

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Individual Period (1st Quarter)		Cumulative Period (1st Quarter)	
	Current Year Quarter 31.03.2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31.03.2021 (Audited) RM'000	Current Year To-date 31.03.2022 (Unaudited) RM'000	Preceding Year Corresponding Period 31.03.2021 (Audited) RM'000
Revenue	66,373	46,112	66,373	46,112
Cost of sales	(55,339)	(37,617)	(55,339)	(37,617)
Gross profit	11,034	8,495	11,034	8,495
Other operating income	6,182	805	6,182	805
Other operating expenses	(1)	-	(1)	-
Administrative expenses	(1,055)	(673)	(1,055)	(673)
Operating expenses	(3,235)	(628)	(3,235)	(628)
Selling and distribution expenses	(38)	(3)	(38)	(3)
Finance costs	(1,355)	(21)	(1,355)	(21)
Share of results of an associate, net of tax	(1)	-	(1)	-
Profit before taxation	11,531	7,975	11,531	7,975
Taxation	150	-	150	-
Profit from continuing operations	11,681	7,975	11,681	7,975
Profit from discontinued operations, net of tax	-	-	-	-
Profit after taxation	11,681	7,975	11,681	7,975
Total comprehensive profit for the financial period	11,681	7,975	11,681	7,975
Profit after taxation attributable to:				
Owners of the Company	11,548	7,975	11,548	7,975
Non-controlling interests	133	-	133	-
	11,681	7,975	11,681	7,975
Total comprehensive profit attributable to:				
Owners of the Company	11,548	7,975	11,548	7,975
Non-controlling interests	133	-	133	-
	11,681	7,975	11,681	7,975
Earnings per share for profit attributable to the owners of the Company (sen per share)				
-Basic (1)	14.83	10.63	14.83	10.63
-Diluted (2)	14.83	10.63	14.83	10.63

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the quarterly report.



ANNUM BERHAD

[Company No. 199701030432 (445931 – U)]
(Incorporated in Malaysia)

Notes:

1. The basic earnings per share has been calculated based on the consolidated net profit for the period and on the weighted average number of ordinary shares in issue during the period.
2. Diluted earnings per share of the Company for the individual quarter and year-to-date ended 31 March 2022 is equivalent to the basic earnings per share as the Company does not have any outstanding convertible securities at the end of the reporting period.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 MARCH 2022**

	As at 31.03.2022 (Unaudited) RM'000	As at 31.12.2021 (Audited) RM'000
Non-current assets		
Property, plant and equipment	11,101	11,364
Intangible assets	151,013	153,617
Investment in an associate	390	391
	<u>162,504</u>	<u>165,372</u>
Current assets		
Trade receivables	62,763	38,599
Other receivables, deposits and prepayments	60,926	29,172
Tax recoverable	259	250
Fixed deposits with licensed banks	-	-
Cash and bank balances	9,477	3,535
	<u>133,425</u>	<u>71,556</u>
TOTAL ASSETS	<u>295,929</u>	<u>236,928</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	105,839	93,464
Treasury shares	-	-
Accumulated profits	28,077	16,530
	<u>133,916</u>	<u>109,994</u>
Non-controlling interests	692	(1)
Total Equity	<u>134,608</u>	<u>109,993</u>
Non-current liabilities		
Borrowings	3,556	-
Other payables	96,504	95,148
Deferred tax liabilities	3,183	3,333
	<u>103,243</u>	<u>98,481</u>
Current liabilities		
Trade payables	45,413	27,769
Other payables and accruals	12,665	685
	<u>58,078</u>	<u>28,454</u>
Total Liabilities	<u>161,321</u>	<u>126,935</u>
TOTAL EQUITY AND LIABILITIES	<u>295,929</u>	<u>236,928</u>
Net assets per share attributable to owners of the Company (RM)	<u>1.54</u>	<u>1.47</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes to the quarterly report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	<u>Non-distributable</u>			Total equity attributable to owners of the Company RM'000	Non- controlling interests RM'000	Total RM'000
	Share capital RM'000	Treasury shares RM'000	Accumulated (losses)/profit RM'000			
At 1 January 2021	92,374	(694)	(40,562)	51,118	-	51,118
Total comprehensive profit for the financial period	-	-	57,093	57,093	(1)	57,092
Disposal of treasury shares	1,090	694	-	1,784	-	1,784
At 31 December 2021	93,464	-	16,531	109,995	(1)	109,994
At 1 January 2022	93,464	-	16,531	109,995	(1)	109,994
Total comprehensive profit for the financial period	-	-	11,548	11,548	133	11,681
Acquisition of subsidiaries	-	-	-	-	560	560
Issuance of new shares	12,375	-	-	12,375	-	12,375
At 31 March 2022	105,839	-	28,078	133,916	692	134,608

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes to the quarterly report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Current Period To-date 31.03.2022 (Unaudited) RM'000	Corresponding Period To-date 31.03.2021 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operation	11,531	7,975
Profit before taxation from discontinued operation	-	-
Profit before taxation, total	11,531	7,975
Adjustments for:		
Amortisation of intangible asset	2,604	-
Depreciation of property, plant and equipment	267	443
Depreciation of right of use assets	-	-
Allowance for slow moving inventories	-	-
Reversal of accumulated losses of disposed subsidiary	-	523
Allowance for impairment on other receivables	-	-
Reversal of allowance for impairment on other receivables	-	-
Gain on disposal of investment in a subsidiary	-	-
Gain on disposal of property, plant and equipment	-	-
Gain on modification of leases	-	-
Interest income	-	13
Interest expenses	-	-
Loss on damage of material	-	-
Share of results of an associate	1	-
Bargain purchase on business combination	(6,182)	-
Operating profit/(loss) before working capital changes	8,221	8,954
Change in inventories	-	-
Change in receivables	(8,392)	(32,343)
Change in payables	(6,215)	29,390
Cash generated from operations	(6,386)	6,001
Interest paid	-	(13)
Net tax refunded/(paid)	-	9
Net cash from operating activities	(6,386)	5,997
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-	(95)
Acquisition/Disposal of subsidiaries, net of cash flow	8	-
Additions of investment in an associate	-	-
Proceeds from disposal of property, plant and equipment	-	-
Interest received	-	-
Net cash from investing activities	8	(95)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from disposal of treasury shares	-	1,776
Proceeds from issuance of ordinary shares	12,375	-
Repayment of bankers' acceptance	-	(1,950)
Drawdown / Repayment of term loans	(56)	-
Repayment of hire purchase liabilities	-	(15)
Repayment of lease liabilities	-	-
Net cash used in financing activities	12,319	(189)
Net changes in cash and cash equivalents	5,942	5,713
Cash and cash equivalents at beginning of financial period	3,535	638
Cash and cash equivalents at end of financial period	9,477	6,351

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 March 2022 (cont'd)**

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

	Current Period To-date 31.03.2022 (Unaudited) RM'000	Corresponding Period To-date 31.03.2021 (Audited) RM'000
Cash in hand	5	-
Cash at bank	9,472	6,354
Fixed deposits with licensed banks	-	-
Bank overdraft	-	(3)
	9,477	6,351

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes to the quarterly report.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 – INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim 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 interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached.

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.

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 2021 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
<i>Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)</i>	1 January 2021
<i>Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

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2. Significant Accounting Policies (cont'd)
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 interim financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

3. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.

4. Seasonality of Operations

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

5. Unusual Items

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

7. Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial period under review.

8. Dividend Paid

No dividend was paid during the current quarter and financial period under review.

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 2021.

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11. Significant Events

On 7th January 2022, the Company announced to undertake a private placement of up to 22,500,000 new ordinary shares in the Company (“Annum Shares” or “Shares”), representing 30% of the existing total number of issued Shares, to independent third-party investor(s) to be identified and at an issue price to be determined later (“Placement Shares”) (“Proposed Private Placement”).

On behalf of the Board, Mercury Securities had on 18 March 2022 announced that the private placement was completed with the listing and quotation of 22,500,000 Ordinary Shares on the Official List of Bursa Securities, being the first and last tranche of Placement Shares for the Private Placement, raising total proceeds of approximately RM12.375 million.

12. Material Events Subsequent to the End of Financial Period

There was no material event subsequent to the end of the current quarter up to the date of the interim financial report.

13. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current quarter and financial period under review.

14. Discontinued Operations

There were no discontinued operations during the current quarter and financial period under review.

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15. Capital Commitments

There were no capital commitments during the current quarter and financial period under review.

16. Changes in Contingent Liabilities or Contingent Assets

There was no material contingent liability as at the end of the current financial period and up to the date of the interim financial report.

17. Recurrent Related Party Transactions

The recurrent related party transactions as at current period to-date were summarized as below:

	Current Year Quarter 31.03.2022 RM	Current Year To-date 31.03.2022 RM
Sales of goods	<u>39,187,200</u>	<u>39,187,200</u>

Sale of goods to Group of Companies of Ageson Berhad.

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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 Year Quarter with Preceding Year Corresponding Quarter

	Current Year Quarter 31.03.2022	Preceding Year Corresponding Quarter 31.03.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	66,373	46,112	20,261	43.94
Profit Before Interest and Taxation	12,887	7,996	4,891	61.17
Profit Before Taxation	11,531	7,975	3,556	44.59
Profit After Taxation	11,681	7,975	3,706	46.47
Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (Sen)	14.83	10.63	4.20	39.51

For the current year quarter ended 31 March 2022, the Group recorded significantly higher sales revenue of RM 66.37 million, an increase of RM 20.26 million or 43.94% from RM 46.11 million in corresponding quarter in preceding year. Profit before taxation increased by RM 3.56 million or 44.59% to RM 11.53 million as compared to RM 7.97 million in corresponding quarter in preceding year.

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18. Review of Performance (cont'd)

Financial Review for Current Year To-Date with Preceding Year Corresponding Period To-date (cont'd)

	Current Year Period To-date 31.03.2022	Preceding Year Corresponding Period To-date 31.03.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	66,373	46,112	20,261	43.94
Profit Before Interest and Taxation	12,887	7,996	4,891	61.17
Profit Before Taxation	11,531	7,975	3,556	44.59
Profit After Taxation	11,681	7,975	3,706	46.47
Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (Sen)	14.83	10.63	4.20	39.51

For the current year quarter ended 31 March 2022, the Group recorded significantly higher sales revenue of RM 66.37 million, an increase of RM 20.26 million or 43.94% as compared to RM 46.11 million in preceding year corresponding quarter. Profit before taxation increased by RM 3.56 million or 44.59% to RM 11.53 million as compared to RM 7.97 million in preceding year corresponding quarter.

The increase of the current year to date profit before taxation was mainly due to the bargain purchase on business combination.

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18. Review of Performance (cont'd)
Financial Review for Current Quarter with Immediate Preceding Quarter

	Current Year Quarter 31.03.2022	Immediate Preceding Quarter 31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue	66,373	97,320	-30,947	-31.80
Profit Before Interest and Taxation	12,887	17,365	-4,478	-25.79
Profit Before Taxation	11,531	13,084	-1,553	-11.87
Profit After Taxation	11,681	13,279	-1,598	-12.03
Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (Sen)	14.83	17.71	-2.88	-16.26

Revenue for the current quarter amounted to RM 66.37 million, a decrease of RM 30.94 million or 31.80% as compared to RM 97.32 million in the immediate preceding quarter. The decrease for the current quarter was mainly due to the decrease in sales volume of plywood and polyester plywood as compared to the immediate preceding quarter.

Profit before taxation for the current quarter was reduced by RM 1.55 million or 11.87% to RM 11.53 million as compared to RM 13.08 million in the immediate preceding quarter. This was mainly due to the increase in operating expenses and finance costs as compared to the immediate preceding quarter.

19. Group's Prospect

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. In addition, the Group will continue to streamline its plywood business to improve the efficiency of its operations.

The Group will explore on Industry 4.0 technology related business activities to diversify from the construction and trading business.

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

The Group did not publish any profit forecast for the current quarter and financial period under review.

21. Taxation

	Current Year Quarter 31.03.2022 RM'000	Current Year To-date 31.03.2022 RM'000
Income tax:		
Current tax	-	-
Deferred tax	150	150
	<u>150</u>	<u>150</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.

22. 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 7 January 2022, the Company announced to undertake a private placement of up to 22,500,000 new ordinary shares in the Company (“Annum Shares” or “Shares”), representing 30% of the existing total number of issued Shares, to independent third-party investor(s) to be identified and at an issue price to be determined later (“Placement Shares”) (“Proposed Private Placement”).

The afore-mentioned proposal was approved by the shareholders of the Company at an Extraordinary General Meeting held on 3 March 2022.

On 11 March 2022, the Company fixed the issue price for the Private Placement of 22,500,000 Placement Shares, representing 30% of the existing total number of issued, at RM0.550 per Placement Share. The issue price of RM0.550 per Placement Share represents a discount of 19.41% to the 5-day VWAP of the Shares up to and including 10 March 2022 of RM0.6825, being the last market day immediately preceding the Price-fixing Date.

On behalf of the Board, Mercury Securities had on 18 March 2022 announced that the private placement was completed with the listing and quotation of 22,500,000 Ordinary Shares on the Official List of Bursa Securities, being the first and last tranche of Placement Shares for the Private Placement, raising total proceeds of approximately RM12.375 million.

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22. Status of Corporate Proposals (cont'd)

The status of utilisation of proceeds as of to date is as follows:

Detail of the utilisation of proceeds		Proposed Utilisation	Actual Utilisation	Balance Proceeds	Intended timeframe for utilisation (from the date of listing)
		RM'000	RM'000	RM'000	
(i)	Part-financing the funding requirements of the Group for sub-contract works	11,645	-	11,645	Within 24 months
(ii)	Estimated expenses for the Proposed Private Placement	730	273	457 ⁽¹⁾	Immediate
	Total	12,375	273	12,102	

Note:

(1) The balances of RM 0.45 million has been reallocated towards part financing the funding requirements of the Group for sub-contract works.

The utilisation of proceeds as disclosed above should be read in conjunction with the Circular of the Proposed Private Placement dated 16 February 2022. As of to date, the sub-contract works have not been commenced and the proceeds raised is being placed with the solicitor as stakeholder sum.

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23. Bank Borrowings

	Current Year To-date 31.03.2022 RM'000	Preceding Year To-date 31.03.2021 RM'000
<u>Secured</u>		
Non-current		
Hire purchase liabilities	-	151
Lease liabilities	-	1,000
Term Loans	3,050	-
	-	1,151
Current		
Bank overdraft	-	3
Hire purchase liabilities	-	68
Lease liabilities	-	616
Term Loans	506	-
	506	687
Total bank borrowings	3,556	1,838

There were no borrowings denominated in foreign currency. There were no unsecured borrowings. The above borrowings are denominated in Ringgit Malaysia.

24. Material Litigation

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

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25. Earnings Per Share

The basic earnings per share is calculated by dividing the Group's profit attributable to the ordinary equity holders of the parent for the current year quarter and financial 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 31.03.2022	Preceding Year Quarter 31.03.2021	Current Year To-date 31.03.2022	Preceding Year To-date 31.03.2021
Profit attributable to Owners of the Company (RM'000)	<u>11,548</u>	<u>7,975</u>	<u>11,548</u>	<u>7,975</u>
Weighted average number of ordinary shares ('000)	<u>77,887</u>	<u>74,994</u>	<u>75,963</u>	<u>74,994</u>
Basic earnings per share (Sen)	<u>14.83</u>	<u>10.63</u>	<u>14.83</u>	<u>10.63</u>
Diluted earnings per share (Sen)	<u>14.83</u>	<u>10.63</u>	<u>14.83</u>	<u>10.63</u>

Notes:

- (1) The basic and diluted earnings per share have been calculated based on the consolidated net profit for the period and on the weighted average number of ordinary shares in issue during the period.
- (2) Diluted earnings per share of the Company for the individual quarter and year-to-date ended 31 March 2022 is equivalent to the basic earnings per share as the Company does not have any outstanding convertible securities at the end of the reporting period.

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26. Notes to The Condensed Consolidated Statement of Comprehensive Income

Profit before tax for the current quarter and current year to date are arrived at after charging/(crediting):-

	Current Year Quarter 31.03.2022 RM'000	Current Year To-date 31.03.2022 RM'000
Depreciation and amortisation	2,871	2,871
Allowance for impairment on other receivables	-	-
Reversal of allowance for impairment on other receivables	-	-
Gain on disposal of investment in a subsidiary	-	-
Interest expenses	-	-
Bargain Purchase on Business Combination	<u>(6,182)</u>	<u>(6,182)</u>

There were no other exceptional items for the current quarter and financial period under review.

27. The Group's quarterly results for the 1st quarter ended 31 March 2022 have been reviewed by the Company's external auditors except for the comparatives, which has not been reviewed.