

PDZ HOLDINGS BHD [199501031213 (360419 - T)]

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the financial period ended 30 September 2023 (Unaudited)**

	Individual Quarter		Cummulative Quarter	
	Current Year	Preceding	Current Year	Preceding
	Quarter	Year	To Date	Year
	<u>30.9.2023</u>	<u>30.9.2022</u>	<u>30.9.2023</u>	<u>30.9.2022</u>
	RM '000	RM '000	RM '000	RM '000
Revenue	2,086	2,493	6,404	5,977
Cost of sales	(1,886)	(2,247)	(5,794)	(5,399)
Gross profit	<u>200</u>	<u>246</u>	<u>610</u>	<u>578</u>
Other expenses	(47)	(36)	(420)	(106)
General and administrative expenses	(865)	(1,039)	(3,297)	(3,469)
Loss from operations	<u>(712)</u>	<u>(829)</u>	<u>(3,107)</u>	<u>(2,997)</u>
Interest income	391	298	1,045	1,056
Share of net profit from a joint venture	57	32	147	96
Loss before tax	<u>(264)</u>	<u>(499)</u>	<u>(1,915)</u>	<u>(1,845)</u>
Taxation	-	-	-	-
Loss after tax	<u>(264)</u>	<u>(499)</u>	<u>(1,915)</u>	<u>(1,845)</u>
Other comprehensive expense:				
Changes in fair value of financial assets	-	-	(397)	-
Loss after tax and other comprehensive expense for the financial period	<u>(264)</u>	<u>(499)</u>	<u>(2,312)</u>	<u>(1,845)</u>
Loss after tax attributable to:				
- Owners of the Company	(264)	(499)	(1,915)	(1,845)
- Non-controlling interests	-	-	-	-
	<u>(264)</u>	<u>(499)</u>	<u>(1,915)</u>	<u>(1,845)</u>
Loss after tax and other comprehensive income attributable to:				
- Owners of the Company	(264)	(499)	(2,312)	(1,845)
- Non-controlling interests	-	-	-	-
	<u>(264)</u>	<u>(499)</u>	<u>(2,312)</u>	<u>(1,845)</u>
Loss per share (sen)				
- Basic	(0.05)	(0.09)	(0.33)	(0.32)
- 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 2022 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 2023 (Unaudited)

	(Unaudited) As at 30.9.2023 RM '000	(Audited) As at 31.12.2022 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	3,385	3,646
Intangible assets	216	863
Investments in a joint venture	9,428	9,281
Other investments	1,058	-
	<u>14,087</u>	<u>13,790</u>
Current assets		
Trade receivables	4,150	5,177
Other receivables	505	1,069
Deposits and prepayments	29,640	17,225
Tax recoverable	691	848
Term deposits	55,472	65,432
Cash at bank	4,777	6,429
	<u>95,235</u>	<u>96,180</u>
	<u>109,322</u>	<u>109,970</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Share capital	158,208	158,208
Reserves	5,680	6,077
Accumulated losses	(71,281)	(69,366)
Equity attributable to owners of the Company	<u>92,607</u>	<u>94,919</u>
Non-controlling interests	<u>103</u>	<u>103</u>
Total equity	<u>92,710</u>	<u>95,022</u>
Non-current liabilities		
Deferred taxation	283	283
	<u>283</u>	<u>283</u>
Current liabilities		
Trade payables	6,151	4,490
Other payables and accruals	10,178	10,175
	<u>16,329</u>	<u>14,665</u>
Total liabilities	<u>16,612</u>	<u>14,948</u>
TOTAL EQUITY AND LIABILITIES	<u>109,322</u>	<u>109,970</u>
No. of ordinary shares ('000)	581,367	581,367
Net assets per share (sen)	15.93	16.33

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2023 (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 2023	158,208	6,077	(69,366)	94,919	103	95,022
Loss for the financial period	-	-	(1,915)	(1,915)	-	(1,915)
Other comprehensive expenses	-	(397)	-	(397)	-	(397)
At 30 September 2023	<u>158,208</u>	<u>5,680</u>	<u>(71,281)</u>	<u>92,607</u>	<u>103</u>	<u>92,710</u>
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 year	-	-	(6,485)	(6,485)	-	(6,485)
Other comprehensive income	-	-	-	-	-	-
At 31 December 2022	<u>158,208</u>	<u>6,077</u>	<u>(69,366)</u>	<u>94,919</u>	<u>103</u>	<u>95,022</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 2022 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 2023 (Unaudited)

	(Unaudited) Year To Date <u>30.9.2023</u> RM '000	(Unaudited) Year To Date <u>30.9.2022</u> RM '000
Cash flow from operating activities		
Loss before tax	(1,915)	(1,845)
Adjustments for:		
Depreciation	261	218
Amortisation of intangible asset	648	647
Provision for liabilities and charges	-	351
Interest income	(1,045)	(1,056)
Share of net profit from a joint venture	(147)	(96)
Unrealised loss on foreign exchange	420	106
	<u>(1,778)</u>	<u>(1,675)</u>
Changes in working capital:		
Receivables	(10,687)	(25,276)
Payables	1,244	(1,056)
Cash used in operations	<u>(11,221)</u>	<u>(28,007)</u>
Interest received	908	-
Income tax refund	156	-
Net cash used in operating activities	<u>(10,157)</u>	<u>(28,007)</u>
Cash flow from investing activities		
Investment in quoted shares	<u>(1,455)</u>	-
Net cash used in investing activities	<u>(1,455)</u>	-
Cash flow from financing activities		
Proceeds from ESOS	-	4,152
Net cash generated from financing activities	<u>-</u>	<u>4,152</u>
Net change in cash and cash equivalents	(11,612)	(23,855)
Cash and cash equivalents at beginning of the year	71,861	84,277
Cash and cash equivalents at end of the financial year	<u>60,249</u>	<u>60,422</u>
Cash and cash equivalents comprise:		
Cash and bank balances	4,777	688
Term deposits at call	55,472	59,734
	<u>60,249</u>	<u>60,422</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 2022 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 2022. 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 2022.

As at 1 January 2023, the Group and the Corporation have adopted the following Amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”):

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 – Comparative Information)
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
- Amendments to MFRS 112, Income Taxes (Deferred Tax related to Assets and Liabilities arising from single transaction)

The adoption of the above pronouncements has no material financial impact to 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 2022 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 30/09/23 RM'000	Preceding Financial Year 30/09/22 RM'000	Changes (Amount) RM'000	Current Financial Year 30/09/23 RM'000	Preceding Financial Year 30/09/22 RM'000	Changes (Amount) RM'000
	Revenue	2,086	2,493	(407)	6,404	5,977
Operating Loss	(712)	(829)	117	(3,107)	(2,997)	(110)
Loss Before Interest and Tax	(712)	(829)	117	(3,107)	(2,997)	(110)
Loss Before Tax	(264)	(499)	235	(1,915)	(1,845)	(70)
Loss After Tax	(264)	(499)	235	(1,915)	(1,845)	(70)
LAOEHC*	(264)	(499)	235	(1,915)	(1,845)	(70)

* Loss Attributable to the Owners of the Company

The Group registered lower revenue for the current quarter compared to the preceding year corresponding quarter due to the lower cargo volume transported, however the Group managed a higher volume for the cumulative period compared to the preceding year. The Group registered a higher Loss After Tax for the cumulative quarter compared to the preceding year corresponding cumulative quarter due to professional fees and higher general and administrative expenses.

Financial review for Current Quarter and Immediate Preceding Quarter:

	Current Quarter 30/09/23 RM'000	Immediate Preceding Quarter 30/06/23 RM'000	Changes (Amount) RM'000
Revenue	2,086	2,062	24
Operating Loss	(712)	(1,869)	1,157
Loss Before Interest and Tax	(712)	(1,869)	1,157
Loss Before Tax	(264)	(1,470)	1,206
Loss After tax	(264)	(1,470)	1,206
Loss Attributable to the Owners of the Company	(264)	(1,470)	1,206

Operating segments review (continued)

The Group registered higher revenue for the current quarter compared to the immediate preceding quarter due to the an increase in the cargo 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 the lower general and 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 that include higher freight costs, business development costs and logistical costs. The Group at the same time will continue to focus on servicing our customers in supporting their businesses' logistics requirements.

The joint development of an e-Commerce logistic hub in Johor with Sanichi Technology Bhd is still 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 (2022: 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 2023				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	632	2,076	1,442	-	4,150

B7. Material litigation

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 for 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. On 17 November 2022, Court of Appeal has set aside the High Court decision. Subsequently, Eastgate has filed the matter at the Federal Court and matter is fixed for hearing on 9 January 2024.

B8. Taxation

	3 months ended individual and cumulative period		9 months ended cumulative period	
	<u>30/09/23</u>	<u>30/09/22</u>	<u>30/09/23</u>	<u>30/09/22</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 and cumulative period		9 months ended cumulative period	
		<u>30/09/23</u>	<u>30/09/22</u>	<u>30/09/23</u>	<u>30/09/22</u>
Net loss attributable to ordinary shareholders	(RM'000)	(264)	(499)	(1,915)	(1,845)
Weighted average number of ordinary shares in issue	('000)	581,367	575,426	581,367	575,426
Basic loss per share	(sen)	(0.05)	(0.09)	(0.33)	(0.32)

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>30/09/23</u>	<u>30/09/22</u>	<u>30/09/23</u>	<u>30/09/22</u>
	RM '000	RM '000	RM '000	RM '000
Interest income	(391)	(298)	(1,045)	(1,056)
Depreciation expense	116	73	261	218
Amortisation of intangible asset	217	216	648	647
Unrealised loss on foreign exchange	47	36	420	106

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	(7,575)	17,425	Within 36 months ⁽¹⁾
(ii)	Capital expenditure for the Gloves Business	36,700	(17,020)	19,680	Within 36 months ⁽¹⁾
(iii)	Working capital	13,103	0	13,103	Within 36 months ⁽¹⁾
(vi)	Expenses for the Corporate Exercises	1,131	(1,131)	-	Immediate
	Total	75,934	(25,726)	50,208	

⁽¹⁾ On 1 November 2023, the Board approved an extension of timeframe for utilisation of proceeds for another 12 months to 2 November 2024.

B12. 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 78 months
(ii)	Working capital	8,150	(8,150)	0	-
(iii)	Security deposit for bank guarantee to port authorities	350	0	350	Within 78 months
(iv)	Acquisition and/or investment in other complementary businesses and/or assets	12,346	(11,509)	837	Within 78 months
(v)	Estimated expenses for the Corporate Exercises	920	(920)	0	-
	Total	23,566	(20,579)	2,987	

B13. Off-balance sheet financial instruments

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