

PDZ HOLDINGS BHD [199501031213 (360419 - T)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the financial period ended 31 December 2021 (Unaudited)

	Individual Quarter		Cummulative Quarter	
	Current Year	Preceding	Current Year	Preceding
	Quarter	Year	To Date	Year
	<u>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2020</u>
	RM '000	RM '000	RM '000	RM '000
Revenue	1,844	1,712	5,922	5,028
Cost of sales	<u>(1,663)</u>	<u>(1,541)</u>	<u>(5,344)</u>	<u>(4,598)</u>
Gross profit	181	171	578	430
Other income / (expenses)	370	248	(818)	63
Administrative expenses	<u>(2,983)</u>	<u>(7,038)</u>	<u>(6,286)</u>	<u>(16,689)</u>
Loss from operations	<u>(2,432)</u>	<u>(6,619)</u>	<u>(6,526)</u>	<u>(16,196)</u>
Interest income	321	196	705	935
Finance cost	-	-	-	-
Share of net profit of a joint venture	45	-	140	-
Loss before tax	<u>(2,066)</u>	<u>(6,423)</u>	<u>(5,681)</u>	<u>(15,261)</u>
Taxation	<u>68</u>	<u>(68)</u>	<u>68</u>	<u>(68)</u>
Loss after tax	<u>(1,998)</u>	<u>(6,491)</u>	<u>(5,613)</u>	<u>(15,329)</u>
Other comprehensive income:				
Changes in fair value of financial assets	-	225	220	264
Loss after tax and other comprehensive income for the financial period	<u><u>(1,998)</u></u>	<u><u>(6,266)</u></u>	<u><u>(5,393)</u></u>	<u><u>(15,065)</u></u>
Loss after tax attributable to:				
- Owners of the Company	(1,801)	(6,543)	(5,416)	(15,381)
- Non-controlling interests	<u>(197)</u>	<u>52</u>	<u>(197)</u>	<u>52</u>
	<u><u>(1,998)</u></u>	<u><u>(6,491)</u></u>	<u><u>(5,613)</u></u>	<u><u>(15,329)</u></u>
Loss after tax and other comprehensive income attributable to:				
- Owners of the Company	(1,801)	(6,318)	(5,196)	(15,117)
- Non-controlling interests	<u>(197)</u>	<u>52</u>	<u>(197)</u>	<u>52</u>
	<u><u>(1,998)</u></u>	<u><u>(6,266)</u></u>	<u><u>(5,393)</u></u>	<u><u>(15,065)</u></u>
Loss per share (sen)				
- Basic	(0.25)	(0.82)	(0.75)	(1.93)
- 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 31 December 2021 (Unaudited)

	(Unaudited) As at 31.12.2021 RM '000	(Audited) As at 31.12.2020 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,936	4,285
Intangible assets	1,725	-
Investments in joint venture	9,140	9,000
Other investments	-	300
	<u>14,801</u>	<u>13,585</u>
Current assets		
Trade receivables	3,703	648
Other receivables	879	2,086
Deposits and prepayments	6,225	7,979
Tax recoverable	848	848
Term deposits	80,235	28,966
Cash at bank	3,879	4,381
	<u>95,769</u>	<u>44,908</u>
TOTAL ASSETS	<u>110,570</u>	<u>58,493</u>
EQUITY AND LIABILITIES		
Share capital	154,056	95,621
Reserves	6,136	3,850
Accumulated losses	(63,103)	(55,621)
Equity attributable to owners of the Company	<u>97,089</u>	<u>43,850</u>
Non-controlling interests	<u>103</u>	<u>300</u>
Total equity	<u>97,192</u>	<u>44,150</u>
Non-current liabilities		
Deferred taxation	280	280
	<u>280</u>	<u>280</u>
Current liabilities		
Trade payables	3,276	4,049
Other payables and accruals	9,822	9,947
Tax payable	-	67
	<u>13,098</u>	<u>14,063</u>
Total liabilities	<u>13,378</u>	<u>14,343</u>
TOTAL EQUITY AND LIABILITIES	<u>110,570</u>	<u>58,493</u>
No. of ordinary shares ('000)	501,367	980,679
Net assets per share (sen)	19.36	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 financial period ended 31 December 2021 (Unaudited)

	<-Attributable to owners of the Company->				Non-	Total
	Share	Reserves	Retained	Total	controlling	equity
	<u>capital</u>	<u>RM '000</u>	<u>earnings</u>	<u>RM '000</u>	<u>interests</u>	<u>RM '000</u>
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 January 2021	95,621	3,850	(55,621)	43,850	300	44,150
Rights issue with warrants	56,035	-	-	56,035	-	56,035
Share issuance under ESOS	2,159	241	-	2,400	-	2,400
Share based transactions	241	(241)	-	-	-	-
Fair value adjustments	-	2,066	(2,066)	-	-	-
Profit for the financial year	-	-	(5,416)	(5,416)	(197)	(5,613)
Other comprehensive expenses	-	220	-	220	-	220
At 31 December 2021	<u>154,056</u>	<u>6,136</u>	<u>(63,103)</u>	<u>97,089</u>	<u>103</u>	<u>97,192</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 31 December 2021 (Unaudited)

	(Unaudited) Year To Date <u>31.12.2021</u> RM '000	(Unaudited) Year To Date <u>31.12.2020</u> RM '000
Cash flow from operating activities		
Loss before tax	(5,613)	(15,329)
Adjustments for:		
Depreciation	349	384
Gain on disposal of PPE	-	(40)
Interest income	(705)	(935)
Impairment charge of other receivables	1,700	6,732
ESOS expenses	241	1,020
Share of net profit of a joint venture	(140)	-
Reversal of allowance for doubtful debts	-	(377)
Unrealised loss / (gain) on foreign exchange	185	(118)
Loss on disposal of quoted shares - net	633	218
	<u>(3,350)</u>	<u>(8,445)</u>
Changes in working capital:		
Receivables	(805)	3,912
Payables	(3,406)	(2,640)
Cash used in operations	<u>(7,561)</u>	<u>(7,173)</u>
Interest received	78	60
Income tax paid	-	(77)
Net cash used in operating activities	<u>(7,483)</u>	<u>(7,190)</u>
Cash flow from investing activities		
Acquisition of property, plant and equipment	-	(210)
Investments in joint venture	-	(9,000)
Disposal of property, plant and equipment	56	347
Net cash generated from / (used in) investing activities	<u>56</u>	<u>(8,863)</u>

PDZ HOLDINGS BHD [199501031213 (360419 - T)]
Condensed Consolidated Statement of Cash Flows
for the period ended 31 December 2021 (Unaudited)

	(Unaudited) Year To Date <u>31.12.2021</u> RM '000	(Unaudited) Year To Date <u>31.12.2020</u> RM '000
Cash flow from financing activities		
Proceeds from issuance of share capital	56,035	5,736
Proceeds from warrants	-	759
Proceeds from ESOS	2,159	8,079
Net cash generated from financing activities	<u>58,194</u>	<u>14,574</u>
Net change in cash and cash equivalents	50,767	(1,479)
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>84,114</u></u>	<u><u>33,347</u></u>
	(Unaudited) As at <u>31.12.2021</u>	(Unaudited) As at <u>31.12.2020</u>
Cash and cash equivalents comprise:		
Cash and bank balances	3,879	4,381
Term deposits at call	80,235	28,966
	<u><u>84,114</u></u>	<u><u>33,347</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.

Amendments to MFRS that is applicable to the Group but not yet effective

The Malaysian Accounting Standards Board had issued the following amendments to MFRS of which are effective for the financial period beginning on or after 1 January 2022. The Group did not early adopt these amendments to MFRS and they are not expected to have a significant effect on its consolidated financial statements:

- | | |
|--|---|
| • Amendments to MFRS 3 | Reference to Conceptual Framework |
| • Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| • Amendments to MFRS 101 | Disclosure of Accounting Policies |
| • Amendments to MFRS 108 | Definition of Accounting Estimates |
| • Amendments to MFRS 116 | Proceeds before Intended Use |
| • Amendments to MFRS 137 | Onerous Contracts Cost of Fulfilling a Contract |
| • Annual improvements to MFRSs 2018-2020 Cycle | |

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 2 November 2021, the Company issued 400,249,551 Rights Shares, 133,416,423 Warrants C and 70,095,402 additional Warrants B pursuant to corporate exercise making the shares of the Company to become 501,367,022 ordinary shares as at 31 December 2021. There were no other 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

There were no 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 (4 th Quarter)			Financial year		
	Current Year Quarter 31/12/21 RM'000	Preceding Year Corresponding Quarter 31/12/20 RM'000	Changes (Amount) RM'000	Current Financial Year 31/12/21 RM'000	Preceding Financial Year 31/12/20 RM'000	Changes (Amount) RM'000
Revenue	1,844	1,712	132	5,922	5,028	894
Operating Loss	(2,432)	(6,619)	4,187	(6,526)	(16,196)	9,670
Loss Before Interest and Tax	(2,432)	(6,619)	4,187	(6,526)	(16,196)	9,670
Loss Before Tax	(2,066)	(6,423)	4,357	(5,681)	(15,261)	9,580
Loss After Tax	(1,998)	(6,491)	4,493	(5,613)	(15,329)	9,716
LAOHC*	(1,801)	(6,543)	4,742	(5,416)	(15,381)	9,965

* Profit / (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 freight rate during the financial year. 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, arising from judgment on litigation case as per Note B7(a).

Operating segments review (continued)

Financial review for Current Quarter and Immediate Preceding Quarter:

	Current Quarter	Immediate Preceding Quarter	Changes (Amount)
	31/12/21	30/09/21	
	RM'000	RM'000	RM'000
Revenue	1,844	1,798	46
Operating Loss	(2,432)	(1,436)	(996)
Loss Before Interest and Tax	(2,432)	(1,416)	(1,016)
Loss Before Tax	(2,066)	(1,339)	(727)
Loss After tax	(1,998)	(1,339)	(659)
Loss Attributable to the Owners of the Company	(1,801)	(1,339)	(462)

The Group registered higher revenue for the current quarter compared to the immediate preceding quarter due to the higher freight rate. The Group registered a higher Loss After Tax in the current quarter compared to the immediate preceding quarter due to impairment of other receivables incurred during the current quarter.

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, albeit improving freight rates for container liner services.

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 growth as per B11. Joint development and operation of an e-Commerce logistic hub in Johor, further to Joint Venture Agreement with Sanichi Technology Bhd, is ongoing. Collaborative partnership in providing gloves for the European and other export markets, further to Memorandum of Understanding with Protev Asia Limited, is 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 31 December 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	553	1,864	1,286	0	3,703

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 year. 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 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		12 months ended financial year	
	<u>31/12/21</u>	<u>31/12/20</u>	<u>31/12/21</u>	<u>31/12/20</u>
	RM '000	RM '000	RM '000	RM '000
Taxation	68	(68)	68	(68)

The Group's effective tax rate was below the statutory tax rate for the current and financial year 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		12 months ended financial year	
		<u>31/12/21</u>	<u>31/12/20</u>	<u>31/12/21</u>	<u>31/12/20</u>
Net loss attributable to ordinary shareholders	(RM'000)	(1,801)	(6,543)	(5,416)	(15,381)
Weighted average number of ordinary shares in issue	('000)	721,771	797,411	721,771	797,411
Basic earnings / (loss) per share	(sen)	(0.25)	(0.82)	(0.75)	(1.93)

B10. Profit Before Taxation

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

	3 months ended individual period		12 months ended financial year	
	<u>31/12/21</u>	<u>31/12/20</u>	<u>31/12/21</u>	<u>31/12/20</u>
	RM '000	RM '000	RM '000	RM '000
Interest income	(321)	(196)	(705)	(935)
Gain on disposal of PPE	-	(56)	-	(40)
Depreciation expense	111	94	349	384
ESOS expenses	-	1,020	241	1,020
Reversal of allowance for credit losses	(300)	-	-	(377)
Impairment of other receivables	1,700	150	1,700	6,732
Unrealised loss on foreign exchange	(70)	(118)	185	(118)
Loss on disposal of quoted shares	-	257	633	218

- 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	(1,131)	-	Immediate
	Total	75,934	(1,131)	74,803	

- 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	

B12. Off-balance sheet financial instruments

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