

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	Unaudited Individual Period (2nd Quarter)		Unaudited Cumulative Period (2nd Quarter)	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Period To- date 30.06.2021 RM'000	Preceding Year Corresponding Period To-date 30.06.2020 RM'000
Revenue	40,379	4,211	86,491	19,418
Cost of sales	(33,318)	(5,725)	(70,935)	(21,964)
Gross profit / (loss)	7,061	(1,514)	15,556	(2,546)
Other income	10,141	352	10,946	559
Other operating expenses	(7,830)	(7)	(7,830)	(18)
Administrative expenses	(685)	(645)	(1,358)	(1,584)
Operating expenses	(855)	-	(1,483)	-
Selling and distribution expenses	-	(255)	(3)	(787)
Finance costs	(5)	(44)	(26)	(86)
Profit/(Loss) before taxation	7,827	(2,113)	15,802	(4,462)
Income tax expenses	38	-	38	-
Profit/(Loss) after taxation	7,865	(2,113)	15,840	(4,462)
Total comprehensive profit/(loss) for the period	7,865	(2,113)	15,840	(4,462)
Profit/(Loss) after taxation for the financial period attributable to:				
Owners of the Company	7,865	(2,113)	15,840	(4,462)
Total comprehensive profit/(loss) attributable to:				
Owners of the Company	7,865	(2,113)	15,840	(4,462)
Earning per share attributable to owners of the Company:				
Basic (Sen)	10.49	(2.88)	21.30	(6.08)

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the quarterly report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	As at 30.06.2021 (Unaudited) RM'000	As at 31.12.2020 (Audited) RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	12,039	15,841
Right of use assets	1,516	1,538
	<u>13,555</u>	<u>17,379</u>
CURRENT ASSETS		
Trade receivables	90,752	25,624
Other receivables	33,084	22,051
Tax refundable	470	498
Fixed deposit with licensed bank	51	51
Cash and bank balances	2,753	1,115
	<u>127,110</u>	<u>49,339</u>
TOTAL ASSETS	<u><u>140,665</u></u>	<u><u>66,718</u></u>
EQUITY AND LIABILITIES		
Share capital	93,464	92,374
Treasury shares	-	(694)
Accumulated losses	(24,722)	(40,562)
Total Equity	<u>68,742</u>	<u>51,118</u>
NON-CURRENT LIABILITIES		
Loans and borrowings	1,000	1,151
Deferred tax liabilities	625	664
	<u>1,625</u>	<u>1,815</u>
CURRENT LIABILITIES		
Loans and borrowings	616	3,177
Trade payables	63,075	655
Other payables	6,607	9,953
	<u>70,298</u>	<u>13,785</u>
Total Liabilities	<u>71,923</u>	<u>15,600</u>
TOTAL EQUITY AND LIABILITIES	<u><u>140,665</u></u>	<u><u>66,718</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>0.92</u>	<u>0.70</u>

The above Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	Attributable to Equity Holders of the Company			
	Non-Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Accumulated Profit/(Losses) RM'000	Total Equity RM'000
At 1 January 2020	92,374	(694)	(44,517)	47,163
Total comprehensive profit for the financial year	-	-	3,955	3,955
At 31 December 2020	92,374	(694)	(40,562)	51,118
At 1 January 2021	92,374	(694)	(40,562)	51,118
Total comprehensive profit for the year	-	-	15,840	15,840
(Purchase) /disposal of treasury shares	1,090	694	-	1,784
At 30 June 2021	93,464	-	(24,722)	68,742

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 2020 and the accompanying explanatory notes to the quarterly report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	Current Period To- Date 30.06.2021 RM'000	Corresponding Period To- Date 30.06.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operation	15,802	(4,462)
Profit before taxation, total	<u>15,802</u>	<u>(4,462)</u>
Adjustments for:		
Gain on disposal of investment in subsidiary	(5,240)	-
Depreciation of property, plant and equipment	719	889
Allowance of impairment on other receivables	6,840	-
Reversal of impairment on other receivables	(4,039)	-
Interest income	-	(5)
Finance costs	26	86
Operating profit/(loss) before working capital changes	<u>14,108</u>	<u>(3,492)</u>
Change in inventories	-	8,010
Change in receivables	(78,963)	6,915
Change in payables	64,322	(5,479)
Cash generated from operations	<u>(523)</u>	<u>5,954</u>
Interest paid	(26)	(86)
Net tax paid	9	(229)
Net cash generated from operating activities	<u>(540)</u>	<u>5,639</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	3,200	-
Acquisition of property, plant and equipment	(95)	(2,006)
Interest received	-	5
Net cash used in investing activities	<u>3,105</u>	<u>(2,001)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bankers' acceptance drawn down	-	4,030
Proceeds from disposal of treasury shares	1,784	-
Repayment of hire purchase	(233)	-
Repayment of term loan	-	(134)
Repayment of bankers' acceptance	(1,950)	(5,733)
Net cash used in financing activities	<u>(399)</u>	<u>(1,837)</u>
Net change in cash and cash equivalents	2,166	1,801
Cash and cash equivalents at beginning of financial period	638	1,085
Cash and cash equivalents at end of financial period	<u>2,804</u>	<u>2,886</u>



ANNUM BERHAD

(Formerly known as CYMAO HOLDINGS BERHAD)

[Company No. 199701030432 (445931 – U)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (C'td)

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

	Current Period To-Date 30.06.2021 RM'000	Corresponding Period To-Date 30.06.2020 RM'000
Cash and bank balances	<u>2,804</u>	<u>2,886</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes to the quarterly report.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO. 134 – INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 – Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. (“Bursa Securities”).

The financial statements should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached.

These explanatory notes attached to the 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.

2. Significant Accounting Policies

The accounting policies applied by the Group in the interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2020 except for the adoption of the new and amended MFRSs and IC Interpretations effective for annual financial period beginning on or after 1 January 2021. The initial application of these new and amended MFRSs and IC Interpretations have no material impact on this interim financial reporting.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7 and MFRS 4: Interest Rate Benchmark Reform – Phase 2	1-Jan-21
Amendments to MFRS 16: Covid -19-Related Rent Concessions	1-Jan-21
Amendments to MFRS 16: Covid -19-Related Rent Concessions beyond 30 June 2021	1-Apr-21

Standards Issued but not Yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to Conceptual Framework	1-Jan-22
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1-Jan-22
Amendments to MFRS 116: Property, Plant and Equipment- Proceeds before Intended Use	1-Jan-22
Amendments to MFRS 137: Onerous Contracts-Cost of Fulfilling a Contract	1-Jan-22
Annual improvements to MFRS 2018-2020	1-Jan-22
MFRS 17 Insurance Contracts	1-Jan-23
Amendments to MFRS 101 – Presentation of Financial Statements	1-Jan-23
Amendments to MFRS 108 – Definition of Accounting Estimates	1-Jan-23
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above standards and interpretations will have no material impact on the financial statement in the year of initial applications.

3. Auditors' Report on Preceding Annual Financial Statements

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

4. Seasonality of operations

The Group's business operation and performance were not materially affected by any seasonal or cyclical factors during the current financial quarter.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current year quarter under review.

6. Changes in Estimates

There were no material changes in estimates of the amount reported in prior financial years which have a material effect in the current year quarter.

7. Debt and Equity Securities

During the quarter ended 30 June 2021, the balances of 6,000 units of treasury shares have been disposed for a total consideration of RM 7,020 on 25 May 2021. The minimum price and the maximum price at which the treasury shares were sold were RM 1.17.

As at 30 June 2021, there were no shares retained as treasury shares.

Save for the above, there were no cancellation, repurchases, resale and repayments of debts and equity securities for the period under review.

8. Dividend Paid

There was no dividend paid by the Group during the current year quarter under review and year to-date.

9. Segmental Information

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

10. Valuations of Property, Plant and Equipment

The Group states its property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. There were no valuations of property, plant and equipment carried out since the last audited financial statements for the financial year ended 31 December 2020.

11. Significant Events

Covid-19 outbreak

Up to the date of these financial statements, the Group has seen an impact of Covid-19 outbreak on the Group's revenue, earnings, cash flows and financial condition. At this juncture, it is not possible to estimate the full impact of the outbreak's short-term and long-term effects or the Government's varying efforts to combat the outbreak and support businesses.

However, there is an uncertainty about the length and severity of Government or regulatory intervention which could have unexpected impact. A prolonged economic downturn could also lead to further Government or regulatory intervention and more adverse outcomes to the Group's business.

The Group will continue to monitor the development of these events and have implemented measures to mitigate the impact of Covid-19 to the Group's business, including prudent management of its cash flows on the operating, investing and financing activities.

12. Subsequent Events

On 6 July 2021, KAF Investment Bank Berhad ("KAF") on behalf of the Board, announced that the Company had decided to revise the terms for the Proposals announced on 15 April 2021, 20 April 2021 and 5 May 2021.

On 7 July 2021, KAF on behalf of the Board, announced of the following: -

- (i) The Company had, on even date, submitted the letter to Bursa Securities to retract the following: -
 - a. The draft circular to the shareholders of the Company in relation to the Proposals submitted to Bursa Securities on 20 April 2021; and
 - b. The listing application in relation to the Proposals submitted to Bursa Securities on 20 April 2021.
- (ii) The Company had also, on even date, re-submitted the following based on the revised terms of the Proposals as announced by the Company on 6 July 2021: -
 - a. The revised draft circular to the shareholders of the Company in relation to the Proposals to Bursa Securities
 - b. The revised listing application in relation to the Proposals to Bursa Securities.

On 9 July 2021, KAF on behalf of the Board, re-submitted the revised application in relation to the Proposed Rights Issue of ICULS with Warrants to the Securities Commission.

Save for the above, there were no material events subsequent to the end of the current quarter that have not been reflected in this report.

13. Changes in the Composition of the Group

On 19 May 2021, due to cost-saving and dormancy, the Company has disposed of its entire shares in Syabas Mujur Sdn. Bhd., a wholly-owned subsidiary for RM 1.00 to AB5 Sdn. Bhd.. The disposal has been completed following the transfer of shares to the Purchaser on the even date.

Other than the above, there are no other material changes in the composition of the Group during the current quarter under review.

14. Discontinued Operations

There were no discontinued operations during the current year quarter under review.

15. Capital Commitments

There were no capital commitments for the quarter ended 30 June 2021.

16. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last statements of financial position as at 31 December 2020 and up to the date of this report.

17. Property, Plant and Equipment

During the current quarter ended 30 June 2021, the wholly-owned subsidiaries of the Company namely Cymao Plywood Sdn. Bhd. (Company No. 199001004746 (196313-M)) (“CPSB”) and Inovwood Sdn. Bhd. (Company No. 200201017946 (585609-D)) (“ISB”) (“Vendors”) had on 31 May 2021 entered into a sale and purchase of machineries agreement (“SPA”) with Malsa Wood Products Sdn Bhd (Company No. 199201007445 (238949-T)) (“Purchaser” or “Malsa”) to dispose the used machineries and vehicles (“Assets”) owned by the Vendors, for a total disposal consideration of RM 3,200,000 to be satisfied fully by cash and subject to the terms and conditions as stipulated in the SPA (“Proposed Disposal”).

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ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

18. Review of Performance

Comparison of Quarterly Results for Current Quarter and Financial Year To-Date

For the current quarter ended 30 June 2021, the Group achieved significantly higher sales revenue of RM 40.37 million, an increase of RM 36.16 million or 858.89% from RM 4.21 million in corresponding quarter in preceding year. Profit before tax also increased significantly by RM 9.94 million or 470.42% to RM 7.82 million as compare to loss of RM 2.11 million in corresponding quarter in preceding year.

For the 6 months ended 30 June 2021, the Group achieved higher sales revenue of RM 86.49 million, RM 67.07 million or 345.42% higher than the corresponding period in preceding year. Profit before tax has also increased significantly to RM 15.80 million, RM 20.26 million or 454.15% higher as compared to loss of RM 4.46 million in corresponding period in preceding year.

The higher sales revenue in current quarter and financial year to date was mainly due to surge in revenue on sales of plywood and polyester plywood. The significantly improved profit before tax for current quarter and financial year to date was mainly due to higher sales revenue and reduced administrative, selling and distribution expenses.

Comparison of Quarterly Results for Current Quarter with Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	30.06.2021	31.03.2021	RM'000	(%)
Revenue	40,379	46,112	(5,733)	(12.43)
Operating Profit	7,827	7,975	(148)	(1.86)
Profit Before Interest and Tax	7,827	7,975	(148)	(1.86)
Profit Before Tax	7,827	7,975	(148)	(1.86)
Profit After Tax	7,865	7,975	(110)	(1.38)
Earnings Per Share Attributable to Ordinary Equity Holders of the Parent	10.49	10.63	(0.14)	(1.35)

Revenue for the quarter amounted to RM 40.37 million, a decrease of RM 5.73 million or 12.43%. The lower sales revenue was mainly due to decrease in sales volume of plywood and polyester wood for the quarter.

Profit before tax for the quarter decreased by RM 0.14 million or 1.86% to RM 7.82 million as compared with previous quarter mainly due to higher administrative expense arising from Mutual Separation Scheme (MSS).

19. Prospects

The unprecedented outbreak of Covid-19 has caused economic activities to be affected significantly. The economic conditions in the next 6 months remain uncertain. The Board is taking a cautious view over the outlook for the third quarter of financial year 2021 due to preserving effects of Covid-19 and the measures necessary to control the pandemic. The Group will continue to monitor, reassess the financial position, take appropriate and timely action to minimize the possible impacts caused by Covid-19 pandemic.

Further to the proposed diversification, the Group is going to secure more construction-related contracts. Besides the plywood business, the Group will perpetually concentrate on trading of construction material which is profitable to the Group.

20. Variance of Actual Profit from Forecast Profit and Shortfall in Profit Guarantee

The Group did not publish any profit forecast for the current year quarter.

21. Taxation

	Current quarter 3 months ended 30.06.2021 (Unaudited) RM'000	Year To-date 6 months ended 30.06.2021 (Unaudited) RM'000
Income tax:		
Current Taxation	1	1
Deferred Tax	(39)	(39)
	<u>(38)</u>	<u>(38)</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.

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21. Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced but not completed, as at the date of this report.

On 6 July 2021, KAF Investment Bank Berhad (“KAF”) on behalf of the Board, announced that the Company had decided to revise the terms for the Proposals announced on 15 April 2021, 20 April 2021 and 5 May 2021.

On 7 July 2021, KAF on behalf of the Board, announced of the following: -

- (i) The Company had, on even date, submitted the letter to Bursa Securities to retract the following: -
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22. Bank Borrowings

	Current Year	Preceding Year
	To-date	To-date
	30.06.2021	30.06.2021
	RM'000	RM'000
<u>Secured</u>		
Long Term Borrowings		
Lease liabilities	1,000	-
Term Loan	-	1,397
	1,000	1,397
<u>Secured</u>		
Short Term Borrowings		
Bankers' acceptance	-	5,791
Hire purchase	-	379
Lease liabilities	616	-
	616	6,170
Total Borrowings	1,616	7,567

There were no borrowings denominated in foreign currency. There were no unsecured borrowings.

23. Material Litigation

There is no material litigation as at the date of this announcement.

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24. Earnings Per Share

The basic earnings per share is calculated by dividing the Group's profit/(loss) attributable to the ordinary equity holders of the parent for the current year quarter / year to-date by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	Current Year Quarter 30.06.2021	Preceding Year Quarter 30.06.2020	Current Year To-date 30.06.2021	Preceding Year To-date 30.06.2020
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	7,865	(2,113)	15,840	(4,462)
Weighted average number of shares in issue ('000)	74,996	73,335	74,372	73,335
Basic profit/(loss) per share (Sen)	10.49	(2.88)	21.30	(6.08)

25. Notes to The Condensed Consolidated Statement of Comprehensive Income

Profit Before Taxation is derived at after charging/(crediting):

	Current Year Quarter 30.06.2021 RM'000	Current Year To-date 30.06.2020 RM'000
Allowance of impairment on other receivables	6,840	-
Depreciation and amortization	719	889
Gain on disposal of investment in subsidiary	(5,240)	-
Interest expense	26	86
Reversal of impairment on other receivables	(4,039)	-

There was 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.

- 26.** The Group's quarterly results for the 2nd quarter ended 30 June 2021 have been reviewed by the Company's external auditors except for the comparatives, which has not been reviewed.