

PDZ HOLDINGS BHD [199501031213 (360419 - T)]
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the financial period ended 30 September 2022 (Unaudited)

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Quarter	To Date	To Date
	<u>30.9.2022</u>	<u>30.9.2021</u>	<u>30.9.2022</u>	<u>30.9.2021</u>
	RM '000	RM '000	RM '000	RM '000
Revenue	2,493	1,798	5,977	4,078
Cost of sales	(2,247)	(1,619)	(5,399)	(3,681)
Gross profit	246	179	578	397
Other expenses	(36)	(667)	(106)	(1,188)
Administrative expenses	(1,039)	(948)	(3,469)	(3,303)
Loss from operations	(829)	(1,436)	(2,997)	(4,094)
Interest income	298	77	1,056	384
Finance cost	-	-	-	-
Share of results of an associate	32	20	96	95
Loss before tax	(499)	(1,339)	(1,845)	(3,615)
Taxation	-	-	-	-
Loss after tax	(499)	(1,339)	(1,845)	(3,615)
Other comprehensive income:				
Changes in fair value of financial assets	-	-	-	220
Loss after tax and other comprehensive income for the financial period	<u>(499)</u>	<u>(1,339)</u>	<u>(1,845)</u>	<u>(3,395)</u>
Loss after tax attributable to:				
- Owners of the Company	(499)	(1,339)	(1,845)	(3,615)
- Non-controlling interests	-	-	-	-
	<u>(499)</u>	<u>(1,339)</u>	<u>(1,845)</u>	<u>(3,615)</u>
Loss after tax and other comprehensive income attributable to:				
- Owners of the Company	(499)	(1,339)	(1,845)	(3,395)
- Non-controlling interests	-	-	-	-
	<u>(499)</u>	<u>(1,339)</u>	<u>(1,845)</u>	<u>(3,395)</u>
Loss per share (sen)				
- Basic	(0.09)	(0.16)	(0.32)	(0.43)
- 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 2021 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 2022 (Unaudited)

	(Unaudited)	(Audited)
	As at	As at
	<u>30.9.2022</u>	<u>31.12.2021</u>
	RM '000	RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,718	3,936
Intangible assets	1,078	1,725
Investments in an associate	9,236	9,140
	<u>14,032</u>	<u>14,801</u>
Current assets		
Trade receivables	2,480	3,703
Other receivables	734	879
Deposits and prepayments	33,925	6,225
Tax recoverable	848	848
Term deposits	59,734	80,287
Cash at bank	688	3,990
	<u>98,409</u>	<u>95,932</u>
TOTAL ASSETS	<u><u>112,441</u></u>	<u><u>110,733</u></u>
EQUITY AND LIABILITIES		
Share capital	158,208	154,056
Reserves	6,077	6,077
Accumulated losses	(64,726)	(62,881)
Equity attributable to owners of the Company	<u>99,559</u>	<u>97,252</u>
Non-controlling interests	<u>103</u>	<u>103</u>
Total equity	<u>99,662</u>	<u>97,355</u>
Non-current liabilities		
Deferred taxation	280	280
	<u>280</u>	<u>280</u>
Current liabilities		
Trade payables	2,343	3,276
Other payables and accruals	10,156	9,822
	<u>12,499</u>	<u>13,098</u>
Total liabilities	<u>12,779</u>	<u>13,378</u>
TOTAL EQUITY AND LIABILITIES	<u><u>112,441</u></u>	<u><u>110,733</u></u>
No. of ordinary shares ('000)	581,367	980,679
Net assets per share (sen)	17.12	9.92

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 30 September 2022 (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 2022	154,056	6,077	(62,881)	97,252	103	97,355
Share issuance under ESOS	4,152	-	-	4,152	-	4,152
Loss for the financial period	-	-	(1,845)	(1,845)	-	(1,845)
At 30 September 2022	<u>158,208</u>	<u>6,077</u>	<u>(64,726)</u>	<u>99,559</u>	103	<u>99,662</u>
At 1 January 2021	95,621	3,850	(55,621)	43,850	300	44,150
Issuance of new shares	56,035	-	-	56,035	-	56,035
Share issuance under ESOS	2,159	241	-	2,400	-	2,400
Share based transactions	241	(241)	-	-	-	-
Transfers	-	2,007	(2,007)	-	-	-
Loss for the financial year	-	-	(5,253)	(5,253)	(197)	(5,450)
Other comprehensive income	-	220	-	220	-	220
At 31 December 2021	<u>154,056</u>	<u>6,077</u>	<u>(62,881)</u>	<u>97,252</u>	103	<u>97,355</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 2021 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 2022 (Unaudited)

	(Unaudited) Year To Date <u>30.9.2022</u> RM '000	(Unaudited) Year To Date <u>30.9.2021</u> RM '000
Cash flow from operating activities		
Loss before tax	(1,845)	(3,615)
Adjustments for:		
Depreciation	218	238
Amortisation of intangible asset	647	-
Provision for litigation claim	351	-
Interest income	(1,056)	(384)
ESOS expenses	-	241
Share of results from an associate	(96)	(95)
Reversal of allowance for doubtful debts	-	300
Unrealised loss on foreign exchange	106	255
Loss on disposal of quoted shares - net	-	633
	<u>(1,675)</u>	<u>(2,427)</u>
Changes in working capital:		
Receivables	(25,276)	(3,962)
Payables	(1,056)	(175)
Cash used in operations	<u>(28,007)</u>	<u>(6,564)</u>
Net cash used in operating activities	<u>(28,007)</u>	<u>(6,564)</u>
Cash flow from financing activities		
Proceeds from issuance of share capital	4,152	2,159
Net cash generated from financing activities	<u>4,152</u>	<u>2,159</u>
Net change in cash and cash equivalents	(23,855)	(4,405)
Cash and cash equivalents at beginning of the period	84,277	33,347
Cash and cash equivalents at end of the financial period	<u>60,422</u>	<u>28,942</u>
	(Unaudited) As at <u>30.9.2022</u>	(Unaudited) As at <u>30.9.2021</u>
Cash and cash equivalents comprise:		
Cash and bank balances	688	554
Term deposits at call	59,734	28,388
	<u>60,422</u>	<u>28,942</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 2021 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 2021. 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 2021.

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 2023. 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 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| • 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 2021 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**
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**
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 (2 nd Quarter)			Individual and Cumulative Period (2 nd Quarter)		
	Current Financial Year 30/09/22 RM'000	Preceding Financial Year 30/09/21 RM'000	Changes (Amount) RM'000	Current Financial Year 30/09/22 RM'000	Preceding Financial Year 30/09/21 RM'000	Changes (Amount) RM'000
	Revenue	2,493	1,798	695	5,977	4,078
Operating Loss	(829)	(1,436)	607	(2,997)	(4,094)	1,097
Loss Before Interest and Tax	(829)	(1,436)	607	(2,997)	(3,999)	1,002
Loss Before Tax	(499)	(1,339)	840	(1,845)	(3,615)	1,770
Loss After Tax	(499)	(1,339)	840	(1,845)	(3,615)	1,770
LAOHC*	(499)	(1,339)	840	(1,845)	(3,615)	1,770

* Profit / (Loss) Attributable to the Owners of the Company

The Group registered higher revenue for the current quarter and cumulative quarter compared to the preceding year corresponding quarter and cumulative quarter due to the higher freight rates and volume transported by the Group. The Group registered a lower Loss After Tax for the current quarter and cumulative quarter compared to the preceding year corresponding quarter and cumulative quarter due to lower administrative and business development expenses.

Financial review for Current Quarter and Immediate Preceding Quarter:

	Current Quarter 30/09/22 RM'000	Immediate Preceding Quarter 30/06/22 RM'000	Changes (Amount) RM'000
Revenue	2,493	1,773	720
Operating Loss	(829)	(1,240)	411
Loss Before Interest and Tax	(829)	(1,240)	411
Loss Before Tax	(499)	(850)	351
Loss After tax	(499)	(850)	351
Loss Attributable to the Owners of the Company	(499)	(850)	351

Operating segments review (continued)

The Group registered higher revenue for the current quarter compared to the immediate preceding quarter due to higher freight rates and volume transported by the Group. The Group registered a lower Loss After Tax in the current quarter compared to the immediate preceding quarter due to lower administrative expenses.

B2. Prospects

The Group foresees continued challenges for the financial year 2023 given on-going global market economic challenges. The Group will remain watchful of the uncertainties in global economic environment and at the same time continue to focus on servicing our customers in supporting their businesses' logistics requirements.

The joint development and operation of an e-Commerce logistic hub in Johor with Sanichi Technology Bhd and the collaborative partnership in providing gloves for the European and other export markets with Protev Asia Limited, are 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 (2021: 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 2022				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	798	1,682	-	-	2,480

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. 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. Case management on the Company’s appeal is fixed for hearing on 17 November 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 3 April 2023. 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 and cumulative period		9 months ended cumulative period	
	<u>30/09/22</u>	<u>30/09/21</u>	<u>30/09/22</u>	<u>30/09/21</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 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		9 months ended cumulative period	
		<u>30/09/22</u>	<u>30/09/21</u>	<u>30/09/22</u>	<u>30/09/21</u>
Net profit / (loss) attributable to ordinary shareholders	(RM'000)	(499)	(1,339)	(1,364)	(3,615)
Weighted average number of ordinary shares in issue	('000)	575,426	844,880	575,426	844,880
Basic earnings / (loss) per share	(sen)	(0.09)	(0.16)	(0.32)	(0.43)

B10. Profit Before Taxation

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

	3 months ended individual and cumulative period		9 months ended cumulative period	
	<u>30/09/22</u>	<u>30/09/21</u>	<u>30/09/22</u>	<u>30/09/21</u>
	RM '000	RM '000	RM '000	RM '000
Interest income	(298)	(77)	(1,056)	(384)
Depreciation expense	73	79	218	238
Amortisation of intangible asset	216	-	647	-
ESOS expenses	-	-	-	241
Unrealised loss on foreign exchange	36	28	106	255
Unrealised loss on quoted shares	-	339	-	633

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	(7,000)	18,000	Within 24 months ⁽¹⁾
(ii)	Capital expenditure for the Gloves Business	36,700	(15,000)	21,700	Within 24 months ⁽¹⁾
(iii)	Working capital	13,103	0	13,103	Within 24 months ⁽¹⁾
(vi)	Expenses for the Corporate Exercises	1,131	(1,131)	-	Immediate
	Total	75,934	(23,131)	52,803	

⁽¹⁾On 2 November 2022, the Board approved an extension of timeframe for utilisation of proceeds for another 12 months to 2 November 2023.

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 66 months ⁽¹⁾
(ii)	Working capital	8,150	(8,150)	0	-
(iii)	Security deposit for bank guarantee to port authorities	350	0	350	Within 66 months ⁽¹⁾
(iv)	Acquisition and/or investment in other complementary businesses and/or assets	12,346	(11,509)	837	Within 66 months ⁽¹⁾
(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.