



**ANNUM BERHAD**  
**(Formerly known as CYMAO HOLDINGS BERHAD)**  
[Company No. 199701030432 (445931 – U)]  
(Incorporated in Malaysia)

**INTERIM**  
**FINANCIAL STATEMENTS**

**FOR THE FOURTH**  
**QUARTER ENDED**

**31ST DECEMBER 2020**

**ANNUM BERHAD**

(Formerly known as CYMAO HOLDINGS BERHAD)

[Company No. 199701030432 (445931 – U)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 - UNAUDITED**

	Individual Period (4th Quarter)		Changes Amount	Changes (%)	Cumulative Period		Changes Amount	Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter			Unaudited Current Year To- date	Audited Preceding Year Corresponding Period		
	31.12.2020 RM'000	31.12.2019 RM'000			31.12.2020 RM'000	31.12.2019 RM'000		
Revenue	23,916	11,913	12,003	100.76	53,354	46,282	7,072	15.28
Cost of sales	(21,940)	(14,780)	(7,160)	48.44	(53,975)	(54,764)	789	(1.44)
<b>Gross profit/(loss)</b>	1,976	(2,867)	4,843	(168.92)	(621)	(8,482)	7,861	(92.68)
Other income	9,695	1,151	8,544	742.31	10,799	13,012	(2,213)	(17.01)
Other operating expenses	(86)	(8,180)	8,094	(98.95)	(113)	(8,148)	8,035	(98.61)
Administrative expenses	(1,717)	(1,179)	(538)	45.63	(4,158)	(5,517)	1,359	(24.63)
Selling and marketing expenses	(332)	(654)	322	(49.24)	(1,614)	(2,367)	753	(31.81)
Interest income	(6)	(200)	194	(97.00)	-	-	-	-
Finance costs	(175)	(131)	(44)	33.59	(339)	(456)	117	(25.66)
<b>Profit/(Loss) before tax</b>	9,355	(12,060)	21,415	(177.57)	3,954	(11,958)	15,912	(133.07)
Income tax expenses	-	854	(854)	-	-	854	(854)	-
<b>Profit/(Loss) net of tax</b>	9,355	(11,206)	20,561	(183.48)	3,954	(11,104)	15,058	(135.61)
<b>Total comprehensive profit/(loss) attributable to:</b>								
Owners of the Company	9,355	(11,206)	20,561	(183.48)	3,954	(11,104)	15,058	(135.61)
<b>Profit/(Loss) attributable to:</b>								
Owners of the Company	9,355	(11,206)	20,561	(183.48)	3,954	(11,104)	15,058	(135.61)
Non-controlling interest	-	-	-	-	-	-	-	-
<b>Profit/(Loss) for the period</b>	9,355	(11,206)	20,561	(183.48)	3,954	(11,104)	15,058	(135.61)
<b>Total comprehensive profit/(loss) attributable to:</b>								
Owners of the Company	9,355	(11,206)	20,561	(183.48)	3,954	(11,104)	15,058	(135.61)
Non-controlling interest	-	-	-	-	-	-	-	-
<b>Total comprehensive profit/(loss) for the period</b>	9,355	(11,206)	20,561	(183.48)	3,954	(11,104)	15,058	(135.61)
<b>Basic Profit/(Loss) per ordinary share (sen):</b>								
Profit/(Loss) from continuing operations	12.76	(15.28)	28.04	(183.48)	5.39	(15.14)	20.53	(135.61)

The above Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 - UNAUDITED**

	Current Quarter	Immediate Preceding Quarter	Changes Amount	Changes
	31.12.2020	30.09.2020		
	RM'000	RM'000	RM'000	(%)
Revenue	23,916	10,020	13,896	138.68
Operating Profit / (Loss)	9,355	(939)	10,294	1,096.27
Profit (Loss) Before Interest and Tax	9,355	(939)	10,294	1,096.27
Profit / (Loss) Before Tax	9,355	(939)	10,294	1,096.27
Profit / (Loss) After Tax	9,355	(939)	10,294	1,096.27
Profit / (Loss) Attributable to Ordinary Equity Holders of the Parent	12.76	(1.28)	14	1,096.60

**ANNUAL REPORT**

(Formerly known as CYMAO HOLDINGS BERHAD)

[Company No. 199701030432 (445931 – U)]

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020 - UNAUDITED**

	As at 31.12.2020 (Unaudited) RM'000	As at 31.12.2019 (Audited) RM'000
<b>ASSETS</b>		
Property, plant and equipment	15,840	22,213
Right of use assets	1,538	-
<b>Total non-current assets</b>	<u>17,378</u>	<u>22,213</u>
Inventories	-	29,245
Trade receivables	27,797	5,674
Other receivables	24,334	9,163
Tax refundable	498	445
Fixed deposit with licensed bank	51	-
Cash and bank balances	1,115	1,374
	<u>53,795</u>	<u>45,901</u>
Assets classified as held for sale	-	-
<b>Total assets</b>	<u><u>71,173</u></u>	<u><u>68,114</u></u>
<b>Equity</b>		
Share capital	92,374	92,374
Treasury shares	(694)	(694)
Accumulated losses	(40,100)	(44,518)
<b>Total equity</b>	<u>51,580</u>	<u>47,162</u>
<b>LIABILITIES</b>		
Borrowings - Long term	151	1,583
Lease Liability	1,000	-
Deferred tax liabilities	664	664
<b>Total non-current liabilities</b>	<u>1,815</u>	<u>2,247</u>
Borrowings - Short term	2,794	8,111
Trade payables	10,647	3,647
Other payables	3,721	6,947
Lease Liability	616	-
<b>Total current liabilities</b>	<u>17,778</u>	<u>18,705</u>
<b>Total liabilities</b>	<u>19,593</u>	<u>20,952</u>
<b>Total equity and liabilities</b>	<u><u>71,173</u></u>	<u><u>68,114</u></u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>0.70</u>	<u>0.64</u>

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES EQUITY  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

	Attributable to Equity Holders of the Company			
	Non-Distributable		Distributable	
	Share Capital RM'000	Treasury Shares RM'000	Accumulated Profit/(Losses) RM'000	Total Equity RM'000
<b>At 1 January 2019</b>	92,374	(694)	(33,414)	58,266
Total comprehensive loss for the 12-month period	-	-	(11,104)	(11,104)
<b>At 31 December 2019</b>	<u>92,374</u>	<u>(694)</u>	<u>(44,518)</u>	<u>47,162</u>
<b>At 1 January 2020</b>	92,374	(694)	(44,518)	47,162
Accumulated loss b/f			464	464
Total comprehensive profit for the 12-month period	-	-	3,954	3,954
Purchase of treasury shares	-	-	-	-
<b>At 31 December 2020</b>	<u>92,374</u>	<u>(694)</u>	<u>(40,100)</u>	<u>51,580</u>

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

	12 months ended	
	31.12.2020 (Unaudited) RM'000	31.12.2019 Audited RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	3,954	(11,958)
Adjustments for:		
Depreciation of property, plant and equipment	2,157	2,964
Gain on disposal of property, plant and equipment	-	(161)
Gain on disposal of assets held for sale	-	(9,073)
Gain on disposal of subsidiary	(8,159)	-
Allowance for slow moving inventories	-	795
Impairment on receivable	-	82
Impairment on property, plant & machinery	-	6,682
Interest income	-	(25)
Finance costs	238	455
Inventories written down	-	1,918
Loss on damage of material	-	203
Property, Plant & Equipment written off	-	188
Operating cash flow before working capital changes	(1,810)	(7,930)
Increase/(Decrease) in inventories	29,245	(2,683)
Decrease/(Increase) in receivables	(33,529)	491
(Decrease)/Increase in payables	3,774	(1,231)
Cash (used in) operations	(2,320)	(11,353)
Interest paid	(238)	(455)
Net tax paid	202	517
Net cash (used in) operating activities	(2,356)	(11,291)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(744)	(1,124)
Proceeds from disposal of property, plant and equipment	-	209
Proceeds from disposal of subsidiary	9,100	-
Proceeds from disposal of assets held for sale	-	12,000
Interest received	-	25
Net cash generated from/(used in) investing activities	8,356	11,110
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bankers' acceptance drawn down	6,893	24,435
Short Term Loan repayment	(143)	(157)
Repayment of term loan	-	(157)
Repayment of bankers' acceptance	(13,197)	(25,151)
Net cash (used in)/ generated from financing activities	(6,447)	(1,030)
<b>Net (decrease) in cash and cash equivalents</b>	(447)	(1,211)
<b>Cash and cash equivalents at beginning of financial period</b>	1,085	2,296
<b>Cash and cash equivalents at end of financial period</b>	638	1,085

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

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Cash and cash equivalents at the end of financial period comprise of the followings:

	<b>As at 31.12.2020 (Unaudited) RM'000</b>	<b>As at 31.12.2019 (Audited) RM'000</b>
Cash in hand and at bank	1,166	1,374
Bank overdraft	<u>(528)</u>	<u>(289)</u>
Cash and bank balances	<u><u>638</u></u>	<u><u>1,085</u></u>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and accompanying explanatory notes attached to these interim financial statements.

## **ANNUM BERHAD**

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### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

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#### **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 registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. The principal place of business of the Company is located at 8.7 KM, Jalan Batu Sapi, 90000 Sandakan, Sabah.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are manufacturing and sale of veneer, plywood, decorative plywood, blockboard and sale and extraction of log timbers. There have been no significant changes in the nature of these principal activities during the financial year.

#### **2 Basis of Preparation**

These condensed consolidated interim financial statements (Condensed Report) for the period ended 31 December 2020, have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS) 134 "*Interim Financial Reporting*" and paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

The accounting policies used in the preparation of interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

#### **3 Significant Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

MFRS 15: Revenue from Contracts with Customers

MFRS 9: Financial Instruments



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### **EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

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#### **3 Significant Accounting Policies**

Effective for financial periods beginning on or after 1 January 2019:

MFRS 16 : Leases

IC interpretation 23 uncertainty over income tax treatments

Amendments to MFRS 112 (Annual improvement to MFRS standard 2015 - 2017 cycle)

Effective for financial periods beginning on or after 1 January 2020:

Destination of material (Amendments to MFRS 101 and MFRS 108)

Destination of a Business (Amendments to MFRS 3)

Revised Conceptual Framework for Financial Reporting

Sale or contribution of assets between an investor and its associate or joint venture -

Amendments to MFRS 10 and MFRS 128

The adoption of the above revised MFRSs, and Amendment do not have any significant financial impact on the Group.

#### **4 Auditors' Report**

The auditors' report on the financial statements of the Group for the year ended 31 December 2020 was not qualified.

#### **5 Seasonality of operations**

The Group's business operation and performance are to a certain extent affected by weather conditions especially on the supply of logs.

#### **6 Unusual Items due to their Nature, Size or Incident**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the quarter under review.

#### **7 Changes in Estimates**

There was no estimation of amount used in the preceding reporting having a material effect in the current reporting quarter.

#### **8 Dividend Paid**

There was no dividend paid by the Group during the current quarter.

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#### **9 Carrying Amount of Revalued Assets**

There were no brought forward valuations of property, plant and equipment from the year ended 31 December 2019 and there were valuations of property, plant and equipment carried out during the current financial year-to-date.

#### **10 Debt and Equity Securities**

There were no issuances, cancellations, resale and repayments of debt and equity securities during the quarter under review.

#### **11 Changes in the Composition of the Group**

On the 8th July 2020, the company made the announcement that it has entered into a Sale Share Agreement with Zinton Sdn Bhd to dispose of its entire shares in Poly-Ply Industries Sdn Bhd, a wholly-owned subsidiary for RM9.1 million.

The disposal was approved in a shareholders Extraordinary General Meeting held on 26th September 2020. The Proposed Disposal has been completed on 11 December 2020 following the transfer of shares to the Purchaser on the even date.

Other than the above, there were no other material changes in the composition of the Group during the current financial quarter.

#### **12 Segmental Information**

No segmental information has been presented as the Group activities are predominantly in Malaysia.

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FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

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**13 Capital Commitments**

There were no capital commitments for the quarter ended 31 December 2020.

**14 Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last statement of financial position as at 31 December 2019 and up to the date of this report.

**15 Subsequent Events**

On the 24 December 2020, the company made the announcement to undertake the proposed diversification of the existing core business of Cymao and its subsidiaries to include construction, project management and related activities (“Proposed Diversification”).

The Proposed Diversification has been passed through the Notice of the Extraordinary General Meeting (“EGM”) dated 18 January 2021, and was approved by the shareholders of the Company at the EGM held on 9 February 2021.

**16 Trade Receivables**

The trade receivable turnover is 51 days which is within the industry average. Export sales are through Letter of Credit. The Group has not experienced any debt issues with the customers as the customers are long established and reliable.

There are no write down of debts during the quarter.

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### EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020- UNAUDITED

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#### 17 Performance Review

##### Revenue

The quarter registered a Revenue of RM 23.916 million, an increase in turnover of RM 12.003 million as compared to the preceding year corresponding quarter of RM11.913 million last year.

The increase in turnover is mainly due to the sale of inventories namely plywood and round logs by Cymao Klang & Inovwood.

##### Profit/(Loss) before Tax

The Group registered a profit of RM 9.355 million as compared to a loss before tax of RM 12.060 million in the preceding year corresponding quarter. The profit is mainly due to a gain on disposal of investment in subsidiary company – Poly-Ply Industries Sdn. Bhd of approximately RM 8.159 Million.

On 8 July 2020, the Group has entered into a sales and purchase agreement with Zinton Sdn. Bhd. (“the Purchaser”) to sell Poly-Ply Industries at a considerations of RM 9.1 million. The disposal had completed on 11 December 2020 where all the Conditions Precedents have been met.

The results of the operations-Profit/(Loss):

	31.12.2020	31.12.2019
	RM'000	RM'000
Sandakan	(97)	(3,151)
Cymao Klang	1,446	(1,443)
Other companies	8,006	(7,466)
Group profit/(loss)	<u>9,355</u>	<u>(12,060)</u>

The increase in profit is mainly due to the gain on disposal of Poly Ply Industries Sdn Bhd and the sales of inventories during the quarter, mainly from Cymao Klang and Inovwood.

##### Comparison with immediate preceding quarter's result:

Current Quarter Revenue is RM 23.916 Million as compared to the immediate preceding quarter of RM 10.020 million, due to the sale of inventories namely plywood and round logs by Cymao Klang & Inovwood during the current quarter.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED****17 Performance Review****Comparison with the immediate preceding quarter's result:**

The changes in sales volumes can be analyzed as follows:

	31.12.2020	30.09.2020	Net change
Sandakan mills : Export (m3)	2,179	3,692	(1,513)
: Local (m3)	3,829	626	3,203
	<u>6,008</u>	<u>4,318</u>	<u>1,690</u>
Poly-Ply at Klang : Export (m3)	172	186	(14)
: Local (m3)	1,124	-	1,124
	<u>1,296</u>	<u>186</u>	<u>1,110</u>
Cymao at Klang : Export (m3)	-	-	-
: Local (m3)	4,787	1,314	3,473
	<u>4,787</u>	<u>1,314</u>	<u>3,473</u>

Sandakan recorded an increase of 3,203 m3 in local sales despite a decrease of 1,513 m3 in export sales this quarter as compared to the immediate preceding quarter. Poly-Ply Klang recorded an increase of 1,110 m3 this quarter as compared to the immediate preceding quarter. Cymao Klang recorded an increase in sale of 3,473 m3 as compared to immediate preceding quarter.

**Group's Prospect:**

The logs supply has maintained in the last quarter in Sandakan but both the export prices and local prices have decreased thus resulting in Sandakan making a loss even with improved quality and recovery. The international export market has showed signs of weakness with the reduced pricing. Local market sale is still slow in the quarter with price reducing. The Group is focusing more on export sales to capture the better margin.

Klang operation has slowed down due to a slow demand for value-added plywood products. The challenge is for the Klang operation management to fix the situation and put more efforts to capture more customers and to manage the cost to bring the Klang operation to a better profitability. It is focusing on providing lamination services to contain the operation costs.

Cymao Plywood Sdn Bhd after taking over the stock from Jengka will trade plywood in Klang focusing on West Malaysia local market under Cymao Klang operation. It is focusing on clearing the stock taken over from Jengka operation.

Overall, the prospect for the Group is very challenging as export plywood prices have decreased and local market demand is very slow with low pricing. Couple reduced demand with the reduced pricing, the operation is going to be very challenging. The Group is therefore focusing on capturing more export sales and with concerted efforts to contain the production cost and to improve quality.

The Group will focus on plywood production in Sandakan as logs supply is more stable and logs prices also stabilizing which is positive. Klang will focus on selling to local market and lamination boards production and servicing.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED****18 Bank Borrowing**

The total banking facilities of the Group remained at RM 8 million comprising of trade facilities of RM 7 million and overdraft of RM1 million.

The average interest rate charged by the banks were 4.50% - 7.50%

**Borrowings (Secured)**

As at 4th quarter ended 2020						
	Long Term		Short Term		Total Borrowings	
	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination
<b>Secured</b>						
Banker Acceptance	-	-	-	2,183	-	2,183
Term Loan	-	-	-	-	-	-
Hire Purchase	-	151	-	82	-	233
Bank Overdraft	-	-	-	528	-	528
<b>Unsecured</b>						
Banker Acceptance	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-

As at 4th quarter ended 2019						
	Long Term		Short Term		Total Borrowings	
	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination
<b>Secured</b>						
Banker Acceptance	-	-	-	7,495	-	7,495
Term Loan	-	1,319	-	166	-	1,485
Hire Purchase	-	264	-	162	-	426
Bank Overdraft	-	-	-	288	-	288
<b>Unsecured</b>						
Banker Acceptance	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-

All the borrowings are denominated in Ringgit Malaysia.

## **ANNUM BERHAD**

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### **EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED**

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#### **19 Impairment**

The valuation for the fixed assets of the Group amounted to RM 44.720 million as at 31 December 2016 and the net book value is RM 15.840 million as at 31 December 2020. Therefore, there is no impairment provision required for this quarter.

#### **20 Commentary on Prospects**

Over the past few years, the Group has seen increasing challenges in the plywood industry and declining revenue from its existing business and the management anticipates that the future prospects of the plywood business will continue to be challenging.

Against the backdrop of uncertain global economic conditions, ongoing COVID-19 pandemic as well as weakened consumer sentiment and plywood demand, the prices for plywood products have decreased.

The Group expects that the demand and prices for plywood products will remain low in the next financial year.

In order to be profitable in its plywood business, the Group plans to:-

- (i) procure more sales from export markets, in which the selling prices are generally higher than the local market;
- (ii) focus its productions in Sandakan, Sabah, where the supply of logs is more stable and therefore the cost for raw material is expected to be less volatile.

Nevertheless, the Group anticipates that the future prospects of the plywood business will continue to be challenging.

#### **Marketing strategy**

The Group will continue to focus on USD export market to take advantage of the Dollar value and the higher price.

With the improved quality and raw material sourcing, it is expected this strategy will accrue more benefit to the Group. Whilst the Group will continue with its plywood business, the Group had on 24 December 2020 made an announcement on the Proposed diversification of the existing core business of Cymao and its subsidiaries to include construction, project management and related activities ("Proposed Diversification").

The Group intends to secure more construction-related contracts in the future.

Moving forward, the Group will strive to secure more contracts by leveraging on the business networks and experience of its key management personnel.

#### **Business opportunity**

The Group will continue to explore positive business opportunities to enhance the core performance of the Group. Construction Business is in line with its objective to seek new business opportunities and additional income source and to reduce the Group's reliance on the plywood business.

Premised on the above and having considered the overview and outlook of the Malaysian construction industry and the risks associated with entering into the Construction Business, the Board is cautiously optimistic that the Construction Business would contribute positively to the Group's future earnings.

**ANNUM BERHAD**

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(Incorporated in Malaysia)

**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 - UNAUDITED****21 Profit Forecast/Profit Guarantee**

Whilst the Group will continue with its plywood business, the Group intends to secure more construction-related contracts in the future. With the proposed diversification, the Group expects the Construction Business will contribute 25% or more of the net profits of the Group and/or may result in a diversion of 25% or more of the Group's net assets ("NA") in the future after taking into consideration:- (i) its historical financial performance, which has been loss-making since 2007 up to the latest unaudited 9-month FPE 30 September 2020 and (ii) the management's plan to continue to seek for and secure more construction-related contracts, leveraging on the business network of the Group's key management.

**22 Additional disclosure - Profit/(Loss) before tax**

	<b>Current quarter</b>		<b>Cumulative quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
Profit/(Loss) before tax is arrived at after				
Amortisation and depreciation	844	904	2,157	2,965
Interest expense	74	132	238	457

There were no impairment loss on receivables, gain or loss on disposal of quoted or unquoted investment and other exceptional items for the current quarter under review and financial year-to-date.



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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 - UNAUDITED**

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**23 Income Tax expense**

	<b>Current quarter</b>	<b>Year To-date</b>
	<b>3 months ended</b>	<b>12 months ended</b>
	<b>31.12.2020</b>	<b>31.12.2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM' 000</b>	<b>RM' 000</b>
Income tax:		
Current Taxation	-	-
Deferred Tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit. Hence, there is no provision of taxation for the current quarter.

**24 Status of Corporate Proposals**

As at the date of this report, there were no corporate proposals announced and not completed, being the latest practical date that shall not be earlier than 7 days from the date of this quarterly report.

**25 Changes in Material Litigation**

As at the date of this report, the Group has not engaged in any material litigation.

**26 Dividend Payable**

No dividend has been recommended for the quarter under review.

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**EXPLANATORY NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 - UNAUDITED**

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**27 Profit/(Loss) per share**

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to the ordinary equity holders of the owner by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	Current quarter 3 months ended		Year-To-Date 12 months ended	
	(Unaudited) As at 31.12.2020	(Audited) As at 31.12.2019	(Unaudited) As at 31.12.2020	(Audited) As at 31.12.2019
Profit/(Loss) attributable to ordinary equity holders of the parent (RM' 000)	<u>9,355</u>	<u>(11,206)</u>	<u>3,954</u>	<u>(11,104)</u>
Weighted average number of shares in issue (' 000)	<u>73,335</u>	<u>73,335</u>	<u>73,335</u>	<u>73,335</u>
Basic profit/(loss) per share (Sen)	<u>12.76</u>	<u>(15.28)</u>	<u>5.39</u>	<u>(15.14)</u>
Diluted profit/(loss) per share (Sen)	<u>12.76</u>	<u>(15.28)</u>	<u>5.39</u>	<u>(15.14)</u>