

**PDZ HOLDINGS BHD****Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the quarter ended 30 September 2015****(Unaudited)**

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Revenue	40,906	37,878	40,906	37,878
Cost of sales	(36,775)	(35,065)	(36,775)	(35,065)
Gross profit	4,131	2,813	4,131	2,813
Other operating income	310	296	310	296
Administrative expense	(4,114)	(4,255)	(4,114)	(4,255)
<b>Profit/(loss) from operations</b>	<b>327</b>	<b>(1,146)</b>	<b>327</b>	<b>(1,146)</b>
(Loss)/Gain on foreign exchange	(658)	116	(658)	116
Finance cost	(93)	(94)	(93)	(94)
Profit/(loss) before tax	(424)	(1,124)	(424)	(1,124)
Tax expense	(315)	(260)	(315)	(260)
Profit/(loss) for the period	(739)	(1,384)	(739)	(1,384)
Other comprehensive income:				
Foreign currency translation differences for a foreign subsidiary	151	(34)	151	(34)
Profit/(loss) and other comprehensive income/(loss) for the period	<u>(588)</u>	<u>(1,418)</u>	<u>(588)</u>	<u>(1,418)</u>
Profit/(loss) attributable to:				
- Owners of the Company	(1,060)	(1,674)	(1,060)	(1,674)
- Non-controlling interests	321	290	321	290
	<u>(739)</u>	<u>(1,384)</u>	<u>(739)</u>	<u>(1,384)</u>
Profit/(loss) and other comprehensive income/(loss) attributable to:				
- Owners of the Company	(909)	(1,708)	(909)	(1,708)
- Non-controlling interests	321	290	321	290
	<u>(588)</u>	<u>(1,418)</u>	<u>(588)</u>	<u>(1,418)</u>
Earnings/(loss) per share (sen)				
- Basic	(0.12)	(0.19)	(0.12)	(0.19)
- Diluted	N/A	N/A	N/A	N/A

***(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)***

**PDZ HOLDINGS BHD**  
**Condensed Consolidated Statement of Financial Position**  
**as at 30 September 2015**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b><u>30.09.15</u></b>	<b><u>30.06.15</u></b>
	<b>RM '000</b>	<b>RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,897	24,141
Goodwill on consolidation	7	7
	<u>23,904</u>	<u>24,148</u>
<b>Current assets</b>		
Bunker on board	1,342	1,406
Trade receivables	24,001	23,755
Non-trade receivables, deposits and prepayment	3,423	1,897
Tax recoverable	210	175
Fixed deposits with licensed banks	7,858	7,038
Cash and bank balances	9,441	11,743
	<u>46,275</u>	<u>46,014</u>
<b>TOTAL ASSETS</b>	<u><u>70,179</u></u>	<u><u>70,162</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	86,932	86,932
Share premium	27,589	27,589
Currency translation differences	720	569
Accumulated losses	(84,407)	(83,347)
<b>Equity attributable to owners of the Company</b>	<u>30,834</u>	<u>31,743</u>
<b>Non-controlling interests</b>	<u>4,056</u>	<u>3,735</u>
<b>Total equity</b>	<u>34,890</u>	<u>35,478</u>
<b>Non-current liabilities</b>		
Deferred taxation	25	26
Borrowings	2,642	2,974
	<u>2,667</u>	<u>3,000</u>
<b>Current liabilities</b>		
Trade payables	17,367	15,453
Non-trade payables and accruals	10,421	10,867
Borrowings	4,510	5,110
Tax payable	324	254
	<u>32,622</u>	<u>31,684</u>
<b>Total liabilities</b>	<u>35,289</u>	<u>34,684</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>70,179</u></u>	<u><u>70,162</u></u>
Net assets per share (RM)	0.04	0.04

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)*

**PDZ HOLDINGS BHD****Condensed Consolidated Statement of Changes in Equity  
for the quarter ended 30 September 2015**

	<b>(Unaudited)</b>						
	<b><u>Attributable to owners of the Company</u></b>						
	<b><u>Share capital</u></b>	<b><u>Share premium</u></b>	<b><u>Currency translation differences</u></b>	<b><u>Accumulated losses</u></b>	<b><u>Total</u></b>	<b><u>Non- controlling interests</u></b>	<b><u>Total equity</u></b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
At 1 July 2015	86,932	27,589	569	(83,347)	31,743	3,735	35,478
Foreign currency translation differences for a foreign subsidiary	0	0	151	0	151	0	151
Profit/(loss) for the period	0	0	0	(1,060)	(1,060)	321	(739)
Dividends	0	0	0	0	0	-	-
At 30 September 2015	<u>86,932</u>	<u>27,589</u>	<u>720</u>	<u>(84,407)</u>	<u>30,834</u>	<u>4,056</u>	<u>34,890</u>
At 1 July 2014	86,932	27,589	478	(23,329)	91,670	5,453	97,123
Foreign currency translation differences for a foreign subsidiary	0	0	(34)	0	(34)	0	(34)
Profit for the period	0	0	0	(1,674)	(1,674)	290	(1,384)
Dividends						(490)	
At 30 September 2014	<u>86,932</u>	<u>27,589</u>	<u>444</u>	<u>(25,003)</u>	<u>89,962</u>	<u>5,253</u>	<u>95,215</u>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)*

**PDZ HOLDINGS BHD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the quarter ended 30 September 2015**

	<b>(Unaudited)</b>	
	<b>3 months ended</b>	
	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Operating activities</b>		
Profit/(loss) before tax	(424)	(1,124)
Adjustments for:		
Depreciation	509	1,765
Net gain on disposal of property, plant and equipment	-	(55)
Interest expense	93	94
Interest income	(113)	(125)
Unrealised loss/(gain) on foreign exchange	25	54
	<u>90</u>	<u>609</u>
Changes in working capital:		
Bunker on board	64	83
Receivables	(1,772)	1,234
Payables	1,468	(109)
Cash flows from operations	<u>(150)</u>	<u>1,817</u>
Interest paid	(93)	(94)
Interest received	113	125
Income tax paid	(281)	(242)
Net cash flows from operating activities	<u>(411)</u>	<u>1,606</u>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	-	(40)
Proceeds from disposal of property, plant and equipment	-	80
Net cash flows from investing activities	<u>-</u>	<u>40</u>

**PDZ HOLDINGS BHD**  
**Condensed Consolidated Statement of Cash Flows**  
**for the quarter ended 30 September 2015 (contd)**

	<b>(Unaudited)</b>	
	<b>3 months ended</b>	
	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Financing activities</b>		
Dividends paid by subsidiaries to non-controlling interests	-	(490)
Repayment of revolving credit	(400)	(1,000)
Repayment of term loan	(532)	(303)
Placement of fixed deposits pledged	(923)	(74)
	<u>(1,855)</u>	<u>(1,867)</u>
<b>Net cash flows from financing activities</b>	<u>(1,855)</u>	<u>(1,867)</u>
<b>Net change in cash and cash equivalents</b>	(2,266)	(221)
<b>Cash and cash equivalents at beginning of period</b>	12,970	15,036
<b>Effects of currency translation differences</b>	(139)	(86)
<b>Cash and cash equivalents at end of period</b>	<u><u>10,565</u></u>	<u><u>14,729</u></u>

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>As at</b>	<b>As at</b>
	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
	<b>RM '000</b>	<b>RM '000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	9,441	13,728
Fixed deposits with licensed banks	7,858	8,020
	<u>17,299</u>	<u>21,748</u>
Fixed deposits pledged	(6,734)	(7,019)
	<u><u>10,565</u></u>	<u><u>14,729</u></u>

*(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2015)*

## **PDZ HOLDINGS BHD**

### **Notes to the Interim Financial Report for the quarter ended 30 September 2015**

#### **A. Compliance with Malaysian Financial Reporting Standards (“MFRS”) 134**

##### **A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Paragraph 9.22 Main Market Listing Requirements of the Bursa Malaysia Securities Berhad. The interim financial report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 30 June 2015 except for the adoption of new MFRS, amendments and interpretations that are mandatory for the Group for the financial year beginning on 1 July 2015. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group.

##### **A2. Seasonal or cyclical factors**

The Group’s turnover is seasonal in nature, as there are low and peak demand periods during the different months of the year.

##### **A3. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no material unusual items that affect assets, liabilities, net income or cash flows during the period.

##### **A4. Material changes in estimates**

There were no material changes in estimates that have a material effect on the financial results during the period.

##### **A5. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the period.

##### **A6. Dividend paid**

The Company did not pay any dividend during the period.

#### **A7. Material events subsequent to the end of the interim period**

There is no material event subsequent to the end of the interim period except as disclosed in Note B7.

#### **A8. Changes in composition of the Group**

There was no change in composition of the Group during the financial period under review.

#### **A9. Changes in contingent liabilities and contingent assets**

The Group does not have any contingent liabilities or contingent assets since the end of the prior financial year.

#### **A10. Capital commitments**

The Group does not have any capital commitments as at 30 September 2015.

### **B. Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

#### **B1. Operating segments review**

##### Current quarter

The Group registered revenue of RM40.91 million in the current quarter compared with RM37.88 million in the preceding year's corresponding quarter, an increase of 8%. The Group posted a profit from operations of RM0.3 million for the current quarter as opposed to a loss from operations of RM1.03 million in the preceding year's corresponding quarter.

Administrative expense decreased by 1% from RM4.14 million in the preceding year's corresponding quarter to RM4.11 million in the current quarter.

#### **B2. Material changes in profit before tax for current quarter as compared to preceding quarter**

For the current quarter, the Group registered loss before tax of RM0.33 million which is lower than the loss before tax of RM1.12 million in the preceding quarter.

While revenue increased by 8% as compared to the preceding quarter, the loss was attributable to the higher vessel running costs by 5% as well as the realized foreign exchange loss amounted to RM0.66 million. This is the results of the depreciation value of Ringgit Malaysia against the US Dollars from RM3.20 per USD1.00 in the preceding quarter to RM4.00 per USD1.00 in the current quarter

#### **B3. Current year prospects**

The severe over tonnage continued to plague the container shipping industry causing freight rates to be stagnant. However, we expect to see some improvements in business volume in the coming quarters. On an ongoing basis, the Group continues to look for new businesses which will provide enhancement to the future earnings of the Group.

**B4. Profit forecast and profit guarantee**

Not applicable.

**B5. Profit or loss before tax**

Profit or loss before tax is after charging/(crediting) the following:

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Interest income	(113)	(125)	(113)	(125)
Other income	(197)	(171)	(197)	(171)
Interest expense	93	94	93	94
Depreciation and amortisation	509	1,765	509	1,765
(Gain)/loss on foreign exchange	658	(116)	658	(116)

**B6. Taxation**

	<b>Individual period</b>		<b>Cumulative period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Current tax – Malaysia	315	260	315	260

Pursuant to the Income Tax (Exemption) (No. 2) Order 2012 dated 4 June 2012, statutory income derived from the operations of sea-going Malaysian registered ships will remain exempted from tax for year of assessment 2012 and year of assessment 2014. The Ministry of Finance has via their letter dated 29 October 2014 further deferred the amendment to the Act for another 2 years up to year of assessment 2015.

The current tax is in respect of the income of the Group which is not exempted from tax pursuant to Section 54A of the Act, the Income Tax (Exemption) (No. 2) Order 2012 and the Ministry of Finance's letter dated 29 October 2014.



## **B7. Status of corporate proposals**

PDZ Holdings Bhd (“PDZ” or the “Company”) had on 5 November 2015 entered into a framework agreement with Ken Makmur Holdings Sdn Bhd (“KENMAKMUR”) for the proposed production of liquified petroleum gas (“LPG”) and condensate from the natural gas supplied by KENMAKMUR from the Rakushechnoye Oil and Gas Field (“Proposed LPG Production”).

In conjunction to the above, on 4 March 2015, the Company had submitted multiple proposals to Bursa Malaysia namely, the Proposed LPG Production and Diversification, Proposed Special Issue, Proposed Rights Issue with Warrants and Proposed Increase in Authorised Share Capital, collectively known as the “Proposal”.

Subsequently, on 24 April 2015 Bursa Malaysia approved the listing and quotations for Rights Issue with Warrants and Special Issue in relation to the “Proposal”.

The approval was granted subject to a number of preceding conditions that will be carried out and completed by the Company together with the relevant parties to the Proposal.

On 14 May 2015, the Company, KENMAKMUR and COG entered into a supplemental agreement to vary/clarify the following terms in the Gas Supply Agreement (“Supplemental Gas Supply Agreement”):-

- (a) Clarification on the conditions precedent for Bursa Securities' approval is in relation to the issuance and listing of the securities arising from the Proposals; and
- (b) PDZ shall be entitled to elect for the payments due to KENMAKMUR under the Gas Supply Agreement in RM equivalent of the USD amount, of which the exchange value shall be based on the middle rate as quoted by Bank Negara Malaysia at the close of the business day immediately preceding that in which a particular payment is intended to be made by PDZ.

Save for the above, the other terms of the Gas Supply Agreement shall remain unchanged.

Further details on the update of the matter were disclosed in the Company’s announcement dated 14 May 2015.

**B8. Bank borrowings and debt securities**

<u>Denominated in Ringgit Malaysia:</u>	<b>Current RM '000</b>	<b>Non-current RM '000</b>	<b>Total RM '000</b>
Term loan (secured)	1,310	2,642	3,952
Revolving credit (unsecured)	3,200	0	3,200
	<u>4,510</u>	<u>2,642</u>	<u>7,152</u>

**B9. Material litigation**

There is no material litigation as at the date of this report.

**B10. Proposed dividend**

No dividend was proposed during the quarter.

**B11. Earnings/(loss) per share**

		<b>Individual period 3 months ended</b>		<b>Cumulative period 3 months ended</b>	
		<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>	<b><u>30.09.15</u></b>	<b><u>30.09.14</u></b>
Profit/(loss) attributable to ordinary shareholders of the Company	<b>(RM '000)</b>	(1,060)	(1,674)	(1,060)	(1,674)
Weighted average number of ordinary shares in issue	<b>('000)</b>	869,321	869,321	869,321	869,321
Basic earnings/(loss) per share	<b>(sen)</b>	<u>(0.12)</u>	<u>(0.19)</u>	<u>(0.12)</u>	<u>(0.19)</u>

**B12. Audit Report of preceding annual financial statements**

The auditors report on the financial statements for the year ended 30 June 2015 was not qualified.

**B13. Realised and unrealised profits or losses**

	<b>As at <u>30.09.15</u> RM '000</b>	<b>As at <u>30.09.14</u> RM '000</b>
Realised	(141,698)	(76,773)
Unrealised	(292)	(286)
	<u>(141,990)</u>	<u>(77,059)</u>
Consolidation adjustments	57,583	52,056
Accumulated losses	<u>(84,407)</u>	<u>(25,003)</u>