less any subsequent accumulated impairment losses. The Group applied the revaluation model prospectively.

The impacts due to recognition of buildings in property, plant and equipment at revaluation model is as detailed below:

	Property, plant and equipment RM'000
Carrying amount as at 1 July 2022 *	14,680
Revaluation recognised due to change in accounting policy of buildings from cost model to revaluation model	<u>12,204</u>
Revalued amount as at 1 July 2022	<u>26,884</u>

* The Group changed the accounting policy with respect to measurement of buildings during the financial year ended 30 June 2023, therefore the fair value of the buildings was not measured at 1 July 2021 and 30 June 2022.

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 year ended 30 June 2023 other than the following items:

Impairment reversal on financial assets

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Amount owing by an associate	-	-	-	192

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 year ended 30 June 2023.

A6. 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 year ended 30 June 2023.

A7. Dividend Paid

No dividend was paid during the financial year ended 30 June 2023 (30 June 2022 : Nil).

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A8. Operating Segments

Cumulative 12 months ended 30 June 2023

	Hotel RM'000	Investment holding RM'000	Total RM'000	Elimination RM'000	Group RM'000
REVENUE					
External sales	5,258		5,258	-	5,258
Inter-segment sales	-	24	24	(24)	-
	5,258	24	5,282	(24)	5,258
RESULTS					
Segment results	271	(428)	(157)	-	(157)
Finance costs	(784)	-	(784)	-	(784)
Loss before taxation	(513)	(428)	(941)	-	(941)
Segment assets	37,190	31,325	68,515	-	68,515
Unallocated assets					37
Total assets					68,552

Cumulative 12 months ended 30 June 2022

REVENUE					
External sales	4,104	-	4,104	-	4,104
Inter-segment sales	-	24	24	(24)	-
	4,104	24	4,128	(24)	4,104
RESULTS					
Segment results	926	(174)	752	-	752
Finance costs	(814)	-	(814)	-	(814)
Profit/(Loss) before taxation	112	(174)	(62)	-	(62)
Segment assets	19,538	31,879	51,417	-	51,417
Unallocated assets					32
Total assets					51,449

A9. Events Subsequent to the End of the Financial Period

There were no material events subsequent to the financial year ended 30 June 2023 that have not been reflected in the interim financial statements for the said period as at the date of this report.

A10. Changes in the Composition of the Group

On 6 January 2023, the Company announced that its associate companies, Pan Malaysia Capital Berhad ("PM Capital") and PM Asset Management Sdn Bhd had entered into share sale and purchase agreements with NewParadigm Capital Ventures Sdn Bhd to dispose of the entire issued and paid-up share capital of PM Securities Sdn Bhd, PCB Asset Management Sdn Bhd and Miranex Sdn Bhd for a total cash consideration of RM90,000,003 ("Disposal"). PM Capital has obtained the shareholders' approval for the Disposal during the Extraordinary General Meeting held on 8 February 2023.

Other than the above, there were no other changes in the composition of the Group as at the date of this report.

A11. Commitments and Contingent Liabilities

(i) Contingent Liabilities

The Group does not have any material contingent liabilities not provided for as at 30 June 2023.

(ii) Capital Commitments

The Group does not have any material capital commitments as at 30 June 2023.

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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			CUMULATIVE 12 MONTHS		
	30.06.2023 (Q4 FY23) RM'000	30.06.2022 (Q4 FY22) RM'000	Changes %	30.06.2023 (FY23) RM'000	30.06.2022 (FY22) RM'000	Changes %
Revenue						
Hotel	870	1,061	(18.0)	5,258	4,104	28.1
Profit/(Loss) before tax (PBT/(LBT))						
Hotel	878	(722)	221.6	(513)	112	(558.0)
Investment holding	(117)	(142)	17.6	(428)	(174)	(146.0)
	<u>761</u>	<u>(864)</u>	<u>188.1</u>	<u>(941)</u>	<u>(62)</u>	<u>(1,417.7)</u>

Q4 FY23 vs Q4 FY22

For Q4 FY23, the Group's revenue was RM0.9 million, a decrease of 18% from the same period last year. The decline is mainly attributed to a lower room occupancy rate and a reduction in the average room rate. Despite lower revenue, the Group reported a PBT of RM0.8 million in the current quarter compared with an LBT of RM0.9 million in the corresponding period of the previous year. This was mainly due to an impairment reversal of RM2.6 million in Q4 FY23 resulting from the change in accounting policy from the cost model to the revaluation model for the Group's hotel building that classified under property, plant and equipment.

FY23 vs FY22

The Group's revenue saw an increase from RM4.1 million in FY22 to RM5.3 million in FY23, mainly attributed to a higher room occupancy rate. Despite this increase in revenue, the Group reported a higher LBT of RM0.9 million in FY23 compared to an LBT of RM62,000 in FY22. The higher LBT in the current financial year was mainly due to escalated operating costs and the absence of a one-time provision for service charge reversal, which amounted to RM1.7 million in FY22. The higher LBT in FY23 was partly mitigated by an impairment reversal of RM2.6 million mentioned above.

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

	QUARTER ENDED		
	30.06.2023 (Q4 FY23) RM'000	31.03.2023 (Q3 FY23) RM'000	Changes %
Revenue			
Hotel	870	1,057	(17.7)
Profit/(Loss) before tax (PBT/(LBT))			
Hotel	878	(948)	192.6
Investment holding	(117)	(135)	13.3
	<u>761</u>	<u>(1,083)</u>	<u>170.3</u>

The Group reported a decrease in revenue of 17.7% from RM1.1 million in Q3 FY23 to RM0.9 million in Q4 FY23, primarily attributed to lower room occupancy rate experienced by the Group's hotel in Port Dickson during the fasting month in Q4 FY23. Despite a drop in revenue, the Group recorded a PBT of RM0.8 million in Q4 FY23 compared to an LBT of RM1.1 million in Q3 FY23 due to the impairment reversal of RM2.6 million mentioned in B1 above.

B3. Prospects for the Financial Year Ending 30 June 2024

Corus Paradise Port Dickson will continue to put concerted sales and marketing efforts to build its popularity as a favoured destination. Sales programmes are targeted at both local and international holidaymakers, tour series, corporate groups, government and government linked companies groups and associations.

Additionally, we are actively promoting full board and half board room packages for the Meetings, Incentives, Conferences and Exhibitions ("MICE") markets as well as our beach wedding package to generate food and beverage revenue. Port Dickson continues to draw domestic tourism due to its easy accessibility for travellers in the surrounding states and as such the Group is confident that the hotel's prospects are sustainable.

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B4. Variance of Actual Profit from Forecast Profit

Not applicable.

B5. Profit/(Loss) Before Taxation

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

	QUARTER ENDED			CUMULATIVE 12 MONTHS		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Depreciation	(892)	(273)	(226.7)	(1,694)	(1,088)	(55.7)
Property, plant and equipment written off	-	-	-	(5)	-	(100.0)
Interest expense	(190)	(200)	5.0	(784)	(814)	3.7
Impairment reversal on property, plant and equipment	(2,626)	-	(100.0)	(2,626)	-	(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:

	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Not past due	338	65	420.0
Past due			
1 to 30 days	2	-	100.0
31 to 60 days	1	-	100.0
More than 90 days	176	9	1855.6
	<u>517</u>	<u>74</u>	<u>598.6</u>

B7. Tax income

	QUARTER ENDED			CUMULATIVE 12 MONTHS		
	30.06.2023 RM'000	30.06.2022 RM'000	Changes %	30.06.2023 RM'000	30.06.2022 RM'000	Changes %
Deferred tax income	161	-	100.0	161	-	100.0

B8. Status of Corporate Proposals

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

B9. Group Borrowing

	30.06.2023			30.06.2022		
	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	13,808	703	14,511	14,511	-	14,511

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

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B10. Derivative Financial Instruments

There were no derivative financial instruments as at 30 June 2023.

B11. Fair Values Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss as at 30 June 2023.

B12. Material Litigation

On 14 February 2023, the Company had received an Originating Summons ("Action") and Notice of Application for Interim Injunction ("Injunction Application"), having the same suit number of WA-24NCC-73-02/2023 filed in Kuala Lumpur High Court by Chan Weng Fui ("the Plaintiff") against Pan Malaysia Holdings Berhad (PMH), the current entire Board of Directors of PMH and 13 others.

The Originating Summons was filed pursuant to the Companies Act 2016, the Rules of Court 2012 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad for the matters disclosed in the Company announcement made on Bursa Malaysia's website.

The Company categorically denies any impropriety alleged/insinuated by the Plaintiff through the Action. In this regard, the Company has engaged its legal counsel to defend the Company against the Action and to oppose the Injunction Application filed by the Plaintiff.

The Company's position is that the alleged claims made by the Plaintiff are without merit. The Company shall take all necessary steps to vigorously defend itself against the various claims and shall pursue all legal recourse available stemming from the Action as appropriate.

The hearing of the Originating Summons has been postponed to 29 August 2023.

B13. Dividend

No dividend was declared by the Board for the financial year ended 30 June 2023 (30 June 2022: Nil).

B14. Earnings/(Loss) Per Share

	QUARTER ENDED		CUMULATIVE 12 MONTHS	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Weighted average number of ordinary shares in issue ('000)	928,867	928,867	928,867	928,867
Profit/(Loss) attributable to owners of the Company (RM'000)	922	(864)	(780)	(62)
Basic/diluted earnings/(loss) per share attributable to owners of the Company (sen)	0.10	(0.09)	(0.08)	(0.01)

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

B15. Audit Report of Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2022 was unmodified.

BY ORDER OF THE BOARD
PAN MALAYSIA HOLDINGS BERHAD

Lee Chik Siong
Wong Shuk Fuen
Joint Company Secretaries

Date: 25 August 2023