

PDZ HOLDINGS BHD [199501031213 (360419 – T)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the period ended 30 September 2021 (Unaudited)

	Individual Quarter		Cummulative Quarter	
	Current Year	Preceding	Current Year	Preceding
	Quarter	Year	To Date	Year
	<u>30.9.2021</u>	<u>30.9.2020</u>	<u>30.9.2021</u>	<u>30.9.2020</u>
	RM '000	RM '000	RM '000	RM '000
Revenue	1,798	1,378	4,078	3,316
Cost of sales	(1,619)	(1,304)	(3,681)	(3,057)
Gross profit	179	74	397	259
Other expenses	(667)	(185)	(1,188)	(6,540)
Administrative expenses	(948)	(1,079)	(3,303)	(3,296)
Loss from operations	(1,436)	(1,190)	(4,094)	(9,577)
Interest income	77	235	384	739
Finance cost	-	-	-	-
Share of net profit of a joint venture	20	-	95	-
Loss before tax	(1,339)	(955)	(3,615)	(8,838)
Taxation	-	-	-	-
Loss after tax	(1,339)	(955)	(3,615)	(8,838)
Other comprehensive income:				
Changes in fair value of financial assets	-	(456)	220	39
Loss after tax and other comprehensive income for the financial period	<u>(1,339)</u>	<u>(1,411)</u>	<u>(3,395)</u>	<u>(8,799)</u>
Loss after tax attributable to:				
- Owners of the Company	(1,339)	(955)	(3,615)	(8,838)
- Non-controlling interests	-	-	-	-
	<u>(1,339)</u>	<u>(955)</u>	<u>(3,615)</u>	<u>(8,838)</u>
Loss after tax and other comprehensive income attributable to:				
- Owners of the Company	(1,339)	(1,411)	(3,395)	(8,799)
- Non-controlling interests	-	-	-	-
	<u>(1,339)</u>	<u>(1,411)</u>	<u>(3,395)</u>	<u>(8,799)</u>
Loss per share (sen)				
- Basic	(0.16)	(0.13)	(0.43)	(1.17)
- Diluted	N/A	N/A	N/A	N/A

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

PDZ HOLDINGS BHD [199501031213 (360419 – T)]
Condensed Consolidated Statement of Financial Position
as at 30 September 2021 (Unaudited)

	(Unaudited) As at <u>30.9.2021</u> RM '000	(Audited) As at <u>31.12.2020</u> RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	4,047	4,285
Investments in joint venture	9,095	9,000
Other investments	-	300
	<u>13,142</u>	<u>13,585</u>
Current assets		
Trade receivables	4,365	648
Other receivables	2,327	2,086
Deposits and prepayments	7,954	7,979
Tax recoverable	848	848
Term deposits	28,388	28,966
Cash at bank	554	4,381
	<u>44,436</u>	<u>44,908</u>
TOTAL ASSETS	<u><u>57,578</u></u>	<u><u>58,493</u></u>
EQUITY AND LIABILITIES		
Share capital	98,021	95,621
Reserves	4,070	3,850
Accumulated losses	(59,236)	(55,621)
Equity attributable to owners of the Company	<u>42,855</u>	<u>43,850</u>
Non-controlling interests	<u>300</u>	<u>300</u>
Total equity	<u>43,155</u>	<u>44,150</u>
Non-current liabilities		
Deferred taxation	280	280
	<u>280</u>	<u>280</u>
Current liabilities		
Trade payables	4,343	4,049
Other payables and accruals	9,733	9,947
Tax payable	67	67
	<u>14,143</u>	<u>14,063</u>
Total liabilities	<u>14,423</u>	<u>14,343</u>
TOTAL EQUITY AND LIABILITIES	<u><u>57,578</u></u>	<u><u>58,493</u></u>
No. of ordinary shares ('000)	101,117	980,679
Net assets per share (sen)	42.38	4.47

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

PDZ HOLDINGS BHD [199501031213 (360419 – T)]
Condensed Consolidated Statement of Changes in Equity
for the period ended 30 September 2021 (Unaudited)

	<-Attributable to owners of the Company->				Non- controlling interests RM '000	Total equity RM '000
	Share capital	Reserves	Retained earnings	Total		
	RM '000	RM '000	RM '000	RM '000		
At 1 January 2021	95,621	3,850	(55,621)	43,850	300	44,150
Share issuance under ESOS	2,159	241	-	2,400	-	2,400
Share based transactions	241	(241)	-	-	-	-
Profit for the financial year	-	-	(3,615)	(3,615)	-	(3,615)
Other comprehensive expenses	-	220	-	220	-	220
At 30 September 2021	<u>98,021</u>	<u>4,070</u>	<u>(59,236)</u>	<u>42,855</u>	<u>300</u>	<u>43,155</u>
At 1 January 2020	80,027	3,750	(40,404)	43,373	248	43,621
Issuance of new shares	5,736	-	-	5,736	-	5,736
Conversion of warrants	759	-	-	759	-	759
Share issuance under ESOS	8,079	1,020	-	9,099	-	9,099
Share based transactions	1,020	(1,020)	-	-	-	-
Transfers	-	(164)	164	-	-	-
Loss for the financial year	-	-	(15,381)	(15,381)	52	(15,329)
Other comprehensive expenses	-	264	-	264	-	264
At 31 December 2020	<u>95,621</u>	<u>3,850</u>	<u>(55,621)</u>	<u>43,850</u>	<u>300</u>	<u>44,150</u>

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

PDZ HOLDINGS BHD [199501031213 (360419 – T)]
Condensed Consolidated Statement of Cash Flows
for the period ended 30 September 2021 (Unaudited)

	(Unaudited) Year To Date <u>30.9.2021</u> RM '000	(Unaudited) Year To Date <u>30.9.2020</u> RM '000
Cash flow from operating activities		
Loss before tax	(3,615)	(8,838)
Adjustments for:		
Depreciation	238	290
Loss on disposal of PPE	-	16
Interest income	(384)	(739)
Impairment charge of other receivables	-	6,582
ESOS expenses	241	-
Share of net profit of a joint venture	(95)	-
Reversal of allowance for doubtful debts	300	(377)
Unrealised loss on foreign exchange	255	-
Loss on disposal of quoted shares - net	633	(39)
	<u>(2,427)</u>	<u>(3,105)</u>
Changes in working capital:		
Receivables	(3,962)	1,001
Payables	(175)	(1,791)
Cash used in operations	<u>(6,564)</u>	<u>(3,895)</u>
Income tax paid	-	(55)
Net cash used in operating activities	<u>(6,564)</u>	<u>(3,950)</u>
Cash flow from investing activities		
Disposal of property, plant and equipment	-	300
Net cash used in investing activities	<u>-</u>	<u>300</u>

PDZ HOLDINGS BHD [199501031213 (360419 – T)]
Condensed Consolidated Statement of Cash Flows
for the period ended 30 September 2021 (Unaudited)

	(Unaudited) Year To Date <u>30.9.2021</u> RM '000	(Unaudited) Year To Date <u>30.9.2020</u> RM '000
Cash flow from financing activities		
Proceeds from issuance of share capital	2,159	5,736
Proceeds from warrants	-	760
Net cash generated from financing activities	<u>2,159</u>	<u>6,496</u>
Net change in cash and cash equivalents	(4,405)	2,846
Cash and cash equivalents at beginning of the period	33,347	34,826
Cash and cash equivalents at end of the financial period	<u><u>28,942</u></u>	<u><u>37,672</u></u>
	(Unaudited) As at <u>30.9.2021</u>	(Unaudited) As at <u>30.9.2020</u>
Cash and cash equivalents comprise:		
Cash and bank balances	554	347
Term deposits at call	28,388	37,325
	<u><u>28,942</u></u>	<u><u>37,672</u></u>

(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.)

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 31 December 2020. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the financial statements for the financial year ended 31 December 2020 except for the adoption of new MFRS, amendments and interpretations that are mandatory for the Group for the financial year beginning on 1 January 2021. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group.

A2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements of the Group for the financial period ended 31 December 2020 was not subject to any qualification.

A3. 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.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter.

A5. Changes in Estimates

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

A6. Changes in Debt and Equity securities

On 12 August 2021, the Company’s total numbers of 1,011,179,290 issued ordinary shares have been consolidated into 101,117,471 Consolidated Shares and 31,840,224 Consolidated Warrants B, following the listing and quotation on the Main Market of Bursa Securities on 12 August 2021. There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current quarter.

A7. Dividend paid

There were no dividends paid during the current quarter.

A8. Valuation of Property and Equipment

The Group did not revalue any of its property, plant and equipment during the current reporting period.

A9. Subsequent Events

On 2 November 2021, the Company announced its completion of proceeds raised from the Rights Issue with Warrants, following the listing and quotation of Rights Shares, Warrants C and additional Warrants B on the Main Market of Bursa Securities on 2 November 2021, per below B11. On 15 November 2021, the Company announced that it has entered into a Memorandum of Understanding (“MOU”) with Protev Asia Limited (1690818), for the purpose of assisting and supporting collaboration efforts in providing gloves for the European and other export markets. There were no other material events subsequent to the end of the reporting period requiring adjustments.

A10. Changes in Composition of the Group

There was no change in composition of the Group during the current reporting period.

A11. Capital commitments

There were no material capital commitments as at the end of the reporting period.

A12. Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets as at the end of the reporting period.

B. Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**B1. Operating segments review**

Financial review for Current Quarter and Cumulative Quarter:

	Individual Period (2 nd Quarter)			Cumulative Period 2 nd Quarter)		
	Current Year Quarter 30/09/21 RM'000	Preceding Year Corresponding Quarter 30/09/20 RM'000	Changes (Amount) RM'000	Current Year to- Date 30/09/21 RM'000	Preceding Year Corresponding Period 30/09/20 RM'000	Changes (Amount) RM'000
Revenue	1,798	1,378	420	4,078	3,316	762
Operating Loss	(1,436)	(1,190)	(246)	(4,094)	(9,577)	5,483
Loss Before Interest and Tax	(1,436)	(1,190)	(246)	(3,999)	(9,577)	5,578
Loss Before Tax	(1,339)	(955)	(384)	(3,615)	(8,838)	5,223
Loss After Tax	(1,339)	(955)	(384)	(3,615)	(8,838)	5,223
LAOEH*	(1,339)	(955)	(384)	(3,615)	(8,838)	5,223

* Loss Attributable to the Owners of the Company

The Group registered higher revenue for the current and cumulative quarter compared to the preceding year corresponding quarter and cumulative quarter due to the increase in volume transported by the Group. The Group registered a lower Loss After Tax for the current and cumulative quarter compared to the preceding year corresponding quarter and cumulative quarter due to the impairment of other receivables in Quarter 2, 2020 arising from judgment on litigation case as per Note B7(b).

Financial review for Current Quarter and Immediate Preceding Quarter:

	Current Quarter 30/09/21 RM'000	Immediate Preceding Quarter 30/06/21 RM'000	Changes (Amount) RM'000
Revenue	1,798	1,098	700
Operating Loss	(1,436)	(759)	(677)
Loss Before Interest and Tax	(1,436)	(759)	(677)
Loss Before Tax	(1,339)	(528)	(811)
Loss After tax	(1,339)	(528)	(811)
Loss Attributable to the Owners of the Company	(1,339)	(528)	(811)

The Group registered higher revenue for the current quarter compared to the immediate preceding quarter due to the higher volume transported by the Group. The Group registered a higher Loss After Tax in the current quarter compared to the immediate preceding quarter due to higher administrative expenses incurred for the corporate exercise.

B2. Prospects

The Group foresees continued challenges on the prospect for financial year ending 31 December 2021 due to the ongoing COVID-19 global pandemic and the uncertainties in global economic environment which have shown impact to the demand for freight transport, including container liner services. Currently, the collaborative partnership with Joint Venture Agreement to jointly develop and operate e-Commerce logistic hub in Johor, with Sanichi Technology Bhd, is ongoing.

With the economic activity is expected to continue to gradually pick up in the upcoming quarters, the Group continuously looking to further expand into related logistics business to enhance the Group's existing and future earnings. To this end, the Group has on 2 November 2021, completed its corporate exercise of diversification into glove manufacturing industry predicated upon the glove industry's positive growth as per B11. Furthermore, the Company also signed a collaborative partnership in providing gloves for the European and other export markets, further to MOU signed with Protev Asia Limited, which is currently ongoing.

B3. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

B4. Bank borrowings and debt securities

The Group has no borrowings and debt securities as at the end of the reporting period.

B5. Dividend Payable

The Board of Directors did not recommend any dividend for the current quarter.

B6. Trade Receivables

The Group's normal trade credit terms range from 30 days to 9 months (2020: cash terms to 9 months). Other credit terms are assessed and approved on a case by case basis. There are no trade receivables from related parties.

	As at 30 September 2021				Total RM'000
	Current RM'000	1-3 months RM'000	3-6 months RM'000	More than 6 months RM'000	
Denominated in RM					
Trade receivables	573	1,564	1,188	1,040	4,365

B7. Material litigation

- (a) Injunction against Formosa Plastics Marina Corporation ("Formosa") and Eastgate:
On 21 September 2016, the Company obtained an ex parte injunction against Formosa and the Eastgate Group, amongst others, to restrain them from arresting the Company's vessels, cargo thereon or freight due therefrom. Formosa filed an application to set aside the said injunction and also for a stay of proceedings to refer this dispute to arbitration. On 2 May 2017, the Judge allowed the stay application pending arbitration and also that the injunctions were validly granted. The Court awarded Eastgate Group's counter-claim against the Company and its former subsidiary, Perkapalan Dai Zhun Sdn Bhd ("PDZSB") amounting to RM5.2 million being operational expenses incurred by Eastgate Group with interest of RM0.9 million and cost of RM0.1 million, which has been provided in the previous financial reporting periods. The Company and PDZSB have on 18 November 2019 filed for an appeal against the said judgement and obtained a stay of execution of the High Court judgement, with a sum of RM1.2 million paid by the Company into a joint stakeholder account with a private caveat on the Company's office building. Hearing on the Company's appeal is fixed for hearing on 10 March 2022.

- (b) Claims by Dan-Bunkering (Singapore) Pte Ltd (“Dan-Bunkering”):
On 16 October 2020, the Company received a sealed order from the Kuala Lumpur High Court awarding Dan-Bunkering (Singapore) Pte Ltd’s claims, with interest and other costs, amounting to RM4.9 million for non-payment of marine fuel oil and/or gas oil to vessels which were previously owned by the former subsidiary of the Company, PDZSB. Nevertheless, the Company has made a provision of RM6.7 million in the previous financial reporting period. The Company has filed an appeal against the decision of the High Court and the matter is fixed for hearing on 25 April 2022. The solicitors acting for the Company is of the view the Company has a strong arguable case on the matter.
- (c) Claims by Harbour-Link Lines (“Harbour”) and Shin Yang Shipping (“Shin Yang”):
Reference is made to our announcement dated 2 February 2017. The case is pending assessment of damages which in turn is pending the outcome of appeal per above B7(b). The solicitor acting for the Company is of the view the Company has a strong arguable case on the matter.

B8. Taxation

	3 months ended individual period		9 months ended cumulative period	
	<u>30/09/21</u>	<u>30/09/20</u>	<u>30/09/21</u>	<u>30/09/20</u>
	RM '000	RM '000	RM '000	RM '000
Taxation	-	-	-	-

The Group’s effective tax rate was below the statutory tax rate for the current and cumulative period mainly due to temporary differences.

B9. Earnings/(loss) per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue:

		3 months ended individual period		9 months ended cumulative period	
		<u>30/09/21</u>	<u>30/09/20</u>	<u>30/09/21</u>	<u>30/09/20</u>
Net loss attributable to ordinary shareholders	(RM'000)	(1,339)	(955)	(3,615)	(8,838)
Weighted average number of ordinary shares in issue	('000)	844,880	757,751	844,880	757,751
Basic loss per share	(sen)	(0.16)	(0.13)	(0.43)	(1.17)

B10. Profit Before Taxation

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

	3 months ended		9 months ended	
	individual period		cumulative period	
	<u>30/09/21</u>	<u>30/09/20</u>	<u>30/09/21</u>	<u>30/09/20</u>
	RM '000	RM '000	RM '000	RM '000
Interest income	(77)	(235)	(384)	(739)
Loss on disposal of PPE	-	16	-	16
Depreciation expense	79	65	238	290
ESOS expenses	-	-	241	-
Reversal of allowance for credit losses	300	-	300	(377)
Impairment of other receivables	-	-	-	6,582
Share of net profit of a joint venture	(20)	-	(95)	-
Unrealised loss on foreign exchange	28	-	255	-
Unrealised (gain) / loss on quoted shares	339	456	633	(39)

B11. Status of utilisation of proceeds raised from Rights Issue with Warrants completed on 2 November 2021, following the listing and quotation of 400,249,551 Rights Shares, 133,416,423 Warrants C and 70,095,402 additional Warrants B on the Main Market of Bursa Securities on 2 November 2021.

No	Purpose	Proposed utilisation (RM'000)	Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Acquisition of factory building for the Gloves Business	25,000	0	25,000	Within 6 months
(ii)	Capital expenditure for the Gloves Business	36,700	0	36,700	Within 12 months
(iii)	Working capital	13,103	0	13,103	Within 12 months
(vi)	Expenses for the Corporate Exercises	1,131	(650)	481	Immediate
	Total	75,934	(650)	75,284	

Status of utilisation of proceeds raised from Rights Issue with Warrants completed on 7 February 2018, following the listing and quotation of 434,660,560 Rights Shares and 325,995,328 Warrants on the Main Market of Bursa Securities on 7 February 2018.

No	Purpose	Proposed utilisation (RM'000)	Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Regional business expansion	1,800	0	1,800	Within 54 months
(ii)	Working capital	8,150	(8,150)	0	-
(iii)	Security deposit for bank guarantee to port authorities	350	0	350	Within 54 months
(iv)	Acquisition and/or investment in other complementary businesses and/or assets	12,346	(11,509)	837	Within 54 months
(v)	Estimated expenses for the Corporate Exercises	920	(920)	0	-
	Total	23,566	(20,579)	2,987	

Status of utilisation of proceeds raised from the Private Placement completed on 26 June 2020, following the listing and quotation of 68,200,000 and 136,397,000 Placement Shares being the last tranche of Placement Shares on 17 June 2020 and 26 June 2020, respectively, on the Main Market of Bursa Securities.

No	Purpose	Proposed utilisation (RM'000)	Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Working capital	5,376	(5,376)	0	Within 24 months
(ii)	Expenses in relation to the Corporate Exercise	360	(360)	0	Immediate
	Total	5,736	(5,736)	0	

B12. Off-balance sheet financial instruments

There were no financial instruments with off-balance sheet risks as at the reporting date.