PDZ HOLDINGS BHD

Registration No. 199501031213 (360419-T)

2024 annual report

29th ANNUAL GENERAL MEETING

Thursday
26th June 2025
10:30 a.m

Level 9, Tower 11, Avenue 5,
No 8, Jalan Kerinchi,
Bangsar South,
59200 Kuala Lumpur.

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Corporate Information

BOARD OF DIRECTORS

Dato' Sri Rusli Bin Ahmad
Independent Non-Executive Chairman

Datuk Tan Chor How Christopher
Executive Director cum Chief Executive Officer

Dato' Ahmad Zaffry Bin Hj. Sulaiman
Independent Non-Executive Director

Mr. Wong Kok Seong
Independent Non-Executive Director

Dr. Rosli Bin Azad Khan
Executive Director

Mr. Ho Jien Shiung
Executive Director

Ms. Pang Siaw Sian
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Wong Kok Seong *(Chairman)*
Dato' Sri Rusli Bin Ahmad
Dato' Ahmad Zaffry Bin Hj. Sulaiman

NOMINATION AND REMUNERATION COMMITTEE

Mr. Wong Kok Seong *(Chairman)*
Dato' Sri Rusli Bin Ahmad
Dato' Ahmad Zaffry Bin Hj. Sulaiman

COMPANY SECRETARY

Ms. Tea Sor Hua (MACS 01324)
SSM Practicing Certificate No. 201908001272

Ms. Winnie Goh Kah Mun (MAICSA 7068836)
SSM Practicing Certificate No. 202308000205

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : (603) 7725 1777
Fax : (603) 7722 3668
Email : info@cospec.com.my

HEAD OFFICE

No. 1, Jalan Sungai Aur
42000 Port Klang
Selangor Darul Ehsan
Tel : (603) 3169 2233 / 012-6286054
Fax : (603) 3165 9311
Email : general@pdzlines.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
RHB Bank Berhad
CIMB Bank Berhad

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 2084 9000
Fax : (603) 2094 9940
Email : info@sshsb.com.my

AUDITORS

CHENGCO PLT
201806002622
(LLP0017004-LCA) & (AF 0886)
Lot 507 & 508
5th Floor, Tower 2, Faber Towers
Jalan Desa Bahagia, Taman Desa,
58100 Kuala Lumpur
Wilayah Persekutuan
Tel : (603) 7984 8988
Fax : (603) 7984 9872

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : PDZ
Stock Code : 6254

WEBSITE

www.pdzlines.com

Group Structure

PDZ HOLDINGS BHD
199501031213 (360419-T)

- 100% PDZ SHIPPING AGENCY SDN BHD
- 100% PDZ SHIPPING AGENCY (KUCHING) SDN BHD
- 100% ARUS MARINE SDN BHD
- 100% BETA MARINE SDN BHD
- 100% ERAT MARINE SDN BHD
- 100% JATI MARINE SDN BHD
- 99.99% PERKAPALAN DAI ZHUN (JOHORE) SDN BHD
- 99.99% FOKUS MARINE SDN BHD
- 60% PDZ SHIPPING AGENCY (JOHOR) SDN BHD
- 40% EC VICTORY SDN BHD

Directors' Profile

Dato' Sri Rusli Bin Ahmad

Male | Aged 68 | Malaysian

Independent Non-Executive Chairman

Dato' Sri Rusli Bin Ahmad ("**Dato' Sri Rusli**") was appointed to the Board as Independent Non-Executive Director of the Company on 3 January 2018 and was subsequently re-designated as Independent Non-Executive Chairman on 31 December 2018. He is a member of Audit and Risk Management Committee, and Nomination and Remuneration Committee. He attended all four (4) Board Meetings held in the financial year.

Dato' Sri Rusli holds a Bachelor of Law from UiTM (1998) and Master of Laws from the University of Malaya in Kuala Lumpur, Malaysia (2006).

Dato' Sri Rusli's final position in Royal Malaysia Police was the Commissioner of Police.

He joined the Royal Malaysia Police ("RMP") on 12 February 1978 as an Inspector. Throughout his career, he has served in several departments, including the Criminal Investigation Department, the Management Department, and the Inspector General of Police Secretariat. He was also assigned as the Officer-in-Charge of the Cheras Police District (OCPD), Deputy Director (Operations) at the Crime Prevention and Public Safety Department in 2014, Johore State Police Chief (CPO) in 2015, and Director of Crime Prevention and Community Safety with the rank of Police Commissioner at the Federal Police Headquarters, Bukit Aman, Kuala Lumpur. He officially retired on 12 May 2017 at the age of 60, after serving more than 39 years in the RMP.

Dato' Sri Rusli has also attended seminars and courses related to his career, both locally, in most ASEAN countries and abroad, including the United States, the Netherlands and Australia.

In appreciation of his contributions to society and the country, he was awarded the titles of Darjah Sri Sultan Ahmad Shah Pahang (SSAP), Darjah Indera Mahkota Pahang (DIMP), Panglima Gagah Pasukan Polis (PGPP), Johan Setia Mahkota (JSM), Kesatria Mangku Negara (KMN), and Ahli Mangku Negara (AMN).

Presently, he does not hold directorships in other public companies and listed issuers.

Dato' Sri Rusli has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Datuk Tan Chor How Christopher

Male | Aged 45 | Malaysian

Executive Director cum Chief Executive Officer / Key Senior Management

Datuk Tan Chor How Christopher ("**Datuk Christopher**") was appointed as Independent Non-Executive Director of the Company on 18 August 2016 and was subsequently re-designated as Executive Director cum Chief Executive Officer on 1 September 2016. He attended all four (4) Board Meetings held in the financial year.

He graduated with a Bachelor of Commerce (Accounting) degree in 2002 from The University of Adelaide, South Australia and completed his Certified Credit Professional - Business Credit Certification from Institute Bank - Bank Malaysia (IBBM) in 2005.

Datuk Christopher has accumulated over 20 years of working experience, with an understanding of business philosophy, executive leadership, corporate and management functions, across diverse industries, with strategic organisational and transformative initiatives for value creation in complex regulatory environments.

Presently, Datuk Christopher also sits on the Board of M N C Wireless Berhad and Fitters Diversified Berhad in addition to several private limited companies.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Dr. Rosli Bin Azad Khan

Male | Aged 68 | Malaysian

Executive Director

Dr. Rosli Bin Azad Khan ("**Dr. Rosli**") was appointed to the Board as Executive Director of the Company on 20 November 2020. He attended all four (4) Board Meeting of the Company held in the financial year.

He obtained his Masters in Transport Planning and Ph.D in Transport Economics from Cranfield University, England, in 1984 and 1992 respectively. He is now a Fellow of the Chartered Institute of Logistics & Transport (CILT UK), having graduated from UiTM in 1979, and has served as Vice President for the Malaysian section of CILT for three terms until 2018.

Dr. Rosli has more than 36 years of management and industry experience especially in business consultancy covering various modes of transport such as air, land, rail, and sea. His management experience includes many years spent in ports and shipping, shipyard and shipbuilding, oil and gas, and road network and highway planning. His consultancy studies include port planning, container trade, cruise and ferry, high speed rail, LRT, MRT, Tram and urban mass transportation.

As a consultant, he has also been involved in privatisation projects, public private partnership (PPP) and private finance initiative (PFI) projects, project evaluations, traffic forecasting, project financing and funding and has undertaken assignments in 26 countries.

Dr. Rosli was previously a Board member of Drydocks World Dubai and Polarcus Plc, which is listed in Oslo, Norway. He was also previously attached to the Office of the Minister of Entrepreneur Development & Co-operatives and an Advisor to Global Entrepreneur Network (GEN) Malaysia.

Presently, Dr. Rosli is a Director for MDS Consultancy Group. He does not hold directorships in other public companies and listed issuers.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

DIRECTORS' PROFILE

[Cont'd]

Ho Jien Shiung

Male | Aged 41 | Malaysian

Executive Director

Mr. Ho Jien Shiung ("**Mr. Ho**") was appointed to the Board as Executive Director of the Company on 7 February 2017. He attended all four (4) Board Meetings held in the financial year.

He obtained his Bachelor Degree of Commerce & Administration from Victoria University of Wellington, New Zealand.

Mr. Ho started his career as Foreign Administration Executive with the Inland Revenue Department of New Zealand after graduation in 2008. In 2009, he returned to Malaysia and joined a construction piping company as South East Asia Region Marketing Manager. In 2010, he left and joined an advance technology printing manufacturer as Business Development Manager principally in charge of the business development of Malaysia central region.

Currently, Mr. Ho also sits on the Board of PNE PCB Berhad, DGB Asia Berhad, BCM Alliance Berhad as well as several private limited companies.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Dato' Ahmad Zaffry Bin HJ. Sulaiman

Male | Aged 50 | Malaysian

Independent Non-Executive Director

Dato' Ahmad Zaffry Bin Hj. Sulaiman ("**Dato' Zaffry**") was appointed to the Board as Independent Non-Executive Director of the Company on 29 September 2017. He is a member of Audit and Risk Management Committee as well as Nomination and Remuneration Committee. He attended all four (4) Board Meetings held in the financial year.

Dato' Zaffry graduated from University Technology Malaysia (UTM) with Degree in Civil Engineering in 2005. He holds a Diploma in Civil Engineering from Politeknik Ungku Omar in year 1997 and Certificate in Civil Engineering (Construction) from Politeknik Port Dickson in year 1995.

Dato' Zaffry started his career as Assistant Engineer with Shah Alam City Council (MBSA) in year 1997. He left MBSA in year 2010 and started his own entrepreneurship. He was the Executive Director of EKA Noodles Berhad from September 2015 to March 2017.

Presently, Dato' Zaffry is the Managing Director of both MyTC Ventures Berhad and Dynamic Care Resources Sdn. Bhd. He is also a Director of Itramas Corporation Sdn. Bhd., a company ventures into business of renewable energy and LED manufacturing. Being committed and multitasking is part of his strength, Dato' Zaffry is also appointed as the Project Director of Conlay Construction Sdn. Bhd. (Class A Contractor/CIDB G7) and the Project Coordinator for Asia Aerospace City - a premier edu-biz park for aerospace industry-related engineering services led by Pelaburan MARA Berhad, an investment arm of Majlis Amanah Rakyat (MARA).

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Wong Kok Seong

Male | Aged 56 | Malaysian

Independent Non-Executive Director

Mr. Wong Kok Seong ("**Mr. Wong**") was appointed to the Board as an Independent Non-Executive Director on 6 May 2022. He is the Chairman of Audit and Risk Management Committee as well as Nomination and Remuneration Committee. He attended all four (4) Board Meetings held in the financial year.

Mr. Wong is a Chartered Accountant and holds a Masters of Business Administration from Open University, United Kingdom. He is a member of the Malaysian Institute of Accountants (MIA) and also a Fellow Member of the Association of Chartered Certified Accountants (FCCA). Having spent 15 years in the United Kingdom, Mr. Wong has gained extensive exposure with a United Kingdom accounting firm, Appleby & Wood, where he was an audit partner from 1999 to 2005. His experience extended to multinational companies where he was appointed as Finance Director for several UK-based companies. During his tenure there, he was responsible for the preparation of business plans, budgets and organisational financial statements, due diligence, accounting & taxation, management, project financing and implementation.

On his return to Malaysia in 2006 and upon obtaining his audit license, he joined an audit firm Messrs. Hasnan THL Wong & Partners, and is currently its Managing Partner. He is also made a partner in another audit firm in Malaysia. Over the last few years, he has extensively been involved in a wide range of businesses, such as cross border trading, manufacturing, and property development. His experience includes accounting & taxation, due diligence, management consultancy, project financing and implementation.

Currently, Mr. Wong also sits on the Board of PNE PCB Berhad, Fitters Diversified Berhad, Computer Forms (Malaysia) Berhad and M N C Wireless Berhad.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Pang Siaw Sian

Female | Aged 38 | Malaysian

Independent Non-Executive Director

Ms. Pang Siaw Sian ("**Ms. Pang**") was appointed to the Board as an Independent Non-Executive Director on 17 April 2023. She attended all four (4) Board Meetings of the Company held in the financial year.

She holds a Bachelor of Arts (Hons) in International Hospitality Management from Bournemouth University in United Kingdom.

Ms. Pang started her career with a public listed company in 2010 as a Personal Assistant to a Managing Director where she supports top-level executive in strategic planning, market analysis, research and business plan to address future prospects of the company. She later pursued her career with a financial institution in 2012 as the Regional Sales Manager in Mortgage Division. With her exceptional results, she was awarded with the recognition as the Nationwide Best Award in 2013. She expanded customers and business partners database to overseas by proactively involved in major properties development events. She has also provided credit assessment and professional advices on customer's investments decisions.

Currently, Ms. Pang also sits on the Board of M N C Wireless Berhad and Fitters Diversified Berhad.

She has no family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Key Senior
Management's Profile

Datuk Tan Chor How Christopher

Male | Aged 45 | Malaysian

Executive Director cum
Chief Executive Officer /
Key Senior Management

The details of **Datuk Tan Chor How Christopher** ("**Datuk Christopher**") are disclosed in the Directors' Profile of this Annual Report.

He has no family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interests or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has no conviction of any offences (other than traffic offences, if any) within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year 2024.

Management

Discussion & Analysis

On behalf of the Board of Directors ("Board") of PDZ Holdings Bhd. ("PDZ"), the Management presents to you our Annual Report and the Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 December 2024 ("FYE 2024").

THE CURRENT YEAR IN REVIEW

For the FYE 2024, the Group recorded a stable revenue performance continued from the previous financial year for the container shipping business, supported by the resilient growth in the domestic and South East Asia economies which were boosted by strong trade performance and resilient exports, particularly in electronics. However, operating environments remains challenging, given the global events in certain parts of the world.

The Group recorded revenue of RM8.53 million during the FYE 2024 as compared to RM8.50 million in the previous financial year, and a profit from operations of RM7.72 million for the FYE 2024 as compared to the previous financial year's loss from operations of RM6.10 million. Correspondingly, the Group recorded a profit after tax of RM8.49 million for FYE 2024 as compared to a net loss after tax of RM4.51 million for the previous financial year. This was due to the reversal of provision for liabilities and provision for expected credit loss during the current financial year, with lower business operating expenses as compared to the previous financial year end.

	Financial year ended 31 December 2024 (RM'000)	Financial year ended 31 December 2023 (RM'000)
Revenue	**8,535**	8,508
Profit/(loss) from Operations	**7,724**	(6,130)
Net profit/(loss) after tax for the year	**8,494**	(4,517)

The Group continues its cautious and diligent approach in evaluating incoming business and collaboration activities for the planned development and operation of a regional e-commerce logistic hub in Johor. The same is being applied to the diversification plans into the competitive and challenging glove manufacturing sector, as per shareholder's mandate. The Group remains focus on the core business in the efforts to increase its revenue streams and ultimately to benefit its shareholders.

Notwithstanding the above, the Group implemented programs to increase and improve its value-added ancillary logistic services to support its clients, with the ultimate aim of improving, wherever possible, the Group's profitability and financial performance, whilst exploring ventures into complementary businesses within the industries the Group operates in, with the aim of ultimately increasing shareholders value.

MANAGEMENT DISCUSSION & ANALYSIS

[Cont'd]

2025 OUTLOOK

Looking ahead to year 2025, in accordance with the International Monetary Fund ("IMF") latest forecast, global growth is projected at an estimated 2.8% in year 2025 and 2026, on the back of marginal growth in 2025 for China due to the fiscal package announced in November 2024. This notable markdowns from the previous forecast of 3.3% global growth is due to the rising trade tensions and shifts in the global trading system. Global inflation is forecasted to reduce from 5.9% in the year 2024 to 4.2% in year 2025 and further to 3.5% in year 2026, on the back of gradual cooling of labor markets combined with the expected decline in energy prices.

Locally, Malaysia's Central Bank forecasts growth outlook to grow between 4.5% and 5.5% in year 2025, supported by a healthy labor market, robust investment activity and supportive fiscal measure by the Government. However, Bank Negara Malaysia has acknowledged that the external uncertainties and stated that the forecast range could be revised, considering the impact of the US tariffs. On 23 April 2025, IMF has revised its forecast for Malaysia's real gross domestic product (GDP) growth in 2025 downwards to 4.1%, a decrease from the previous projection of 4.7%. This adjustment is indicative of a wider trend of downward revisions observed across the region. Consequently, the Group will remain vigilant of the operating costs to ensure profitability of the shipping operations while supporting the Group's sustainability journey.

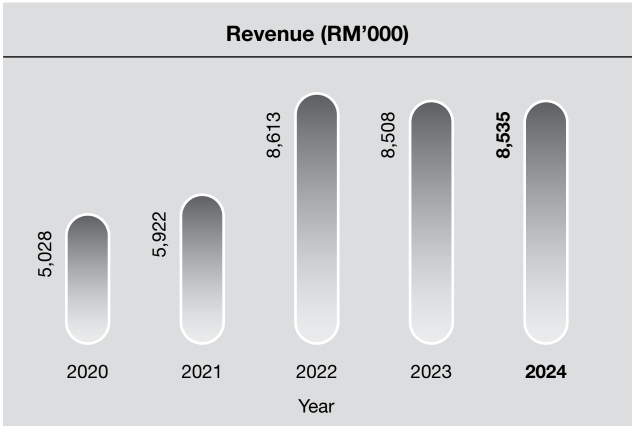
Furthermore, the Group will be constantly looking into collaborations or partnerships with current and potential business partners to continuously provide efficient and effective logistic solutions for the needs of our customers and strive to improve revenue streams and ultimately the Group's profitability.

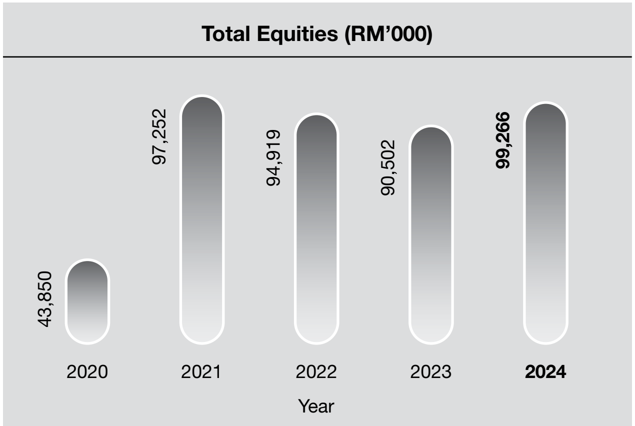
The Management would like to express its gratitude to its shareholders, Board, clients, business partners and associates for their support.

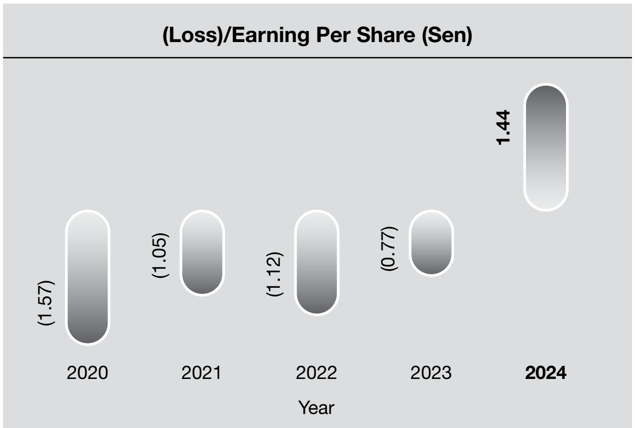
Note: The Company has yet to establish any dividend policy. The Group is committed to ensure shareholders have fair and equitable return of investment while taking into consideration all other factors in striking a balance. However, taking into account the Group's performance as well as the Group's needs for future growth, the Board is not recommending any dividend for FYE 2024.

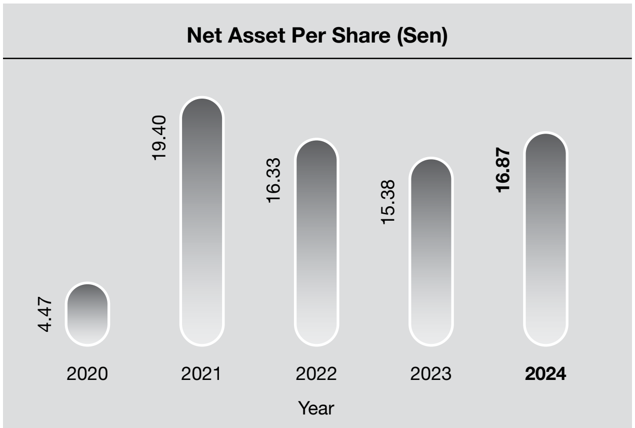
5 Years
Financial Highlights

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	5,028	5,922	8,613	8,508	**8,535**
(Loss)/Profit from continuing operations	(16,196)	(6,363)	(8,024)	(6,130)	**7,724**
(Loss)/Profit for the financial year	(15,329)	(5,450)	(6,485)	(4,517)	**8,494**
(Loss)/Profit attributable to owners of the Company	(15,381)	(5,253)	(6,485)	(4,517)	**8,499**
Equity attributable to owners of the Company	43,850	97,252	94,919	90,502	**99,266**
Basic (loss)/earnings per share (Sen)	(1.57)	(1.05)	(1.12)	(0.77)	**1.44**
Net assets per share (Sen)	4.47	19.40	16.33	15.38	**16.87**









Corporate Governance
Overview Statement

The Board of Directors ("Board") of PDZ Holdings Bhd. ("the Company") is pleased to present this statement to provide shareholders and investors with an overview of the corporate governance practices of the Company during the financial year ended 31 December 2024 ("FYE 2024"). The statement is also presented in compliance with Paragraph 15.25(2) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Corporate Governance Overview Statement ("CG Statement") is based on the three (3) principles as set out in the Malaysian Code On Corporate Governance ("MCCG") which was further updated by the Securities Commission Malaysia on 28 April 2021, which are:-

Principle A - Board leadership and effectiveness
Principle B - Effective audit and risk management
Principle C - Integrity in corporate reporting and meaningful relationships with stakeholders

This CG Statement is augmented with a Corporate Governance Report ("CG Report") which provides a detailed articulation of the application of the Company and its subsidiaries' ("the Group") corporate governance practices as set out in the MCCG throughout the FYE 2024. This CG Report is available on the Company's corporate website at www.pdzlines.com, as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is responsible for the performance and business affairs of the Group. The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short and long-term goals, providing advice, stewardship and directions on the management and business development of the Group. It then delegates the implementation and monitoring of these set directions and control systems to the Management.

The Board is also responsible for ensuring that the Management maintains an effective system of governance and internal controls, which should provide assurance of effective and efficient operations, internal controls and compliance with the relevant laws and regulations.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter which outlines the duties and responsibilities of the Board. The Board also delegates certain responsibilities to the following Board committees to assist in the execution of its responsibilities within their respective Terms of Reference:

(a) Audit and Risk Management Committee ("ARMC"); and
(b) Nomination and Remuneration Committee ("NRC").

Each committee operates in accordance with its respective Terms of Reference as approved by the Board. The Board committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective Terms of Reference and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board committees' Terms of Reference can be accessed via the Company's website at www.pdzlines.com.

Apart from the responsibility of the Board committees, the Executive Director cum Chief Executive Officer ("ED cum CEO") and other Senior Management are also delegated certain authorities to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.2 Chairman of the Board

The Board is led by Dato' Sri Rusli Bin Ahmad, an Independent Non-Executive Chairman, who plays a crucial role in overseeing and ensuring the efficient functioning of the Board. Dato' Sri Rusli Bin Ahmad is dedicated to upholding high standards of corporate governance and has been instrumental in fostering a high-performing culture within the Board.

The Chairman is responsible for providing leadership to the Board and ensuring the Board fulfils its supervisory duties effectively. Additionally, the Chairman facilitates the active participation of all Directors and presides over Board and general meetings of the Company. The Chairman also manages Board communications and effectiveness while supervising Management.

The Chairman ensures that the Board receives timely and relevant information to facilitate decision-making. Further, the Chairman ensures that Board and general meetings are conducted in compliance with good conduct and best practices. The Chairman promotes positive and constructive relationships between Board members and between the Board and Management. Finally, the Chairman represents the Company jointly with the Executive Directors to external groups such as shareholders, creditors, consumer groups, and local governments.

The Chairman does not assume the position of chairman of the Board committees but as a member of the ARMC and NRC respectively. Nevertheless, the Chairman does not chair these Board committees. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

In summary, Dato' Sri Rusli Bin Ahmad, as the Independent Non-Executive Chairman, plays a crucial role in ensuring that the Board fulfils its duties and that the Company adheres to the best corporate governance practices. His leadership, guidance, and oversight help maintain a high-performing culture within the Board and ensure the Company's success.

1.3 Chairman and ED cum CEO

The positions of the Chairman and ED cum CEO are held by two different individuals. There is a clear division of responsibility between the two roles to ensure that there is an appropriate balance of power and authority, such that no one individual has unfettered decision making powers.

The Chairman of the Board is primarily responsible for the leadership, effectiveness, conduct and governance of the Board while the ED cum CEO has overall responsibilities for the day-to-day management of the business and implementation of the Board's policies and decisions. The ED cum CEO is accountable to the Board for the overall organisation, management, and staffing of the Group and for the procedures in financial and other matters, including conduct and discipline.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by the relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.4 Qualified and Competent Company Secretaries (Cont'd)

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE 2024, all Board and Board committee meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board committees as well as the annual general meeting ("AGM"). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

The notices of Board and Board committees meetings together with the meeting papers are generally furnished to the Board members within five (5) working days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make an informed decision at each meeting.

The deliberations and conclusions of matters discussed in the Board or Board committees meetings are duly recorded in the minutes of meetings. The draft minutes are circulated for the Board or Committee Chairman's review within a reasonable timeframe after the meetings. The minutes of meetings accurately captured the deliberations and decisions of the Board and/or the Board committees, including whether any Director abstains from voting or deliberating on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

The Board Charter is a governance document that outlines the role, structure, and processes related to key governance activities of the Board. It serves as a reference point for Board activities and provides guidance and clarity for Directors and Management. The Board Charter is designed to define the roles of the Board and its Committees, ED cum CEO, and the requirements of Directors in carrying out their duties towards the Company.

The Board Charter provides a clear delineation of relevant matters and applicable limits, including those reserved for the Board's approval and those which the Board may delegate to the Board committees, the ED cum CEO, and the Management. This delineation ensures that all parties involved understand their roles and responsibilities, thus promoting effective decision-making, risk management, and compliance.

The Board Charter is available on the Company's website at www.pdzlines.com.

The Board Charter would be reviewed as and when necessary to ensure it remains consistent with the Board's objectives and responsibilities and reflects the latest compliance requirements as a result of changes in the regulatory framework.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.7 Code of Ethics and Conduct

The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, Management and employees of the Group and is available on the Company's website at www.pdzlines.com.

The Board adhered strictly to the Code of Ethics and Conduct for the Directors, in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors, Management, and employees of the Group to observe high ethical business standards and apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

The Board will review the Code of Ethics and Conduct from time to time to ensure that it continues to remain relevant and appropriate.

1.8 Whistleblowing Policy

The Board has adopted a Whistleblowing Policy to provide an avenue for all employees of the Group and members of the public to report or disclose any violations or wrongdoings that may be observed in the Group without fear of retaliation should they act in good faith when reporting such concerns.

The Whistleblowing Policy is available on the Company's website at www.pdzlines.com.

The Board will review and update the Whistleblowing Policy as and when necessary to ensure that it remains relevant to the Group's changing business circumstances and/or comply with the applicable laws and regulations.

1.9 Anti-Bribery & Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABC Policy to encourage a culture of integrity and transparency in all the Group's activities. This policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally sets out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company to ensure that it remains relevant and appropriate to the evolving regulatory and business environment. The ABC Policy is published on the Company's website, www.pdzlines.com.

1.10 Directors' Fit and Proper Policy

In line with the new Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board has adopted the Directors' Fit and Proper Policy which serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board as well as the retiring Directors who are seeking re-election at the annual general meeting.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is available on the Company's website at www.pdzlines.com.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.11 Conflict of Interest Policy

The Board has adopted a Conflict of Interest Policy which sets forth guidelines and procedures to identify, disclose, and address conflicts of interest that may arise within the Group. This ensures that any actual, potential and perceived conflicts of interest are effectively managed. This policy is also designed to ensure compliance with the Listing Requirements of Bursa Securities and the provisions under the Companies Act 2016, as well as to uphold the highest standards of corporate governance and transparency.

The Board will review the Conflict of Interest Policy from time to time and make any necessary amendments to ensure it remains consistent with the Board's objectives, current law, and practices.

1.12 Sustainability Governance

The Board acknowledges the crucial role of sustainable business practices in generating lasting value and understands that responsible conduct is closely connected to attaining operational effectiveness. The Board is accountable for supervising the formulation of sustainability approaches, preferences, and objectives, with Management accountable for executing them across the Company's complete strategy and activities. This involves incorporating Economic, Environmental, Social, and Governance factors into investment decision-making procedures to stimulate and foster progress towards sustainability throughout the Company.

In its role as custodians of the Company's shareholders, the Board is resolute in upholding exemplary corporate governance practices that prioritise ethics, integrity, and corporate responsibility. The Board ensures that both internal and external stakeholders are well-informed about sustainability approaches, priorities, objectives, and overall performance, as expounded in the Sustainability Statement provided in this Annual Report.

The Board, through the ARMC, regularly reviews the sustainability framework of the Company to ensure its alignment with evolving local and global sustainability trends and developments, while also confirming its feasibility within the Company's existing resources and capabilities.

To further enhance its commitment to sustainability, the Board has incorporated an assessment of its understanding of sustainability issues into the annual performance evaluation process. This is critical to the Company's performance and reflects the Board's ongoing commitment to sustainability.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

2.1 Board Composition

The Board's composition adheres to Paragraph 15.02 of the Listing Requirements of Bursa Securities, which mandates that the Company must ensure that either at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are Independent Non-Executive Directors. Currently, the Board has a total of seven (7) members. More than half of the Board is comprised of Independent Non-Executive Directors, as outlined below:

No.	Names	Designations
1.	Dato' Sri Rusli Bin Ahmad	Independent Non-Executive Chairman
2.	Dato' Ahmad Zaffry Bin Hj. Sulaiman	Independent Non-Executive Director
3.	Wong Kok Seong	Independent Non-Executive Director
4.	Pang Siaw Sian	Independent Non-Executive Director
5.	Datuk Tan Chor How Christopher	ED cum CEO
6.	Dr. Rosli Bin Azad Khan	Executive Director
7.	Ho Jien Shiung	Executive Director

This composition can provide independent and objective judgement and serves as a robust system of checks and balances to protect the interests of minority shareholders and other stakeholders, and ensure high ethical and moral standards are upheld.

The Board members have distinct backgrounds and expertise in various fields. Together, they bring a diverse set of skills, expertise, and knowledge to administer the Group's operations. The profiles of these Directors are provided on pages 4 to 7 in this Annual Report.

2.2 Tenure of Independent Directors

The Board acknowledges that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain an Independent Non-Executive Director who has served the Board for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting.

During the financial year under review, none of our Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.3 New Appointment to the Board

The Board appoints its members through a formal and transparent selection process. The new candidates will be considered and evaluated by the NRC, and the NRC will then recommend the candidates to be approved and appointed by the Board. In making a recommendation to the Board on the candidates for directorship, the NRC will consider and nominate the candidates based on the objective criteria, including:-

(a) skills, knowledge, expertise, and experience;
(b) professionalism;
(c) integrity;
(d) time commitment to the Company based on the number of directorships held; and
(e) in the case of candidates for the position of Independent Non-Executive Directors, the NRC will also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In identifying suitable candidates, the NRC may receive suggestions from existing Board members, Management, and major shareholders. The NRC is also open to referrals from external sources available or independent search firms.

All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the Listing Requirements of Bursa Securities.

The new appointment of Senior Management would be reviewed by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background, and gender.

The role of the NRC is detailed in its Terms of Reference, which is accessible on the Company's website at www.pdzlines.com.

2.4 Board Diversity and Senior Management Team

The Board is committed to fostering diversity among its members and Senior Management Team while prohibiting discrimination based on race, age, religion, and gender throughout the organisation. It encourages a dynamic and diverse composition by identifying suitable candidates with competencies, skills, experiences, character, time commitment, integrity, and other attributes to meet future needs. A diverse composition enhances decision-making, performance, innovation, and inclusivity, providing the Group with a competitive edge in today's fast-changing business environment. The Board strongly supports the selection of exceptional individuals from various backgrounds to ensure that the Group's leadership team reflects the diversity of its stakeholders.

In the event of a vacancy in the Board, the Board, through the NRC, will consider female representation when identifying suitable candidates. However, the selection of a new Board member will not be solely guided by gender, but also consider the candidate's skill sets, experience, and knowledge. The Company's foremost responsibility in new appointments is always to select the most suitable candidate available, and hence, the selection criteria based on an effective blend of competencies, skills, extensive experience, and knowledge to strengthen the Board remains a priority.

Recognising the importance of boardroom diversity for a well-functioning organisation, the Board has put in place a Gender Diversity Policy. The policy provides a framework for the Company to improve gender diversity at the Board and Senior Management levels, and it is publicly available on the Company's website at www.pdzlines.com.

The Board currently comprises one (1) female Director, namely Ms. Pang Siaw Sian which demonstrates the Board's commitment to achieving greater gender diversity. The Board will continue to explore opportunities to attract and retain diverse talent while ensuring that all appointments are based on merit and suitability.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.5 Board Committees

The Board committees are set up to manage specific tasks for which the Board is responsible within clearly defined Terms of Reference. This ensures that the Board members can spend their time more efficiently while the Board committees are entrusted with the authority to examine particular issues.

The Board has two (2) Board committees and the membership of each committee is set out in the table below:-

Composition	ARMC*	NRC
Dato' Sri Rusli Bin Ahmad *(Independent Non-Executive Chairman)*	Member	Member
Dato' Ahmad Zaffry Bin Hj. Sulaiman *(Independent Non-Executive Director)*	Member	Member
Wong Kok Seong *(Independent Non-Executive Director)*	Chairman	Chairman
Pang Siaw Sian *(Independent Non-Executive Director)*	N/A	N/A
Datuk Tan Chor How Christopher *(ED cum CEO)*	N/A	N/A
Dr. Rosli Bin Azad Khan *(Executive Director)*	N/A	N/A
Ho Jien Shiung *(Executive Director)*	N/A	N/A

Note:

* *The Audit Committee and Risk Management Committee have been merged into ARMC on 27 December 2024.*

2.6 NRC

The NRC is chaired by Mr. Wong Kok Seong, an Independent Non-Executive Director of the Company.

The NRC is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an ongoing basis. The Board will have the ultimate responsibility and final decision on the appointment of the Directors. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determine a skills matrix to support the strategic direction and needs of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.6 NRC (Cont'd)

The NRC has written Terms of Reference dealing with its authority and duties which include the selection and assessment of directors. It is published on the Company's website at www.pdzlines.com.

The activities undertaken by the NRC during the FYE 2024 were as follows:-

(a) Evaluated the balance of skills, knowledge, and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.

(b) Undertaken evaluation exercise of the Board and its committees as a whole with the objective of assessing its effectiveness.

(c) Reviewed and assessed the contribution and performance of the Audit Committee and recommended to the Board for endorsement.

(d) Reviewed and recommended to the Board the re-election of the Directors who retired pursuant to the Company's Constitution at the last AGM held on 24 June 2024.

(e) Reviewed and assessed the independence of the Independent Directors of the Company.

(f) Reviewed and recommended to the Board the remuneration packages and Directors' fees and/or benefits of all Directors of the Company.

2.7 Board Appointment and Re-appointment Process

The NRC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NRC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification, and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NRC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NRC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment, and continuation in office of any Director for shareholders' approval at the AGM.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.8 Annual Assessment of the Directors, Board and Board Committees as a whole

The Board has, through the NRC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

(i) Performance of Executive Directors;
(ii) Performance of Non-Executive Directors/Chairman;
(iii) Independence of the Independent Directors;
(iv) Performance of the ARMC; and
(v) Effectiveness of the Board and Board committees as a whole.

The assessment of the Board and Board committees is performed on a Board review whilst the assessment of the individual Directors is performed on a peer-review basis. Each Director is provided with the assessment forms for their completion prior to the meeting. The results of all assessments and comments by the Directors are summarised and deliberated at the NRC meeting and thereafter the NRC's Chairman will report the results and deliberation to the Board.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board committees' meetings, regular contribution to Board or Board committees' meetings, personal input to the role and other contributions to the Board or Board committees as a whole.

In evaluating the performance of Executive Directors, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning, and personal input to the role.

Based on the evaluations conducted in FYE 2024, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.9 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE 2024, the Board conducted four (4) Board meetings where they deliberated and approved various reports and matters, including the quarterly financial results of the Group for the announcement to Bursa Securities as well as the Group's budget, strategy, operational and financial performance.

The number of meetings held and attended by each member of the Board and Board committees during the FYE 2024 are as follows:-

Name of Directors	Attendance		
	Board	ARMC	NRC
Dato' Sri Rusli Bin Ahmad *(Independent Non-Executive Chairman)*	4/4	4/4	1/1
Dato' Ahmad Zaffry Bin Hj. Sulaiman *(Independent Non-Executive Director)*	4/4	4/4	1/1
Wong Kok Seong *(Independent Non-Executive Director)*	4/4	4/4	1/1
Pang Siaw Sian *(Independent Non-Executive Director)*	4/4	N/A	N/A
Datuk Tan Chor How Christopher *(ED cum CEO)*	4/4	N/A	N/A
Dr. Rosli Bin Azad Khan *(Executive Director)*	4/4	N/A	N/A
Ho Jien Shiung *(Executive Director)*	4/4	N/A	N/A

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.10 Directors' Training

The Company encourages and supports the Directors' participation in such programs, recognising the importance of maintaining a skilled and knowledgeable Board. Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for Board reference. During the FYE 2024, all Directors had attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of the Bursa Securities:-

Name of Directors	Training/seminars attended
Dato' Sri Rusli Bin Ahmad	• Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024
Dato' Ahmad Zaffry Bin Hj. Sulaiman	• Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024
Wong Kok Seong	• Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024 • Chapters 1, 9 and 10 of the Listing Requirements • Accounting for Financial Instrument in accordance with MPERS • Practical Implementation of Monitoring and Remediation Process for ISQM 1 • The Fundamentals of Impairment Concept used in IFRS/MFRS including the Application of Specific Impairment Models
Pang Siaw Sian	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024
Datuk Tan Chor How Christopher	• Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024
Dr. Rosli Bin Azad Khan	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024
Ho Jien Shiung	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • Briefing on the Companies (Amendment) Act 2024: Guidelines for the Reporting Framework for Beneficial Ownership 2024 • Conflict of Interest & Disclosure Obligations

The Board has continuously, evaluated and assessed the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.1 Remuneration Policy

The Board has in place a formal Remuneration Policy for Directors and Senior Management. The Remuneration Policy establishes a formal and transparent procedure for developing a structure for the remuneration of Directors and Senior Management of the Company to support and drive business strategy and the long-term interests of the Company.

The Remuneration Policy aims to:-

(a) determine the level of remuneration of Directors and Senior Management;
(b) attract, retain and reward high performing, experienced and qualified Directors and Senior Management by providing remuneration commensurate with their responsibilities and contributions, and being competitive with the industry; and
(c) encourage value creation for the Company by aligning the interests of Directors with the long-term interests of shareholders.

The Board, assisted by the NRC, implements the policy and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The NRC is responsible for ensuring that the remuneration packages are benchmarked with industry standards in light of the Group's performance in the industry as well as commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Group.

Non-Executive Directors will be paid a basic fee as ordinary remuneration and will be paid a sum based on their responsibilities in committees and the Board, their attendance and/or special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover.

Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

The Remuneration Policy is available on the Company's website at www.pdzlines.com.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors

The remuneration payable to the Directors on the Company and the Group basis for the FYE 2024 is the same as follows:-

Name of Directors	RM						
	Fee	Allowance	Salary	Bonus	Benefits-in Kind	Other emolument	Total
The Company and Group level							
Dato' Sri Rusli Bin Ahmad	42,000	–	–	–	–	–	42,000
Dato' Ahmad Zaffry Bin Hj. Sulaiman	36,000	–	–	–	–	–	36,000
Datuk Tan Chor How Christopher	–	–	180,000	–	–	37,033	217,033
Dr. Rosli Bin Azad Khan	36,000	–	–	–	–	–	36,000
Ho Jien Shiung	36,000	–	–	-	–	–	36,000
Wong Kok Seong	36,000	–	–	–	–	–	36,000
Pang Siaw Sian	36,000	–	–	–	–	–	36,000
TOTAL	**222,000**	**–**	**180,000**	**–**	**–**	**37,033**	**439,033**

3.3 Remuneration of Senior Management

The Board has determined that disclosing the Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may have a negative impact on the Company's ability to attract and retain talent within the competitive construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of Senior Management and therefore opted not to disclose on a named basis the remuneration or in bands of RM50,000.00. Instead, the Board is of the view that disclosing the Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Senior Management of the Group for the FYE 2024 are as follows:-

Range of Remuneration	Number of Senior Management
RM100,001 to RM150,000	–
RM150,001 to RM200,000	1
RM200,001 to RM250,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[Cont'd]

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I - ARMC

4.1 Effective and Independent ARMC

The ARMC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The ARMC is chaired by Mr. Wong Kok Seong, whereas the Board is chaired by Dato' Sri Rusli Bin Ahmad, both are Independent Non-Executive Directors of the Company. The positions of Board Chairman and ARMC Chairman are assumed by different individuals to ensure that the Board's review of the ARMC's findings and recommendations is not impaired.

The ARMC comprises three (3) members. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Directors has appointed alternate directors.

The policy which requires a former audit partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC is incorporated in the Terms of Reference of the ARMC and the same is accessible on the Company's website at www.pdzlines.com.

Currently, none of the members of the ARMC were former audit partners of the present auditors of the Group.

The term of office and performance of the ARMC and its members are reviewed by the NRC annually to determine whether such ARMC and members have carried out their duties in accordance with the Terms of Reference.

4.2 External Auditors

The Board has established the External Auditors Assessment Policy together with an annual performance evaluation form. The Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability, and independence of the External Auditors.

The ARMC reviewed the nature and extent of non-audit services rendered by the External Auditors during the financial year and concluded that the provision of these services did not compromise their independence and objectivity. In addition, the ARMC had received assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC conducted an annual performance assessment of the External Auditors together with the ED cum CEO, Executive Directors, and Financial Controller. Following the assessment, the ARMC is satisfied with the External Auditors' independence and suitability for the Company. As such, the ARMC has recommended their reappointment to the shareholders for approval at the upcoming AGM.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II - RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board acknowledges its responsibility to maintain a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

The Board has adopted a Risk Management Framework to manage its risks and opportunities and delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The Group's Internal Audit Function is outsourced to an independent professional service firm to assist the Board in maintaining a system of internal control to safeguard shareholders' investment and the Group's assets. The internal audit findings and investigations of business units of the Group will be reported directly to the ARMC.

The outsourced Internal Auditors are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The ARMC had obtained assurance from the outsourced Internal Auditors confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2024 are as disclosed in the ARMC Report in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Company recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through timely dissemination of information on the Group's performance and major developments.

Quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's corporate website, www.pdzlines.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news, and events relating to the Group.

6.2 Corporate Disclosure Policy

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations, and financial performance of the Group and where necessary, that information filed with regulators is in accordance with all applicable legal and regulatory requirements.

The Company has adopted a Corporate Disclosure Policy, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The notice of the Twenty-Eighth AGM ("28th AGM") of the Company held on 24 June 2024 was sent to the shareholders on 30 April 2024, which is more than 28 days prior to the date of the 28th AGM. This has given sufficient time to shareholders to review the Annual Report and consider the resolutions for any questions they might wish to raise at the AGM.

The 28th AGM of the Company was held on a fully virtual basis and entirely via remote participation and voting. The detailed procedures to participate in the meeting remotely were provided to the shareholders in the Administrative Guide prior to the 28th AGM. This has allowed shareholders to participate online, using a smartphone, tablet, or computer as well as view live webcast of the meeting.

All resolutions set out in the notice of the 28th AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

7.2 Effective Communication and Proactive Engagement

All Directors attended the 28th AGM and were accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board committees members were available to respond to shareholders' queries concerning the Company and the Group at the 28th AGM. The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

During the proceedings of the 28th AGM, the Chairman invited shareholders to raise questions pertaining to the Company's audited financial statements and the other agenda items tabled for approval at the meetings. All questions raised by the shareholders were answered and addressed accordingly.

Shareholders were encouraged to post their questions to the Board using the question & answer panel throughout the 28th AGM. The Company facilitates and encourages shareholder participation at its 28th AGM. This meeting provides an update for shareholders on its performance and offers an opportunity for shareholders to ask questions and vote.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 28th AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 28th AGM was also published on the Company's website for the shareholders' information.

STATEMENT BY THE BOARD ON CG STATEMENT

The Board has deliberated, reviewed, and approved this CG Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2024, except for the departures set out in the CG Report. The Company shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all its business dealings.

Audit and Risk Management Committee Report

The Audit Committee and Risk Management Committee have been merged into a single committee, known as the Audit and Risk Management Committee ("ARMC") on 27 December 2024, to enhance the efficiency and effectiveness of its members.

The primary objective of the ARMC of the Company is to assist the Board of Directors ("the Board") to discharge its statutory duties and responsibilities. It provides an additional assurance to the Board through performing an objective and independent review of financial, operational and administrative controls and procedures, establishing and maintaining internal controls and reinforcing the independence of the Internal and External Auditors, thereby ensuring that the Auditors have free reign in their audit process.

COMPOSITION OF THE ARMC

Mr. Wong Kok Seong *(Chairman)*
Independent Non-Executive Director

Dato' Sri Rusli Bin Ahmad *(Member)*
Independent Non-Executive Chairman

Dato' Ahmad Zaffry Bin Hj. Sulaiman *(Member)*
Independent Non-Executive Director

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), which requires all members of the ARMC to be Non-Executive Directors with a majority of them being Independent Directors. No alternate Director is appointed as a member of the ARMC.

The Chairman of the ARMC, Mr. Wong Kok Seong is an Independent Non-Executive Director. Hence, the Company complied with Paragraph 15.10 of the MMLR of Bursa Securities. He is a member of Malaysian Institute of Accountants (MIA) and a Fellow Member of Association of Chartered Certified Accountants (FCCA).

The Board through the Nomination and Remuneration Committee ("NRC") reviews the terms of office of the ARMC members and assesses the performance of the ARMC and its members through an annual ARMC effectiveness evaluation. The Board is satisfied that the ARMC and its members discharged their functions, duties, and responsibilities in accordance with the Terms of Reference.

The duties and responsibilities of the ARMC are clearly governed by the Terms of Reference of the AC. The Terms of Reference of the ARMC can be accessed from the corporate website of the Company at www.pdzlines.com.

MEETINGS

The ARMC met four (4) times during the financial year ended 31 December 2024 ("FYE 2024") and the attendance record of each Committee member at the ARMC Meetings are set out below:-

ARMC Members	Designations	Attendance
Mr. Wong Kok Seong	Independent Non-Executive Director	4/4
Dato' Sri Rusli Bin Ahmad	Independent Non-Executive Chairman	4/4
Dato' Ahmad Zaffry Bin Hj. Sulaiman	Independent Non-Executive Director	4/4

The Company and its subsidiaries' ("Group") Internal and External Auditors, Financial Controller and other Senior Management also attended the ARMC meetings by invitation to provide clarification on the audit issues, Group's operations and any other matters of interests.

Minutes of each ARMC meeting were recorded and tabled for confirmation at the next following ARMC meeting and subsequently presented to the Board for notation.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

[Cont'd]

RELATIONSHIP WITH THE AUDITORS

The Group has established a transparent and appropriate relationship with the Internal and External Auditors. Such relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party who reports directly and regularly to the ARMC of the Company. Similar to the External Auditors, the Internal Auditors also have direct reporting and access to the ARMC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management.

The ARMC meets the Internal and External Auditors without the presence of Management, whenever necessary, which demonstrate their independence, objectivity, and professionalism. From time to time, the Internal and External Auditors inform and update the AC on matters that may require their attention. The Company has always maintained a transparent relationship with its Auditors in seeking their professional advice towards ensuring compliance advice with the relevant accounting standards.

The ARMC was satisfied with the suitability, technical competency, objectivity, and independence of the External Auditors based on the professional staff assigned to the audit, quality of services and resources provided to the Group. The ARMC will make its recommendation to the Board for re-appointment, upon which the shareholders' approval will be sought at the Annual General Meeting of the Company.

FINANCIAL REPORTING

The ARMC reviews and scrutinises the information of the Group's quarterly results and annual audited financial statements to ensure material accuracy, adequacy, validity, timeliness, and compliance with applicable financial reporting standards for disclosure to shareholders. Those reports which present a balanced and fair assessment of the Group's financial position and prospects are then tabled to the Board for approval and release to Bursa Securities accordingly.

SUMMARY OF ACTIVITIES OF ARMC

The activities of the ARMC carried out for the FYE 2024 in discharging their duties and responsibilities, included:-

1. Reviewed the unaudited quarterly financial results and annual audited financial statements of the Company including the announcements pertaining thereto prior to tabling of the same to the Board for approval and release to Bursa Securities.

2. Reviewed the accounting issues arising from the updates of new developments on accounting standards, amendments, and interpretations with the External Auditors.

3. Reviewed the External Auditors' report in relation to their audit findings and accounting issues arising from the audit of the Group.

4. Considered matters relating to corporate governance in compliance with the MMLR and the Malaysian Code on Corporate Governance.

5. Reviewed with the Internal Auditors and the Management on the adequacy of the existing policies, procedures, and systems of internal control of the Group, as well as recommended procedures for improvements or enhancements.

6. Reviewed with the Internal Auditors, the internal audit plan and internal audit reports and ensured that appropriate action has been taken by the Management to implement the recommendations of the Internal Auditors.

7. Reviewed the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas, relevant accounting standards and proposed audit and non-audit fees.

8. Reviewed the Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Control to ensure adherence to legal and regulatory reporting requirement before recommending to the Board for approval for inclusion in the Company's Annual Report.

SUMMARY OF ACTIVITIES OF ARMC (CONT'D)

The activities of the ARMC carried out for the FYE 2024 in discharging their duties and responsibilities, included:- (Cont'd)

9. Reviewed the related party transactions and/or recurrent related party transactions, if any, that transpired to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
10. Reviewed the conflict of interest questionnaires submitted by the Group's Directors and key members of senior management. Based on this review, no significant conflicts of interest were identified that would necessitate further examination and implementation of specific mitigation measures.
11. Considered and recommended the appointment/ re-appointment of External Auditors and their audit fees to the Board for consideration.
12. Reviewed and verified the allocation of options under the Employees' Share Option Scheme.
13. Reported to the Board on its activities and risk management significant findings, if any.
14. Reviewed the quarterly assessment of the term deposit placement with Koperasi Maal Nizami Selangor Berhad.
15. Self-appraised the performance of the ARMC and submit the evaluation to the NRC for assessment.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent consulting firm specialising in internal auditing and risk management. The consulting firm is independent of the activities and operations of the Group. The principal objective of the internal audit function is to assist the Board in maintaining a sound system of internal control within the Group so as to safeguard the shareholders' investment and the Group's assets. The internal audit function is to provide independent assessments to ensure that the system of internal control of the Group is adequate, efficient and effective. The Internal Auditors report directly to the ARMC.

The internal audit function has adopted a risk-based approach to audit assessments and reviews. The Internal Auditors have carried out audit assignments in accordance with the approved plan and their findings, together with any recommendations, have been reported directly to the ARMC.

Internal audit reviews are carried out in accordance with the internal audit plan approved by the ARMC. Prior to the presentation of report to the ARMC, comments from the Management are obtained and incorporated into the internal audit findings and reports. The Management was made responsible for ensuring that recommendation actions plan on the reported weaknesses were taken within the proposed timeframe.

The reviews conducted by the Internal Auditors for the FYE 2024 were centered on the account payable and payment processing:

Audit activities:
▪ To assess the validity, completeness and timeliness of payables processing and posting into accounting systems.
▪ To assess the appropriateness of payment procedure, as well as the validity and completeness of supporting documentation;
▪ To ascertain the adequacy of controls pertaining to payment processing and the level of compliance with corporate policies and procedures;
▪ To review the approval control pertaining to payment process;
▪ To review the monthly bank reconciliation performed; and
▪ To assess the monitoring process over the Accounts Payables Ageing Report.

In accordance with the internal audit reviews conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure.

The total cost incurred for the Group's internal audit function in respect of the FYE 2024 was RM14,666.00.

Statement On Risk Management And Internal Control

The Board of Directors of PDZ Holdings Bhd. ("the Board") is committed to continuously improve the Company and its subsidiaries ("Group")'s risk management and internal control system and is pleased to present the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2024. This Statement is made in pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Statement on Risk Management and Internal Control: Guidelines for Directors for Listed Issuers issued by the Task Force on Internal Control with the support and endorsement of the Bursa Securities.

1. Board's Responsibility

The Board recognises the importance of sound controls and risk management practices to good corporate governance. The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system within the Group. The Board is equally aware that the risk management framework and internal control system are designed to manage the Group's risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In this regard, the risk management framework and internal control system can only provide reasonable assurance, and not absolute assurance against material misstatement of financial information and records or against financial losses or fraud.

2. Risk Management Framework

The Risk Management Committee was merged with the Audit Committee into a single committee, known as the Audit and Risk Management Committee ("ARMC") on 27 December 2024. The ARMC was formed to act as a Committee of the Board with the primary objectives to assist the Board in:-

a. carrying out its responsibility of overseeing the Group's risk management framework;

b. ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and the Group's assets; and

c. determining the nature and extent of significant risks which it is willing to take in achieving its strategic objectives.

The overall risk management practice of the Group involves an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives to evaluate the nature and extent of those risks and to proactively manage them efficiently, effectively and economically. The Group adopts an enterprise wide risk management approach and all the active business of the companies within the Group are considered and categorised in accordance with their main functional activities.

Risk identification and evaluation process:-

The risks are identified through a series of interviews and discussions with the key personnel and Management of the Group. The risk identification process includes consideration of both internal and external environment factors. External environmental factors include economic and political changes, changes in the behaviour of competitors, new regulations or legislation and technological developments. Internal factors include changes in key personnel, introduction of new or revision of existing policies and procedures. Next, the risks identified are evaluated by examining the potential impact on the Group if a risk crystallised as well as the likelihood of occurrence. The risk level shall be rated low, medium, or high accordingly. The risks are also classified into four categories according to their potential impact on the Group:

- Business Risks
- Strategic Risks
- Operational Risks
- Financial Risks

2. Risk Management Framework (Cont'd)

Risk adoption and monitoring process:-

All the risks identified are documented into a "Group Key Risk Profile". The Group Key Risk Profile for the Group is updated on an ongoing basis and approved by the Board.

The Group Key Risk Profile serves as a tool for the heads of department/business unit for managing key risks applicable to their areas of business activities on a continuous basis. All key risks and issues are regularly reviewed and resolved by the Management team at regular meetings. Through these mechanisms, key risks identified in the Group Key Risks Profile are timely assessed and control procedures or mitigating factors are re-evaluated accordingly in order to ensure that the key risks are mitigated to an acceptable level.

The Internal Audit Function on a regular basis reviews the effectiveness and adequacy of control procedures adopted by the Group in mitigating the key risks identified in the Group Key Risk Profile. Any weaknesses noted during the review are reported to the ARMC. Through these mechanisms, the ARMC can be assured that the key risks of the Group are regularly reviewed and appropriately managed to an acceptable level.

3. Internal Controls

The key elements of the Group's system of internal controls that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system are as follows:

- The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve the Group's business objectives. Lines of responsibility and delegations of authority are clearly defined.

- To ensure the uniformity and consistency of practices and controls within the Group. Standard Operating Procedures have been formalised and documented for the key business processes.

- Annual business plan was presented to the Board to include the Capital Expenditure (Capex) and Operational Expenses (Opex) limit for the upcoming year also to be in line with the shareholders' mandate from the Rights Issue. During the quarterly meeting, the ARMC will be presented with the Group's consolidated financial performances which serve as a monitoring tool to ensure that the Group is on track to meet its objectives.

- The Executive Directors ("EDs") act as the channel of communication between the Board and the Management. The EDs are empowered to manage the business of the Group and to implement the Board's directives and policies.

- Investment options are referred to the Board for review and decision.

- Quarterly information is provided by the Management to the Board on financial performance and key business indicators.

- Monthly monitoring of results by the Management through financial reports.

- Internal audit reviews are carried out to provide independent assurance on the effectiveness of the Group's system of internal controls and advising Management on areas for further improvements.

- The AC meets at least four (4) times a year and regularly reviews the effectiveness of the Group's system of internal controls. The Committee meets with the Internal Auditors and External Auditors to review their reports.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[Cont'd]

4. Anti-Bribery & Corruption Policy

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an anti-bribery & corruption policy which prohibits all forms of bribery and corruption practices. All employees are required to read and understand the policy. All business partners including consultants and contractors are required to comply with the Group's anti-corruption policy and guidelines. The said policy is also made available at the Company's website.

5. Whistleblowing Policy

The Group has put in place a whistleblowing policy which allows, supports and encourages its employees and members of the public to report and disclose any improper, alleged or illegal activities within the Group. The whistleblowing policy is made available at the Company's website.

6. Assurance from Management

The Board's review of risk management and internal control effectiveness is based on information from:

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control system; and

- The work by the internal audit function which submits reports to the ARMC together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The Board considered the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. Moreover, the Board and Senior Management will continue to take measures to strengthen the risk and control environment and monitor the risk and internal controls framework.

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard the interest of shareholders. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group 's system of internal control that would require separate disclosure in the Group's Annual Report.

The Board also received assurance from the Executive Director cum Chief Executive Officer of the Company that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

7. Review of the Statement by the External Auditors

As required by Paragraph 15.23 of the Bursa Securities' MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with the audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Integrated Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of process the Board has adopted in the review of the adequacy and integrity of internal control and risk management of the Group.

Additional Compliance
Information

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

a. Rights Issue with Warrants B

The status of the utilisation of proceeds as at 31 December 2024 raised from the Rights Issue with Warrants B following the quotation for 434,660,560 Rights Shares together with 325,995,328 Warrants on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 7 February 2018 are as follows:

No	Purpose	Proposed utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Regional business expansion	1,800	–	1,800	Within 90 months(1)
(ii)	Working capital	8,150	(8,150)	–	Completed
(iii)	Security deposit for bank guarantee to port authorities	350	–	350	Within 90 months(1)
(iv)	Acquisition and/or investment in other complementary businesses and/or assets	12,346	(11,509)	837	Within 90 months(1)
(v)	Estimated expenses for the Corporate Exercises	920	(920)	–	Immediate
	Total	**23,566**	**(20,579)**	**2,987**	

Note:
(1) *During the financial year ended 31 December 2024 ("FYE 2024"), the Board of Directors ("Board") approved a further extension of timeframe for utilisation of proceeds for another 12 months until 5 August 2025.*

b. Rights Issue with Warrants C

The status of the utilisation of proceeds as at 31 December 2024 raised from the Rights Issue with Warrants C following the quotation for 400,249,551 Rights Shares together with 133,416,423 Warrants C and 70,095,402 additional Warrants B on the Main Market of Bursa Securities on 2 November 2021 are as follows:

No	Purpose	Proposed utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Intended Timeframe for utilisation from date of receipt
(i)	Acquisition of factory building for the Gloves Business	25,000	(18,900)	6,100	Within 48 months(1)
(ii)	Capital expenditure for the Gloves Business	36,700	(26,870)	9,830	Within 48 months(1)
(iii)	Working capital	13,103	–	13,103	Within 48 months(1)
(iv)	Estimated expenses for the Corporate Exercises	1,131	1,131	–	Immediate
	Total	**75,934**	**(46,901)**	**29,333**	

Note:
(1) *During the FYE 2024, the Board approved a further extension of timeframe for utilisation of proceeds for another 12 months until 2 November 2025.*

ADDITIONAL COMPLIANCE INFORMATION

[Cont'd]

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/ payable to the External Auditors by the Company and the Group for the FYE 2024 are as follows:

		Company RM	Group RM
(a)	Audit fee	60,000	98,600
(b)	Non-audit fee	7,000	7,000
	Total	**67,000**	**105,600**

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group which involve Directors' and major shareholders' interests during the FYE 2024.

4. RECURRENT RELATED PARTY TRANSACTIONS

There was no recurrent related party transaction of a revenue or trading nature during the FYE 2024.

5. EMPLOYEE'S SHARE OPTION SCHEME ("ESOS")

The Company implemented an ESOS, which is in force for a period of five (5) years commencing from 16 December 2021 until 15 December 2026.

The maximum allocation of ESOS to Directors and employees of the Group shall not exceed 15% of the Company's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

The details on the number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 31 December 2024 are set out in the table below:

	Total	Executive Director/ Chief Executive	Senior Management	Other Employees
Number of options granted	124,000,000	–	26,000,000	98,000,000
Number of options exercised	87,000,000	–	26,000,000	61,000,000
Number of options forfeited	37,000,000	–	–	37,000,000
Number of options outstanding as at 31 December 2024	–	–	–	–

The details on the ESOS options granted to the Senior Management of the Group during the FYE 2024 and since its commencement up to 31 December 2024 are set out in the table below:

	During the FYE 2024	Since the commencement of the ESOS up to 31 December 2024
Aggregate maximum allocation in percentage	–	30.0%
Actual percentage granted	28.5%	20.9%

The Directors of the Group have not, since the implementation of the ESOS, been granted any ESOS options.

Sustainability
Statement

INTRODUCTION

As we continue to grow and strengthen our business, sustainability remains a core pillar of our corporate philosophy. PDZ Holdings Bhd ("the Company" or "PDZ") and its subsidiaries ("Group"), we recognise that responsible business practices, ethical leadership, and strong corporate governance are fundamental to long-term success. Our sustainability reporting focuses on critical areas that drive economic, environmental, and social progress, ensuring that our operations contribute positively to the broader business ecosystem. By fostering a culture of integrity and accountability, we strive to create lasting value for our stakeholders and support a more resilient and sustainable future.

SCOPE OF WORK

This statement encompasses all business divisions of PDZ, specifically the container shipping operations, along with all reporting boundaries within Malaysia. As the majority of our workforce is based in this region, our reporting primarily focuses on activities under our direct organisational control. Shipping operations that are leveraged on third-party expertise, where we do not exercise direct management unless explicitly stated.

This Sustainability Report covers the 12-month period from 1 January 2024 to 31 December 2024, unless otherwise specified.

REPORTING FRAMEWORKS

This report has been developed in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and is guided by the principles outlined in its Sustainability Reporting Guidelines (3rd Edition). As part of our ongoing commitment to sustainability, we continuously refine our strategies to strengthen our reporting framework, ensuring greater transparency and alignment with evolving sustainability standards.

BURSA MALAYSIA

OUR APPROACH TO SUSTAINABILITY

PDZ is committed to integrating sustainability into its business operations, ensuring responsible environmental, social, and governance ("ESG") practices throughout its value chain. As a company specialising in third-party container shipping and logistics-related services, PDZ acknowledges the importance of sustainability in optimising supply chain efficiency while reducing environmental impact.

The Company prioritises responsible sourcing and collaboration with logistics partners that adhere to sustainable practices. By leveraging digital solutions and innovative logistics strategies, PDZ aims to improve operational efficiency and minimise carbon footprint associated with freight and transportation activities. This includes advocating for fuel-efficient routing, promoting eco-friendly packaging solutions, and supporting green supply chain initiatives.

Social responsibility remains a key focus, with PDZ emphasising ethical business practices, stakeholder engagement, and compliance with regulatory frameworks. The Company fosters a culture of integrity and transparency, ensuring that its partners and service providers align with high sustainability standards. Additionally, PDZ is committed to contributing to community well-being through corporate social responsibility initiatives that support education, environmental conservation, and local development programmes.

Through these concerted efforts, PDZ continues to enhance its sustainability framework, aligning its operations with global ESG trends while delivering value to stakeholders and promoting long-term business resilience.

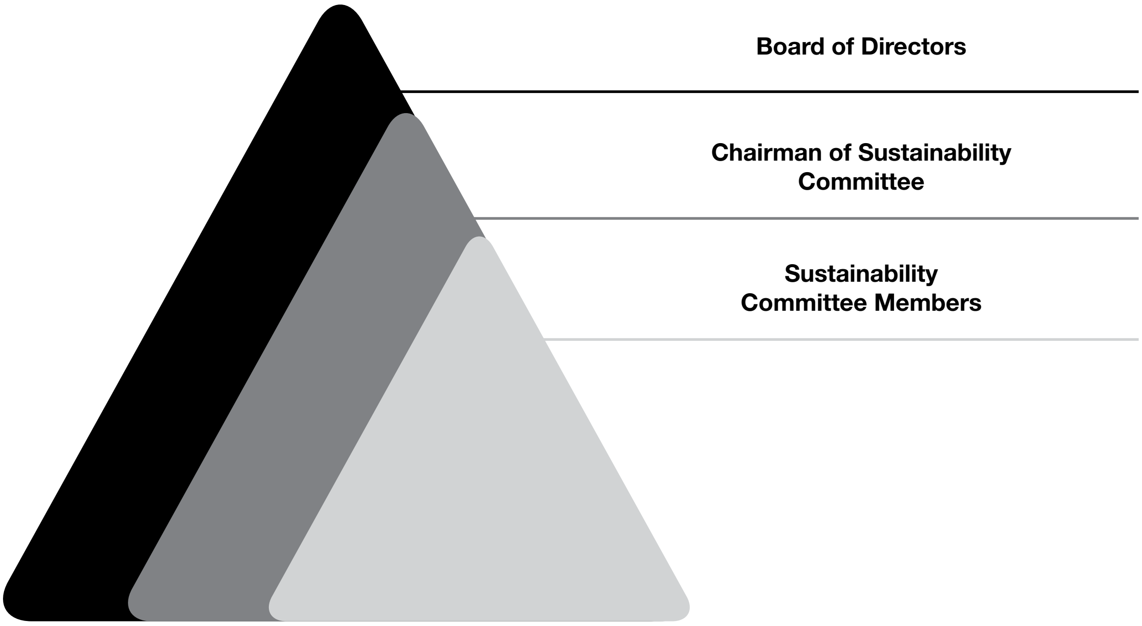
SUSTAINABILITY STATEMENT
[Cont'd]

SUSTAINABILITY CORPORATE GOVERNANCE STRUCTURE

The Board of Directors ("Board") plays a pivotal role in embedding sustainability into PDZ's overall business strategy. Leading this effort is the Executive Director cum Chief Executive Officer, who also serves as the Chairman of the Sustainability Committee, ensuring direct oversight and alignment with the Board.

The Sustainability Committee is responsible for developing and recommending sustainability strategies, driving key initiatives, and monitoring their execution and progress. As the third tier of reporting, the committee identifies material sustainability matters, implements approved action plans, and oversees data collection for sustainability reporting.

This structured governance framework establishes clear accountability, fostering transparency and efficiency in advancing PDZ's sustainability objectives. The chart below shows the corporate sustainability governance for PDZ.



Roles and Responsibilities in Sustainability Governance

- **Board of Directors**

The Board drives the incorporation of sustainability into PDZ's broader business strategy. It provides strategic leadership, oversight, and direction to ensure sustainability is seamlessly integrated into the Group's long-term objectives.

- **Chairman of the Sustainability Committee**

The Chairman leads the Sustainability Committee, shaping sustainability strategies and recommending key initiatives. Additionally, they provide guidance and oversight to ensure sustainability considerations remain a core focus within the organisation.

SUSTAINABILITY CORPORATE GOVERNANCE STRUCTURE (CONT'D)

Roles and Responsibilities in Sustainability Governance (Cont'd)

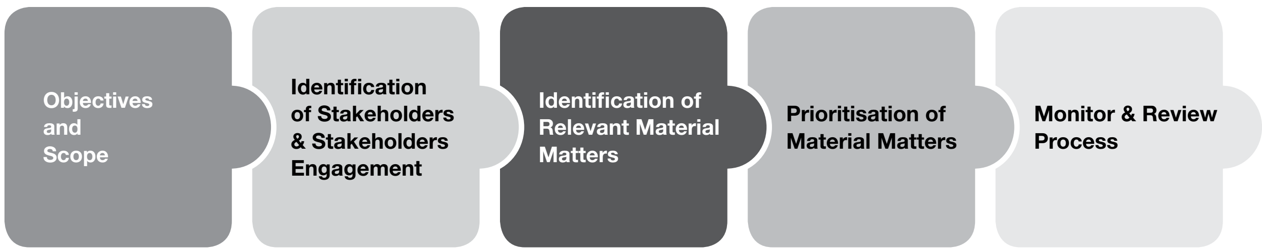
- **Sustainability Committee Members**

Committee members are responsible for identifying critical sustainability issues, implementing approved initiatives, and managing data collection to support comprehensive sustainability reporting. Their role ensures that sustainability efforts are effectively executed and aligned with the Group's overall objectives.

Our Group is committed to maintaining strong corporate practices that drive fair and sustainable returns for our shareholders. This dedication reflects our emphasis on ethical business operations. Adhering to high corporate governance standards is essential in promoting transparency, accountability, and operational excellence across the organisation. These principles are embedded throughout the Group and are comprehensively outlined in the Corporate Governance Overview Statement within this Annual Report.

MATERIAL MATTERS AND ASSESSMENT PROCESSES

As an organisation, we recognise that the issues most relevant to our operations can significantly influence our capacity to generate long-term value for our stakeholders. In year 2024, we conducted a comprehensive materiality assessment, engaging both internal and external stakeholders to align our sustainability efforts with their priorities and expectations. The process for identifying and evaluating our material sustainability matters is outlined below.



- **Defining Objectives & Scope**

The materiality assessment process begins with establishing clear objectives and defining its scope. This involves identifying the sustainability and corporate responsibility factors most pertinent to PDZ's business operations and stakeholder interests. Aligning these aspects with the Group's strategic direction ensures a focused and meaningful approach.

- **Stakeholder Identification & Engagement**

Stakeholders encompass individuals and groups affected by our business activities, as well as those whose actions and decisions can influence our company's growth. We actively engage with our stakeholders to understand their expectations, priorities, and concerns, integrating their insights into our sustainability strategy.

SUSTAINABILITY STATEMENT

[Cont'd]

MATERIAL MATTERS AND ASSESSMENT PROCESSES (CONT'D)

Through multiple engagement channels and interaction points, we collect valuable feedback to refine our initiatives. Strengthening these relationships enhances our ESG performance and supports long-term business success.

Shareholders & Investors	
Engagement Methods	**Key Areas of Interest**
• Annual and Extraordinary General Meetings • Corporate website • Quarterly financial announcements • Press releases and industry events	• Business performance • Operational efficiency • Return on investment

Suppliers, Service Providers & Consultants	
Engagement Methods	**Key Areas of Interest**
• Adherence to procurement policies • Performance assessments • Direct discussions and negotiations • On-site meetings and evaluations	• Establishing strong strategic partnerships • Ensuring service quality and reliability across the supply chain

Employees	
Engagement Methods	**Key Areas of Interest**
• Regular meetings and discussions • Company-wide town hall sessions • Training and development programmes • Performance appraisals	• Fostering a safe and supportive work environment • Enhancing internal communication and employee engagement • Career growth and professional development opportunities

Government & Regulatory Authorities	
Engagement Methods	**Key Areas of Interest**
• Compliance inspections and audits • Participation in seminars, briefings, and training sessions • Consultations with local authorities	• Adherence to legal and regulatory requirements • Securing approvals, licenses, and relevant certifications

Local Communities	
Engagement Methods	**Key Areas of Interest**
• Participation in social and environmental programmes • Initiatives to support environmental conservation • Corporate social responsibility efforts • Employment opportunities for local talent	• Supporting social development initiatives • Encouraging environmental sustainability • Creating job opportunities for the local community

- **Identifying Significant Sustainability Issues**

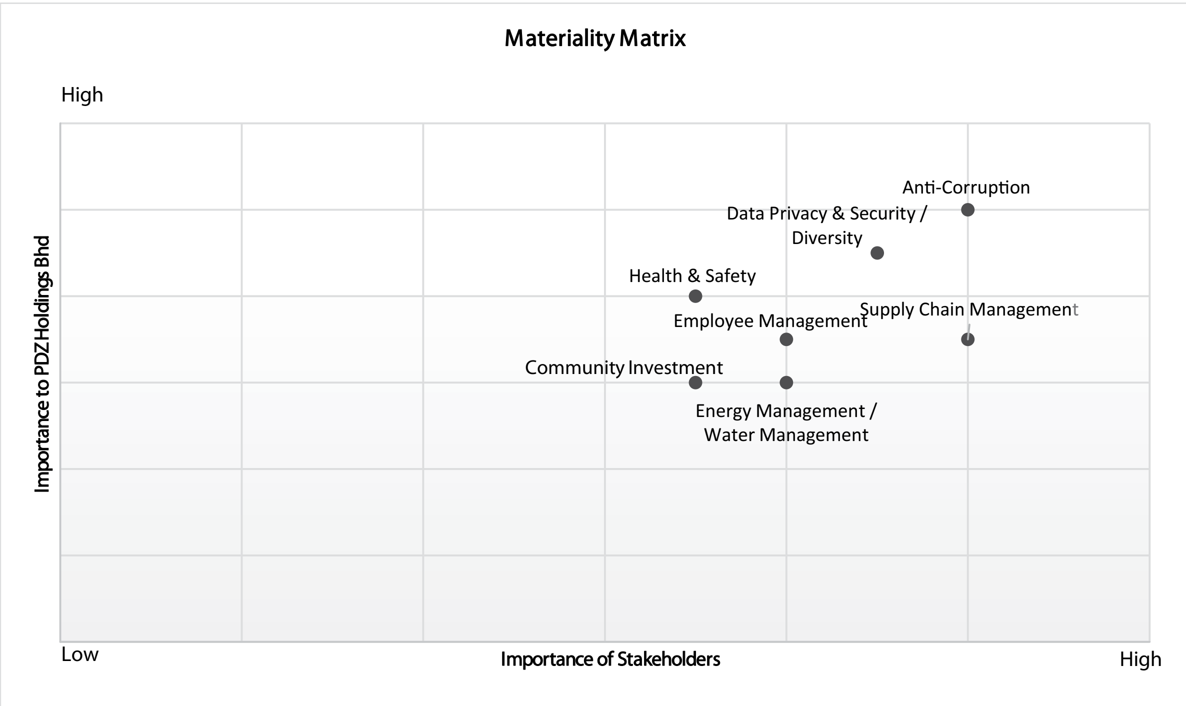
To ensure alignment with industry standards, stakeholder expectations, and corporate objectives, we conduct a thorough assessment of sustainability matters. This process involves analysing the evolving business landscape, sector-specific challenges, and global sustainability trends that impact our operations.

Our evaluation draws insights from various authoritative sources, including Bursa Securities' Sustainability Reporting Guide and Toolkits. By considering both internal operational dynamics and external market influences, we systematically identify the most relevant sustainability factors.

MATERIAL MATTERS AND ASSESSMENT PROCESSES (CONT'D)

The outcome of this assessment is a refined list of material sustainability matters, detailed below:

	Material Matter	Description
1	Anti-Corruption	Upholding business transparency and actively preventing corruption in all forms.
2	Data Privacy and Security	Safeguarding sensitive customer information and ensuring robust data security measures to prevent breaches.
3	Diversity	Fostering an equitable work environment where employees are treated with respect and free from discrimination based on gender, ethnicity, religion, age, nationality, or disability.
4	Supply Chain Management	Implementing ethical and sustainable procurement policies, evaluating suppliers based on their social and environmental impact.
5	Employee Management	Attracting, developing, and retaining skilled employees while enhancing workforce productivity.
6	Health and Safety	Establishing a safe and supportive work environment by minimising risks and prioritising employee well-being.
7	Community Investment	Positively impacting underserved communities through meaningful engagement initiatives and social responsibility programmes.
8	Energy Management	Reducing environmental impact by optimising energy consumption and adopting sustainable energy solutions.
9	Water Management	Promoting responsible water usage and implementing strategies for long-term resource preservation.



SUSTAINABILITY STATEMENT
[Cont'd]

MATERIAL MATTERS AND ASSESSMENT PROCESSES (CONT'D)

- **Prioritising of Key Sustainability Issues**

To drive sustainable business growth and long-term success, we have carefully evaluated the sustainability matters that hold the greatest relevance to both our organisation and our stakeholders. Through this assessment, we have identified and ranked these critical issues based on their impact on our business operations and stakeholder concerns. The outcome of this analysis is presented in the Materiality Matrix aforementioned.

- **Monitoring and Reviewing Process**

The Sustainability Committee maintains an active role in overseeing and refining the materiality assessment process to ensure its continued relevance. Regular reviews are conducted to align with evolving stakeholder expectations, shifts in business dynamics, and emerging sustainability trends. This periodic reassessment allows the Group to adapt and enhance its sustainability strategies in response to changing circumstances.

ANTI-BRIBERY AND CORRUPTION POLICY

Business integrity and ethics are central to PDZ Group's success, with a strong commitment to ethical conduct and strict compliance with all relevant laws. The Audit and Risk Management Comittee, led by an Independent Non-executive Director, oversees potential risks, internal audits, and compliance efforts. PDZ Group enforces the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and follows a zero-tolerance Anti-bribery and Corruption Policy, including a "No Gift" Policy to prevent bribery.

Across fiscal years 2022, 2023, and 2024, PDZ recorded zero substantiated complaints regarding bribery or gift-giving, meeting its goal of a corruption-free environment.

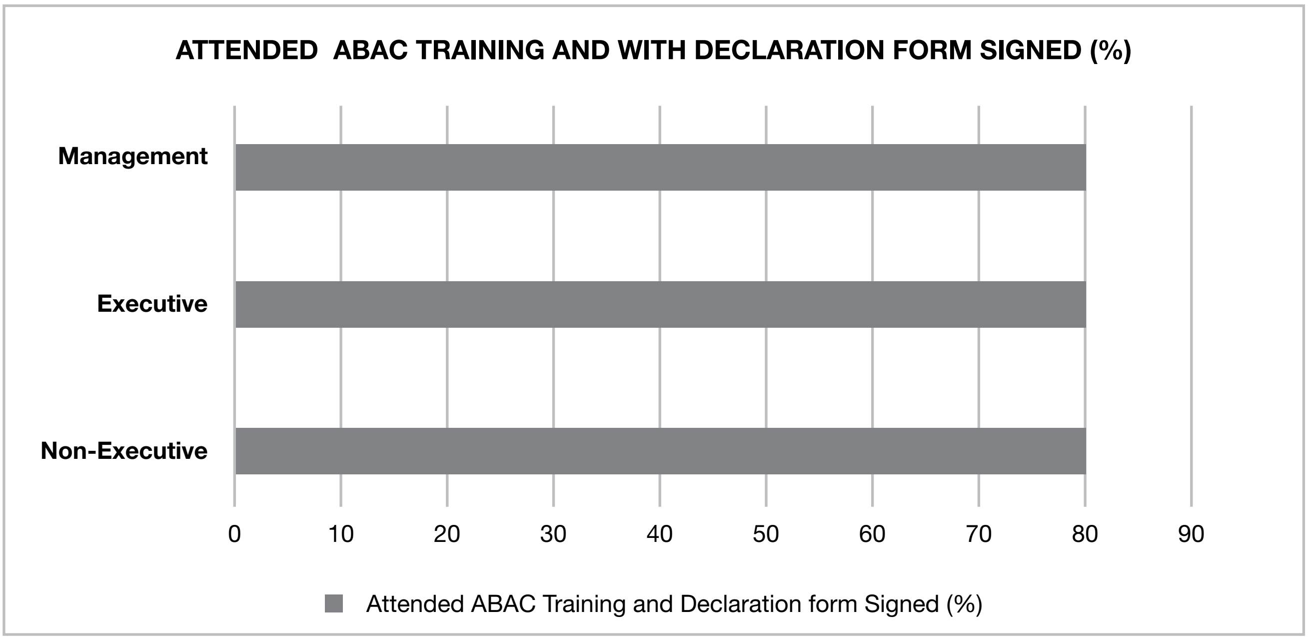
PDZ has ZERO case of substantiated complaints pertaining to Anti Bribery & Corruption and gift giving incidents

ANTI-BRIBERY & CORRUPTION	FYE* 2022	FYE 2023	FYE 2024	Target
Substantiated complaints pertaining to Anti-Bribery & Corruption and gift giving incidents	0 case	0 case	0 case	0 case

* Note: Financial year ended ("FYE") refers to the respective years listed.

PDZ reinforces its commitment towards its Anti-Bribery and Corruption Policy. In 2024, almost 80% of the employees have attended Anti Bribery & Anti Corruption ("ABAC") training. The Group has mandated all employees to undergo its yearly ABAC training for the next year. Following are the percentages of employees undergone the ABAC training and with the declaration form signed.

ANTI-BRIBERY AND CORRUPTION POLICY (CONT'D)



PDZ Group enforces a strict mandate requiring all contractors and suppliers to adopt and strictly adhere to comprehensive ABAC policies, reflecting its unwavering commitment to ethical business practices and integrity. Currently, PDZ Group's contractors and suppliers are notified in all necessary documents.

The risk assessment covers various operational areas in daily business operations. Due diligence checks were performed on potential business partners and employees were trained to recognise and report suspicious behaviour. Overall, with the efforts of the risk management framework, commendable targets have been achieved across all areas of operation.

WHISTLEBLOWING POLICY

PDZ Group upholds the highest standards of ethics, integrity, and transparency. A Whistleblowing Policy has been established, providing a safe, confidential way for employees and stakeholders to report concerns about potential misconduct, fraud, or unethical behaviour. This policy applies to all associated parties, including employees, contractors, and suppliers. Additionally, all employees complete an annual Conflict-of-Interest Declaration to reinforce integrity and prevent conflicts. Individuals can report concerns anonymously through designated whistleblowing channels.

Email
general@pdzlines.com.my

Reports should include detailed information such as the nature of the concern, relevant dates, individuals involved and supporting evidence to facilitate thorough investigation and resolution.

Confidentiality is paramount in the whistleblowing process. PDZ Group ensures that all reports are treated with the utmost confidentiality, and the identity of the whistleblower is fully protected, in compliance with legal requirements and investigative needs. In promoting a culture of transparency and accountability, PDZ Group demonstrates its commitment to upholding ethical standards and fostering trust within the organisation.

SUSTAINABILITY STATEMENT

[Cont'd]

DATA PRIVACY AND BREACH

PDZ Group ensures fair and ethical practices within its operations through the pivotal role of its Internal Audit Department in upholding the highest standards of integrity and compliance. This commitment is further reinforced by the Group's adherence to stringent personal data protection guidelines, consistent with the Personal Data Protection Act 2010. The organisation is dedicated to safeguarding personal and sensitive information, employing robust data and security measures to prevent unauthorised access or disclosure to external entities. Additionally, PDZ Group ensures that all critical documents, including authority-approved blueprints and pricing information, are securely stored in locations that are accessible only to personnel with the appropriate authorisation, highlighting the Company's dedication to confidentiality and the protection of sensitive information.

PDZ has ZERO case of substantiated complaints concerning breaches of customer privacy and losses of customer data

DATA PRIVACY AND SECURITY	FYE 2022	FYE 2023	FYE 2024	Target
No. of complaints on data breach	0 case	0 case	0 case	0 case

SUPPLY CHAIN MANAGEMENT

Effective supply chain management is essential for PDZ to ensure the smooth and efficient delivery of goods and services across our operations. A well-structured supply chain allows us to meet customer expectations, control costs, and integrate sustainable practices into our business model. By strengthening our supply chain, we enhance our operational agility, minimise potential disruptions, and build lasting partnerships with suppliers.

The Company places a strong emphasis on sourcing from local suppliers, particularly for corporate and general services, to support economic growth within our communities. This strategy not only bolsters local businesses but also reduces carbon emissions associated with long-distance transportation, aligning with our sustainability commitments.

To meet the diverse needs of our customers, we carefully assess factors such as service port accessibility, pricing competitiveness, and the ability to fulfil specialised requirements. While we prioritise local partnerships, we also engage suppliers from across the ASEAN region when necessary to ensure seamless operations and maintain a high level of service quality. This balanced approach enables us to enhance our market competitiveness while delivering efficient and reliable service to our customers.

Spending on Suppliers:

Supplier Type	Percentage
Local Suppliers	100.00%
Foreign Suppliers	0.00%

SOCIAL SUSTAINABILITY

At PDZ, we are dedicated to cultivating a workplace that values diversity, promotes equality, and fosters inclusion. A diverse workforce strengthens our organisational culture, drives innovation, and enhances employee engagement and performance. By embracing differences, we create an environment where all individuals feel respected, valued, and empowered to contribute to our success.

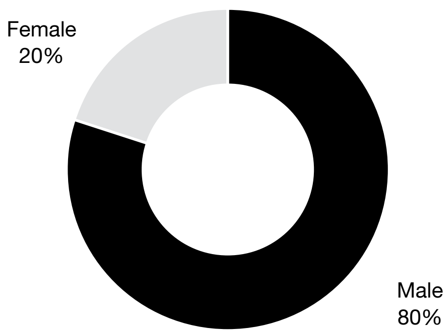
To reinforce our commitment, we have established comprehensive policies that support fairness, equality, and inclusivity in all aspects of employment. These include the Remuneration Policy and Gender Diversity Policy, which ensure equitable treatment and opportunities for all employees.

We uphold non-discrimination principles and fundamental human rights in alignment with legal and ethical standards. Our workplace embraces diversity across age, gender, ethnicity, and backgrounds, fostering an inclusive culture where employees can thrive, collaborate, and grow.

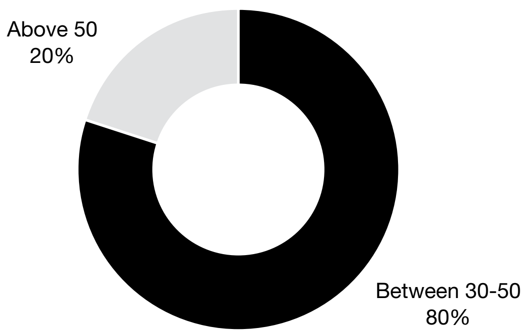
WORKFORCE IN PDZ

The workforce at PDZ in year 2024 demonstrates a diverse composition across gender, age, and ethnicity. Males constitute the majority at 80%, while females represent 20% of the total workforce. In terms of age distribution, the Company predominantly employs individuals between the ages of 30 and 50, accounting for 80%, whereas 20% of employees are above 50 years old. Notably, there are no employees below the age of 30. From an ethnic perspective, Bumiputera employees make up 60% of the workforce, while Chinese employees comprise 40%. This demographic composition reflects PDZ's commitment to fostering a diverse and inclusive workplace.

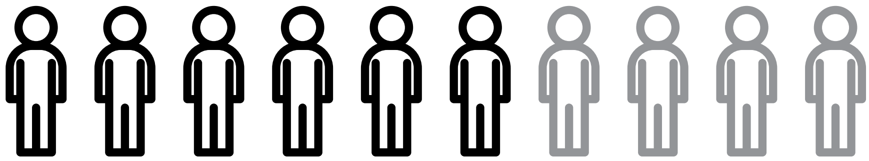
Workforce by Gender (2024)



Workforce by Age (2024)



Workforce by Ethnicity (2024)



In PDZ, the workforce is composed of 60% **Bumiputera** employees and 40% **Chinese** employees

SUSTAINABILITY STATEMENT

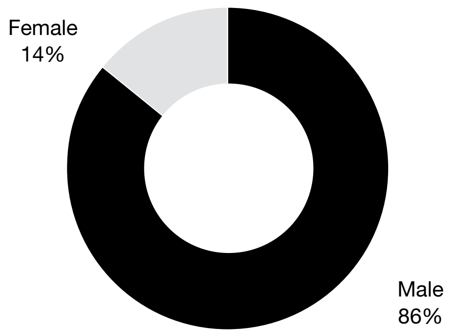
[Cont'd]

BOARD DIVERSITY

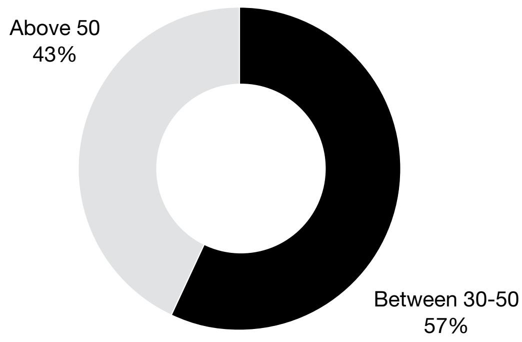
As of year 2024, the Board of PDZ consists of 86% male and 14% female members. While gender diversity at the leadership level remains a key focus, the Company acknowledges the need for greater inclusivity and representation of women in decision-making roles.

The age composition of the Board in year 2024 reflects 57% of members aged between 30 to 50 years, while 43% are above 50 years old. There are currently no Board members below 30 years of age. This distribution demonstrates a balance between experienced leadership and mid-career professionals, ensuring continuity in governance while leveraging industry expertise.

Board of Directors by Gender (2024)



Board of Directors by Age (2024)



TRAINING AND DEVELOPMENT

At PDZ, we recognise that our employees are the driving force behind our success and long-term sustainability. By investing in their growth and well-being, we foster a motivated workforce that contributes to a thriving, dynamic, and competitive organisation. We believe that a supportive work culture, combined with professional development opportunities, is key to enhancing job satisfaction, career progression, and overall business performance.

To promote a sense of community and teamwork, we organise various social initiatives, including team-building activities, festive celebrations, and employee appreciation events. These gatherings help strengthen workplace relationships and create an inclusive, engaging environment.

Our commitment to employee development extends to continuous learning opportunities. We provide a range of training programmes, both classroom-based and online, that cover job-specific skills, leadership development, and personal growth. By equipping our employees with the necessary expertise, we empower them to excel in their roles and drive the organisation's success.

Beyond career development, we prioritise employee well-being through a comprehensive benefits package. This includes annual leave, paternity leave and work-from-home ("WFH") entitlements and inclusive of Group Insurance Coverage such as Group Personal Accident and Group Hospitalisation and Surgical. We also ensure access to healthcare support, including medical check-ups, blood tests, and consultations, reinforcing our dedication to employee health and welfare.

TRAINING AND DEVELOPMENT (CONT'D)

Employee Training Hours by Category:

Employee Category	Training Hours
Management	92
Executive	0
Non-executive	128
Total	220

Employee Turnover:

Employee turnover refers to the rate at which employees leave an organisation and are replaced by new recruits. For PDZ, monitoring employee turnover is a key aspect of workforce management, as it provides insights into employee satisfaction, organisational stability, and the effectiveness of retention strategies. In 2024, PDZ recorded a low turnover rate, with only one employee departing the company during the year. This reflects a stable and dedicated workforce, supported by a positive working environment and effective staff engagement initiatives. As part of our ongoing commitment to talent development and operational continuity, PDZ continues to monitor turnover trends to strengthen retention and support long-term organisational growth.

Human Rights:

In FYE 2024, PDZ recorded zero complaints across all its operations. This outcome reflects the company's ongoing commitment to high standards of service delivery, ethical business conduct, and proactive stakeholder engagement. The absence of complaints also demonstrates the effectiveness of internal controls, customer service protocols, and grievance mechanisms in promptly addressing any potential issues before escalation. PDZ remains dedicated to maintaining this standard by continuously improving its communication channels and feedback processes.

Number of Substantiated Complaints Concerning Human Rights Violations	2022	2023	2024
Number of Complaints	0	0	0

HEALTH AND SAFETY

At PDZ, the health, safety, and well-being of our employees are our top priorities. A safe and healthy work environment not only protects our workforce but also enhances productivity, morale, and overall organisational resilience. We are dedicated to maintaining high safety standards across all our worksites, ensuring that employees are equipped with the necessary knowledge, resources, and training to prioritise their well-being.

To foster a culture of health and safety, we implement various initiatives, including regular medical check-ups, workplace safety assessments, and health awareness programmes. By proactively identifying and mitigating potential risks, we strive to create a secure and supportive work environment for all employees. Additionally, we ensure compliance with industry safety regulations and best practices, reinforcing our commitment to employee welfare and operational excellence.

Health and Safety	2023	2024
Number of Lost Time Incidents	0	0
Number of work-related fatalities at work sites	0	0

SUSTAINABILITY STATEMENT

[Cont'd]

COMMUNITY INVESTMENT

Community investment is a fundamental aspect of our commitment to social responsibility and sustainable growth. By supporting local communities, we aim to enhance their well-being, strengthen relationships, and create lasting positive change for all stakeholders. Our community initiatives spans various focus areas, including education, healthcare, environmental sustainability, and social welfare, ensuring a holistic approach to meaningful contributions.

We prioritise collaboration with local stakeholders to identify key areas of need and implement initiatives that align with our corporate values and sustainability goals. Our efforts are directed towards making a tangible difference in the communities where we operate, fostering mutual growth and shared success.

During the FYE, PDZ's Directors personally contributed to charitable organisations that resonate with their individual values and causes, reinforcing our Company's culture of giving. While broader community investment efforts were impacted by external challenges, these personal contributions reflect our unwavering commitment to making a meaningful social impact.

Looking ahead, we recognise the importance of continuously enhancing our community engagement efforts. PDZ remains dedicated to exploring new opportunities to support local communities, ensuring that our contributions create real and lasting benefits for society.

ENVIRONMENTAL SUSTAINABILITY

PDZ as a third-party logistics provider operating through a network of various third-party carriers, acknowledges the environmental impact of shipping activities as a critical component of our sustainability footprint. As part of our commitment to transparency and responsible business practices, we recognise the importance of quantifying and addressing the indirect emissions (Scope 3) associated with vessel operations.

In year 2024, we engaged with key shipping partners to gather preliminary data on fuel consumption and CO_2e emissions for routes servicing our logistics network. Based on industry averages and carrier disclosures, we estimate that our outsourced shipping activities resulted in approximately 1.90 metric tons of CO_2e emissions, primarily from container vessel fuel usage.

While direct control over these emissions is limited, we are actively collaborating with carriers that prioritise fuel efficiency, such as those adopting slow-steaming practices, route optimisation, and cleaner fuel alternatives (e.g., low-sulfur marine diesel).

To further reduce our indirect environmental impact, PDZ will incorporate sustainability criteria into future carrier qualification and selection processes, prioritising partners whose decarbonisation initiatives align with both our environmental goals and our customers' sustainability expectations. This includes favouring carriers with verified programmes such as the use of LNG-powered vessels or carbon offset initiatives. By taking a proactive approach, we aim to strengthen supply chain resilience while supporting the environmental commitments of our clients as we continue to grow.

SCOPE 1

As an external provider of logistic solutions to our client, our direct environmental impact (Scope 1 emissions) is inherently minimal, as we do not own or operate transportation assets such as vessels, aircraft, or heavy vehicles. Instead, we rely on third-party carriers and service providers for the movement of goods. Our primary operational footprint arises from office-related activities, such as electricity usage and employee commuting, which represent only a small fraction of our overall environmental impact.

However, we recognise that the majority of our sustainability influence lies in Scope 3 emissions, indirect emissions generated across our supply chain, particularly from outsourced containerised shipping, trucking, and last-mile freight services. Given this structure, our sustainability strategy prioritises collaboration with transportation partners to track, measure, and reduce emissions associated with the end-to-end movement of goods.

To strengthen our Scope 3 management, PDZ is taking proactive steps to engage carriers and logistics partners on decarbonisation initiatives. We are working to collect granular data on fuel usage, route efficiency, and emissions from key partners, with the goal of establishing baseline metrics for our outsourced operations.

SCOPE 1 (CONT'D)

By incorporating sustainability clauses into vendor contracts and promoting greener alternatives, such as carriers utilising biofuels or carbon offset programmes, we aim to align our supply chain with global climate targets. While our direct operational emissions remain low, we are committed to leveraging our role as an intermediary to drive measurable reductions in Scope 3 emissions, ensuring our business growth aligns with long-term environmental responsibility.

SCOPE 2

PDZ's non-asset-based business model results in inherently minimal Scope 2 emissions limited to electricity consumption within our office spaces. Unlike companies with manufacturing plants or large operational facilities, our administrative workspaces require relatively modest energy consumption for basic functions like lighting, computers, and air conditioning. Given the negligible environmental impact of these activities, we have not implemented dedicated tracking systems or renewable energy initiatives for our Scope 2 emissions.

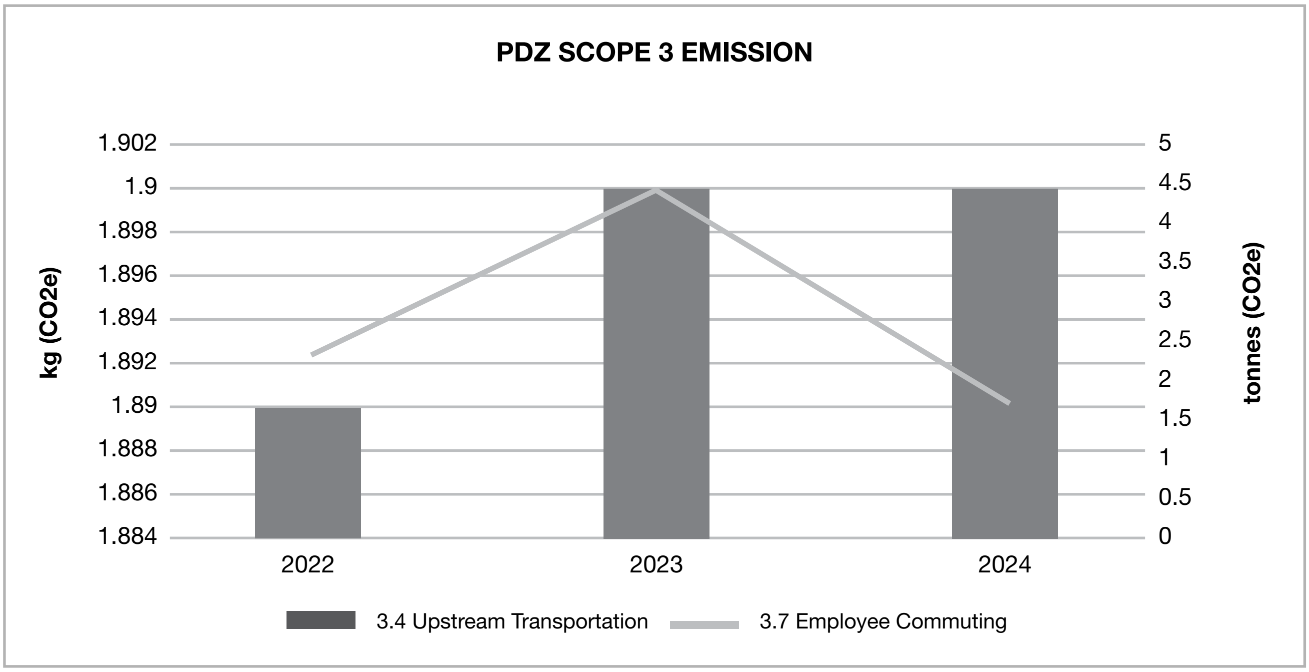
Our lean operational structure means that energy efficiency measures beyond standard office practices would yield insignificant environmental benefits relative to the required investment. We maintain reasonable energy conservation practices, such as encouraging employees to power down equipment when not in use and making use of power savings mode (energy saving lights) electronic equipment in the office, but do not pursue formal monitoring or reporting for this minimal footprint. PDZ's sustainability focus remains appropriately directed toward more material impacts, particularly Scope 3 emissions from transportation partners across our supply chain.

This pragmatic approach ensures we allocate resources effectively, prioritising areas where our business can make meaningful environmental contributions rather than pursuing marginal gains in categories with inherently low impact.

SCOPE 3

PDZ places a strong focus on managing its Scope 3.4 emissions, particularly those related to upstream transportation and distribution through third-party logistics partners. Additionally, we are addressing emissions from employee commuting by encouraging sustainable travel options such as carpooling, remote work, and the use of public transportation. These initiatives align with our commitment to reducing indirect environmental impacts across our operations.

The graph shows the overall emission for PDZ is as below:



SUSTAINABILITY STATEMENT
[Cont'd]

SCOPE 3.4 : UPSTREAM TRANSPORTATION AND DISTRIBUTION[1]

Being a non-asset-based logistics provider, PDZ's carbon footprint is primarily driven by Scope 3 (indirect) emissions from outsourced shipping activities, including ocean, air, and road freight. Since PDZ does not own or operate transportation assets, its direct emissions (Scope 1 and 2) are negligible. To quantify its Scope 3 impact, this analysis applies a revenue-based emission factor, a widely accepted methodology for logistics providers when primary data (e.g., carrier fuel consumption) is unavailable.

Table 1: Revenue and CO_2e Estimates (Year 2022 to 2024)

Year	Revenue (RM '000)	Revenue (USD '000)*	Emission Factor	Estimated CO_2e
2022	8,613	1,910	1 kg/USD 1,000	1.91 metric tons
2023	8,508	1,890	1 kg/USD 1,000	1.89 metric tons
2024	8,535	1,900	1 kg/USD 1,000	1.90 metric tons

* Converted at 1 USD = RM4.50.

1 *CO_2e estimates are based on a sector benchmark of 1 kg CO_2e per USD 1,000 revenue, in line with the Global Logistics Emissions Council (GLEC) Framework and Clean Cargo Working Group guidance. Revenue figures were converted from RM to USD using an average 2022–2023 exchange rate of 1 USD = RM4.50. The emission factor reflects a modal mix of sea, road, and air freight. Actual emissions may vary depending on shipment profiles. Figures are estimates and subject to refinement with primary data and modal analysis.*

Table 1 outlines the estimated indirect carbon emissions (CO_2e) for the years 2022 to 2024, derived using a sector benchmark approach. We applied an emission factor of 1 kg CO_2e per USD 1,000 in revenue, based on industry averages for freight forwarders as outlined in the GLEC Framework and Clean Cargo Working Group guidelines. This method provides a high-level estimate of our emissions, reflecting the relatively low carbon intensity of our operations, which rely on third-party logistics providers and are primarily office-based. Despite slight variations in revenue, estimated emissions remain consistent at approximately 1.90 metric tons annually.

This consistency suggests PDZ maintained operational continuity without major changes to its logistics mix or business scale during this period.

This methodology provides PDZ with a replicable baseline for tracking emissions against revenue trends, though primary data from carriers would strengthen future iterations. The stability of these initial estimates supports their use for internal benchmarking and light ESG reporting, while highlighting opportunities to refine accuracy through deeper supply chain engagement.

WATER MANAGEMENT

One of PDZ centre of operations is within a rented corporate office where shared facilities are managed by the building administration, where direct water management falls under their jurisdiction. Despite this, we acknowledge the importance of responsible water usage and remain committed to promoting environmental conservation within our operations.

PDZ actively encourages water-saving practices among employees, fostering awareness of efficient water consumption as part of our broader sustainability efforts. Within our offices, we strive to minimise direct water usage (Scope 1) by adopting responsible consumption habits.

In contrast, the majority of water usage linked to our business activities falls under Scope 3, primarily associated with shipping operations. Although this aspect is beyond our direct control, we recognise its environmental impact and work collaboratively with shipping carriers, where data is available, to monitor and assess water usage, ensuring alignment with sustainability best practices.

SCOPE 3.7 EMPLOYEE COMMUTING

PDZ actively promotes flexible work arrangements, including an average of 145 WFH days per employee out of the 260 annual working days. This initiative significantly reduces commuting-related greenhouse gas (GHG) emissions, contributing to the Company's broader sustainability commitments.

Based on the commuting data for year 2024, employees would have collectively travelled a total of 55,100 km by car and 16,820 km by motorcycle on days they commuted to the office. Using emission factors from Department for Environment, Food & Rural Affairs, UK ("DEFRA"), the estimated CO_2e emissions from car commuting amounted to 9,063.95 kg CO_2e, while emissions from motorcycle commuting totaled 1,911.9294 kg CO_2e. These figures highlight the environmental impact of daily commuting and emphasise the benefits of the Company's hybrid work model in reducing its Scope 3 carbon footprint.

By continuing to implement and refine its WFH policy, PDZ not only enhances employee work-life balance and productivity but also actively contributes to reducing transportation-related emissions.

Mode of Transportation	Total Distance (Round Trips, 145 Days) FYE 2024	CO2e Emissions (Round Trips, 145 days) FYE 2024
Cars	**55,100 km**	**9,063.9500**
Motorcycles	16,820 km	1,911.9294

Source: DEFRA. Emission factor for cars and motorcycles are 0.16450 and 0.11367 respectively.

CONCLUSION

PDZ remains fully committed to integrating sustainability into every aspect of its operations. While some material matters may currently have limited emphasis due to the scale of our business, our focus on ethical business practices, environmental responsibility, and active stakeholder engagement remains strong.

By implementing structured policies, driving continuous initiatives, and maintaining transparency in our reporting, we uphold the highest standards of corporate governance, integrity, and social responsibility. We acknowledge that sustainability is an evolving journey and are dedicated to continuously assessing, refining, and strengthening our efforts.

STATEMENT OF ASSURANCE

This Sustainability Statement has not undergone an external assurance process for the FYE. However, the Group is committed to enhancing the credibility and reliability of its sustainability disclosures and intends to initiate an assurance process in the following financial year. This step will be taken once sufficient comparable data is available to facilitate meaningful evaluation. The current reporting year serves as the foundation for establishing baseline data, which will be used as a benchmark for tracking and improving sustainability performance in the future.

SUSTAINABILITY STATEMENT

[Cont'd]

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024	2023
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	80.00	50.00
Executive	Percentage	80.00	0.00
Non-executive/Technical Staff	Percentage	80.00	0.00
General Workers	Percentage	N/A	N/A
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	0.00	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	40	33.33
Management Above 50	Percentage	0.00	0.00
Executive Under 30	Percentage	0.00	0.00
Executive Between 30-50	Percentage	20	33.33
Executive Above 50	Percentage	0.00	0.00
Non-executive/Technical Staff Under 30	Percentage	0.00	0.00
Non-executive/Technical Staff Between 30-50	Percentage	20	16.67
Non-executive/Technical Staff Above 50	Percentage	20	16.67
General Workers Under 30	Percentage	N/A	N/A
General Workers Between 30-50	Percentage	N/A	N/A
General Workers Above 50	Percentage	N/A	N/A
Gender Group by Employee Category			
Management Male	Percentage	40	33.33
Management Female	Percentage	0.00	0.00
Executive Male	Percentage	0.00	0.00
Executive Female	Percentage	20	33.33

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2023
Non-executive/Technical Staff Male	Percentage	40	33.34
Non-executive/Technical Staff Female	Percentage	0.00	0.00
General Workers Male	Percentage	N/A	N/A
General Workers Female	Percentage	N/A	N/A
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	86.00	85.71
Female	Percentage	14.00	14.29
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	57	66.67
Above 50	Percentage	43	33.33
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	9.67	4.13
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	4	0
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	92	10
Executive	Hours	0	60
Non-executive/Technical Staff	Hours	128	0
General Workers	Hours	N/A	N/A
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	20	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	0
Executive	Number	1	1
Non-executive/Technical Staff	Number	0	0
General Workers	Number	N/A	N/A

SUSTAINABILITY STATEMENT

[Cont'd]

SUSTAINABILITY PERFORMANCE REPORT (CONT'D)

Indicator	Measurement Unit	2024	2023
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	99.96
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	0.126000	0.036000
Bursa (Waste Management)			
Bursa C10(a) Total Waste Generated	Metric Tonnes	0	NIL
Bursa C10(a)(i) Total waste diverted from disposal	Metric Tonnes	0	NIL
Bursa C10(a)(ii) Total waste directed to disposal	Metric Tonnes	0	NIL
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric Tonnes	0	NIL
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric Tonnes	0	NIL
Bursa C11(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric Tonnes	10.9758	NIL
(*) Restated			

PDZ HOLDINGS BHD
Registration No. 199501031213 (360419-T)

FINANCIAL STATEMENTS

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries and joint venture are disclosed in Note 12 and 13 to the financial statements, respectively.

There were no significant changes in the nature of the activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	8,494	7,806
Profit/(Loss) attributable to:		
Equity holders of the Company	8,499	7,806
Non-controlling interests	(5)	–
	8,494	7,806

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend for the financial year ended 31 December 2024.

ISSUE OF SHARES AND DEBENTURES

There were no shares and debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued share of the Company. There was no unissued share of the Company under options at the end of the financial year.

DIRECTORS

The Directors who have held office since the beginning of the financial year and up to the date of this report are:

Dato' Sri Rusli Bin Ahmad
Dato' Ahmad Zaffry Bin Hj. Sulaiman
Datuk Tan Chor How Christopher
Dr. Rosli Bin Azad Khan
Wong Kok Seong
Ho Jien Shiung
Pang Siaw Sian

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries who held office during the financial year and up to the date of this report are as follow:

Datuk Tan Chor How Christopher
Ho Jien Shiung

DIRECTORS' INTEREST IN SHARES

According to the register of directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares and options over share in the Company during the financial year were as follows:

	Number of ordinary shares				
	At 01.01.2024	**Acquired**	**Rights issue**	**Sold**	**At 31.12.2024**
Datuk Tan Chor How Christopher	35,889,285	–	–	–	35,889,285
Ho Jien Shiung	630,090	–	–	–	630,090

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares and options over share of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or fixed salaries of a full time employees of the Company or related corporations as shown in directors' remuneration to the directors' report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

[Cont'd]

DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Executive:				
Wages, salaries and bonus	202	175	202	175
Defined contribution plan	23	44	23	44
Total executive directors' remuneration (Note 7)	225	219	225	219
Non-executive:				
Fees	222	204	222	204
Total Non-executive directors' fee and allowance (Note 6)	222	204	222	204
Total Directors' remuneration	447	423	447	423

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance affected for any Director or Officer of the Group or the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance expected credit losses and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for expected credited losses; and

(ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written-down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written-off as bad debts or the amount of the allowance for expected credit losses in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

(i) the results of the Group's and of the Company's operations during the financial year were not been substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the notes to the financial statements; and

(ii) there has no arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 12 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM98,600 and RM60,000 during the financial year.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

DATUK TAN CHOR HOW CHRISTOPHER

HO JIEN SHIUNG

Selangor, Malaysia

Statement By
Directors
Pursuant To Section 251(2) Of The Companies Act, 2016

We, **Datuk Tan Chor How Christopher** and **Ho Jien Shiung**, being two of the Directors of PDZ Holdings Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

DATUK TAN CHOR HOW CHRISTOPHER

HO JIEN SHIUNG

Selangor, Malaysia

Statutory
Declaration
Pursuant To Section 251(1)(B) Of The Companies Act 2016

I, **Datuk Tan Chor How Christopher**, being the officer primarily responsible for the financial management of PDZ Holdings Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements of the Group and of the Company are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by)
on this)
)
)

DATUK TAN CHOR HOW CHRISTOPHER

Before me,

COMMISSIONER FOR OATHS

Independent
Auditors' Report
To The Members Of PDZ Holdings Bhd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PDZ Holdings Bhd., which comprise the statements of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 65 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

[Cont'd]

Key Audit Matters (Cont,d)

Key audit matters	How our audit addressed the key audit matters
Revenue recognition The main revenue stream of the Group is derived from sales of services. We have identified revenue recognition as a key audit matter due to risk that revenue may be overstated from the perspective of timing of recognition and the amount of revenue recognised.	We performed the following audit procedures, among others, around revenue recognition: • We tested the design and implementation as well as the operating effectiveness of the Group's controls relevant to recognition of revenue; • We inspected the terms of sales contracts to determine the point of transfer of control of services; • We tested sales of transactions, on sample basis, recorded to the purchase order from customer, sales quotation and invoice as an indication of transfer of control of services to ascertain the validity of sales; and • We assessed whether sales transactions either side of statement of financial position date as well as credit note issued after the year end are recognised in the appropriate period.
Recoverability of trade receivables As at 31 December 2024, the net carrying amount of trade receivables of the Group amounted to RM3,168,825. The determination of whether the trade receivable is recoverable involves significant management judgements and assumptions. Management recognised allowances for expected credit losses on trade receivable based on specific know facts or circumstances or customer's ability to pay. We focused on the audit risk that the allowance expected credit losses on trade receivable may be understated and hence, allowance of expected credit losses may be required.	We performed the following audit procedures, among others, around revenue recognition: • We assessed recoverability of receivables by reviewing their historical bad debt expense, ageing profiles of the trade receivable and past historical repayment trends; • We assessed the cash receipts subsequent to the end of the reporting date for its effect in reducing amounts outstanding as at the end of the reporting period; • We evaluated the reasonableness and adequacy of the allowance for expected credit losses recognised for identified exposures; and • We obtained confirmation from trade receivable on outstanding balances as at the reporting date.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include in the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and of the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and performed the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for audit opinion.

INDEPENDENT AUDITORS' REPORT

[Cont'd]

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
CHARTERED ACCOUNTANTS

LOW KOK FEI
03588/09/2025 J
CHARTERED ACCOUNTANTS

Kuala Lumpur
Date: 29 April 2025

Consolidated Statement Of Profit Or Loss And
Other Comprehensive Income
For The Financial Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue	4	8,535	8,508
Cost of sales		(7,700)	(7,694)
Gross profit		835	814
Other income/(expenses)		7,652	(122)
Administrative expenses		(1,619)	(3,830)
Gains/(losses) on receivables and deposits – net		856	(2,992)
Profit/(loss) from operations		7,724	(6,130)
Finance income	5	762	1,411
Share of results of a joint venture		(264)	202
Profit/(loss) before tax	6	8,222	(4,517)
Taxation	9	272	–
Profit/(loss) for the financial year		8,494	(4,517)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of financial assets		–	(265)
Revaluation reserve transferred to profit or loss		265	–
Other comprehensive income/(loss) for the financial year		265	(265)
Total comprehensive income/(loss) for the financial year		8,759	(4,782)
Profit/(loss) attributable to			
Equity holders of the Company		8,499	(4,517)
Non-controlling interests		(5)	–
Profit/(loss) for the financial year		8,494	(4,517)
Total comprehensive income/(loss) attributable to			
Equity holders of the Company		8,764	(4,782)
Non-controlling interests		(5)	–
Total comprehensive income/(loss) for the financial year		8,759	(4,782)
Basic earnings/(loss) per share attributable to the equity holders of the Company (sen)	10	1.44	(0.77)

The accompanying notes form an integral part of the financial statements.

Consolidated Statement Of
Financial Position
As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	4,579	3,383
Investment in a joint venture	13	9,147	9,411
Investment in quoted shares	14	–	1,190
Intangible assets	15	–	–
Total non-current assets		13,726	13,984
Current assets			
Trade receivables	16	3,169	6,254
Other financial assets	17	50,969	29,791
Tax recoverable		662	691
Term deposits	18	32,742	55,527
Cash and bank balances	18	3,576	457
Total current assets		91,118	92,720
TOTAL ASSETS		104,844	106,704
EQUITY			
Share capital	19	158,573	158,573
Other reserves	20	886	5,812
Accumulated losses		(60,193)	(73,883)
Total capital and reserves		99,266	90,502
Non-controlling interests		98	103
TOTAL EQUITY		99,364	90,605
LIABILITIES			
Non-current liability			
Deferred taxation	21	–	283
Total non-current liability		–	283
Current liabilities			
Trade payables	22	2,837	5,707
Tax payable		17	7
Other financial liabilities	23	2,626	10,102
Total current liabilities		5,480	15,816
TOTAL LIABILITIES		5,480	16,099
TOTAL EQUITY AND LIABILITIES		104,844	106,704

The accompanying notes form an integral part of the financial statements.

Consolidated Statement Of

Changes In Equity

For The Financial Year Ended 31 December 2024

	Attributable to owners of the Company					
	Share capital RM'000	**Other reserves RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2023	158,208	6,077	(69,366)	94,919	103	95,022
Employee share options scheme (Note 19)	365	–	–	365	–	365
Loss for the financial year	–	–	(4,517)	(4,517)	–	(4,517)
Other comprehensive loss for the financial year	–	(265)	–	(265)	–	(265)
At 31 December 2023 and 1 January 2024	158,573	5,812	(73,883)	90,502	103	90,605
Profit for the financial year	–	–	8,499	8,499	(5)	8,494
Warrant expired (Note 20)	–	(5,191)	5,191	–	–	–
Transfer of revaluation reserve on disposal (Note 20)	–	265	–	265	–	265
At 31 December 2024	158,573	886	(60,193)	99,266	98	99,364

The accompanying notes form an integral part of the financial statements.

Consolidated Statement Of
Cash Flows
For The Financial Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		8,222	(4,517)
Adjustments for:			
Depreciation of property, plant and equipment	11	179	263
Gain on disposal of property, plant and equipment		(388)	–
Impairment loss on investment in joint venture	13	–	72
Impairment loss on receivables and deposits	17	343	–
Impairment loss on term deposits	18	–	2,919
Interest income	5	(762)	(1,411)
Loss on disposal of quoted shares		265	965
Amortisation of intangible assets	15	–	863
Reversal of impairment loss on term deposits	18	(1,199)	–
Reversal for provision of liabilities		(7,529)	–
Share of results of a joint venture		264	(202)
Unrealised gain on foreign exchange		–	122
Operating loss before working capital changes		(605)	(926)
Changes in:			
Increase in receivables		(18,436)	(12,574)
(Decrease)/Increase in payables		(2,817)	1,022
Cash used in operations		(21,858)	(12,478)
Interest received		762	1,411
Income tax refund		28	164
Net cash used in operating activities		(21,068)	(10,903)
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in quoted shares		–	(7,929)
Proceeds from disposal of quoted shares		1,190	5,509
Acquisition of property, plant and equipment		(1,393)	–
Proceeds from disposal of property, plant and equipment		406	–
Placements of deposits with maturity of more than three months		(884)	(13,203)
Net cash used in investing activities		(681)	(15,623)
CASH FLOW FROM FINANCING ACTIVITY			
Proceeds from ESOS exercised		–	365
Net cash generated from financing activity		–	365
Net decrease in cash and cash equivalents		(21,749)	(26,161)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY		25,384	51,545
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	18	3,635	25,384

The accompanying notes form an integral part of the financial statements.

Statement Of Profit Or Loss And
Other Comprehensive Income
For The Financial Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue		–	–
Other income		7,264	–
Administrative expenses		(1,091)	(2,379)
Gains/(losses) on receivables and deposits – net		856	(2,992)
Profit/(loss) from operations		7,029	(5,371)
Finance income	5	761	1,406
Share of results of a joint venture		(264)	202
Profit/(loss) before tax	6	7,526	(3,763)
Taxation	9	280	–
Profit/(Loss) for the financial year		7,806	(3,763)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of financial assets		–	(265)
Revaluation reserve transferred to profit or loss		265	–
Other comprehensive income/(loss) for the financial year		265	(265)
Total comprehensive income/(loss) for the financial year		8,071	(4,028)

The accompanying notes form an integral part of the financial statements.

Statement Of
Financial Position
As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	4,705	3,413
Investment in subsidiaries	12	20,913	20,913
Investment in a joint venture	13	9,147	9,411
Investment in quoted shares	14	–	1,190
Total non-current assets		34,765	34,927
Current assets			
Other financial assets	17	50,895	29,791
Amount due from subsidiaries	17	5,860	6,055
Tax recoverable		52	80
Term deposits	18	32,683	55,469
Cash and bank balances	18	3,475	339
Total current assets		92,965	91,734
TOTAL ASSETS		127,730	126,661
EQUITY			
Share capital	19	158,573	158,573
Other reserves	20	886	5,812
Accumulated losses		(59,757)	(72,754)
TOTAL EQUITY		99,702	91,631
LIABILITIES			
Non-current liability			
Deferred taxation	21	–	280
Total non-current liability		–	280
Current liabilities			
Other payables and accruals	23	2,578	10,132
Amount due to subsidiaries	23	25,450	24,618
Total current liabilities		28,028	34,750
TOTAL LIABILITIES		28,028	35,030
TOTAL EQUITY AND LIABILITIES		127,730	126,661

The accompanying notes form an integral part of the financial statements.

Statement Of

Changes In Equity

For The Financial Year Ended 31 December 2024

	Share capital RM'000	Other reserves RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 January 2023	158,208	6,077	(68,991)	95,294
Employee share options scheme (Note 19)	365	–	–	365
Loss for the financial year	–	–	(3,763)	(3,763)
Other comprehensive loss for the financial year	–	(265)	–	(265)
At 31 December 2023 and 1 January 2024	158,573	5,812	(72,754)	91,631
Profit for the financial year	–	–	7,806	7,806
Warrant expired (Note 20)	–	(5,191)	5,191	–
Transfer of revaluation reserve on disposal (Note 20)	–	265	–	265
At 31 December 2024	158,573	886	(59,757)	99,702

The accompanying notes form an integral part of the financial statements.

Statement Of
Cash Flows
For The Financial Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		7,526	(3,763)
Adjustments for:			
Share of results of a joint ventures		264	(202)
Interest income	5	(761)	(1,406)
Depreciation of property, plant and equipment	11	101	75
Impairment loss on investment in subsidiaries		–	113
Impairment loss on investment in joint ventures		–	72
Impairment loss on term deposits	18	–	2,919
Impairment loss on receivables and deposits	17	343	–
Loss on disposal of quoted shares		265	965
Reversal of impairment loss on term deposits	18	(1,199)	–
Reversal for provision of liabilities		(7,529)	–
Operating loss before working capital changes		(990)	(1,227)
Changes in:			
Increase in receivables		(21,447)	(11,497)
Increase in amount due from/(to)subsidiaries		1,027	216
(Decrease)/Increase in payables		(25)	59
Cash used in operations		(21,435)	(12,449)
Tax refund		28	156
Interest received		761	1,406
Net cash used in operating activities		(20,646)	(10,887)
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in quoted shares		–	(7,929)
Proceeds from disposal of quoted shares		1,190	5,509
Acquisition of property, plant and equipment		(1,393)	–
Placements of deposits with maturity of more than three months		(884)	(13,203)
Net cash used in investing activities		(1,087)	(15,623)
CASH FLOW FROM FINANCING ACTIVITY			
Proceeds from ESOS exercised		–	365
Net cash from financing activity		–	365
Net decrease in cash and cash equivalents		(21,733)	(26,145)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		25,208	51,353
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	18	3,475	25,208

The accompanying notes form an integral part of the financial statements.

Notes To The
Financial Statements
As At 31 December 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is an investment holding company. The principal activities of its subsidiaries and joint venture are disclosed in Note 12 and Note 13 to the financial statements, respectively. There have been no significant changes in the nature of these activities during the financial year.

The registered office is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor. The principal place of business is located at No.1, Jalan Sungai Aur, 42000 Port Klang, Selangor.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM").

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgments are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c) to the financial statements.

(a) Amendments to published standards and interpretations that are effective and applicable to the Group and the Company

On 1 January 2024, the Group and the Company adopted the following pronouncements mandatory for annual financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 16, Leases - Lease liability in a sale and Leaseback
- Amendments to MFRS 101, Non-current liabilities with Covenants
- Amendments to MFRS 101, Presentation of financial statements – Non-current liabilities with covenants
- Amendments to MFRS 107 and MFRS 7, Supplies Finance Arrangement

The adoption of the above amendments to published standards and interpretations did not have any significant effect on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods of the consolidated and separate financial statements of the Group and of the Company respectively upon their initial application.

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

2. BASIS OF PREPARATION (CONT'D)

(b) Amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, Lack of Exchangeability

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Annual Improvements to MFRS Accounting Standards (Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107)
- Amendments to Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)
- Amendments to MFRS 7 and MFRS 9: Contracts Referencing Nature-dependent Electricity

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18 Presentation and Disclosure in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability: Disclosures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements are not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed. Further details on MFRS 18 pronouncements are discussed below.

MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 Presentation of Financial Statements, which retains majority of the requirements of MFRS 101 and complementing them with new requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

MFRS 18 introduces key new requirements as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income:

The standard requires reclassification of all income and expenses within the statement of profit or loss into five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. The standard also requires to present a newly-defined operating profit subtotal, and the net profit will not change.

(ii) Statement of Cash Flows:

The standard requires to disclose the starting point for cash flows from operations under the indirect method, from 'proft or loss' to 'operating profit or loss' and the optionality around classification of cash flows from dividends and interest are removed.

2. BASIS OF PREPARATION (CONT'D)

(b) Amendments to published standards and interpretations that are applicable to the Group and the Company but not yet effective (Cont'd)

MFRS 18: Presentation and Disclosure in Financial Statements (Cont'd)

(iii) Management-defined Performance Measures ("MPMs") and guidance on Aggregation and Disaggregation:

The standard requires MPMs are disclosed in a single note in the financial statements and enchanced guidance is provided on aggregation and disaggregation of financial information.

(c) Critical accounting estimates and judgements

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Estimated useful life and impairment assessment of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore any impairment or reduction in the estimated useful lives of property, plant and equipment would increase charges to the statement of profit or loss and decrease their carrying value.

(ii) Fair value estimates for certain financial assets and liabilities

The Group and the Company carry certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of change in fair value would differ if the Group and the Company use different valuation methodologies. Any change in fair value of these assets and liabilities would affect profit and/or equity.

(iii) Provision for expected credit losses of trade receivables

The Group applies a simplified approach in calculating ECLs for trade receivables. To measure the expected loss rates, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. These historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables such as unemployment rate, interest rate and economic outlook. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group estimates the relationship between historical loss rates and forward-looking information on macroeconomic factors and ECL which may not be representative of a customer's actual default in the future.

2. BASIS OF PREPARATION (CONT'D)

(c) Critical accounting estimates and judgements (Cont'd)

(iv) Provisions for liabilities and charges

The Group recognises provisions for liabilities and charges when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provision requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Group's current best estimate.

(v) Carrying value of investment in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 3(f) to the financial statements, or whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

(vi) Taxation

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile. The carrying amount of deferred tax assets and liabilities are disclosed in Note 21 to the financial statements.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the respective entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Group and of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Foreign currencies (Cont'd)

(ii) Foreign currency transactions and balances (Cont'd)

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Group companies

Exchange differences arising on monetary items that form part of the Group's and the Company's net investment in foreign operations is recognised initially in other comprehensive income accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss as part of the gain or loss on sale of the Group and of the Company upon disposal of the foreign operation.

(b) Basis of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) over which the Group has power to exercise control over variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation and equity accounting (Cont'd)

(i) Subsidiaries (Cont'd)

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any gains or losses arising from such re-measurement are recognised in the statement of profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Non-controlling interests represent that portion of the profit or loss, other comprehensive income and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. It is measured at the non-controlling's share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition and the non-controlling's share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiary are attributed to the parent and non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance.

(ii) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Effects of transactions with non-controlling interests are directly recognised in equity to the extent that there is no change in control. The difference between the fair value of any consideration paid/ received and the carrying amount of the share of net assets acquired/sold are recorded in equity. Accordingly, such transactions will no longer result in goodwill or gains and losses upon disposal.

(iii) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation and equity accounting (Cont'd)

(iii) Joint arrangements (Cont'd)

The Group's interest in a joint venture is accounted for in the financial statements using the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of profits equals the share of losses not recognised. Where an entity loses joint control over a joint venture but retains significant influence, the Group does not remeasure its continued ownership interest at fair value.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Revenue

Revenue is recognised when customers obtain control of the goods and services that reflect the consideration to which the Group expects to be entitled in exchange for those goods and services and when all the performance obligations in relation to the goods and services are satisfied.

(i) Freight revenue and other shipping related income

Freight revenue and other shipping related income for completed voyages up to the reporting date are recognised in the profit or loss.

(ii) Shipping related services and project management fees

Revenue from the provision of services in relation to shipping and project management are recognised upon rendering of such services in the period which the services are rendered.

(iii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(iv) Interest income

Interest income from financial assets that are held for cash management purposes is recognised in the period that they are earned on accrual basis.

Interest income is calculated using by applying the effective interest rate to the gross carrying amount of a financial asset.

(v) Management fee

Management fee is recognised on an accrual basis when service is rendered.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

(iii) Share-based compensation benefits

Share-based compensation benefits are provided to employees via the Employee Share Option Scheme ("ESOS"). Where the Group and the Company pay for services of employees using the share options and shares, the fair value of the share options, share grants and shares acquired in exchange for the services of the employees are recognised as an employee benefit expense in the statement of profit or loss over the vesting periods, with a corresponding increase in equity.

In circumstances where employees provide services in advance of the grant date, the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement and grant date.

Non-market vesting conditions attached to the transactions are not taken into account in determining fair value. Non-market vesting and service conditions are included in assumptions about the number of options or shares that are expected to vest.

When share options or share grants are exercised, the proceeds received, if any, from the exercise of the share options or share grants together with the corresponding share-based payments reserve, net of any directly attributable transaction costs are transferred to equity. If the share options or share grants expire or lapse, the corresponding share-based payments reserve attributable to the share options or share grants are transferred to retained earnings.

When share options or share grants are forfeited due to failure by the employee to satisfy the service and/or performance conditions, any expenses previously recognised in relation to such share options or share grants are reversed effective on the date of the forfeiture.

When shares of the Company are acquired from the open market at market price using cash incentive payable to employees, the transactions are recorded in share-based payments reserve.

In the separate financial statements of the Company, the share options, share grants and shares acquired, over the Company's equity instruments for the employees of subsidiary undertakings in the Group, are treated as a capital contribution. The fair value of the share options, share grants and shares acquired for employees of the subsidiary in exchange for the services of employees to the subsidiary are recognised as investment in subsidiary, with a corresponding credit to equity.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(f) Impairment of non-financial asset

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite economic useful life are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets ("CGUs"). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Any impairment loss is charged to the statement of profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the statement of profit or loss to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment is calculated on the straight-line basis at the following annual rates based on their estimated useful lives:

Leasehold lands	50 years
Buildings	50 years
Containers	13 years
Motor vehicles	5 years
Furniture, fixtures and equipment	3 – 10 years
Renovation	3 – 8 years

Costs incurred on dry docking of vessels are accounted for as an acquisition of a separate asset within vessels and are depreciated over the period to the next dry docking.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each reporting date, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(h) Intangible assets

(i) Goodwill on consolidation

Goodwill arises from a business combination and represents the excess of the aggregation of the consideration transferred for purchase of subsidiaries or businesses, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

Negative goodwill is recognised immediately in the statement of profit or loss.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating unit that are expected to benefit from the synergies of the combination.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets (Cont'd)

(i) Goodwill on consolidation (Cont'd)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of the cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative fair value of the operation disposed off and the portion of the cash-generating unit retained.

(i) Financial assets

(i) Classification

The Group and the Company classify its financial assets in the following measurement categories: at fair value through profit or loss or other comprehensive income "OCI" and at amortised cost. The classification depends on the nature of the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and initial measurement

Regular way purchases and sales of financial assets are recognised on the trade date. The trade date refers to the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (Cont'd)

(iii) Measurement (Cont'd)

Equity instruments

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised within other operating expenses in the statement of profit or loss as applicable.

(iv) Subsequent measurement – impairment

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The financial assets of the Group and the Company that are subject to the ECL model are trade and other receivables. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9 "Financial Instruments", the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current condition and forecasts of future economic conditions.

(a) General 3-stage approach for other receivables, deposits and amount due from subsidiaries

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(b) Simplified approach for trade receivables

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (Cont'd)

(iv) Subsequent measurement – impairment (Cont'd)

(b) Simplified approach for trade receivables (Cont'd)

The following indicators are incorporated:

- internal credit rating; and
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. A significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

<u>Definition of default and credit-impaired financial assets</u>

The Group defines a financial instrument as default, when counterparty fails to make contractual payment more than 365 days after they fall due or the debtor is insolvent or has significant financial difficulties.

Financial instruments that are credit-impaired are assessed on individual basis.

For certain categories of financial assets, such as trade receivables, finance lease receivables and contract assets, balances that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

<u>Groupings of instruments for ECL measured on collective basis</u>

(a) Collective assessment

To measure ECL, trade receivables, finance lease receivables and contract assets have been grouped based on shared credit risk characteristics of customer's behaviour and the days past due. The contract assets relate to unbilled amounts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(b) Individual assessment

Trade receivables, finance lease receivables, contract assets, other receivables and deposits, related parties' owing that are in default or credit-impaired are assessed individually.

<u>Write-off</u>

Financial assets are written off when the Group and the Company have exhausted all practical recovery efforts and have concluded that there is no reasonable expectation of recovery. Indicator of no reasonable expectation of recovery include failure of a debtor to engage in a repayment plan with the Group and the Company. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

Impairment losses are presented as net impairment losses within 'impairment of financial assets'. Write-offs are recognised in profit or loss within 'administrative and general expenses'. Subsequent recoveries of amounts previously written off are credited against the same line item.

NOTES TO THE FINANCIAL STATEMENTS

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3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Financial liabilities

(i) Classification and measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Liabilities in this category are classified within current liabilities if they are either held for trading or are expected to be settled within 12 months after the reporting date. Otherwise, they are classified as non-current.

The Group's and the Company's other financial liabilities include trade payables, other payables and intercompany payables.

Other financial liabilities are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability and subsequently carried at amortised cost using the effective interest method. Changes in the carrying value of these liabilities are recognised in the statement of profit or loss.

(ii) Recognition and derecognition

Financial liabilities are recognised when the Group and the Company become party to the contractual provisions of the instrument.

Financial liabilities are derecognised when the liability is either discharged, cancelled, expired or has been restructured with substantially different terms.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash in hand, demand deposits (excluding deposits pledged), short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(l) Provisions

Provisions are recognised when the Group and the Company have present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expected expenditure required to settle the obligation.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company but discloses its existence in the financial statements.

(n) Operating segments

For management purposes, the Group is organised into operating segments based in a manner consistent with internal reporting provided to the chief operating decision maker. The management of the Group regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. The chief operating decision-makers are responsible for allocating resources, assessing performance of the operating segments and making strategic decisions.

(o) Share capital

(i) Classification

Ordinary shares and redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are accounted for as a deduction from equity to the extent that they are incremental cost directly attributable to the equity transaction.

4. REVENUE

	Group	
	2024 RM'000	2023 RM'000
Freight revenue and other shipping related income	8,535	8,508
Timing of revenue recognition:		
Services rendered at point in time	8,535	8,508

5. FINANCE INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance income:				
Interest income	762	1,411	761	1,406

NOTES TO THE FINANCIAL STATEMENTS

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6. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before tax is derived after (crediting)/charging:				
Auditors' remuneration:				
- statutory audit current year	99	99	60	60
- other services	7	5	7	5
Amortisation of intangible assets	–	863	–	–
Depreciation of property, plant and equipment	179	263	101	75
Impairment losses on:				
- investment in joint venture	–	72	–	72
- investment in subsidiaries	–	–	–	113
- other financial assets	343	–	343	–
- term deposits	–	2,919	–	2,919
Loss on disposal of quoted shares	265	965	265	965
Gain on disposal of property, plant and equipment	(388)	–	–	–
Net foreign exchange (gains)/losses				
- unrealised	–-	(221)	–	–
Reversal of impairment losses on term deposits	(1,199)	–	(1,199)	–
Reversal for provision of liabilities	(7,529)	–	(7,429)	–
Share of losses/(profits) from a joint venture	264	(202)	264	(202)
Employee benefits (Note 7)	567	444	225	219
Non-executive directors' fee and allowance (Note 8)	222	204	222	204

7. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and bonus	510	372	202	175
Defined contribution plan	57	72	23	44
	567	444	225	219

Included in employee benefits of the Group are executive directors' remuneration amounting to RM224,768 (2023: RM219,033), as disclosed in Note 8 to the financial statements.

8. REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The aggregate amount of emolument received/receivable by the Directors of the Company during the financial year is as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Executive:				
Wages, salaries and bonus	202	175	202	175
Defined contribution plan	23	44	23	44
Total executive directors' remuneration (Note 7)	225	219	225	219
Non-executive:				
Fees	222	204	222	204
Total Non-executive directors' fee and allowance (Note 6)	222	204	222	204
Total Directors' remuneration	447	423	447	423

Key management personnel comprise persons including Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The aggregate amount of emoluments received/receivable by key management personnel of the Group excluding Directors of the Company during the financial year are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Wages, salaries and bonus	157	156
Defined contribution plan	18	17
	175	173

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9. TAXATION

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current tax				
- Current year provision	10	–	–	–
- adjustments of prior periods	1	–	–	–
	11	–	–	–
Deferred tax (Note 21)				
- Current year provision	(4)	–	–	–
- adjustments of prior periods	(279)	–	(280)	–
	(283)	–	(280)	–
Income tax expense	(272)	–	(280)	–

Reconciliation of effective tax expense

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Profit/(Loss) before tax	8,222	(4,517)	7,526	(3,763)
Tax at statutory tax rate of 24%	1,973	(1,084)	1,806	(903)
Non-taxable income	(2,105)	(83)	(2,087)	–
Current year losses not recognised	–	158	76	158
Non-deductible expenses	344	1,115	205	745
Adjustment of current tax in prior periods	1	–	–	–
Adjustment of deferred tax in prior periods	(279)	–	(280)	–
Utilised of deferred tax assets not recognised	(206)	(106)	–	–
	(272)	–	(280)	–

10. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share for the financial year is calculated by dividing the profit/(loss) for the financial year attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024	**2023**
Profit/(Loss) attributable to ordinary shareholders of the Company (RM'000)	8,499	(4,517)
Number of ordinary shares in issue ('000)	588,367	588,367
Basic earnings/(loss) per share (sen)	1.44	(0.77)

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares outstanding during the financial year as the exercise price of Warrants have exceeded the average market price of ordinary shares during financial year.

11. PROPERTY, PLANT AND EQUIPMENT

Group	**Leasehold lands RM'000**	**Buildings RM'000**	**Motor vehicles RM'000**	**Furniture, fixtures and equipment RM'000**	**Others RM'000**	**Total RM'000**
2024						
Cost						
At 1 January	2,796	1,926	1,296	1,194	836	8,048
Addition	300	600	493	–	–	1,393
Disposal	–	–	(781)	–	–	(781)
Written off	–	–	(108)	(1,194)	(836)	(2,138)
At 31 December	3,096	2,526	900	–	–	6,522
Accumulated depreciation						
At 1 January	658	782	1,195	1,194	836	4,665
Charge for the year	33	38	108	–	–	179
Disposal	–	–	(763)	–	–	(763)
Written off	–	–	(108)	(1,194)	(836)	(2,138)
At 31 December	691	820	432	–	–	1,943
Carrying value						
At 31 December	2,405	1,706	468	–	–	4,579

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11. PROPERTY PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold lands RM'000	Buildings RM'000	Motor vehicles RM'000	Furniture, fixtures and equipment RM'000	Others RM'000	Total RM'000
2023						
Cost						
At 1 January/31 December	2,796	1,926	1,296	1,194	836	8,048
Accumulated depreciation						
At 1 January	625	744	1,003	1,194	836	4,402
Charge for the year	33	38	192	–	–	263
At 31 December	658	782	1,195	1,194	836	4,665
Carrying value						
At 31 December	2,138	1,144	101	–	–	3,383

Company	Leasehold lands RM'000	Buildings RM'000	Motor Vehicles RM'000	Total RM'000
2024				
Cost				
At 1 January	2,370	1,420	–	3,790
Addition	300	600	493	1,393
At 31 December	2,670	2,020	493	5,183
Accumulated depreciation				
At 1 January	193	184	–	377
Charge for the financial year	48	28	25	101
At 31 December	241	212	25	478
Carrying value				
At 31 December	2,429	1,808	468	4,705
2023				
Cost				
At 1 January/31 December	2,370	1,420	–	3,790
Accumulated depreciation				
At 1 January	146	156	–	302
Charge for the financial year	47	28	–	75
At 31 December	193	184	–	377
Carrying value				
At 31 December	2,177	1,236	–	3,413

12. INVESTMENT IN SUBSIDIARIES

	Company 2024 RM'000	Company 2023 RM'000
At cost:		
Unquoted ordinary shares	6,473	6,473
Redeemable preference shares	63,000	63,000
Deemed investment – capital contribution	909	909
	70,382	70,382
Less: Accumulated impairment loss		
At 1 January	(49,469)	(49,623)
Addition	–	(113)
Reversal/write-off	–	267
At 31 December	(49,469)	(49,469)
	20,913	20,913

The details of the subsidiaries are as follows:

Name of companies	Place of incorporation	Percentage of equity held 2024	Percentage of equity held 2023	Principal activities
Perkapalan Dai Zhun (Johore) Sdn. Bhd.	Malaysia	99.99%	99.99%	Shipping and provision of related services
Beta Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Provision of administrative and support service activities
Fokus Marine Sdn. Bhd.	Malaysia	99.99%	99.99%	Dormant
PDZ Shipping Agency (Kuching) Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
PDZ Shipping Agency Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
PDZ Shipping Agency (Johor) Sdn. Bhd.	Malaysia	60.00%	60.00%	Dormant
Arus Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
Jati Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant
Erat Marine Sdn. Bhd.	Malaysia	100.00%	100.00%	Dormant

NOTES TO THE FINANCIAL STATEMENTS

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13. INVESTMENT IN JOINT VENTURE

	Group/Company 2024 RM'000	2023 RM'000
Unquoted shares	9,000	9,000
Share of post-acquisition results and reserves	219	483
Share of net assets in a joint venture	9,219	9,483
Less: Accumulated impairment loss		
At 1 January	(72)	–
Addition	–	(72)
At 31 December	(72)	(72)
	9,147	9,411

The details of the Group's joint venture is as follows:

Name of associate	Place of incorporation	Percentage of equity held 2024	2023	Principal activities
EC Victory Sdn. Bhd.	Malaysia	40.00%	40.00%	Transportation and warehousing

14. INVESTMENT IN QUOTED SHARES

Financial assets at fair value through other comprehensive income (FVOCI) comprise of equity securities which are not held for trading, which serves as the strategic investments by the Group on quoted shares.

	Group/Company 2024 RM'000	2023 RM'000
Financial assets at fair value through other comprehensive income (FVOCI)		
Investments in listed securities	–	1,190

During the year, net loss of RMnil (2023: RM265,000) were recognised on other comprehensive income of the Group and the Company.

15. INTANGIBLE ASSETS

	Group	
	2024 RM'000	2023 RM'000
Net book value		
Software development		
At 1 January	–	863
Amortisation	–	(863)
At 31 December	–	–
At 31 December		
Cost	1,725	1,725
Accumulated amortisation	(1,725)	(1,725)
Net book value	–	–

16. TRADE RECEIVABLES

	Group	
	2024 RM'000	2023 RM'000
Trade receivables	3,169	6,254

The Group's normal trade credit terms range from 30 days to 270 days (2023: 30 days to 270 days) and therefore classified as current. Other credit terms are assessed and approved on a case by case basis. Details about the group's impairment policy and the calculation of the impairment loss allowance are as per Note 27(a).

Due to the short-term nature of the current trade receivables, their carrying amounts are considered to be the same as their fair values.

NOTES TO THE FINANCIAL STATEMENTS

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17. OTHER FINANCIAL ASSETS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Other receivables	535	9,356	461	9,356
Deposits	55,802	34,219	55,777	34,195
Amount due from subsidiaries	–	–	9,451	9,645
	56,337	43,575	65,689	53,196
Less: Impairment loss				
At 1 January	(13,784)	(13,784)	(17,350)	(17,350)
Charge	(343)	–	(343)	–
Write-off	8,759	–	8,759	–
At 31 December	(5,368)	(13,784)	(8,934)	(17,350)
	50,969	29,791	56,755	35,846

Other receivables generally arise from transactions outside the usual operating activities of the Group. Due to the short-term nature of the above balances, their carrying amount are considered to be the same as their fair value.

18. TERM DEPOSITS AND CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash at bank and in hand	3,576	457	3,475	339
Term deposits	34,462	58,446	34,403	58,388
Less: Expected credit loss	(1,720)	(2,919)	(1,720)	(2,919)
Total cash and cash equivalents	36,318	55,984	36,158	55,808
Less: Fixed deposit held more than 3 months	(32,683)	(30,600)	(32,683)	(30,600)
Cash and cash equivalents as presented in statement of cash flow	3,635	25,384	3,475	25,208

Term deposits are presented as cash equivalents if they have a maturity of three months or less and are repayable within 24 hours' notice. Fixed deposits placed have maturity periods which range from 3-6 month (2023: 3-6 month) and the effective interest rates are disclosed in Note 27(b) to the financial statements. Term deposit is being placed to approved non-financial institution.

18. TERM DEPOSITS AND CASH AND BANK BALANCES (CONT'D)

Movements of the expected credit loss (lifetime ECL):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	2,919	–	2,919	–
(Reversal)/charge for the financial year	(1,199)	2,919	(1,199)	2,919
At 31 December	1,720	2,919	1,720	2,919

19. SHARE CAPITAL

	Group and Company			
	2024	2023	2024	2023
	Number of ordinary shares ('000)		RM'000	RM'000
Issued and fully paid				
At 1 January	588,367	581,367	158,573	158,208
Employee share option, issuance scheme ("ESOS")	–	7,000	–	365
At 31 December	588,367	588,367	158,573	158,573

<u>Employee Share Option Scheme ("ESOS")</u>

The ESOS was established for a period of five (5) years commencing from 16 December 2021 until 15 December 2026. The Company will make available new shares, not exceeding in aggregate 15% of total shares during the existence of the ESOS, to be issued under the share options granted. Participation in the plan is at the discretion of the Remuneration Committee and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The ESOS is for the benefit of eligible employees of the Group. The ESOS is for a period of 5 years and is governed by the ESOS Bye-Laws.

The Remuneration Committee comprising Directors of the Company administers the ESOS. The Remuneration Committee may from time to time, offer share options to eligible employees of the Group to subscribe for new ordinary shares in the Company.

NOTES TO THE FINANCIAL STATEMENTS

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19. SHARE CAPITAL (CONT'D)

The salient features of the ESOS are as follows:

Group	Average exercise price per share option	Number of options '000
As at 1 January 2023	–	–
Granted during the year	RM0.052	7.000
Exercised during the year	RM0.052	(7,000)
As at 31 December 2023	–	–
Vested and exercisable as at 31 December	–	–

No options expired during the periods covered by the above tables. There were no share options outstanding at the end of the financial year.

The share options exercised during the previous financial year resulted in 7,000,000 shares being issued and the related weighted average share price at the date of exercise was RM0.052 per share.

The assessed fair value at grant date of options granted during the previous financial year was RM0.01 per option. The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

20. OTHER RESERVES

Group/Company	ESOS Reserve RM'000	Warrant reserve RM'000	Financial assets at FVOCI RM'000	Revaluation reserve RM'000	Total RM'000
2024					
At 1 January	–	5,191	(265)	886	5,812
Disposal of financial asset	–	–	265	–	265
Expiry of Warrants B	–	(5,191)	–	–	(5,191)
31 December	–	–	–	886	886
2023					
At 1 January	–	5,191	–	886	6,077
Fair value adjustments	–	–	(265)	–	(265)
31 December	–	5,191	(265)	886	5,812

21. DEFERRED TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	283	283	280	280
Recognised in profit or loss (Note 9)	(283)	–	(280)	–
At 31 December	–	283	–	280

The components and movements of deferred tax liabilities during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment				
At 1 January	283	283	280	280
Reversal	(283)	–	(280)	–
At 31 December	–	283	–	280

No deferred tax assets have been recognised for the following items:

	Group	
	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	31,423	31,423
Unutilised tax losses	4,383	5,240
	35,806	36,663
Potential tax benefit at 24% (2023: 24%)	8,593	8,799

At the reporting date, the Group and the Company have unabsorbed capital allowances, unutilised tax losses and other deductible temporary differences that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to 10-year limitation on the carry forward of those losses under the Finance Bill 2018 and guidelines issued by the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

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22. TRADE PAYABLES

	Group	
	2024 RM'000	2023 RM'000
Trade payables	2,837	5,707

The normal trade credit terms granted to the Group range from 30 days to 270 days (2023: 30 days to 270 days). These are unsecured and usually paid within the credit terms. The carrying amounts of trade payables are considered to be the same as their fair values, due to their short-term nature.

23. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other payables	10	3	2	–
Accruals	2,616	10,099	2,576	10,132
Amount due to subsidiaries	–	–	25,450	24,618
	2,626	10,102	28,028	34,750

The amount due to subsidiaries represents unsecured, interest-free advances and is repayable on demand.

24. MATERIAL RELATED PARTY TRANSACTIONS

The aggregate value of MATERIAL related party transactions and outstanding balances were as follows:

		Transaction value		Balance outstanding from/(to) as at 31 December	
Name of Companies	**Type of transactions**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Company With subsidiaries:					
Arus Marine Sdn. Bhd.	Expenses paid on behalf	97	50	446	543
Beta Marine Sdn. Bhd.	Expenses paid on behalf	336	112	1,958	1,622
Fokus Marine Sdn. Bhd.	Expenses paid on behalf	13	4	600	587
Erat Marine Sdn. Bhd.	Expenses paid on behalf	11	7	5,222	5,211
Jati Marine Sdn. Bhd.	Expenses paid on behalf	9	6	(1,543)	(1,552)
Perkapalan Dai Zhun (Johore) Sdn. Bhd.	Collection on behalf	1,077	197	(21,783)	(20,706)

24. MATERIAL RELATED PARTY TRANSACTIONS (CONT'D)

The aggregate value of MATERIAL related party transactions and outstanding balances were as follows: (Cont'd)

Name of Companies	Type of transactions	Transaction value 2024 RM'000	2023 RM'000	Balance outstanding from/(to) as at 31 December 2024 RM'000	2023 RM'000
Company With subsidiaries:					
PDZ Shipping Agency Sdn. Bhd.	Expenses paid on behalf	16	7	1,170	1,154
PDZ Shipping Agency (Johor) Sdn. Bhd.	Expenses paid on behalf	14	8	(720)	(734)
PDZ Shipping Agency (Kuching) Sdn. Bhd.	Collection on behalf	246	16	(1,349)	(1,103)

25. COMMITMENTS AND CONTINGENT LIABILITIES

(i) Injunction against Formosa Plastics Marina Corporation ("Formosa") and Eastgate Ventures Sdn. Bhd. ("Eastgate") Group

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 RM5,200,000 being the operational expenses incurred by Eastgate Group with interest of RM900,000 and cost of RM100,000, which were accrued in full in the financial year ended 31 December 2019. 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 and 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 the matter was dismissed on 9 January 2024.

26. FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets:				
Trade receivables	3,169	6,254	–	–
Other receivables	192	596	118	596
Deposits	50,777	29,195	50,777	29,195
Term deposits and cash and bank balances	36,318	55,984	36,158	55,808
Amount due from subsidiaries	–	–	5,860	6,055
Financial assets at amortised costs	90,456	92,029	92,913	91,654
Financial assets at FVOCI	–	1,190	–	1,190
Financial liabilities:				
Trade payables	2,837	5,707	–	–
Other payables	10	3	2	–
Accruals	2,616	10,099	2,576	10,132
Amount due to subsidiaries	–	–	25,450	24,618
Financial liabilities at amortised costs	5,463	15,809	28,028	34,750

27. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign currency risk, liquidity risk and price risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their credit risk, interest rate risk, foreign currency risk, liquidity risk and price risk.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

The Group's and the Company's credit risk management policies are to manage the exposure to credit risk, or the risk of counterparties defaulting, arises from trade and other receivables, deposits and cash and bank balances.

The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

Credit risk concentration profile

The Group has a credit policy in place and its exposure to credit risk is monitored on an ongoing basis. At the balance sheet date, there was no significant concentration of credit risk. Significant credit and recovery risks associated with receivables have been provided for in the financial statements.

Impairment of trade receivables

The Group applies the MFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are determined based on historical ageing profile and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Some of the factors which the Group has identified include unemployment rate, interbank lending rate, Consumer Price Index ("CPI") and annual Gross Domestic Product ("GDP") growth and has adjusted the historical loss rates based on expected changes in such factors.

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The loss allowance as at 31 December 2024 was determined as follows trade receivables:

	2024			2023		
Group	**Gross carrying amount RM'000**	**Loss allowances RM'000**	**Net balance RM'000**	**Gross carrying amount RM'000**	**Loss allowances RM'000**	**Net balance RM'000**
Current (not past due)	576	–	576	724	–	724
1 – 30 days past due	774	–	774	2,012	–	2,012
31 – 180 days past due	1,819	–	1,819	2,076	–	2,076
More than 270 days past due	–	–	–	1,442	–	1,442
	3,169	–	3,169	6,254	–	6,254

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-earning financial assets and interest-bearing financial liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

Effective interest rates and repricing analysis

Group	Effective interest rate per annum %	Within 1 year RM'000	Total RM'000
31 December 2024			
Financial assets			
Term deposits at call			
- denominated in RM	3.10	32,742	32,742
		32,742	32,742
31 December 2023			
Financial assets			
Term deposits at call			
- denominated in RM	3.05	55,527	55,527
		55,527	55,527
Company			
31 December 2024			
Financial assets			
Term deposits at call			
- denominated in RM	3.10	32,683	32,683
		32,683	32,683
31 December 2023			
Financial assets			
Term deposits at call			
- denominated in RM	3.05	55,469	55,469
		55,469	55,469

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Effects on profit after tax		Effects on equity	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group				
Increase of 100 basis points	327	555	327	555
Decrease of 100 basis points	(327)	(555)	(327)	(555)
Company				
Increase of 100 basis points	327	555	327	555
Decrease of 100 basis points	(327)	(555)	(327)	(555)

(c) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The risk is hedged with the objective of minimising the volatility of the currency cost upon remittance of payments to international vendors.

The Group's exposure to foreign currency is as follows:

Group	**United States Dollar RM'000**
31 December 2024	
Financial assets	
Trade receivables	3,169
	3,169
Financial liabilities	
Trade payables	(2,837)
	(2,837)
Net currency exposure	332

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Foreign currency risk (Cont'd)

The Group's exposure to foreign currency is as follows: (Cont'd)

Group	United States Dollar RM'000
31 December 2023	
Financial assets	
Trade receivables	6,254
	6,254
Financial liabilities	
Trade payables	(5,707)
	(5,707)
Net currency exposure	547

Foreign currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit, net of tax to a reasonably possible change in the exchange rates against the respective other currencies of the Group, with all other variables held constant:

	Effects on profit after tax		Effects on equity	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group				
Strengthen by 5% (2024: 5%)	(17)	(27)	(17)	(27)
Weakened by 5% (2024: 5%)	17	27	17	27

27. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities. As at 31 December 2024, the Group and the Company held deposits at call of RM32,742,000 (2023: RM55,527,000) that are expected to readily generate cash inflows for managing liquidity risk.

The following table sets out the maturity profile of the financial liabilities as at 31 December 2024 based on contractual undiscounted cash flows:

	Carrying amount RM'000	Contractual cash flows RM'000	Within 1 year RM'000
Group			
31 December 2024			
Trade payables	2,837	2,837	2,837
Other payables and accruals	2,626	2,626	2,626
Total	5,463	5,463	5,463
31 December 2023			
Trade payables	5,707	5,707	5,707
Other payables and accruals	10,102	10,102	10,102
Total	15,809	15,809	15,809
Company			
31 December 2024			
Other payables and accruals	2,578	2,578	2,578
Amount due to subsidiaries	25,450	25,450	25,450
Total	28,028	28,028	28,028
31 December 2023			
Other payables and accruals	10,132	10,132	10,132
Amount due to subsidiaries	24,618	24,618	24,618
Total	34,750	34,750	34,750

NOTES TO THE FINANCIAL STATEMENTS

[Cont'd]

28. CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure the Group and the Company maintain an optimal capital structure so as to support the businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. The Group's and the Company's strategies were unchanged from the previous financial year.

The gearing ratio of the Group and Company as at the financial year end was as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Total liabilities	5,480	16,099	28,028	35,030
Less:				
Term deposit – not pledged	32,742	55,527	32,683	55,469
Cash and bank balances	3,576	457	3,475	339
	36,318	55,984	36,158	55,808
Net debt	(30,838)	(39,885)	(8,130)	(20,778)
Total equity / capital	99,266	90,502	99,702	91,631
Gearing ratio (times)	–	–	–	–

Net debt is calculated as total liabilities (excluding intercompany advances) less deposits with banks (not pledged) and cash and bank balances. Total capital is calculated as equity plus net debt. The debt-to-equity ratio is calculated as net debt divided by total equity. There is no external capital requirement imposed on the Group and the Company.

29. SEGMENTAL INFORMATION

No segmental reporting has been prepared as the Group activities are predominantly in shipping and provision of related activities, which are carried out in Malaysia.

List of
Properties
As At 31 December 2024

Location	Description/ Existing Use	Approximate Age of Building	Build-up Area/ Land Area (Sq.m)	Leasehold Expiry Date	Net Book Value as at 31.12.2024 (RM)	Date of Acquisition
Lot 6, Seksyen 13, Bandar Pelabuhan Klang, Daerah Klang, Selangor No. 1, Jalan Sungai Aur, 42000 Port Klang, Selangor	Land & building/ 3-storey commercial buildings	63 years	1,203.56/ 1,011.71	99 years 21.02.1959 to 20.02.2058	3,211,000	27.01.2003
Lot 34841 Mukim Batu Wilayah Persekutuan Kuala Lumpur No 4 & 4-1, Jalan Sibu 8, Taman Wahyu, 68100 Kuala Lumpur, Wilayah Persekutuan	Land & building/ Intermediate 2-storey terraced shophouse	45 years	286.14/ 143	99 years 25.12.1979 to 25.12.2078	900,000	31.12.2024

Analysis of
Shareholdings
As At 28 March 2025

Total Number of Issued Shares	:	588,367,022 ordinary shares
Class of Equity Securities	:	Ordinary Shares ("Shares")
Voting Rights	:	One (1) vote for every share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	(%)	No. of Shares	(%)
Less than 100	1,513	15.71	49,363	0.01
100-1,000	2,569	26.67	1,325,882	0.23
1,001-10,000	3,059	31.76	13,140,213	2.23
10,001-100,000	1,779	18.47	67,899,628	11.54
100,001-Less than 5% of the Issued Shares	710	7.37	414,087,651	70.38
5% and above of the Issued Shares	2	0.02	91,864,285	15.61
TOTAL	**9,632**	**100.00**	**588,367,022**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Datuk Tan Chor How Christopher	35,889,285	6.10	–	–
Liow Wei Kim	55,392,285	9.41	–	–
Florence Wong Wei Wei	57,392,285	9.75	–	–

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Dato' Sri Rusli Bin Ahmad	–	–	–	–
Dato' Ahmad Zaffry Bin Hj. Sulaiman	–	–	–	–
Datuk Tan Chor How Christopher	35,889,285	6.10	–	–
Dr. Rosli Bin Azad Khan	–	–	–	–
Ho Jien Shiung	630,090	0.11	–	–
Wong Kok Seong	–	–	–	–
Pang Siaw Sian	–	–	–	–

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 28 MARCH 2025

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1.	M & A Nominee (Tempatan) Sdn. Bhd. *Exempt an for SFGHK Limited (Account Client)*	56,000,000	9.52
2.	Tan Chor How Christopher	35,864,285	6.10
3.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Doris Wong Sing Ee (Margin)*	28,000,000	4.76
4.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Florence Wong Wei Wei (Margin)*	12,450,000	2.12
5.	Tan Yau Lam	11,683,800	1.99
6.	Chua Eng Ho Wa'a @ Chua Eng Wah	7,999,000	1.36
7.	Ong Eng Chuan	7,303,000	1.24
8.	Ng Sin Yin	7,140,000	1.21
9.	Sentaran Sdn. Bhd.	7,000,000	1.19
10.	AA Resources (M) Sdn. Bhd.	5,500,000	0.93
11.	Murad Bin Yusop	5,000,000	0.85
12.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Khek Keng (E-Tai)*	4,000,000	0.68
13.	See Chen Choo	3,786,500	0.64
14.	Caring Tay Swee Nee	3,500,000	0.59
15.	Ho Yit Lin @ Ho Yuet Ling	3,300,000	0.56
16.	Chung Kin Chuan	3,296,000	0.56
17.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securites Account for Choo Poh Tit (Penang-CL)*	3,000,000	0.51
18.	Lim Chin Huat	3,000,000	0.51
19.	Sanichi Technology Berhad	3,000,000	0.51
20.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chong Hwa Jau (7002643)*	2,880,000	0.49
21.	Zeng Xingli	2,864,000	0.49
22.	Jasmi Bin Mohd Ismail	2,832,500	0.48
23.	Khek Cheng Lee	2,800,000	0.48
24.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Lay Peng (E-Tai)*	2,800,000	0.48
25.	Khoh Kien Seong	2,790,000	0.47
26.	Maybank Nominees (Tempatan) Sdn. Bhd. *Chua Eng Ho Wa'a @ Chua Eng Wah*	2,693,000	0.46
27.	HLIB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Khek Keng Tian (CCTS)*	2,600,000	0.44
28.	Tan Theng Por	2,600,000	0.44
29.	Ling Yee Tao	2,500,000	0.42
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Rakuten Trade Sdn. Bhd. for Tan Yew Hui*	2,350,000	0.40

Directors' Responsibility *Statement*

In connection with the preparation of the annual audited financial statements of the Company and the Group, the Directors are required to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016 in Malaysia, Malaysia Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2024 and of their financial performances and cash flows for the financial year ended 31 December 2024 ("FYE 2024").

In the preparation of the financial statements for the FYE 2024, the Directors have taken steps to ensure that the Group has adopted appropriate accounting policies and has applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

The Directors are responsible for ensuring adequacy of accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 in Malaysia. The Directors have a general responsibility for taking reasonable steps towards safeguarding the assets of the Group and to prevent and detect fraud and other irregularities.

Notice of
Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting ("29th AGM" or "Meeting") of PDZ HOLDINGS BHD. ("the Company") will be held at Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 26 June 2025 at 10:30 a.m. or at any adjournment thereof, to transact the following businesses:-

A G E N D A

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. ***Please refer to Explanatory Note 1***

2. To approve the payment of Directors' fees and benefits of up to RM264,000.00 for the period commencing from the date immediately after this 29th AGM until the next Annual General Meeting of the Company ("AGM"). ***Ordinary Resolution 1***

3. To re-elect the following Directors who retire by rotation pursuant to Clause 85 of the Company's Constitution:-

   i. Datuk Tan Chor How Christopher; and ***Ordinary Resolution 2***
   ii. Mr. Wong Kok Seong ***Ordinary Resolution 3***

4. To re-appoint ChengCo PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 4***

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** ***Ordinary Resolution 5***

   "THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

   AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment of such new Shares."

7. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

[Cont'd]

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No. 201908001272)
WINNIE GOH KAH MUN (MAICSA 7068836) (SSM PC No. 202308000205)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 April 2025

Notes:

(a) A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-

*(1) **In Hardcopy Form***

The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

*(2) **By Electronic Means***

The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to info@sshsb.com.my.

(g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 19 June 2025. Only members whose names appear in the General Meeting Record of Depositors as at 19 June 2025 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(h) All the resolutions set out in this Notice of the Meeting will be put to vote by poll.

(i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.

(j) Kindly check Bursa Securities' website at www.bursamalaysia.com and the Company's website at www.pdzlines.com for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2024

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and Benefits

The estimated Directors' fees and benefits were calculated based on the current Board size and the number of scheduled Board and Committee meetings to be held. This resolution is to facilitate payment of Directors' fees and benefits for the period from 27 June 2025 until the next AGM of the Company to be held in the year 2026. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 85 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of seven (7) Directors of the Company are to retire pursuant to Clause 85 of the Company's Constitution.

Datuk Tan Chor How Christopher and Mr. Wong Kok Seong ("Retiring Directors") who were appointed to the Board on 18 August 2016 and 6 May 2022 respectively, will retire and being eligible, have offered themselves for re-election at the 29th AGM pursuant to Clause 85 of the Company's Constitution.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Directors' Profile on pages 5 and 7 of the Company's Annual Report 2024.

4. Item 5 of the Agenda – General Authority for the Directors to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening at a general meeting to approve the issuance and allotment of such shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 24 June 2024 which will lapse at the conclusion of the Meeting.

Administrative Notes for the Twenty-Ninth Annual General Meeting of PDZ Holdings Bhd. ("PDZ" or "Company") ("29th AGM" or "Meeting")

Date	Time	Venue
Thursday, 26 June 2025	10:30 a.m.	Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan

APPOINTMENT OF PROXY

1. A member who is entitled to participate and vote at the Meeting is entitled to appoint more than one (1) proxy to participate and vote in his/her stead. If you are not able to participate in the 29th AGM, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.

2. The appointment of a proxy may be made in a hardcopy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof:-

   (i) In hardcopy form

   The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

   (ii) By electronic form

   The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to info@sshsb.com.my.

   Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

4. If you wish to participate in the Meeting yourself, please do not submit any proxy form for the Meeting. You will not be allowed to participate in the 29th AGM together with the proxy(ies) appointed by you.

5. If you have submitted your Proxy Form prior to the Meeting and subsequently decide to personally participate in the Meeting, please write in to info@sshsb.com.my to revoke the earlier appointment of your proxy(ies) at least forty-eight (48) hours before the commencement of the Meeting. Upon revocation, your proxy(ies) will not be allowed to participate in the 29th AGM. In such event, kindly advise your proxy(ies) accordingly.

CORPORATE MEMBER

Any corporate member who wishes to appoint a representative instead of a proxy to attend the 29th AGM should submit the original Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority, under the corporation's seal to the Company's Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan at any time before the time appointed for holding the 29th AGM or to the registration staff on the meeting day for the Company's records.

RECORD OF DEPOSITORS FOR THE 29TH AGM

The date of Record of Depositors for the 29th AGM is 19 June 2025. As such, only members whose name appears in the Record of Depositors of PDZ as at 19 June 2025 shall be entitled to attend the 29th AGM and to participate, speak and vote thereat.

ADMINISTRATIVE NOTES FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING OF PDZ HOLDINGS BHD.

[Cont'd]

RECORDING OR PHOTOGRAPHY

STRICTLY NO unauthorised recording or photography of the 29th AGM proceedings is allowed. PDZ reserves the rights to take appropriate legal actions against anyone who violates this rule.

ENQUIRY

If you have any enquiry regarding the 29th AGM, please contact our Share Registrar during office hours from 9.00 a.m. to 5.30 p.m. on Monday to Friday (except public holidays) prior to the Meeting:-

Securities Services (Holdings) Sdn. Bhd.

Contact Persons	:	Mr. Wong Piang Yoong /Mr. Jerry Tan Hor Seng
Tel No.	:	+603-2084 9168 / +603-2084 9165
Email	:	piang.yoong.wong@sshsb.com.my / hor.seng.tan@sshsb.com.my

PDZ HOLDINGS BHD
[199501031213 (360419-T)]
(Incorporated in Malaysia)

PROXY FORM

I/We* ______________________________ NRIC/Registration No.* ______________________
(full name in capital letters)

of ____
(full address)

Email Address ______________________________ Mobile Phone No. ______________________

being (a) member(s) of PDZ HOLDINGS BHD. [199501031213 (360419-T)] ("the Company") hereby appoint____________

______________________________ NRIC No. ______________________
(full name in capital letters)

of ____
(full address)

Email Address ______________________________ Mobile Phone No. ______________________

and/or*, ______________________________ NRIC No. ______________________
(full name in capital letters)

of ____
(full address)

Email Address ______________________________ Mobile Phone No. ______________________

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Twenty-Ninth Annual General Meeting ("29th AGM" or "Meeting") of the Company to be held at Level 9, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan on Thursday, 26 June 2025 at 10:30 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and benefits of up to RM264,000.00 for the period commencing from the date immediately after this 29th AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Datuk Tan Chor How Christopher as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
3.	To re-elect Mr. Wong Kok Seong as a Director who retires by rotation pursuant to Clause 85 of the Company's Constitution.		
4.	To re-appoint ChengCo PLT as Auditors of the Company.		
5.	To approve the authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

* *delete whichever is not applicable*

Dated this ___________ day of ___________ 2025.

CDS Account No.	
No. of Shares Held	

Percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
TOTAL		100

____
Signature of Member(s)/Common Seal

Notes:

(a) *A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*

(b) *A proxy may, but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*

(c) *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.*

(d) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

(e) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.*

(f) *To be valid, the instrument appointing a proxy may be made via hardcopy or by electronic means in the following manners and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof at which the person named in the appointment proposes to vote:-*

    (1) In Hardcopy Form
    The proxy form shall be deposited at the Share Registrar's office, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

    (2) By Electronic Means
    The proxy form shall be electronically lodged via fax to +603-2094 9940 or by email to info@sshsb.com.my.

(g) *For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 63(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 19 June 2025. Only members whose names appear in the General Meeting Record of Depositors as at 19 June 2025 shall be regarded as members and entitled to attend, speak and vote at the Meeting.*

(h) *All the resolutions set out in this Notice of the Meeting will be put to vote by poll.*

(i) *The members are advised to refer to the Administrative Notes on the registration process for the Meeting.*

(j) *Kindly check Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com and the Company's website at www.pdzlines.com for the latest updates on the status of the Meeting.*

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AFFIX
STAMP

The Share Registrar
PDZ HOLDINGS BHD [199501031213 (360419-T)]
SECURITIES SERVICES (HOLDINGS) SDN. BHD.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia

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Fold This Flap For Sealing

PDZ HOLDINGS BHD
[Registration No. 199501031213 (360419-T)]

No. 1, Jalan Sungai Aur,
42000 Port Klang,
Selangor Darul Ehsan, Malaysia

Tel : +603-3169 2233 / +6012-628 6054
Fax : +603-3165 9311
Email : general@pdzlines.com.my

www.pdzlines.com