

Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.** All enquiries concerning the Rights Issue with Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur (Tel: +603 - 6201 1120).

This Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents"), will be despatched only to our Entitled Shareholders whose names appear on our Record of Depositors as at 5.00 p.m. on 25 May 2017 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5.00 p.m. on 25 May 2017. The Documents are not intended to (and will not be made to) comply with the laws of any country or jurisdiction other than Malaysia, are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and other professional advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue with Warrants, application for Excess Rights Shares with Warrants C, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants C or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue with Warrants made by any Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) are residents.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. Copies of the Documents have also been lodged with the Companies Commission of Malaysia who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at our EGM convened on 29 March 2016. Approval has been obtained from Bursa Securities via its letter dated 27 January 2016 for the admission of the Warrants C to the Official List and the listing and quotation of the new securities arising from the Rights Issue with Warrants and the new Shares to be issued upon exercise of the Warrants C on the Main Market of Bursa Securities (subject to the conditions specified in the said letter), which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of successful Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue with Warrants and are in no way reflective of the merits of the Rights Issue with Warrants.

The Board has seen and approved the Documents and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.**



ANZO HOLDINGS BERHAD  
安 卓 控 股 有 限 公 司

(Company No. 36998-T)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 655,206,219 NEW ORDINARY SHARES IN ANZO ("ANZO SHARES" OR "SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE TOGETHER WITH UP TO 327,603,109 FREE WARRANTS IN ANZO ("WARRANTS C") ON THE BASIS OF SIX (6) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS C FOR EVERY FOUR (4) EXISTING ANZO SHARES HELD BY THE ENTITLED SHAREHOLDERS OF ANZO AT 5.00 P.M. ON 25 MAY 2017**

*Principal Adviser*



**MERCURY SECURITIES SDN BHD**

(Company No. 113193-W)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**IMPORTANT RELEVANT DATES AND TIMES**

Entitlement Date ..... : Thursday, 25 May 2017 at 5.00 p.m.

**Last date and time for:**

Sale of Provisional Allotments ..... : Thursday, 1 June 2017 at 5.00 p.m.

Transfer of Provisional Allotments ..... : Tuesday, 6 June 2017 at 4.00 p.m.

Acceptance and payment ..... : Friday, 9 June 2017 at 5.00 p.m.

Excess Rights Shares with Warrants C Application and payment ..... : Friday, 9 June 2017 at 5.00 p.m.

**This Abridged Prospectus is dated 25 May 2017**

**ALL TERMS USED HEREIN ARE AS DEFINED IN THE “DEFINITIONS” SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.**

**THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.**

**SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

**INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.**

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**THE DISTRIBUTION OF THE ABRIDGED PROSPECTUS, TOGETHER WITH THE NPA AND RSF (COLLECTIVELY, THE “DOCUMENTS”) IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.**

**THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

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**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

|                                  |   |
|----------------------------------|---|
| <b>Abridged Prospectus</b>       | - This abridged prospectus dated 25 May 2017 in relation to the Rights Issue with Warrants  |
| <b>Act</b>                       | - Companies Act, 2016, as amended from time to time and any re-enactment thereof  |
| <b>Additional Warrants</b>       | - Collectively, the additional Warrants A and Warrants B to be issued to holders of existing Warrants A and Warrants B arising from the Adjustments   |
| <b>Adjustments</b>               | - Adjustments to the number and exercise price of the outstanding Warrants A and Warrants B as a result of the Rights Issue with Warrants in accordance with the provisions of Deed Poll A and Deed Poll B  |
| <b>Anzo or the Company</b>       | - Anzo Holdings Berhad (36998-T)  |
| <b>Anzo Group or the Group</b>   | - Collectively, Anzo and its subsidiaries   |
| <b>Anzo Share(s) or Share(s)</b> | Ordinary share(s) in the share capital of Anzo  |
| <b>Base Case Scenario</b>        | - Assuming that none of the existing Convertible Securities are exercised / converted into new Anzo Shares on or prior to the Entitlement Date and all the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) fully subscribe for their entitlements under the Rights Issue with Warrants |
| <b>Bloomberg</b>                 | - Bloomberg Finance L.P. and its affiliates   |
| <b>BNM</b>                       | - Bank Negara Malaysia  |
| <b>Board</b>                     | - Board of Directors of Anzo  |
| <b>Bursa Depository</b>          | - Bursa Malaysia Depository Sdn Bhd (165570-W)  |
| <b>Bursa Securities</b>          | - Bursa Malaysia Securities Berhad (635998-W)   |
| <b>By-Laws</b>                   | - The by-laws governing the SIS Options as may be amended, varied or supplemented from time to time   |
| <b>CDS</b>                       | - Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository   |
| <b>CDS Account(s)</b>            | - Securities account(s) established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor  |
| <b>Closing Date</b>              | - 9 June 2017 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Rights Shares with Warrants C  |
| <b>CMSA</b>                      | - Capital Markets and Services Act, 2007, of Malaysia as may be amended from time to time and any re-enactment thereof  |
| <b>Code</b>                      | - Malaysian Code on Take-Overs and Mergers, 2016 as amended from time to time and any re-enactment thereof  |

**DEFINITIONS (CONT'D)**

|  |   |
|--|---|
| <b>Convertible Securities</b>                              | - Collectively, the SIS Options, Warrants A and Warrants B  |
| <b>Corporate Exercises</b>                                 | - Collectively, the Par Value Reduction and Rights Issue with Warrants  |
| <b>Deed Poll A</b>   | - Deed poll dated 23 October 2009 constituting the Warrants A   |
| <b>Deed Poll B</b>   | - Deed poll dated 18 July 2013 constituting the Warrants B  |
| <b>Deed Poll C</b>   | - Deed poll dated 8 May 2017 constituting the Warrants C  |
| <b>EGM</b>   | - Extraordinary general meeting of the Company  |
| <b>Entitled Shareholder(s)</b>                             | - Shareholders whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date  |
| <b>Entitlement Date</b>                                    | - 25 May 2017, at 5.00 p.m., being the date on which shareholders' names must be registered in the Company's Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants  |
| <b>EPS</b>   | - Earnings per Share  |
| <b>ESOS</b>  | - Previous employees' share option scheme of the Company which had expired on 22 March 2015   |
| <b>ESOS Options</b>  | - Options granted under the ESOS where each holder of the ESOS Options can subscribe for one (1) new Anzo Share for every one (1) ESOS Option held  |
| <b>Excess Rights Shares with Warrants C</b>                | - Rights Shares with Warrants C which are not validly taken up by the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) (if applicable) prior to the Closing Date   |
| <b>Excess Rights Shares with Warrants C Application(s)</b> | - Application(s) for additional Rights Shares with Warrants C in excess of the Provisional Allotments   |
| <b>Exercise Period</b>                                     | - Any time within a period of three (3) years commencing from and including the date of issue of the Warrants C to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the third (3rd) anniversary from the date of issue of the Warrants C. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid |
| <b>Exercise Price</b>                                      | - RM0.20, being the price at which one (1) Warrant C is exercisable into one (1) Anzo Share, subject to adjustments in accordance with the provisions of the Deed Poll C  |
| <b>Foreign-Addressed Shareholder(s)</b>                    | - Shareholder(s) who have not provided to the Company a registered address in Malaysia or an address in Malaysia for the service of documents which will be issued in connection with the Rights Issue with Warrants by the Entitlement Date  |
| <b>FPE</b>   | - Financial period ended  |
| <b>FYE</b>   | - Financial year(s) ended / ending, as the case may be  |
| <b>GDP</b>   | - Gross domestic product  |
| <b>GFA</b>   | - Gross floor area  |
| <b>GL</b>  | - Gross loss  |

**DEFINITIONS (CONT'D)**

|  |  |
|--|--|
| <b>GP</b>  | - Gross profit   |
| <b>HCCSB</b>                                       | - Harvest Court Construction Sdn Bhd (352495-H), a wholly-owned subsidiary of the Company, which has received the LOAs issued by Tinta Anggun for the construction of PDM Phase 1 and PDM Phase 2 as well as a LOI issued by KL Northgate for the construction of the KL Northgate Project   |
| <b>KL Northgate</b>                                | - KL Northgate Sdn Bhd (622444-K), a contractor and property developer, which has issued a LOI to HCCSB expressing its intention of awarding the construction of the KL Northgate Project to HCCSB   |
| <b>KL Northgate Project</b>                        | - A mixed commercial development project comprising 4 floors of podium and 1 basement floor of car park, 5 floors of shopping mall, 54 units of 3½ and 4½-storey shop office, a block of 27-storey hotel tower, a block of 30-storey hotel tower, a block of 31-storey residential tower, a block of 37-storey serviced suites tower, ancillary facilities and associated infrastructure |
| <b>LAT</b>   | - Loss after taxation  |
| <b>LBT</b>   | - Loss before taxation   |
| <b>Listing Requirements</b>                        | - Main Market Listing Requirements of Bursa Securities, including any amendments made thereto from time to time  |
| <b>LOA</b>   | - Letter of acceptance   |
| <b>LOI</b>   | - Letter of intent   |
| <b>LPD</b>   | - 25 April 2017, being the latest practicable date prior to the printing of this Abridged Prospectus   |
| <b>LTD</b>   | - 5 May 2017, being the last trading day prior to the date of fixing the issue price of the Rights Shares  |
| <b>M&amp;E</b>                                     | - Mechanical and electrical  |
| <b>Market Day(s)</b>                               | - Any day on which Bursa Securities is open for trading in securities  |
| <b>Maximum Scenario</b>                            | - Assuming that all the existing Convertible Securities are exercised / converted into new Anzo Shares on or prior to the Entitlement Date and all the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) fully subscribe for their entitlements of the Rights Shares with Warrants C   |
| <b>Mercury Securities or the Principal Adviser</b> | - Mercury Securities Sdn Bhd (113193-W)  |
| <b>Minimum Scenario</b>                            | - Assuming that none of the Convertible Securities are exercised / converted into new Anzo Shares prior to the Entitlement Date and none of the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) fully subscribe to their entitlements of the Rights Shares with Warrants C and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level  |
| <b>Minimum Subscription Level</b>                  | - Minimum subscription level of 45,000,000 Rights Shares together with 22,500,000 Warrants C based on the issue price of RM0.20 per Rights Share to arrive at proceeds of RM9 million  |

**DEFINITIONS (CONT'D)**

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|   |   |
|---|---|
| <b>NA</b>   | - Net assets  |
| <b>NPA</b>  | - Notice of provisional allotment in relation to the Rights Issue with Warrants   |
| <b>Official List</b>  | - A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed  |
| <b>Par Value Reduction</b>                                      | - Reduction of the issued and paid-up share capital of the Company via cancellation of RM0.15 of the par value of every ordinary share of RM0.25 each in the Company, which was completed on 6 May 2016   |
| <b>PAT</b>  | - Profit after taxation   |
| <b>PBT</b>  | - Profit before taxation  |
| <b>PDM Phase 1</b>  | - Phase 1 of the Porto De Melaka Project comprising 122 units of service suites, 24 units of spa villas, basement consisting of 670 carpark bays, 135 motorcycle parking bays and ancillary services and external facilities and services including roadways, sewerage, water reticulation, river embankment and river front Broadway and landscape |
| <b>PDM Phase 2</b>  | Phase 2 of the Porto De Melaka Project comprising a 216-room hotel complete with interior fit-out and furnishing as well as associated infrastructure   |
| <b>Porto De Melaka Project</b>                                  | A mixed development project known as the Porto De Melaka Hotel and Resort development in Malacca City   |
| <b>Provisional Allotments</b>                                   | - The Rights Shares with Warrants C provisionally allotted to Entitled Shareholders   |
| <b>Record of Depositors</b>                                     | - A record of security holders provided by Bursa Depository under the Rules of Bursa Depository   |
| <b>Rights Issue with Warrants</b>                               | - Renounceable rights issue of up to 655,206,219 Rights Shares together with up to 327,603,109 free detachable Warrants C on the basis of six (6) Rights Shares together with three (3) free Warrants C for every four (4) existing Anzo Shares held by the Entitled Shareholders on the Entitlement Date   |
| <b>Rights Shares</b>  | - New Anzo Shares to be allotted and issued pursuant to the Rights Issue with Warrants  |
| <b>RM and sen</b>   | - Ringgit Malaysia and sen, respectively  |
| <b>RSF</b>  | - Rights subscription form in relation to the Rights Issue with Warrants  |
| <b>Rules of Bursa Depository</b>                                | - The rules of Bursa Depository as issued pursuant to the SICDA   |
| <b>Rules on Take-overs, Mergers and Compulsory Acquisitions</b> | - Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC pursuant to Section 377 of the CMSA, as amended from time to time   |
| <b>SC</b>   | - Securities Commission Malaysia  |
| <b>sf</b>   | - Square feet   |

**DEFINITIONS (CONT'D)**

|                                 |   |
|---------------------------------|---|
| <b>Share Registrar</b>          | - ShareWorks Sdn Bhd (229948-U)   |
| <b>Shareholders</b>             | - Registered holders of Anzo Shares   |
| <b>SICDA</b>                    | - Securities Industry (Central Depositories) Act, 1991 of Malaysia and includes any amendments from time to time and any re-enactment thereof   |
| <b>SIS</b>                      | - Existing share issuance scheme of the Company   |
| <b>SIS Options</b>              | - Options which may be granted under the SIS pursuant to the By-Laws, where each holder of the SIS Options can subscribe for new Anzo Shares pursuant to the exercise of SIS Options held   |
| <b>sqm</b>                      | - Square metres   |
| <b>TERP</b>                     | - Theoretical ex-rights price   |
| <b>Tinta Anggun</b>             | - Tinta Anggun Engineering Sdn Bhd (617029-X), an engineering contractor and property developer which issued LOAs to HCCSB appointing HCCSB as main contractor for the construction of PDM Phase 1 and PDM Phase 2 respectively   |
| <b>Undertakings</b>             | - Written undertakings from the Undertaking Shareholders dated 25 April 2017 pursuant to which the Undertaking Shareholders have irrevocably and unconditionally undertaken, amongst others, to apply and subscribe in full for / for part of (where applicable) their respective entitlements under the Rights Issue with Warrants at the Entitlement Date together with any Rights Shares not taken up by way of excess shares application (where applicable) to the extent such that the aggregate subscription of Rights Shares under the Rights Issue with Warrants received by Anzo amounts to not less than RM9 million, details of which are set out in Section 3 of this Abridged Prospectus |
| <b>Undertaking Shareholders</b> | - Collectively, Zenith City Investments Limited and Syawaras Sdn Bhd  |
| <b>USD</b>                      | - United States Dollar  |
| <b>VWAP</b>                     | - Volume weighted average price   |
| <b>Warrants A</b>               | - The outstanding Anzo warrants 2009 / 2019 issued by the Company pursuant to the Deed Poll A and expiring on 19 November 2019  |
| <b>Warrants B</b>               | - The outstanding Anzo warrants 2013 / 2023 issued by the Company pursuant to the Deed Poll B and expiring on 25 August 2023  |
| <b>Warrants C</b>               | - Up to 327,603,109 free detachable warrants in Anzo to be allotted and issued pursuant to the Rights Issue with Warrants   |
| <b>Warrant A Holder(s)</b>      | - The holder(s) of the Warrants A   |
| <b>Warrant B Holder(s)</b>      | - The holder(s) of the Warrants B   |
| <b>Warrant C Holder(s)</b>      | - The holder(s) of the Warrants C   |

**DEFINITIONS (CONT'D)**

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In this Abridged Prospectus, all references to “the Company” are to Anzo and references to “we”, “us”, “our” and “ourselves” are to the Company and, where the context otherwise requires, our subsidiaries. All references to “you” in this Abridged Prospectus are to the Entitled Shareholders.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

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## CORPORATE DIRECTORY



ANZO HOLDINGS BERHAD  
安 卓 控 股 有 限 公 司

(Company No. 36998-T)

(Incorporated in Malaysia under the Companies Act, 1965)

## BOARD OF DIRECTORS

| Name ( <i>Designation</i> )  | Address   | Nationality | Profession       |
|--|---|-------------|------------------|
| Dato' Seri Abdul Azim Bin Mohd Zabidi<br>( <i>Independent Non-Executive Chairman</i> ) | Tanah Abang<br>No. 1 Jalan Setiabudi<br>Bukit Damansara<br>50490 Kuala Lumpur             | Malaysian   | Company Director |
| Datuk Chai Woon Chet<br>( <i>Managing Director</i> )                                   | Lot 116, Jalan Timah 3<br>Mines Resort City<br>43300 Seri Kembangan<br>Selangor           | Malaysian   | Businessman      |
| Abdul Jaliludin bin Jamalludin<br>( <i>Executive Director</i> )                        | 131 Jalan SS 19/6B<br>47500 Subang Jaya<br>Selangor                                       | Malaysian   | Businessman      |
| Mazlan Bin Mohamad<br>( <i>Executive Director</i> )                                    | 33-8-4, Pangsapuri Golf View<br>Solok Bukit Jambul 1<br>11950 Bayan Lepas<br>Pulau Pinang | Malaysian   | Accountant       |
| Dato' Sri Ti Lian Ker<br>( <i>Senior Independent Non-Executive Director</i> )          | 11 Lorong Kubang Buaya 78<br>25050 Kuantan<br>Pahang                                      | Malaysian   | Lawyer           |
| Aimi Aizal Bin Nasharuddin<br>( <i>Independent Non-Executive Director</i> )            | No. 27 Jalan UP 3/2<br>Ukay Perdana<br>68000 Ampang<br>Selangor                           | Malaysian   | Businessman      |
| Rahmad Bin Tohak<br>( <i>Independent Non-Executive Director</i> )                      | 41 Jalan Semerbak 1<br>Taman Bukit Dahlia<br>81700 Pasir Gudang<br>Johor                  | Malaysian   | Businessman      |

## AUDIT COMMITTEE

| Name                                  | Designation | Directorship                              |
|---------------------------------------|-------------|---|
| Aimi Aizal Bin Nasharuddin            | Chairman    | Independent Non-Executive Director        |
| Dato' Seri Abdul Azim Bin Mohd Zabidi | Member      | Independent Non-Executive Chairman        |
| Dato' Sri Ti Lian Ker                 | Member      | Senior Independent Non-Executive Director |

**CORPORATE DIRECTORY (CONT'D)**

---

- COMPANY SECRETARIES** : Tan Tong Lang (MAICSA 7045482)  
Chong Voon Wah (MAICSA 7055003)  
Suite 10.03, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : +603 - 2279 3080  
Fax : +603 - 2279 3090
- REGISTERED OFFICE** : Suite 10.03, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : +603 - 2279 3080  
Fax : +603 - 2279 3090
- PRINCIPAL PLACE OF BUSINESS** : Lot 450, Jalan Papan  
Pandamaran Industrial Area  
42000 Port Klang  
Selangor  
Tel : +603 - 3165 2218  
Fax : +603 - 3168 1336  
Website: [www.anzo.com.my](http://www.anzo.com.my)  
Email: [anzoholdings@gmail.com](mailto:anzoholdings@gmail.com)
- AUDITORS AND REPORTING ACCOUNTANTS** : Messrs Morison Anuarul Azizan Chew (AF 001977)  
18 Jalan Pinggir 1/64  
Jalan Kolam Air  
Off Jalan Sultan Azlan Shah (Jalan Ipoh)  
51200 Kuala Lumpur  
Tel : +603 - 4048 2888  
Fax : +603 - 4048 2999
- SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS** : Mah-Kamariyah & Philip Koh  
3A07, Block B, Phileo Damansara II  
15 Jalan 16/11, Off Jalan Damansara  
46350 Petaling Jaya  
Selangor  
Tel : +603 - 7956 8686  
Fax : +603 - 7956 2208
- PRINCIPAL BANKERS** : Hong Leong Bank Berhad  
No. 70, Level G2  
Publika Shopping Gallery  
Solaris Dutamas, Jalan Dutamas 1  
50480 Kuala Lumpur  
Tel : +603 - 6205 3078  
Fax : +603 - 6205 3041
- Malayan Banking Berhad  
2 Lorong Rahim Kajai 14  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Tel : +603 - 7728 2345  
Fax : +603 - 7729 2770

**CORPORATE DIRECTORY (CONT'D)**

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**SHARE REGISTRAR** : ShareWorks Sdn Bhd  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Tel : +603 - 6201 1120  
Fax : +603 - 6201 3121

**PRINCIPAL ADVISER** : Mercury Securities Sdn Bhd  
L-7-2, No. 2, Jalan Solaris  
Solaris Mont' Kiara  
50480 Kuala Lumpur  
Tel : +603 - 6203 7227  
Fax : +603 - 6203 7117

**STOCK EXCHANGE LISTED  
AND LISTING SOUGHT** : Main Market of Bursa Securities

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ANZO HOLDINGS BERHAD  
安 卓 控 股 有 限 公 司

(Company No. 36998-T)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office**

Suite 10.03, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

25 May 2017

**Board of Directors**

Dato' Seri Abdul Azim Bin Mohd Zabidi (*Independent Non-Executive Chairman*)  
Datuk Chai Woon Chet (*Managing Director*)  
Abdul Jaliludin Bin Jamalludin (*Executive Director*)  
Mazlan Bin Mohamad (*Executive Director*)  
Dato' Sri Ti Lian Ker (*Senior Independent Non-Executive Director*)  
Aimi Aizal Bin Nasharuddin (*Independent Non-Executive Director*)  
Rahmad Bin Tohak (*Independent Non-Executive Director*)

**To: Entitled Shareholders**

Dear Sir / Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 655,206,219 RIGHTS SHARES TOGETHER WITH UP TO 327,603,109 FREE WARRANTS C ON THE BASIS OF SIX (6) RIGHTS SHARES TOGETHER WITH THREE (3) FREE WARRANTS C FOR EVERY FOUR (4) EXISTING ANZO SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON THE ENTITLEMENT DATE**

---

**1. INTRODUCTION**

On 17 December 2015 and 8 January 2016, Mercury Securities had, on behalf of the Board, announced that the Company proposes to undertake the Rights Issue with Warrants.

On 27 January 2016, Mercury Securities had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 27 January 2016, granted its approval for the following:-

- (i) admission of the Warrants C to the Official List;
- (ii) listing and quotation of the Rights Shares on the Main Market of Bursa Securities;
- (iii) listing and quotation of the Additional Warrants on the Main Market of Bursa Securities; and
- (iv) listing and quotation of the new Anzo Shares to be issued pursuant to the exercise of the Warrants C and Additional Warrants on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:-

| Condition  | Status of compliance |
|--|----------------------|
| (i) Anzo and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants, including but not limited to Paragraph 6.50 of the Listing Requirements;               | To be met            |
| (ii) Anzo and Mercury Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants;   | To be met            |
| (iii) Anzo to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed; and   | To be met            |
| (iv) Anzo to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants C and the Additional Warrants as at the end of each quarter together with a detailed computation of listing fees payable. | To be met            |

The Board is pleased to inform that the Shareholders had, during the EGM held on 29 March 2016, approved, amongst others, the Rights Issue with Warrants. A certified true extract of the resolutions approving, amongst others, the Rights Issue with Warrants at the said EGM is attached in Appendix II of this Abridged Prospectus.

On 8 May 2017, Mercury Securities had, on behalf of the Board, announced that the Board resolved to fix the issue price of the Rights Shares at RM0.20 per Rights Share as well as the Exercise Price at RM0.20 per Warrant C.

On 9 May 2017, Mercury Securities had, on behalf of the Board, announced that the Entitlement Date for the Rights Issue with Warrants has been fixed at 5.00 p.m. on 25 May 2017.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by Mercury Securities or us in connection with the Rights Issue with Warrants.

**YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE WITH WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE WITH WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

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## 2. PARTICULARS OF THE RIGHTS ISSUE WITH WARRANTS

### 2.1 Details of the Rights Issue with Warrants

In accordance with the terms of the Rights Issue with Warrants as approved by the relevant authorities as well as the Shareholders and subject to the terms of this Abridged Prospectus and the accompanying documents, the Rights Issue with Warrants entails a provisional allotment of up to 655,206,219 Rights Shares together with up to 327,603,109 free Warrants C on a renounceable basis of six (6) Rights Shares together with three (3) free Warrants C for every four (4) existing Shares held by the Entitled Shareholders on the Entitlement Date, at an issue price of RM0.20 per Rights Share.

As the Rights Shares and Warrants C are prescribed securities, the respective CDS Accounts of Entitled Shareholders will be duly credited with the number of Provisional Allotments they are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. Entitled Shareholders will find enclosed in this Abridged Prospectus, the NPA notifying Entitled Shareholders of the crediting of such securities into their respective CDS Accounts and the RSF to enable Entitled Shareholders to subscribe for the Provisional Allotments as well as to apply for Excess Rights Shares with Warrants C if Entitled Shareholders so choose to. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Warrants C are attached to the Rights Shares without any cost and will be issued only to Entitled Shareholders and/or their transferee(s) and/or their renounee(s) who subscribe for the Rights Shares. The Warrants C are exercisable into new Anzo Shares and each Warrant C will entitle the Warrant C Holder to subscribe for one (1) new Anzo Share at the Exercise Price. The Warrants C will be immediately detached from the Rights Shares upon issuance and traded separately. The Warrants C will be issued in registered form and constituted by the Deed Poll C. The salient terms of the Warrants C are set out in Section 2.5 of this Abridged Prospectus.

Any dealings in the Company's securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants C and the new Shares to be issued and allotted upon the exercise of the Warrants C will be credited directly into the respective CDS Accounts of successful applicants and holders of Warrant C who exercise their Warrants C (as the case may be). No physical certificates will be issued to the Entitled Shareholders and/or their transferee(s) and/or their renounee(s), nor will any physical share certificates be issued for the new Shares to be issued arising from the exercise of the Warrants C.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue with Warrants. However, the Rights Shares and Warrants C cannot be renounced separately, and only Entitled Shareholders who subscribe for the Rights Shares will be entitled to the Warrants C. As such, the Entitled Shareholders who renounce all of their Rights Share entitlements will not be entitled to the Warrants C. If the Entitled Shareholders accept only part of their Rights Share entitlements, they shall be entitled to the Warrants C in proportion to their acceptance of the Rights Share entitlements.

The Rights Shares with Warrants C that are not validly taken up by Entitled Shareholders and/or their transferee(s) and/or their renounee(s), if applicable, shall be made available for Excess Rights Shares with Warrants C Applications.



Fractional entitlements arising from the Rights Issue with Warrants, if any, will be disregarded and dealt with by the Board in such manner and on such terms and conditions as the Board at its absolute discretion deems fit or expedient and in the best interests of the Company.

Notice of allotment will be despatched to Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) within eight (8) Market Days from the last date for acceptance and payment of the Rights Shares with Warrants C or such other period as may be prescribed by Bursa Securities.

The Rights Shares and Warrants C will be admitted to the Official List and the listing and quotation of these securities will commence two (2) Market Days upon the receipt of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited.

## 2.2 Basis of determining the issue price of the Rights Shares and the Exercise Price

### Issue price of the Rights Shares

The Board had fixed the issue price of the Rights Shares at RM0.20 per Rights Share, after taking into consideration the following:-

- (i) the funding requirements of the Group, details of which are set out in Section 5 of this Abridged Prospectus;
- (ii) the TERP<sup>(1)</sup> of RM0.2345 per Anzo Share, calculated based on the five (5)-day VWAP of Anzo Shares up to and including the LTD of RM0.3122; and
- (iii) the trading and liquidity of Anzo Shares.

The issue price of the Rights Shares represents a discount of approximately 14.71% to the aforementioned TERP.

#### Note:-

- (1) TERP is computed as follows:-

$$\text{TERP} = \frac{(A \times X) + (B \times Y) + (C \times Z)}{A + B + C}$$

where:-

A = Number of Rights Shares

B = Number of Warrants C

C = Number of existing Shares

X = Issue price of the Rights Shares

Y = Exercise Price

Z = Five (5)-day VWAP of Anzo Shares up to and including the LTD

and the ratio of A:B:C is 6:3:4, in accordance with the entitlement basis of six (6) Rights Shares together with three (3) free Warrants C for every four (4) existing Shares held.

### **Exercise Price**

The Board had fixed the Exercise Price at RM0.20 per Warrant C, after taking into consideration, amongst others, the TERP of Anzo Shares.

The Exercise Price represents a discount of approximately 14.71% to the aforementioned TERP.

## **2.3 Ranking of Rights Shares and new Anzo Shares arising from the exercise of the Warrants C and the Convertible Securities**

### **Rights Shares**

The Rights Shares shall, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing issued Anzo Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares.

### **New Anzo Shares arising from the exercise of Warrants C**

The new Anzo Shares to be issued pursuant to the exercise of the Warrants C shall, upon allotment, issuance and full payment of the exercise price of the Warrants C, rank *pari passu* in all respects with the then existing issued Anzo Shares, save and except that the new Anzo Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the new Anzo Shares arising from the exercise of the Warrants C.

### **New Anzo Shares arising from the exercise of Warrants A**

The new Anzo Shares to be issued pursuant to the exercise of the Warrants A shall, upon allotment, issuance and full payment of the exercise price of the Warrants A, rank *pari passu* in all respects with the then existing issued and fully paid-up Anzo Shares, save and except that the new Anzo Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the new Anzo Shares arising from the exercise of the Warrants A.

As at the LPD, there are 78,643,798 outstanding Warrants A in the Company. The Warrants A will expire on 19 November 2019.

### **New Anzo Shares arising from the exercise of Warrants B**

The new Anzo Shares to be issued pursuant to the exercise of the Warrants B shall, upon allotment, issuance and full payment of the exercise price of the Warrants B, rank *pari passu* in all respects with the then existing issued and fully paid-up Anzo Shares, save and except that the new Anzo Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the new Anzo Shares arising from the exercise of the Warrants B.

As at the LPD, there are 32,991,025 outstanding Warrants B in the Company. The Warrants B will expire on 25 August 2023.

### **New Anzo Shares arising from the exercise of the SIS Options**

The new Anzo Shares to be issued pursuant to the exercise of the SIS Options shall, upon allotment, issuance and full payment of the exercise price of the SIS Options, rank *pari passu* in all respects with the then existing issued and fully paid-up Anzo Shares, save and except that the new Anzo Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the new Anzo Shares arising from the exercise of the SIS Options.

As at the LPD, 55,897,300 SIS Options have been granted, out of which 22,492,400 SIS Options have been exercised and 14,685,000 SIS Options have lapsed due to non-acceptance. The SIS Options will expire on 24 September 2020.

#### **2.4 Last date and time for acceptance and payment**

The Closing Date is 5.00 p.m. on **9 June 2017**.

#### **2.5 Salient terms of the Warrants C**

The salient terms of the Warrants C to be issued pursuant to the Rights Issue with Warrants are set out below:-

|                          |   |   |
|--------------------------|---|---|
| Issuer                   | : | Anzo  |
| Issue size               | : | Up to 327,603,109 Warrants C to be issued pursuant to the Rights Issue with Warrants  |
| Form and detachability   | : | The Warrants C will be issued in registered form and constituted by the Deed Poll C. The Warrants C which are to be issued with the Rights Shares will be immediately detached from the Rights Shares upon allotment and issuance and will be traded separately on Bursa Securities.  |
| Board lot                | : | For the purpose of trading on Bursa Securities, a board lot of Warrants C shall be 100 units of Warrants C, or such other number of units as may be prescribed by Bursa Securities.   |
| Tenure of the Warrants C | : | Three (3) years commencing on and including the date of issuance of the Warrants C.   |
| Exercise Period          | : | The Warrants C may be exercised at any time within a period of three (3) years commencing from and including the date of issuance of the Warrants C to the close of business at 5.00 p.m. on the Market Day immediately preceding the date which is the third (3rd) anniversary from the date of issuance of the Warrants C. Any Warrants C not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose. |
| Exercise Price           | : | The Exercise Price has been fixed at RM0.20, subject to adjustments in accordance with the provisions of the Deed Poll C.   |
| Subscription rights      | : | Each Warrant C shall entitle its registered holder to subscribe for one (1) new Anzo Share at any time during the Exercise Period at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll C.   |

|  |  |
|--|--|
| Mode of exercise   | : Warrant C Holders are required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped together with payment by way of banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants C to subscribe for new Anzo Shares. The payment of such fee must be made in Ringgit Malaysia.   |
| Adjustments to the Exercise Price and/or the number of Warrants C                                      | : Subject to the provisions of the Deed Poll C, the Exercise Price and/or the number of unexercised Warrants C in issue may be subject to adjustments by the Board in consultation with an approved adviser appointed by the Company for the purposes of the Deed Poll C and certified by the auditors in the event of any alteration in the share capital of the Company at any time during the tenure of the Warrants C, whether by way of, amongst others, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll C. Any adjustment to the Exercise Price will be rounded up to the nearest one (1) sen and in no event shall any adjustment (otherwise than upon the consolidation of ordinary shares) involve an increase in the Exercise Price. |
| Rights of the Warrant C Holders  | : The Warrants C do not confer on their holders any voting rights or participation in any forms of distribution and/or offer of further securities in the Company until and unless such holders of Warrants C exercise their Warrants C for new Anzo Shares in accordance with the provisions of the Deed Poll C and such new Anzo Shares have been allotted and issued to such holders.   |
| Ranking of the new Anzo Shares to be issued pursuant to the exercise of the Warrants C                 | : The new Anzo Shares to be issued pursuant to the exercise of the Warrants C in accordance with the provisions of the Deed Poll C shall, upon allotment, issuance and full payment of the Exercise Price of the Warrants C, rank <i>pari passu</i> in all respects with the then existing issued Anzo Shares, save and except that the new Anzo Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the Shareholders, the entitlement date of which is prior to the date of allotment of the new Anzo Shares arising from the exercise of the Warrants C.   |
| Rights of the Warrant C Holders in the event of winding up, liquidation, compromise and/or arrangement | : Where a resolution has been passed by the Company for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then:-<br><br>(i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant C Holders (or some other persons designated by them for such purpose by special resolution of the Warrant C Holders) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant C Holders; and   |

(ii) in any other cases, every Warrant C Holder shall be entitled at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or within six (6) weeks after the granting of the court order approving the winding-up, compromise or arrangement, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the subscription rights represented by his Warrants C and be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Anzo Shares to which he would have become entitled pursuant to such exercise. Upon the expiry of the above six (6) weeks, all subscription rights of the Warrants C which have not been exercised shall lapse and the Warrants C will cease to be valid for any purpose.

Modification of rights of the Warrant C Holders : Save as otherwise provided in the Deed Poll C, a special resolution of the Warrant C Holders is required to sanction any modification, alteration or abrogation in respect of the rights of the Warrant C Holders.

Modification of the Deed Poll C : Any modification to the terms and conditions of the Deed Poll C may be effected only by a further deed poll, executed by the Company and expressed to be supplemental to the Deed Poll C. Any of such modification shall however be subject to the approval of Bursa Securities (if so required).

The Company in consultation with an approved adviser, appointed by the Company for the purposes of the Deed Poll C, may from time to time without the consent or sanction of the Warrant C Holders make any modification (except to provisions for convening meetings of the Warrant C Holders) to the Deed Poll C which will not be materially prejudicial to the interest of the Warrant C Holders or is to correct any typographical errors or relate purely to administration matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia.

Transferability : The Warrants C shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.

Deed Poll : The Warrants C are constituted by the Deed Poll C.

Governing laws : The Warrants C and the Deed Poll C shall be governed by the laws of Malaysia.

## 2.6 Details of other intended corporate exercises which have been approved

As at the LPD, save for the Rights Issue with Warrants, the Board confirms that there are no other corporate exercises which have been approved by the regulatory authorities but pending completion.

### 3. SHAREHOLDERS' UNDERTAKING

The Company intends to raise a minimum of RM9 million from the Rights Issue with Warrants to meet the funding requirements of the Group, which will be channelled towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

In view of the above, the Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level.

To meet the Minimum Subscription Level, the Company has procured the Undertakings from the following Undertaking Shareholders:-

- (i) Zenith City Investments Limited (a company controlled by Datuk Chai Woon Chet, the Managing Director of Anzo); and
- (ii) Syawaras Sdn Bhd (a company controlled by Dato' Seri Abdul Azim Bin Mohd Zabidi, the Independent Non-Executive Chairman of Anzo).

Details of the Undertakings are as follows:-

#### Minimum Scenario

| Undertaking Shareholders        | Existing direct shareholdings as at the LPD |              | Rights Shares to be subscribed for pursuant to the Undertakings |                           |                   | Direct shareholdings after the Rights Issue with Warrants |              |
|---------------------------------|---|--------------|---|---------------------------|-------------------|---|--------------|
|                                 | No. of Shares                               | %(1)         | Subscription based on   |                           | Total             | No. of Shares   | %(2)         |
|                                 |   |              | Entitlement   | Excess shares application |                   |   |              |
| Zenith City Investments Limited | 58,500,000                                  | 19.15        | (3)30,000,000   | -                         | (4)30,000,000     | 88,500,000  | 25.25        |
| Syawaras Sdn Bhd                | 1,000,000                                   | 0.33         | 1,500,000   | 13,500,000                | (4)15,000,000     | 16,000,000  | 4.56         |
| <b>Total</b>                    | <b>59,500,000</b>                           | <b>19.47</b> | <b>31,500,000</b>   | <b>13,500,000</b>         | <b>45,000,000</b> | <b>104,500,000</b>  | <b>29.81</b> |

#### Notes:-

- (1) Based on the share capital of 305,536,623 Anzo Shares as at the LPD.
- (2) Based on the enlarged share capital of 350,536,623 Anzo Shares after the Rights Issue with Warrants, pursuant to the Minimum Subscription Level and excluding any exercise of the Convertible Securities.
- (3) Based on the issue price of RM0.20 per Rights Share, Zenith City Investments Limited is subscribing for 30,000,000 Rights Shares instead of its full entitlement of 87,750,000 Rights Shares after taking into consideration the following:-
  - (i) the undertaking by Syawaras Sdn Bhd to subscribe for the Rights Shares for an aggregate subscription amount of RM3 million; and
  - (ii) the balance subscription amount required from Zenith City Investments Limited to achieve the Company's minimum funding requirement of RM9 million as set out above.

As Syawaras Sdn Bhd has undertaken to subscribe for the Rights Shares such that the subscription amount yields RM3 million (or 15,000,000 Rights Shares at RM0.20 each), the remaining RM6 million is satisfied by Zenith City Investments Limited via its subscription of 30,000,000 Rights Shares at RM0.20 each.

- (4) In aggregate, these represent RM9 million (based on the issue price of RM0.20) and 12.84% of the enlarged share capital after the Rights Issue with Warrants under the Minimum Scenario.

Pursuant to the Undertakings, the Undertaking Shareholders have:-

- (i) irrevocably and unconditionally warranted that they shall not sell or in any other way dispose of or transfer their existing interest in the Company or any part thereof during the period commencing from the date of the Undertakings up to the Entitlement Date; and
- (ii) confirmed that they have sufficient financial means and resources to subscribe in full for / for part of (*where applicable*) their respective entitlements and additional Rights Shares not taken up by other Entitled Shareholders by way of excess shares application (*where applicable*), to the extent such that the aggregate subscription of Rights Shares under the Rights Issue with Warrants received by Anzo amounts to not less than RM9 million. Mercury Securities has verified the sufficiency of financial resources of the Undertaking Shareholders for the purpose of subscribing the Rights Shares pursuant to the Undertakings.

The Undertaking Shareholders have confirmed that the Undertakings will not give rise to any consequence of mandatory take-over offer obligation under the Code and Rules on Take-overs, Mergers and Compulsory Acquisitions immediately after completion of the Rights Issue with Warrants.

As the Minimum Subscription Level will be fully satisfied via the Undertakings, the Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by other Entitled Shareholders.

The Undertakings are not expected to result in any breach in the public shareholding spread requirement by the Company under Paragraph 8.02(1) of the Listing Requirements, which stipulates that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. The pro forma public shareholding spread based on the Minimum Scenario is illustrated as follows:-

| Particulars                                       | As at the LPD              |                     |        | After the Rights Issue with Warrants |                     |        |
|---|----------------------------|---------------------|--------|--------------------------------------|---------------------|--------|
|   | No. of Anzo Shares         | No. of shareholders | %      | No. of Anzo Shares                   | No. of shareholders | %      |
| Issued share capital                              | <sup>(1)</sup> 305,536,623 | 4,769               | 100.00 | <sup>(3)</sup> 350,536,623           | 4,769               | 100.00 |
| <u>Less:</u>                                      |                            |                     |        |                                      |                     |        |
| Directors of Anzo                                 | <sup>(2)</sup> 8,350,000   | 1                   | 2.73   | <sup>(2)</sup> 8,350,000             | 1                   | 2.38   |
| Directors of subsidiaries of Anzo                 | -                          | -                   | -      | -                                    | -                   | -      |
| Persons connected and associated to the Directors | <sup>(2)</sup> 60,100,000  | 3                   | 19.67  | <sup>(2)</sup> 105,100,000           | 3                   | 29.98  |
| Substantial shareholders of Anzo <sup>(5)</sup>   | 18,857,500                 | 1                   | 6.17   | 18,857,500                           | 1                   | 5.38   |

| Particulars   | As at the LPD      |                     |              | After the Rights Issue with Warrants |                     |              |
|---|--------------------|---------------------|--------------|--------------------------------------|---------------------|--------------|
|   | No. of Anzo Shares | No. of shareholders | %            | No. of Anzo Shares                   | No. of shareholders | %            |
| Persons connected and associated to the substantial shareholders <sup>(5)</sup> | -                  | -                   | -            | -                                    | -                   | -            |
| Shareholders holding less than 100 Shares                                       | 4,625              | 132                 | (4)-         | 4,625                                | 132                 | (4)-         |
| <b>Public shareholding spread</b>   | <b>218,224,498</b> | <b>4,632</b>        | <b>71.42</b> | <b>218,224,498</b>                   | <b>4,632</b>        | <b>62.25</b> |

**Notes:-**

- (1) Based on the share capital of 305,536,623 Anzo Shares as at the LPD.
- (2) Comprises the direct and indirect shareholdings of Datuk Chai Woon Chet and Dato' Seri Abdul Azim Bin Mohd Zabidi in Anzo as at the LPD and after the subscription of 45,000,000 Rights Shares pursuant to the Undertakings. The breakdown of their direct and indirect shareholding in Anzo as at the LPD are set out in Section 4 of Appendix I of this Abridged Prospectus.
- (3) Based on the enlarged share capital of 350,536,623 Anzo Shares after the Rights Issue with Warrants, pursuant to the Minimum Subscription Level and excluding any exercise of the Convertible Securities.
- (4) Negligible.
- (5) Based on the register of substantial shareholders of the Company as at the LPD.

#### 4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue with Warrants will enable the Company to raise funds and channel them towards the proposed utilisation as set out in Section 5 of this Abridged Prospectus.

After due consideration of the various options available, the Board is of the opinion that the Rights Issue with Warrants is the most suitable means of fund raising for the Company for the following reasons:-

- (i) it will involve the issuance of new Anzo Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Rights Issue with Warrants and exercise their Warrants C subsequently;
- (ii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iii) it will enable the Company to raise the requisite funds without incurring additional interest expense, thereby minimising any potential cash outflow in respect of interest servicing costs.

The free Warrants C which are attached to the Rights Shares are intended to provide an added incentive to Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants C will provide Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants C and will allow Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants C are exercised.



The exercise of the Warrants C in the future will allow the Company to obtain additional funds without incurring additional interest expenses from borrowings. Furthermore, the exercise of the Warrants C will increase Shareholders' funds and lower the Company's gearing level, thereby providing the Company with flexibility in terms of the options available to meet its funding requirements.

## 5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.20 per Rights Share, the gross proceeds to be raised from the Rights Issue with Warrants will be utilised in the following manner:-

| Utilisation of proceeds                                       | Expected timeframe for utilisation from completion of the Rights Issue with Warrants | Minimum Scenario RM'000 | <sup>(1)</sup> Base Case Scenario RM'000 | <sup>(1)</sup> Maximum Scenario RM'000 |
|---|--|-------------------------|--|--|
| (i) Construction works for PDM Phase 1 ("Construction Works") | Within 30 months <sup>(2)</sup>  | 9,000                   | <sup>(3)</sup> 35,000                    | <sup>(3)</sup> 35,000                  |
| (ii) Working capital  | Up to 24 months  | -                       | 10,000                                   | 20,000                                 |
| (iii) Funding for future construction projects                | Within 24 months   | -                       | 45,931                                   | 75,311                                 |
| (iv) Estimated expenses for the Corporate Exercises           | Immediate  | <sup>(4)</sup> -        | 730                                      | 730                                    |
| <b>Total</b>  |  | <b>9,000</b>            | <b>91,661</b>                            | <b><sup>(5)</sup>131,041</b>           |

### Notes:-

- (1) Any additional proceeds raised in excess of the RM9 million under the Minimum Scenario will be allocated up to its respective maximum allocation in the following order:-
- estimated expenses for the Corporate Exercises;
  - Construction Works;
  - working capital; and
  - funding for future construction projects.
- (2) Any additional proceeds allocated for the Construction Works beyond the RM9 million under the Minimum Scenario will be utilised within 30 months, being the estimated timeframe for completion of the Construction Works.
- (3) Based on management's estimates, the Company expects that it will need approximately RM20 million to fund the Construction Works.

Under the Minimum Scenario, proceeds of RM9 million will be allocated for Construction Works and the balance of RM11 million will be financed via internally generated funds and/or bank borrowings. The Company has set the Minimum Subscription Level based on a funding requirement of RM9 million instead of RM20 million in view that the Company:-

- has identified other sources of funds i.e. internally generated funds and/or bank borrowings to meet the balance funding requirement of RM11 million; and
- would not need to procure underwriting arrangements, thereby saving on additional expenses such as underwriting fees and legal fees.

Under the Base Case Scenario, proceeds of up to RM20 million will be allocated for Construction Works. Notwithstanding the foregoing, the Company would allocate up to an additional RM15 million for the Construction Works to act as a buffer to cater for any delay in the project schedule / progress payments or any unforeseen circumstances such as a spike in the cost of construction and related expenses. Any unutilised balance from this RM15 million will be allocated for working capital.

- (4) Under the Minimum Scenario, the estimated expenses for the Corporate Exercises of RM0.7 million will be funded by the Company's internally-generated funds.
- (5) The Board wishes to highlight that the illustrative amount of up to approximately RM131.0 million that will be raised under the Maximum Scenario is based on the assumption that all the Convertible Securities are granted and/or exercised prior to the Entitlement Date.

The Board is of the view that, based on the timeline for implementation of the Rights Issue with Warrants, it is unlikely for all the outstanding Warrants A and Warrants B to be exercised prior to the Entitlement Date in view that:-

- (a) the remaining tenure of approximately 41 months, 30 months and 76 months from the LPD for the SIS Options (expiring on 24 September 2020), Warrants A (expiring on 19 November 2019) and Warrants B (expiring on 25 August 2023) respectively;
- (b) the last transacted market price of Anzo Shares as at the LPD is RM0.32 and the exercise prices of three (3) batches of SIS Options granted are RM0.205, RM0.25 and RM0.26 and the exercise price of both Warrants A and Warrants B is RM0.25 each; and
- (c) the last transacted market prices of Warrants A and Warrants B as at the LPD are RM0.135 and RM0.150 respectively.

**(i) Construction Works**

On 19 October 2015, the Company's wholly-owned subsidiary, HCCSB, received a LOA from Tinta Anggun appointing HCCSB as main contractor for PDM Phase 1 for a total contract sum of RM153 million ("**Contract Sum**").

PDM Phase 1 entails the proposed turnkey design, approval, build and delivery with certificate of completion and compliance for the construction of Phase 1 of the Porto De Melaka Hotel and Resort development at Lot PT 822 and PT 826, Kawasan Bandar XII, Daerah Melaka Tengah, Melaka Bandaraya Bersejarah comprising:-

- (i) 122 units of service suites across five (5) floor levels;
- (ii) 24 units of spa villas across three (3) floor levels;
- (iii) basement consisting of 670 carpark bays, 135 motorcycle parking bays and ancillary services; and
- (iv) external facilities and services including roadways, sewerage, water reticulation, river embankment and river front roadway and landscape.

The breakdown of the Contract Sum is as follows:-

|   | <b>RM'million</b> |
|---|-------------------|
| Preliminaries, design and build elements  | 31.5              |
| Building & external works   | 82.8              |
| M&E works   | 14.7              |
| Provisional sums such as project contingencies, landscape and final finishing costs | 24.0              |
| <b>Contract Sum</b>   | <b>153.0</b>      |

The Group intends to utilise proceeds of RM9 million under the Minimum Scenario as working capital to undertake the initial stages of the Construction Works which include, amongst others, preliminary works such as the appointment of architects, engineers and consultants, setting up of temporary roads, site offices, buildings and accommodation as well as capital expenditure such as installation and/or purchase of plant and equipment, temporary electricity supplies, lighting and general scaffolding.

If there are any additional proceeds raised beyond the Minimum Scenario, the Group may utilise such proceeds up to RM35 million to facilitate the funding for the remaining stages of the Construction Works. The remaining stages will comprise basement works such as piling, foundation and substructure as well as the construction of the service suite block and spa villa block, external works and M&E works, amongst others. The remaining costs in relation to the Construction Works are expected to be financed via progress payments from Tinta Anggun for PDM Phase 1 as well as internally generated funds and/or bank borrowings.

In relation to the above, the actual funding breakdown will only be determined by the Board once the Rights Issue with Warrants is completed with actual proceeds ascertained, as well as the availability and suitability of funding options at the relevant time.

As at the LPD, Tinta Anggun has obtained the development and planning approvals from the relevant authorities for PDM Phase 1. The Construction Works have commenced since first quarter of 2017 and are currently at the initial groundworks and piling stage. The Construction Works are expected to be completed within 30 months from the commencement of work i.e. by third quarter of 2019.

**(ii) Working capital**

The proceeds of up to RM20 million from the Rights Issue with Warrants will be used for the Group's working capital purposes in the following manner:-

| <b>Working capital</b>  | <b>Percentage allocation (%)</b> | <b>Allocation</b>                  |                                  |
|---|----------------------------------|------------------------------------|----------------------------------|
|   |                                  | <b>Base Case Scenario (RM'000)</b> | <b>Maximum Scenario (RM'000)</b> |
| Payment of staff salaries <sup>(1)</sup>  | 30.0                             | 3,000                              | 6,000                            |
| Operating expenses including utilities and payments to suppliers <sup>(2)</sup> | 50.0                             | 5,000                              | 10,000                           |
| Statutory related expenses <sup>(3)</sup> and other administrative expenses     | 20.0                             | 2,000                              | 4,000                            |
| <b>Total</b>  | <b>100.0</b>                     | <b>10,000</b>                      | <b>20,000</b>                    |

Notes:-

- (1) Comprises payment of salaries to the Group's workforce which consists of twelve (12) staffs as at the LPD.
- (2) Comprises operating expenses arising from the Group's timber division which provides timber related services such as custom moulding and kiln drying. Payments to suppliers refer to payments to firewood suppliers and subcontractors for timber related services.
- (3) Statutory related expenses include, amongst others, income tax, audit fees and tax agent fees.

Any shortfall between the proceeds raised from the Rights Issue with Warrants allocated for working capital and the Group's actual working capital requirements will be met by via internally generated funds and/or bank borrowings. Based on the unaudited financial statements of the Group for the FYE 31 March 2017, the Group's current assets stood at RM23.9 million while its current liabilities stood at RM9.1 million, yielding a surplus of current assets over current liabilities of RM14.8 million.

Since the commencement of the construction works for PDM Phase 1 in the first quarter of 2017, the Group has recognised revenue of approximately RM5.7 million from PDM Phase 1 up to 31 March 2017. Moving forward, the Group expects further contribution to come from PDM Phase 2, which is expected to commence in the fourth quarter of 2017. Further, as the Group has access to banking facilities, the Board is of the view that the Group will have sufficient working capital available for a period of twelve (12) months from the date of this Abridged Prospectus.

**(iii) Funding for future construction projects**

The proceeds of up to RM75.4 million from the Rights Issue with Warrants are earmarked to part-finance the costs of construction projects awarded to the Group in the future. Such proceeds are expected to be utilised as working capital to fund the initial stages of the identified projects.

Apart from PDM Phase 1, the Group is also involved in two (2) other construction projects, namely PDM Phase 2 and the KL Northgate Project. Further details of such projects are set out in Section 7.4 of this Abridged Prospectus.

For PDM Phase 2, HCCSB had on 2 May 2017 received a LOA from Tinta Anggun, appointing HCCSB as main contractor for PDM Phase 2 for a total contract sum of RM109.3 million over a contract period of 36 months. The funding requirement by HCCSB for PDM Phase 2 is estimated to be approximately RM12.0 million, which is expected to be funded via a combination of the proceeds earmarked herein, bank borrowings and/or internally generated funds.

As for the KL Northgate Project, as at the LPD, HCCSB and KL Northgate are in the midst of negotiating the terms and conditions of the contract document and pricing prior to the issuance of the LOA by KL Northgate for the KL Northgate Project.

The exact amount of proceeds to be allocated between these projects have not been determined at this juncture as it will depend on the budgeted funding requirement for the projects, the suitability and availability of funding options at the relevant time as well as the final subscription level of the Rights Issue with Warrants. Any surplus of proceeds after being utilised for PDM Phase 2 and/or the KL Northgate Project will be utilised for any future construction projects awarded to the Group.

In the event that Shareholders' approval and/or other regulatory bodies' approvals are required for undertaking the construction project(s) by the Group, the necessary approvals will be sought in accordance with the Listing Requirements and/or such other rules and regulations.

Pending the utilisation of such proceeds, the Company will place the unutilised cash proceeds in interest-bearing bank deposits and/or money market financial instruments.

If the Company has yet to fully utilise the proceeds allocated for future construction projects within 24 months from the completion of the Rights Issue with Warrants, the timeframe for utilisation of proceeds allocated for future construction projects will be extended and announced as well as disclosed in Anzo's quarterly result announcements until the Company has successfully identified suitable construction projects to be undertaken and the proceeds have been fully utilised.

**(iv) Estimated expenses for the Corporate Exercises**

The breakdown of the estimated expenses for the Corporate Exercises is illustrated below:-

| <b>Estimated expenses</b>                   | <b>Amount<br/>RM'000</b> |
|---|--------------------------|
| Professional fees                           | (1)600                   |
| Fees to relevant authorities                | 90                       |
| Printing, despatch and advertising expenses | 40                       |
| <b>Total</b>                                | <b>730</b>               |

Note:-

- (1) Comprises fees payable to the Principal Adviser, solicitors, reporting accountants, company secretary and Share Registrar.

If the actual expenses incurred are higher than budgeted, the deficit will be funded from the portion allocated for working capital and/or internally generated funds. Conversely, any surplus of funds following payment of expenses will be utilised for working capital purposes.

The actual gross proceeds to be raised from the Rights Issue with Warrants will depend on the actual number of Rights Shares that will be eventually issued.

The exact quantum of proceeds that may be raised by the Company from the exercise of the Warrants C would depend on the actual number of Warrants C exercised. The proceeds from the exercise of the Warrants C will be received on an "as and when basis" over the tenure of the Warrants C.

Based on the exercise price of RM0.20 per Warrant C, the Company will raise gross proceeds of up to RM65.5 million upon full exercise of the Warrants C under the Maximum Scenario. Any proceeds arising from the exercise of the Warrants C in the future will be used to finance future working capital requirements including those illustrated in Section 5(ii) above. The exact breakdown cannot be determined at this juncture and would be dependent on the actual requirements at the relevant time.

## 6. RISK FACTORS

You should carefully consider, in addition to the other information contained in this Abridged Prospectus, the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Issue with Warrants:-

### 6.1 Risks relating to the Group

#### 6.1.1 Risks relating to the Group's construction division

##### (i) Business risks

The Group is subject to certain risks that are inherent in the construction industry which include, amongst others, timely commencement and/or completion of projects, cancellation, deferral or rescheduling of projects, non-performance or unsatisfactory performance of subcontractors, increases in cost of energy, labour and building materials, shortage of skilled workforce, adverse weather conditions, natural disasters, accidents and changes in general economic, business and credit conditions.

As such, any occurrences of any of the above situations may adversely impact the Group's business and financial performance.

##### (ii) Delay in completion of projects

Timely completion and hand-over of the Group's projects are critical in ensuring costs are contained and the Group's reputation is safeguarded. However, delays in completion could result from unforeseen circumstances such as natural disasters, acute shortage of construction materials and workers, adverse weather conditions, delays in obtaining the necessary approvals from various regulatory authorities as scheduled and unsatisfactory performance of the Group's subcontractors appointed for the construction projects.

If any of the above circumstances happen or occur for a prolonged period, the Group may incur substantial additional costs such as liquidated and ascertained damages payable to its customers, rectification cost to repair defects or higher material and/or labour costs and potential claims which may result in its financial performance being materially impacted.

As at the LPD, the Group has not encountered any delay in the completion of its projects. Notwithstanding that, the unforeseeable circumstances as mentioned above may occur in the Group's projects in the future and there is no assurance that the said circumstances will not result in delays in the completion of the Group's projects.

##### (iii) Inability or delay in securing construction projects

The Group's revenue for the construction segment is largely dependent on our ability to secure construction projects to ensure the sustainability of our order book. Depending on the business and economic environment, customers may cancel or delay their projects, which in turn, could adversely affect the Group's revenue and future financial performance.

Apart from PDM Phase 1, the Group has also been appointed by Tinta Anggun as main contractor for PDM Phase 2 as well as received a LOI from KL Northgate expressing its intention to award the construction of the KL Northgate Project to the Group, further details of which are set out in Section 7.4 of this Abridged Prospectus.

The KL Northgate Project is not legally binding and KL Northgate's intention to award the contract is subject to finalisation of final contract pricing and terms and conditions of the contract documents. As such, there is a risk that the Group may not be awarded the contract for the KL Northgate Project.

Notwithstanding that, at this juncture, the Group has yet to commit any financial resources to the KL Northgate Project as the parties are currently negotiating the final contract pricing and terms and conditions of the contract documents.

If the Group is unable to finalise the contract documents with KL Northgate, we may have to forgo the opportunity to undertake a major construction project which has an estimated contract sum of RM1.21 billion. In addition, we would not be able to leverage on the enhanced profile, reputation and track record that would have been gained from undertaking such a major project, when we tender for other construction projects in the future.

There is no assurance that project delays and/or cancellations will not adversely affect the Group's business and financial performance and that we will be able to replenish our order book by securing other construction projects on a timely basis.

**(iv) Cost overruns**

The Group carries out internal cost and budgeting estimates of building materials, subcontracting costs and overheads based on the indicative pricings given by our suppliers and subcontractors, as well as the Group's own estimates of costs for tender for construction projects.

However, in the event of incorrect estimations of costs during the budgeting or costing stage, unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions or unanticipated construction constraints at the worksite or fluctuations in prices of raw materials and subcontractors' services, additional costs which are not previously factored into the costing may arise. In such instances, our financial performance may be adversely affected.

**(v) Availability and cost of raw materials and skilled labour**

The Group's profitability may be affected by any fluctuation in the cost of building materials (including sand, steel, cement and tiles). In the event the Group is unable to secure alternative supply of building materials at an acceptable cost, the construction costs of the projects may increase and thus affect the Group's profit margins if it is unable to fully pass on these increased costs to its customers.

The Group's projects also require a large number of skilled and unskilled labour. Hence, any increase in the cost of labour, whether skilled or unskilled, may affect the Group's profitability.

The construction industry in Malaysia also faces a shortage of unskilled labour. The shortage is due to the low participation rate of Malaysian workers in the sector and various restrictions on the employment of foreign workers, which have been exacerbated in recent years by the increased demand for construction workers for other large infrastructure projects. In addition, the cost of unskilled labour may increase in the future in the event of any increase in the minimum wage by the government. These circumstances may adversely impact the Group's business and financial performance.

**(vi) Dependence on subcontractors**

The Group will from time to time engage subcontractors in some of the Group's projects and as such, the Group may experience delay due to failure of our subcontractors to complete their work based on an agreed time schedule and to the specifications required.

There is no assurance that the Group's working relationships with its subcontractors are perpetual and that there will be no lapse in the quality of services to be provided by its subcontractors in the future. In turn, these factors may adversely impact the Group's business and financial performance.

**(vii) Performance of the property market**

Currently, the Group's construction projects are mainly for residential and commercial purposes. As such, the performance of the Group's construction business is largely dependent on the performance of the property market. In turn, this is affected by, amongst others, population growth, economic performance and government regulations. Any adverse developments affecting the property market may have an adverse impact on the performance of the construction industry and in turn, have an adverse impact on the Group's business operations and financial performance.

The property market in Malaysia has been dampened in the past few years, particularly since the introduction of cooling measures by the government to restrict the overheating of the property market and curb excessive price increases as follows:-

- (i) the real property gain tax ("RPGT") was reinstated in 2010. The effective maximum RPGT rates were raised from 5% in 2010 to 30% in 2014;
- (ii) in 2010, BNM announced a maximum loan-to-value ratio of 70% for third home purchases by consumers; and
- (iii) banks can no longer provide financing for projects with developer interest bearing scheme, wherein interest payments on the loan obtained by the buyers are borne by the property developers until the property has been completely constructed.

Any further introduction of cooling measures by the government as well as the tightening of lending criteria by the banks may adversely impact the property market and in turn affect the Group's construction business.



## 6.1.2 Risks relating to the Group's timber division

### (i) Business risks

The Group is subject to certain risks that are inherent in the timber industry which include, amongst others, increases in cost of energy, labour and raw materials, changes in consumer demand and preferences, business disruptions due to unexpected events such as accidents, power outages, fires and natural disasters and changes in general political, regulatory, economic, business and credit conditions.

As such, any occurrences of any of the above situations may adversely impact our business and financial performance.

### (ii) Competition

The timber industry in general is characterised by intense competition and competitive factors that vary by project and geographical region. The Group faces competition from local and overseas provider of timber services and timber related products, especially those that are internationally recognised. Many of these competitors are large companies with international links as well as substantial capital and marketing resources. Some of these competitors are also larger than the Group and may have access to capital at a lower cost.

As with all competitive situations, there is a risk that we may not be able to compete effectively against other timber competitors, thus affecting our business and financial performance.

### (iii) Dependence on construction industry

The demand for the Group's timber services such as custom moulding and kiln drying as well as timber related products is, to some extent, dependent on the performance of the construction industry, which in turn is dependent on various factors including, amongst others, the performance of the property market as further set out in Section 6.1.1(vii) of this Abridged Prospectus.

A decline in the performance of the construction industry may adversely affect the demand for the Group's timber services and related products. In turn, this may affect the Group's business and financial performance.

### (iv) Supply of timber

A continuous supply of timber logs is crucial for smooth running of the Group's timber business. The Group primarily sources its timber logs from local suppliers. There is no assurance that the Group will be able to secure consistent supply of timber from local suppliers in accordance with its production requirements at the relevant time. As timber is a limited natural resource, there is no assurance that local suppliers are able to extract timber logs continuously and sustainably over the long term.

In the event of a shortage in the supply of timber logs, the Group may not be able to fulfill customers' orders and therefore risk losing potential business opportunities. If it were to import timber logs as an interim measure, the Group's profit margins may erode due to the higher cost of imported timber logs which may also be affected by foreign exchange fluctuations.

There is no assurance that a prolonged or severe shortage of timber log supply will not have a material adverse impact on the Group's business and financial performance.

**(v) Impact of government policies**

Changes in government policies and regulations affecting the timber industry such as logging quota, licensing requirement and environmental law may affect the prices and availability of supply of timber logs. In addition, changes to other government policies and regulations such as labour law, taxes, import / export duties and foreign exchange control may affect the Group's business operations and erode its profit margins.

There is no assurance that any such changes in government policies and regulations will not have a material adverse effect on the Group's business and financial performance.

**(vi) No long term contract with customers**

The Group does not have long term contracts with any of its customers. Typically, the Group's sales are generated on an order-by-order basis. Although this allows for flexibility in pricing of the Group's products which is subject to variation in raw material prices, the Group is unable to plan ahead and allocate resources to meet potential orders.

In turn, the Group is unable to realise cost savings that would be achieved if it could forecast its production volume ahead. Amongst others, the Group could have potentially enjoyed discounts on bulk purchases of raw materials or enter into long term supply contract with suppliers to fix the cost of raw materials at a favourable price.

The lack of sustainable and reliable cash flows is a constant challenge faced by the Group's timber division in terms of planning and has therefore affected its business growth. The Group has been relying on securing repeated orders by customers by focusing on maintaining the quality of its products and after-sales services. There is no assurance that the Group can continue to rely on such repeated orders from customers in the future, especially in view of the intense competition in the timber industry.

**(vii) Environmental risk**

The Group's timber operations produce waste products such as wood dust and combustion gases as a result of the Group's timber product manufacturing, custom moulding and kiln drying activities. In significant amounts, these waste products may pose a risk to the environment by contributing to air pollution. In addition, these waste products may also pollute our rivers and lakes.

Although the Group has taken steps to reduce the impact of these waste products on the environment by, amongst others, recycling wood dust and other wood by-products by selling them to manufacturers of particleboards, there can be no assurance that the Group's operations will not result in major pollution to the environment in the future.

If the Group's timber operations results in major pollution to the environment, the Group may be required to incur significant cost to reduce or manage its waste products more effectively to avoid harming the environment.

## 6.2 Risks relating to the Rights Issue with Warrants

### (i) Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants may be delayed or cancelled if there is a material adverse change of events or circumstances such as rapid economic decline or a major natural disaster, which is beyond the control of the Company and the Principal Adviser.

In the event of failure in the completion of the Rights Issue with Warrants, all application monies received pursuant to the Rights Issue with Warrants will be refunded without interest to the Entitled Shareholders and or their renouncee(s) (*if applicable*) who have subscribed for the Rights Shares in accordance with Section 243 of the CMSA (*except for the costs of purchasing the provisional allotment of the Rights Shares with Warrants C and any expenses associated therewith*) and if any such monies is not repaid within 14 days after it becomes liable, the Company and its officers shall be liable to return such money with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period until the full refund is made.

In the event that the Rights Issue with Warrants is cancelled after the Rights Shares and Warrants C have been validly allotted to the Entitled Shareholders and/or their renouncee(s) (*if applicable*), a return of monies of the Entitled Shareholders and/or their renouncee(s) (*if applicable*) can only be achieved by way of cancellation of our share capital as provided under the Act. Such cancellation requires the approval of the Shareholders by way of a special resolution in a general meeting, consent of the creditors (where applicable) and may require the confirmation of the High Court of Malaya. In such an event, there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

### (ii) Capital market risk

The market price of the new securities arising from the Rights Issue with Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuation. The respective price of the Company's securities is influenced by, amongst others, the prevailing market sentiments, the volatility of the stock market, movements in interest rates and the outlook of the industry in which the Company operates in. In view of this, there can be no assurance that the Anzo Shares (together with the Rights Shares and any new Shares issued pursuant to the exercise of the Warrants) will trade at or above the TERP disclosed in Section 2.2 of this Abridged Prospectus after completion of the Rights Issue with Warrants.

The Warrants C are new instruments issued by the Company. Therefore, there can be no assurance that an active market for the Warrants C will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants C will be "in-the-money" during the Exercise Period.

Accordingly, there is no assurance that the market price of the Warrants C will be at a level that meets the specific investment objectives or targets of any subscriber of the Warrants C.

**(iii) Forward-looking statements and other information**

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on the estimates and assumptions made by the Company, unless stated otherwise, and although the Board believes these forward-looking statements to be reasonable at this point in time given the prevailing circumstances, they are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, but are not limited to, those set out in this Abridged Prospectus.

In view of this and other uncertainties, the inclusion of any forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty by the Company, the Principal Adviser and/or other advisers that the plans and objectives of the Group will be achieved.

Further, certain information in this Abridged Prospectus is extracted or derived from available government publications or other publicly available sources. Neither the Company nor the Principal Adviser and/or any other advisers have independently verified such information.

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## 7. INDUSTRY OVERVIEW AND PROSPECTS

### 7.1 Malaysian economy

The Malaysian economy grew by 4.5% in the fourth quarter of 2016 (3Q 2016: 4.3%), underpinned by continued expansion in private sector expenditure. On the supply side, growth continues to be driven by the manufacturing and services sectors. On a quarter-on-quarter seasonally adjusted basis, the economy recorded a sustained growth of 1.4% (3Q 2016: 1.4%).

Inflation, as measured by the annual change in the Consumer Price Index (CPI), increased to 1.7% in the fourth quarter of 2016 (3Q 2016: 1.3%) driven mainly by upward adjustments to domestic fuel prices during the quarter. For the year as a whole, inflation averaged 2.1% (2015: 2.1%).

The ringgit and all major and regional currencies depreciated against the US dollar during the quarter. The depreciation was driven mainly by portfolio investment outflows from emerging economies amid uncertainties arising from the outcome of the US Presidential Elections. Expectations of an interest rate increase, the actual increase in the US Federal Reserve's policy rate in December 2016, and the anticipation of a faster pace of US interest rate normalisation in 2017, exacerbated portfolio outflows and exerted further downward pressure on most major and regional currencies. The ringgit also faced additional adjustments during the quarter following speculative activity in the non-deliverable forward (NDF) market. The ringgit, along with regional currencies, however, began to stabilise towards the end of the quarter amidst higher stability in the global financial markets. The implementation of measures to develop, deepen, and address the rising imbalances in the domestic foreign exchange market, and the firmer global crude oil prices, also lent stability to the domestic foreign exchange market towards the end of the quarter.

Going forward, the global economy is expected to improve but remain on a moderate growth path. While there are indications of more sustained growth in the major economies in 2017, downside risks to global growth continue to prevail, arising from the volatility in commodity prices, policy uncertainties and growth prospects of the major developed economies, heightened risk aversions in the global financial markets as well as geopolitical developments. While the external environment may continue to remain challenging, the Malaysian economy will experience sustained growth with the primary driver being domestic demand. Private consumption is anticipated to remain supported by wage and employment growth, with additional impetus coming from announced Government measures to support disposable income of households. Investment activity will continue to be anchored by the on-going implementation of infrastructure projects and capital spending in the manufacturing and services sectors.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2016, BNM)

The Malaysian economy is expected to expand between 4% and 5% in 2017 (2016: 4% - 4.5%) with nominal gross national income (GNI) per capita increasing 5% to RM39,699 (2016: 4.8%; RM37,812). Economic growth will be underpinned by strong domestic demand, especially private sector expenditure. Private sector activity will be supported by pro-growth fiscal and accommodative monetary policies in an environment of stable inflation, which is projected to range between 2% and 3% (2016: 2% - 2.5%). Meanwhile, public sector expenditure will be driven mainly by higher capital investment by public corporations.

(Source: Economic Report 2016/2017, Ministry of Finance Malaysia)

## 7.2 Overview and outlook of the construction sector in Malaysia

The construction sector grew by 5.1% in the fourth quarter (3Q 2016: 7.9%), underpinned mainly by activity in the civil engineering subsector following progress in various projects in the petrochemical, transportation and utilities segments. Although still affected by oversupply issues in the commercial segment, growth in the non-residential sub-sector improved marginally, benefitting from the low base from the previous year. Activity in the residential sub-sector moderated, reflecting the subdued property market, while growth in the special trade sub-sector was supported by both early- and end-work activity.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2016, BNM)

Value-added of the construction sector recorded a strong growth of 8.4% during the first half of 2016 (January -June 2015: 7.6%). The acceleration of civil engineering works and sustained expansion in residential activities outweighed the tapering growth in the non-residential subsector. Overall, these three property subsectors contributed the highest share (more than 80%) of all construction activities. Total value of construction works completed during the first half of 2016 expanded 11.4% to RM62 billion with 11,881 projects (January - June 2015: 11.6%; RM56 billion; 12,158 projects). The civil engineering subsector contributed 33.2% to the total value of construction works, followed by non-residential (32.1%), residential (29.8%) and specialised construction activities (4.9%) subsectors. The private sector continued to dominate construction activity with a share of 66.3% in the first half of 2016.

The residential subsector grew 10.4% supported by steady growth in incoming supply at 13.1% to 816,174 units (January — June 2015: 13.5%; 10.3%; 721,730 units). Klang Valley, accounting for 26.2%, continued to contribute the most of the incoming supply mainly due to increasing affordable housing schemes (January — June 2015: 25.6%). However, during the period, new approvals declined significantly by 32% to 44,389 units as developers are clearing unsold properties, while buyers are more cautious amid increasing uncertainties in the global environment (January — June 2015: -2.1%; 65,231 units). Likewise, housing starts declined 16.8% to 60,378 units (January — June 2015: 15%; 72,545 units). Of which, terrace houses and condominiums/apartments accounted for 43.6% (26,324 units) and 29.9% (18,070 units), respectively, while low-end houses 11% (6,617 units). The take-up rate for residential units was lower at 25.6% in the first half of 2016 largely reflecting softer demand for high-end units (January — June 2015: 29.8%).

During the first half of 2016, a total of 102,096 residential properties valued at RM32.7 billion were transacted, accounting for 62.4% of total property transactions (January — June 2015: 119,446 transactions; RM36.5 billion; 64.1%). Residential properties transacted in Kuala Lumpur recorded a marked contraction of 20.1%, followed by Selangor (-14.1%), Pulau Pinang (-13.5%), and Johor (-10.9%). The softening of the transaction was partly due to the buyers' cautious sentiment and measures to contain the accelerating house prices. The residential overhang increased 63.1% to 13,438 units with a total value of RM7.6 billion during the first half of 2016 (January — June 2015: -24.1%; 8,238 units; RM2.7 billion) with Johor accounting for the highest overhang units at 21.1% (2015: 23.3%).

Malaysia House Price Index (MHPI) continues to moderate reflecting implementation of various measures to contain spiralling prices. The MHPI stood at 235.4 points (at base year 2000) during the second quarter of 2016, increasing 5.3%, the lowest since the fourth quarter of 2009 (Q2 2015: 223.5 points; 7.5%). All states recorded a positive growth except Kelantan (-0.2%) and Sabah (-0.6%). Johor registered the highest increase of 7%, followed by Kuala Lumpur (6.9%), Selangor (6.6%), Kedah (6.5%) and Negeri Sembilan (6.2%). The average all-house price increased to RM326,241 in the second quarter of 2016 relative to RM309,705 for the corresponding period in 2015, with detached houses recording the highest increase at 6.5%, followed by high rise units (6%) and terrace houses (5.7%).

Construction activity in the non-residential subsector grew at a moderate pace of 3% (January – June 2015: 19.8%). This was mainly due to a further decline in construction starts, particularly in the industrial (-77.1%), shopping complexes (-43.6%) and shops (-36.5%) segments (January – June 2015: -21.5%; 618.7%; 156.7%). The Purpose-Built Office (PBO) segment improved with the incoming supply rebounding 28.4% to 2 million square metres (sm), while planned supply increased sharply by 56% to 1 million sm (January – June 2015: -15.9%; 1.6 million sm; 36.6%; 0.7 million sm).

Shop segment recorded 6,513 transactions worth RM4.7 billion during the first half of 2016, constituting 56% of total commercial property transactions (January – June 2015: 10,045 transactions; RM7.9 billion). The shop overhang increased 22.6% to 5,024 units valued at RM2.5 billion during the period following a more cautious sentiment among businesses (January – June 2015: -14.8%; 4,097 units; RM1.7 billion). However, demand for commercial buildings remained favourable with the average occupancy rate of retail space at 82.2% and office (83.5%), reflecting sustained demand for commercial space in prime areas. As at end-June 2016, the existing stock of shopping complexes and industrial segment stood at 14.2 million sm and 106,453 units, respectively (end-June 2015: 13.4 million sm; 103,103 units). The Purpose-Built Office Rent Index Wilayah Persekutuan Kuala Lumpur increased 4% to 128.7 points in the second quarter of 2016 (Q2 2015: 3.5%; 123.7 points). Kuala Lumpur City Center recorded the highest rental increase of 4.2% to RM4.73 per square feet (psf), surpassing the average rate of RM4.62 psf in Wilayah Persekutuan Kuala Lumpur.

The construction sector is projected to grow 8.3% in 2017, mainly supported by the commencement of large infrastructure projects such as MRT Sungai Buloh - Serdang - Putrajaya Line, Pan Borneo Highway, Sungai Besi - Ulu Kiang Elevated Expressway and Damansara - Shah Alam Elevated Expressway. The upgrading road works from Kiang Container Terminal - North Port and the construction of infrastructure in Malaysia Vision Valley are expected to further support the sector. The residential subsector is projected to expand driven by affordable housing programmes, particularly 1 Malaysia Civil Servants Housing. Meanwhile, the non-residential subsector is expected to benefit from the mixed commercial development mainly in Kiang Valley, Johor and Pahang.

(Source: Economic Report 2016/2017, Ministry of Finance Malaysia)

### **7.3 Overview and outlook of the Malaysian timber industry**

In the first half of 2016, production of wood and wood products increased further by 7.7% (January - July 2015: 7.1%), with sales expanding 8.7% to RM8.8 billion (January - July 2015: 2.8%; RM8.1 billion). The subsector was largely supported by higher output of sawmilling and planning of wood, which recorded a significant growth of 18.7% during the period (January - July 2015: 13.9%). Meanwhile, the output of wooden and cane furniture rose 10.5% on account of increased demand from major export destinations such as the United States (US), Australia and Japan (January - July 2015: 6.5%).

(Source: Economic Report 2016/2017, Ministry of Finance Malaysia)

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## 7.4 Prospects and future plans for the Group

Although Anzo has been incurring consecutive losses since 2013, the Group expects its financial performance to improve moving forward due to the following initiatives being undertaken by the Group:-

### 7.4.1 Venturing into the construction business

The Group started venturing into the construction business in 2012 when shareholders approved the Group's proposed diversification into the construction business. The diversification was aimed at reducing the Group's reliance on its existing core business of manufacturing timber doors and timber related services, which had limited growth potential, and allowed the Group to participate in the construction and property sector that has better growth prospects. Further details on such prospects are set out in Section 7.2 of this Abridged Prospectus.

Since then, the Group has been active in looking out for opportunities to secure construction contracts, focusing on the residential and commercial market.

Apart from PDM Phase 1, the Group is also involved in the following projects:-

#### (i) PDM Phase 2

On 2 May 2017, HCCSB received a LOA from Tinta Anggun, appointing HCCSB as main contractor for PDM Phase 2 comprising a 216-room hotel complete with interior fit-out and furnishing as well as associated infrastructure for a total contract sum of RM109.3 million over a contract period of 36 months. The scope of work to be undertaken by HCCSB shall include the following:-

- (a) architecture works to basement;
- (b) main building works for hotel including civil and structure works, architecture works and M&E works;
- (c) external and ancillary works;
- (d) associated infrastructure works;
- (e) interior fit-out and furnishing works; and
- (f) installation of equipment.

The funding requirement by HCCSB for PDM Phase 2 is estimated to be approximately RM12.0 million, which is expected to be funded via a combination of the proceeds to be raised from the Rights Issue with Warrants as set out in Section 5(iii) of this Abridged Prospectus, bank borrowings and/or internally generated funds.

As at the LPD, Tinta Anggun has obtained the development and planning approvals from the relevant authorities for PDM Phase 2. The construction works for PDM Phase 2 are expected to commence in fourth quarter of 2017 and is expected to be completed within 36 months from the commencement of work i.e. by fourth quarter of 2020.



**(ii) KL Northgate Project**

On 13 April 2017, HCCSB received a LOI from KL Northgate (“**KL Northgate LOI**”) in relation to the KL Northgate Project. The maximum contract sum for this project is RM1.21 billion and is subject to the finalisation of contract documents, terms and conditions as well as final contract pricing.

As part of the conditions prescribed under the KL Northgate LOI, Anzo is required to work with MCC Oversea (M) Sdn Bhd (“**MCC**”) to jointly undertake the KL Northgate Project on a joint-venture basis. This may involve Anzo and MCC undertaking different areas of the construction for the KL Northgate Project. At this juncture, the parties are in the midst of negotiating the terms and conditions of the joint-venture agreement and have yet to finalise the scope of work that Anzo and MCC will respectively undertake in the KL Northgate Project.

The scope of work to be undertaken by HCCSB and MCC shall include the following:-

- (a) foundation of piling works;
- (b) basement and upper floor carparks inclusive of M&E services;
- (c) main buildings inclusive of M&E works, furniture, fixtures & equipment, facade and cladding as well as ancillary works; and
- (d) infrastructure work inclusive of earthworks, landscaping, facilities, flyover and ramps.

The KL Northgate LOI is not legally binding. KL Northgate expressed their intention to award the contract to HCCSB subject to finalisation of final contract pricing and agreement of terms and conditions. The contract sum of up to RM1.21 billion is an estimation given by KL Northgate based on the scope of works prescribed in the KL Northgate LOI.

All the terms and conditions will be finalised and stated in the letter of award to be issued later if so agreed by both parties. The time frame for finalisation of contract document and final contract pricing is estimated to be within three (3) months from the date of the KL Northgate LOI.

For information, Datuk Chai Woon Chet, the Managing Director of Anzo, is also an Executive Director and major shareholder of KL Northgate. In view thereof, the KL Northgate Project will be undertaken pursuant to the Shareholders’ mandate for recurrent related party transactions of a revenue or trading nature as prescribed in the Company’s circular to shareholders dated 29 July 2016, which was approved by the Shareholders during the AGM held on 20 September 2016. The KL Northgate Project is deemed a recurrent related party transaction in view of the following:-

- (a) the contract for the KL Northgate Project will be for construction works, which is in the ordinary course of the Group’s business;
- (b) HCCSB will derive revenue from the KL Northgate Project via progress billings based on the stages of work completed over the course of construction, which is expected to transcend over a few years; and

- (c) the estimated total consideration to be received by the Group from the KL Northgate Project is expected to exceed RM1 million.

The above projects are in line with the Group's business plan of diversifying into the construction sector to provide an additional source of income and improve its financial position. These projects are expected to contribute positively to the earnings of the Group in the short to medium term. Notwithstanding the foregoing, the Company will continue to seek opportunities with other property developers to tender for similar construction jobs, in order to ensure a continuous inflow of projects to occupy its order book in the longer term. By doing so, the Group aims to benefit from a sustainable income stream from its construction division and gradually build up expertise as well as track record in the construction sector.

In the future, the Group plans to venture into property development as the next stage of its business development by leveraging on the track record, expertise and connections that it will build after completing several construction projects. This will allow the Group to achieve its long-term growth strategy of gradually building up its brand equity and reputation as a reliable player in the construction and property segments in Malaysia. As for now, the Group remains committed to seeing its existing projects to its smooth and successful completion. Moving forward, the construction division is expected to be a key driver in the Group's efforts to turnaround its financial performance.

#### **7.4.2. Re-strategizing Anzo's timber division**

Initially, the Group's timber division is primarily involved in the manufacturing of timber doors and timber related services such as custom moulding and kiln drying.

However, the profit margins from the sale of timber doors had been challenging in recent times, partly due to escalating production costs and competitive selling prices. In order to address this issue, the Group has discontinued the manufacturing of timber doors and concentrate on timber related services such as custom moulding and kiln drying which provide better profit margins. Custom moulding entails the moulding of raw timber into intermediate or finished goods in accordance with the customers' requirements and specifications, whereas kiln drying entails the drying of raw timber in a temperature-controlled kiln chamber to reduce its moisture to a suitable level for onward woodworking or manufacturing purposes.

Unlike the manufacturing of timber doors, custom moulding and kiln drying activities provide better profit margins because they have shorter turnaround time and do not require working capital tied up in timber stocks. Moreover, the timber door manufacturing process typically experiences significant rejection rates due to the uneven quality of raw timber, thus leading to high manufacturing cost. This, coupled with the lack of price bargaining power in the timber door market due to stiff competition, makes custom moulding and kiln drying activities relatively more profitable.

Despite the Group's recent diversification into the construction business, the Group intends to retain its existing timber operations as it believes that timber is a strategic natural resource and a key commodity, whereby demand for timber related services is expected to be resilient moving forward. In the medium term, the Group will focus on timber related services and improve its efforts to market such services to its local clients.

## 8. EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

### 8.1 Share capital

The pro forma effects of the Rights Issue with Warrants on the share capital of the Company are as follows:-

|   | Minimum Scenario   |   | Base Case Scenario |  | Maximum Scenario     |  |
|---|--------------------|---|--------------------|--|----------------------|--|
|   | No. of Shares      | (1) Share capital RM                    | No. of Shares      | (1) Share capital RM                     | No. of Shares        | (1) Share capital RM                     |
| Share capital <sup>(1)</sup> as at the LPD                | 305,536,623        | 31,066,552                              | 305,536,623        | 31,066,552                               | 305,536,623          | 31,066,552                               |
| After the granting and/or exercise of all the SIS Options | -                  | -                                       | -                  | -  | 19,632,700           | <sup>(2)</sup> 4,125,927                 |
| After the exercise of all the outstanding Warrants A      | -                  | -                                       | -                  | -  | 78,643,798           | <sup>(3)</sup> 19,660,950                |
| After the exercise of all the outstanding Warrants B      | -                  | -                                       | -                  | -  | 32,991,025           | <sup>(4)</sup> <sup>(8)</sup> 10,802,856 |
| To be issued pursuant to the Rights Issue with Warrants   | 305,536,623        | 31,066,552                              | 305,536,623        | 31,066,552                               | 436,804,146          | 65,656,285                               |
|   | 45,000,000         | <sup>(6)</sup> 9,000,000                | 458,304,934        | <sup>(6)</sup> <sup>(7)</sup> 63,119,169 | 655,206,219          | <sup>(6)</sup> <sup>(7)</sup> 87,308,492 |
|   | 350,536,623        | 40,066,552                              | 763,841,557        | 94,185,721                               | 1,092,010,365        | 152,964,777                              |
| To be issued assuming full exercise of the Warrants C     | 22,500,000         | <sup>(6)</sup> <sup>(8)</sup> 7,971,750 | 229,152,467        | <sup>(6)</sup> <sup>(8)</sup> 81,188,719 | 327,603,109          | <sup>(6)</sup> <sup>(8)</sup> 16,069,782 |
| <b>Enlarged share capital</b>                             | <b>373,036,623</b> | <b>48,038,302</b>                       | <b>992,994,024</b> | <b>175,374,440</b>                       | <b>1,419,613,474</b> | <b>269,034,559</b>                       |

#### Notes:-

(1) Excluding any credit in the share premium and other capital reserves.

(2) Based on the:-

- (i) exercise price of RM0.205 for the 18,217,000 SIS Options granted on 10 June 2016 which have yet to be exercised;
- (ii) exercise price of RM0.26 for the 283,100 SIS Options granted on 21 March 2016 which have yet to be exercised;
- (iii) exercise price of RM0.25 for the 219,800 SIS Options granted on 5 October 2015 which have yet to be exercised; and
- (iv) illustrative exercise price of RM0.288 (based on the last transacted market price of Anzo Shares as at the LPD of RM0.32 less 10% discount) for the remaining 912,800 SIS Options which have yet to be granted and exercised.

(3) Based on the exercise price of RM0.25 per Warrant A.

(4) Based on the exercise price of RM0.25 per Warrant B.

(5) Based on the issue price of RM0.20 per Rights Share.

(6) Based on the exercise price of RM0.20 per Warrant C.

(7) After accounting for the creation of warrant reserve. Please refer to Section 8.2 or Appendix III of this Abridged Prospectus for further details.

(8) After accounting for the reversal of warrant reserve. Please refer to Section 8.2 or Appendix III of this Abridged Prospectus for further details.

## 8.2 NA and gearing

The pro forma effects of the Rights Issue with Warrants on the NA and gearing of the Group are as follows:-

**Minimum Scenario**

|  | Audited as at<br>31 March 2016<br>RM'000 | (I)<br>After subsequent<br>events <sup>(1)</sup><br>RM'000 | (II)<br>After (I) and the<br>Rights Issue with<br>Warrants <sup>(2)(3)</sup><br>RM'000 | (III)<br>After (I), (II) and<br>upon full exercise of<br>the Warrants C <sup>(4)</sup><br>RM'000 |
|--|--|--|--|--|
| Share capital                            | 74,004                                   | 31,067   | 40,067   | 48,038   |
| Warrant reserve                          | 5,226                                    | 5,196  | 8,668  | 5,196  |
| Capital reserve                          | -  | 6,816  | 3,345  | 3,345  |
| SIS reserve                              | 2,772                                    | 2,249  | 2,249  | 2,249  |
| Discount on equity <sup>(5)</sup>        | (2,670)                                  | (2,641)  | (2,641)  | (2,641)  |
| Share premium <sup>(6)</sup>             | -  | 582  | -  | -  |
| Retained earnings / (accumulated losses) | (35,751)                                 | 2,379  | 2,231  | 2,231  |
| <b>Shareholders' equity / NA</b>         | <b>43,581</b>                            | <b>45,648</b>  | <b>53,919</b>  | <b>58,418</b>  |
| No. of Anzo Shares in issue ('000)       | 296,014                                  | 305,537  | 350,537  | 373,037  |
| NA per Anzo Share (RM)                   | 0.15                                     | 0.15   | 0.15   | 0.16   |
| Total borrowings (RM'000)                | 1,642                                    | 1,642  | 1,642  | 1,642  |
| Gearing (times)                          | 0.04                                     | 0.04   | 0.03   | 0.03   |

**Notes:-**

- (1) After accounting for the following:-
- (i) par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company, which was completed on 6 May 2016 (for information, pursuant to the implementation of the Act on 31 January 2017, all shares shall have no par or nominal value);
  - (ii) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
  - (iii) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
  - (iv) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
  - (v) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.
- (2) Based on the Minimum Subscription Level of 45,000,000 Rights Shares together with 22,500,000 Warrants C at the issue price of RM0.20 per Rights Share.
- (3) After accounting for the creation of warrant reserve based on the issuance of 22,500,000 Warrants C at an allocated fair value of RM0.1543 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Corporate Exercises of approximately RM0.7 million.

- (4) Based on the exercise price of RM0.20 per Warrant C and after accounting for the reversal of warrant reserve.
- (5) The discount on equity was recognised as a result of the creation of warrant reserve based on the theoretical fair value of the Warrants B, which were issued pursuant to a rights issue exercise undertaken by Anzo in 2013. The discount on equity will be reversed upon exercise of the Warrants B.
- (6) Upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account shall become part of the company's share capital. Notwithstanding the foregoing, a company may within 24 months upon the commencement of Section 74 of the Act on 31 January 2017, use the amount standing to the credit of its share premium account for purposes prescribed in Section 618(3) of the Act.

**Base Case Scenario**

|  | Audited as at<br>31 March 2016<br>RM'000 | (I)<br>After subsequent<br>events <sup>(1)</sup><br>RM'000 | (III)<br>After (I), (II) and the<br>Rights Issue with<br>Warrants <sup>(2)(3)</sup><br>RM'000 | (IV)<br>After (I), (II), (III) and<br>upon full exercise<br>of the Warrants C <sup>(4)</sup><br>RM'000 |
|--|--|--|---|--|
| Share capital                            | 74,004                                   | 31,067   | 94,186  | 175,374  |
| Warrant reserve                          | 5,226                                    | 5,196  | 40,554  | 5,196  |
| Capital reserve                          | -  | 6,816  | -   | -  |
| SIS reserve                              | 2,772                                    | 2,249  | 2,249   | 2,249  |
| Discount on equity <sup>(5)</sup>        | (2,670)                                  | (2,641)  | (2,641)   | (2,641)  |
| Share premium <sup>(6)</sup>             | -  | 582  | -   | -  |
| Retained earnings / (accumulated losses) | (35,751)                                 | 2,379  | 2,231   | 2,231  |
| <b>Shareholders' equity / NA</b>         | <b>43,581</b>                            | <b>45,648</b>  | <b>136,579</b>  | <b>182,409</b>   |
| No. of Anzo Shares in issue ('000)       | 296,014                                  | 305,537  | 763,842   | 992,994  |
| NA per Anzo Share (RM)                   | 0.15                                     | 0.15   | 0.18  | 0.18   |
| Total borrowings (RM'000)                | 1,642                                    | 1,642  | 1,642   | 1,642  |
| Gearing (times)                          | 0.04                                     | 0.04   | 0.01  | 0.01   |

**Notes:-**

- (1) After accounting for the:-
- (i) par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company, which was completed on 6 May 2016 (for information, pursuant to the implementation of the Act on 31 January 2017, all shares shall have no par or nominal value);
- (ii) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
- (iii) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
- (iv) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and

- (v) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD. Assuming all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements at the issue price of RM0.20 per Rights Share.
- (2) After accounting for the creation of warrant reserve based on the issuance of 229,152,467 Warrants C at an allocated fair value of RM0.1543 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Corporate Exercises of approximately RM0.7 million.
- (4) Based on the exercise price of RM0.20 per Warrant C and after accounting for the reversal of warrant reserve.
- (5) The discount on equity was recognised as a result of the creation of warrant reserve based on the theoretical fair value of the Warrants B, which were issued pursuant to a rights issue exercise undertaken by Anzo in 2013. The discount on equity will be reversed upon exercise of the Warrants B.
- (6) Upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account shall become part of the company's share capital. Notwithstanding the foregoing, a company may within 24 months upon the commencement of Section 74 of the Act on 31 January 2017, use the amount standing to the credit of its share premium account for purposes prescribed in Section 618(3) of the Act.

**Maximum Scenario**

|  | Audited as at<br>31 March 2016<br>RM'000 | (I)<br>After<br>subsequent<br>events <sup>(1)</sup><br>RM'000 | (II)<br>Assuming full<br>granting and/or<br>exercise of the<br>Convertible<br>Securities <sup>(2)</sup><br>RM'000 | (III)<br>After (I), (II) and<br>the Rights<br>Issue with<br>Warrants <sup>(3),(4)</sup><br>RM'000 | (IV)<br>After (I), (II), (III)<br>and upon full<br>exercise of the<br>Warrants C <sup>(5)</sup><br>RM'000 |
|--|--|---|---|---|---|
| Share capital                            | 74,004                                   | 31,067  | 65,656  | 152,965   | 269,035   |
| Warrant reserve                          | 5,226                                    | 5,196   | -   | 50,549  | -   |
| Capital reserve                          | -  | 6,816   | 6,816   | -   | -   |
| SIS reserve                              | 2,772                                    | 2,249   | -   | -   | -   |
| Discount on equity <sup>(6)</sup>        | (2,670)                                  | (2,641)   | -   | -   | -   |
| Share premium <sup>(7)</sup>             | -  | 582   | 582   | -   | -   |
| Retained earnings / (accumulated losses) | (35,751)                                 | 2,379   | 4,629   | 4,480   | 4,480   |
| <b>Shareholders' equity / NA</b>         | <b>43,581</b>                            | <b>45,648</b>   | <b>77,683</b>   | <b>207,994</b>  | <b>273,515</b>  |
| No. of Anzo Shares in issue ('000)       | 296,014                                  | 305,537   | 436,804   | 1,092,010   | 1,419,130   |
| NA per Anzo Share (RM)                   | 0.15                                     | 0.15  | 0.18  | 0.19  | 0.19  |
| Total borrowings (RM'000)                | 1,642                                    | 1,642   | 1,642   | 1,642   | 1,642   |
| Gearing (times)                          | 0.04                                     | 0.04  | 0.02  | 0.01  | 0.01  |

Notes:-

- (1) After accounting for the:-  
 (i) par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company, which was completed on 6 May 2016 (for information, pursuant to the implementation of the Act on 31 January 2017, all shares shall have no par or nominal value);  
 (ii) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;  
 (iii) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;  
 (iv) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and  
 (v) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.
- (2) Assuming all the:-  
 (i) 19,632,700 SIS Options are granted and/or exercised at the exercise prices as stated in Note 2 of Section 8.1 of this Abridged Prospectus; and  
 (iii) 78,643,798 outstanding Warrants A are exercised at the exercise price of RM0.25 per Warrant A; and  
 (iv) 32,991,025 outstanding Warrants B are exercised at the exercise price of RM0.25 per Warrant B.
- (3) Assuming all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements at the issue price of RM0.20 per Rights Share.
- (4) After accounting for the creation of warrant reserve based on the issuance of 327,603,109 Warrants C at an allocated fair value of RM0.1543 per Warrant C (computed based on the Trinomial option pricing model with data sourced from Bloomberg) and estimated expenses incidental to the Corporate Exercises of approximately RM0.7 million.
- (5) Based on the exercise price of RM0.20 per Warrant C and after accounting for the reversal of warrant reserve.
- (6) The discount on equity was recognised as a result of the creation of warrant reserve based on the theoretical fair value of the Warrants B, which were issued pursuant to a rights issue exercise undertaken by Anzo in 2013. The discount on equity will be reversed upon exercise of the Warrants B.
- (7) Upon the commencement of Section 74 of the Act, any amount standing to the credit of a company's share premium account shall become part of the company's share capital. Notwithstanding the foregoing, a company may within 24 months upon the commencement of Section 74 of the Act on 31 January 2017, use the amount standing to the credit of its share premium account for purposes prescribed in Section 618(3) of the Act.

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### 8.3 Substantial shareholders' shareholdings

The pro-forma effects of the Rights Issue with Warrants on the substantial shareholders' shareholdings based on the register of substantial shareholders of the Company as at the LPD are as follows:-

#### Minimum Scenario

| Substantial shareholders              | As at the LPD |                  |                           | (I) After the Rights Issue with Warrants |                           |                  |
|---------------------------------------|---------------|------------------|---------------------------|--|---------------------------|------------------|
|                                       | Direct        |                  | Indirect                  | Direct                                   |                           | Indirect         |
|                                       | No. of Shares | % <sup>(1)</sup> | No. of Shares             | % <sup>(1)</sup>                         | No. of Shares             | % <sup>(2)</sup> |
| Zenith City Investments Limited       | 58,500,000    | 19.15            | -                         | -  | 88,500,000                | 25.25            |
| Datuk Chai Woon Chet                  | 8,350,000     | 2.73             | <sup>(4)</sup> 59,100,000 | 19.34                                    | 8,350,000                 | 2.38             |
| Syawaras Sdn Bhd                      | 1,000,000     | 0.33             | -                         | -  | 16,000,000                | 4.56             |
| Dato' Seri Abdul Azim bin Mohd Zabidi | -             | -                | <sup>(5)</sup> 1,000,000  | 0.33                                     | -                         | -                |
| WBW Global Sdn Bhd                    | 18,857,500    | 6.17             | -                         | -  | 18,857,500                | 5.38             |
| Yeow Kian Huat                        | -             | -                | <sup>(6)</sup> 18,857,500 | 6.17                                     | -                         | -                |
|                                       |               |                  |                           |  | <sup>(6)</sup> 18,857,500 | 5.38             |

| Substantial shareholders              | (II) After (I) and assuming full exercise of the Warrants C |                  |                            |
|---------------------------------------|---|------------------|----------------------------|
|                                       | Direct  |                  | Indirect                   |
|                                       | No. of Shares   | % <sup>(3)</sup> | No. of Shares              |
| Zenith City Investments Limited       | 103,500,000   | 27.75            | -                          |
| Datuk Chai Woon Chet                  | 8,350,000   | 2.24             | <sup>(4)</sup> 104,100,000 |
| Syawaras Sdn Bhd                      | 23,500,000  | 6.30             | -                          |
| Dato' Seri Abdul Azim bin Mohd Zabidi | -   | -                | <sup>(5)</sup> 23,500,000  |
| WBW Global Sdn Bhd                    | 18,857,500  | 5.06             | -                          |
| Yeow Kian Huat                        | -   | -                | <sup>(6)</sup> 18,857,500  |
|                                       |   |                  | 6.30                       |
|                                       |   |                  | 5.06                       |
|                                       |   |                  | 5.06                       |



**Notes:-**

- (1) Based on the share capital of 305,536,623 Anzo Shares as at the LPD.
- (2) Based on the enlarged share capital of 350,536,623 Anzo Shares, under the Minimum Scenario.
- (3) Based on the enlarged share capital of 373,036,623 Anzo Shares, under the Minimum Scenario.
- (4) Deemed interested by virtue of his interest in Zenith City Investments Limited and Ocean Milestone Sdn Bhd.
- (5) Deemed interested by virtue of his interest in Syawaras Sdn Bhd.
- (6) Deemed interested by virtue of his interest in WBW Global Sdn Bhd.

**Maximum Scenario**

|                                       | As at the LPD |                  |                           |                  | (I)<br>Assuming full granting and/or exercise of<br>the Convertible Securities |                  |                           |                  |
|---------------------------------------|---------------|------------------|---------------------------|------------------|--|------------------|---------------------------|------------------|
|                                       | Direct        |                  | Indirect                  |                  | Direct   |                  | Indirect                  |                  |
|                                       | No. of Shares | % <sup>(1)</sup> | No. of Shares             | % <sup>(1)</sup> | No. of Shares  | % <sup>(2)</sup> | No. of Shares             | % <sup>(2)</sup> |
| <b>Substantial shareholders</b>       |               |                  |                           |                  |  |                  |                           |                  |
| Zenith City Investments Limited       | 58,500,000    | 19.15            | -                         | -                | 58,500,000   | 13.39            | -                         | -                |
| Datuk Chai Woon Chet                  | 8,350,000     | 2.73             | <sup>(5)</sup> 59,100,000 | 19.34            | 8,350,000  | 1.91             | <sup>(5)</sup> 59,100,000 | 13.53            |
| Syawaras Sdn Bhd                      | 1,000,000     | 0.33             | -                         | -                | 1,000,000  | 0.23             | -                         | -                |
| Dato' Seri Abdul Azim bin Mohd Zabidi | -             | -                | <sup>(6)</sup> 1,000,000  | 0.33             | -  | -                | <sup>(6)</sup> 1,000,000  | 0.23             |
| WBW Global Sdn Bhd                    | 18,857,500    | 6.17             | -                         | -                | 18,857,500   | 4.32             | -                         | -                |
| Yeow Kian Huat                        | -             | -                | <sup>(7)</sup> 18,857,500 | 6.17             | -  | -                | <sup>(7)</sup> 18,857,500 | 4.32             |

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| Substantial shareholders              | (II)<br>After (I) and the Rights Issue with Warrants |                  |                |                  | (III)<br>After (I), (II) and assuming full exercise of the Warrants C |                  |                |                  |
|---------------------------------------|--|------------------|----------------|------------------|---|------------------|----------------|------------------|
|                                       | Direct   |                  | Indirect       |                  | Direct  |                  | Indirect       |                  |
|                                       | No. of Shares  | % <sup>(3)</sup> | No. of Shares  | % <sup>(3)</sup> | No. of Shares   | % <sup>(4)</sup> | No. of Shares  | % <sup>(4)</sup> |
| Zenith City Investments Limited       | 146,250,000  | 13.39            | -              | -                | 190,125,000   | 13.39            | -              | -                |
| Datuk Chai Woon Chet                  | 20,875,000   | 1.91             | (6)147,750,000 | 13.53            | 27,137,500  | 1.91             | (6)192,075,000 | 13.53            |
| Sywaras Sdn Bhd                       | 2,500,000  | 0.23             | -              | -                | 3,250,000   | 0.23             | -              | -                |
| Dato' Seri Abdul Azim bin Mohd Zabidi | -  | -                | (6)2,500,000   | 0.23             | -   | -                | (6)3,250,000   | 0.23             |
| WBW Global Sdn Bhd                    | 47,143,750   | 4.32             | -              | -                | 61,286,875  | 4.32             | -              | -                |
| Yeow Kian Huat                        | -  | -                | (7)47,143,750  | 4.32             | -   | -                | (7)61,286,875  | 4.32             |

**Notes:-**

- (1) Based on the share capital of 305,536,623 Anzo Shares as at the LPD.
- (2) Based on the enlarged share capital of 436,804,146 Anzo Shares, assuming all the 19,632,700 SIS Options, 78,643,798 Warrants A and 32,991,025 Warrants B are fully granted and/or exercised.
- (3) Based on the enlarged share capital of 1,092,010,365 Anzo Shares, under the Maximum Scenario.
- (4) Based on the enlarged share capital of 1,419,613,474 Anzo Shares, under the Maximum Scenario.
- (5) Deemed interested by virtue of his interest in Zenith City Investments Limited and Ocean Milestone Sdn Bhd.
- (6) Deemed interested by virtue of his interest in Sywaras Sdn Bhd.
- (7) Deemed interested by virtue of his interest in WBW Global Sdn Bhd.

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#### 8.4 Earnings and EPS

For the 15-month FPE 31 March 2015 and FYE 31 March 2016, the Group registered LAT attributable to owners of the Company of RM9.22 million and RM10.85 million respectively. The effects of the Rights Issue with Warrants on the consolidated earnings and EPS of Anzo for the FYE 31 March 2018 will depend on, amongst others, the number of Rights Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Rights Issue with Warrants.

In general, the consolidated EPS (or LPS) of Anzo will be diluted as a result of the increase in the number of Anzo Shares in issue following the issuance of the Rights Shares and the new Anzo Shares arising from the exercise of the Warrants C.

Assuming the Rights Issue with Warrants had been completed on 1 April 2015 (being the beginning of the latest audited FYE 31 March 2016) and the Rights Shares (and the new Anzo Shares arising from the full exercise of Warrants C, in the case of Proforma II below) were issued on the same date, the pro forma effects of the Rights Issue with Warrants on the consolidated losses and LPS of Anzo, after taking into consideration subsequent events, would be as follows:-

|   | Audited<br>FYE 31<br>March 2016 | After<br>subsequent<br>events <sup>(1)</sup> | Pro forma I <sup>(2)</sup>           |                     | Pro forma II <sup>(2)</sup>   |                     |
|---|---------------------------------|--|--------------------------------------|---------------------|---|---------------------|
|   |                                 |  | After the Rights Issue with Warrants |                     | After the Rights Issue with Warrants<br>and full exercise of Warrants C |                     |
|   |                                 |  | Minimum<br>Scenario                  | Maximum<br>Scenario | Minimum<br>Scenario   | Maximum<br>Scenario |
| (LAT) attributable to owners<br>of the Company (RM'000) | (10,851)                        | (10,851)                                     | (10,851)                             | (10,851)            | (10,851)  | (10,851)            |
| No. of Anzo Shares ('000)                               | 281,540                         | 291,063                                      | 749,368                              | 946,269             | 358,563   | 1,273,872           |
| (LPS) (sen)   | (3.85)                          | (3.73)                                       | (1.45)                               | (1.15)              | (3.03)  | (0.85)              |

#### Notes:-

(1) After accounting for the:-

- (i) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
  - (ii) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD; and
  - (iii) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD.
- (2) Assuming the Rights Issue with Warrants had been completed on 1 April 2015 (being the beginning of the latest audited FYE 31 March 2016) and the Rights Shares (and the new Anzo Shares arising from the full exercise of Warrants C, in the case of Proforma II) were issued on the same date.

**8.5 Convertible securities**

As at the LPD, save for the SIS Options, Warrants A and Warrants B, Anzo does not have any other outstanding convertible securities.

The Rights Issue with Warrants will not give rise to any adjustment to the number and exercise price of the Warrants A and Warrants B pursuant to the provisions of the Deed Poll A and Deed Poll B respectively.

**9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS****9.1 Working capital**

The Board is of the opinion that, after taking into consideration the Group's financial position, the funds generated from the Group's operations and the banking facilities available to the Group, the Group will have sufficient working capital available for a period of twelve (12) months from the date of this Abridged Prospectus.

**9.2 Borrowings**

As at the LPD, the Group's total outstanding borrowings (all of which are interest bearing) and denominated in RM are set out as follows:-

| <b>Borrowings</b>     | <b>Total<br/>RM'000</b> |
|-----------------------|-------------------------|
| Short term borrowings | 583                     |
| Long term borrowings  | 1,378                   |
| <b>Total</b>          | <b>1,961</b>            |

There has not been any default on payments of either interest and/or principal sums on any of the above borrowings throughout the past one (1) financial year and subsequent financial period up to the LPD.

**9.3 Contingent liabilities**

As at the LPD, there are no contingent liabilities which upon becoming due or enforceable may have a material impact on the profits or NA value of the Group.

**9.4 Material commitments**

As at the LPD, there are no material commitments incurred that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

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## 10. INSTRUCTIONS FOR ACCEPTANCE AND PAYMENT

Full instructions for the acceptance of and payment for the Provisional Allotments as well as Excess Rights Shares with Warrants C Applications and the procedures to be followed should you and/or your transferee(s) and/or your renounee(s) (if applicable) wish to sell or transfer all or any part of your/his rights entitlement are set out in this Abridged Prospectus and the RSF. You and/or your transferee(s) and/or your renounee(s) (if applicable) are advised to read this Abridged Prospectus, the RSF and the notes and instructions printed therein carefully. In accordance with Section 232(2) of the CMSA, the RSF must not be circulated unless accompanied by this Abridged Prospectus.

Acceptance of and/or payment for the Provisional Allotments which do not conform strictly to the terms of this Abridged Prospectus, the RSF or the notes and instructions printed therein or which are illegible may be rejected at the absolute discretion of the Board.

### 10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotments into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants C that you have been provisionally allotted as well as to apply for Excess Rights Shares with Warrants C if you choose to do so. This Abridged Prospectus and the RSF are also available at the Registered Office, the Share Registrar or on Bursa Securities' website (<http://www.bursamalaysia.com>).

### 10.2 NPA

The Provisional Allotments are prescribed securities under Section 14(5) of the SICDA and therefore, all dealings in the NPA will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your transferee(s) and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making the applications.

### 10.3 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF issued together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of the Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.**

If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to the Share Registrar, ShareWorks Sdn Bhd, at the following address:

ShareWorks Sdn Bhd  
No. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Tel : +603 - 6201 1120  
Fax : +603 - 6201 3121

so as to arrive not later than 5.00 p.m. on **Friday, 9 June 2017**, being the last date and time for the acceptance and payment for the Rights Shares with Warrants C.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from the Registered Office, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

One (1) RSF must be used for acceptance of the Provisional Allotments standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than one (1) CDS Account. The Rights Shares with Warrants C accepted by you will be credited into the CDS Account(s) where the Provisional Allotments are standing to the credit.

Successful applicants to the Rights Shares with Warrants C will be given the Warrants C on the basis of one (1) Warrants C for every two (2) Rights Shares successfully subscribed for. The minimum number of Rights Shares with Warrants C that can be accepted is two (2) Rights Shares with one (1) Warrant C. However, you should take note that a trading board lot comprises 100 Shares. Fractions of a Rights Share and/or Warrant C arising from the Rights Issue with Warrants will be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interest of the Company.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by the Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of a banker's draft or cashier's Order or money order or postal order drawn on a bank or post office in Malaysia and which must be made payable to "**ANZO RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by the Share Registrar by 5.00 p.m. on **Friday, 9 June 2017**. The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.**

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**PROOF OF POSTAGE SHALL NOT CONSTITUTE PROOF OF RECEIPT BY OUR SHARE REGISTRAR OR THE COMPANY.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY ACCEPTED APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.**

**ALL RIGHTS SHARES AND WARRANTS C TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND THE WARRANTS C INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR TRANSFEREE(S) AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.**

If acceptance of and payment for the Provisional Allotments allotted to you (whether in full or in part, as the case may be) are not received by our Share Registrar by 5.00 p.m. on **Friday, 9 June 2017**, the provisional entitlement to you or remainder thereof (as the case may be) will be deemed to have been declined and will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

The Board will then have the right to allot any Rights Shares with Warrants C not validly taken up to applicants applying for the Excess Rights Shares with Warrants C in the manner as set out in Section 10.6 of this Abridged Prospectus.

#### **10.4 Procedures for part acceptance**

If you do not wish to accept the Rights Shares with Warrants C provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed / applied for. The minimum number of Rights Shares with Warrants C that may be accepted is two (2) Rights Shares with one (1) Warrant C. Fractions of a Rights Share and Warrant C arising from the Rights Issue with Warrants will be disregarded and the aggregate of such fractions shall be dealt with as the Board may at its absolute discretion deem fit and expedient and in the best interests of the Company. Applicants should take note that a trading board lot comprises 100 Shares and 100 warrants respectively.

You must complete both Part I(A) of the RSF by specifying the number of Rights Shares with Warrants C which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to the Share Registrar in the same manner as set out in Section 10.3 of this Abridged Prospectus.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **10.5 Procedures for sale or transfer of Provisional Allotments**

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to one (1) or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market during the period up to the last date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository during period up to the last date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. YOU ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING OR TRANSFERRING.**

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of the RSF and delivering the RSF together with the full amount payable on the balance of the Rights Shares with Warrants C applied for to the Share Registrar. Please refer to Section 10.3 of this Abridged Prospectus for the procedures for acceptance and payment.

**YOU SHOULD NOTE THAT ANY RSF AND REMITTANCE LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.**

#### **10.6 Procedures for the Excess Rights Shares with Warrants C Application**

If you wish to apply for additional Rights Shares with Warrants C in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants C applied for, to our Share Registrar so as to arrive not later than 5.00 p.m. on **Friday, 9 June 2017**, being the last time and date for Excess Rights Shares with Warrants C Applications and payment.



Payment for the Excess Rights Shares with Warrants C Application(s) be made in the same manner as set out in Section 10.3 of this Abridged Prospectus except that the banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia must be made payable to "ANZO EXCESS RIGHTS ISSUE ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name in block letters and your CDS Account number, and must be received by our Share Registrar by 5.00 p.m. on **Friday, 9 June 2017**. The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants C Application(s). Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

It is the intention of the Board to allot the Excess Rights Shares with Warrants C, if any, in a fair and equitable manner in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants C, taking into consideration their respective shareholdings in the Company as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to the Entitled Shareholders who have applied for Excess Rights Shares with Warrants C, taking into consideration the quantum of their respective excess application; and
- (iv) finally, on a pro-rata basis and in board lots, to the renounee(s) who have applied for Excess Rights Shares with Warrants C, taking into consideration the quantum of their respective excess application.

Notwithstanding the foregoing, the Board reserves the right to allot any Excess Rights Shares with Warrants C applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interests of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in Section 10.6 (i), (ii), (iii) and (iv) above is achieved. The Board also reserves the right to allot any Excess Rights Shares with Warrants C Application, in full or in part, without assigning any reason thereof.

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.**

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SHARES WITH WARRANTS C APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU AND/OR YOUR TRANSFEREE(S) AND/OR YOUR RENOUNCEE(S) BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**EXCESS RIGHTS SHARES WITH WARRANTS C APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS C APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE.**

**10.7 Procedures to be followed by transferee(s) and/or renouncee(s)**

As a transferee and/or renouncee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for the Excess Rights Shares with Warrants C and/or payment is the same as that which is applicable to Entitled Shareholders as described in Sections 10.3 to 10.6 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or accompanying RSF, you can request the same from the registered office of Anzo, the Share Registrar or Bursa Securities' website (<http://www.bursamalaysia.com>).

**TRANSFEREE(S) AND/OR RENOUNCEE(S) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

**10.8 CDS Account**

Bursa Securities has already prescribed the Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue with Warrants are prescribed securities and, as such, all dealings with such securities will be by book entries through CDS Accounts and shall be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants C. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants C shall signify your consent to receiving such Rights Shares with Warrants C as deposited securities that will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants C allotted shall be credited directly into the CDS Accounts of successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants C that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

**10.9 Foreign-Addressed Shareholders**

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction other than Malaysia, and have not been (and will not be) lodged, registered or approved under any applicable securities or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country or jurisdiction other than Malaysia.

The distribution of this Abridged Prospectus, the NPA and the RSF, as well as the acceptance of the Provisional Allotments and the subscription for or the acquisition of the Rights Shares with Warrants C may be restricted or prohibited (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain countries or jurisdiction under the relevant laws of those countries or jurisdictions.

This Abridged Prospectus, the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue with Warrants will not be made or offered or deemed made or offered for acquisition or subscription of any Rights Shares, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue with Warrants to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF electronically or otherwise within Malaysia.

As a result, this Abridged Prospectus, the NPA and the RSF have not been (and will not be) sent to our Foreign-Addressed Shareholders. However, Foreign-Addressed Shareholders may collect this Abridged Prospectus, the NPA and the RSF from the Share Registrar, ShareWorks Sdn Bhd, No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, who will be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting this Abridged Prospectus, the NPA and the RSF.

If you are a Foreign-Addressed Shareholder, the Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia or an address for service in Malaysia if not otherwise stated on our Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue with Warrants and the acceptance thereof by you would be in compliance with the terms and conditions of the Rights Issue with Warrants and would not be in breach of the laws of any jurisdiction. The Company will further assume that you had accepted the Rights Issue with Warrants in Malaysia and will at all applicable times be subject to the laws of Malaysia.

A Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) may only accept or renounce all or any part of his/their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so, and the Company, the Board and officers, Mercury Securities and/or the advisers named herein ("**Parties**") would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or might be subject to.

The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) shall be solely responsible to seek advice from his/their legal and/or professional advisers as to whether the acceptance or renunciation in any manner whatsoever of his entitlement under the Rights Issue with Warrants would result in the contravention of the laws of the countries or jurisdictions to which he/they is/are or might be subject to. The Parties shall not accept any responsibility or liability in the event any acceptance or renunciation made by any Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction. The Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) (if applicable) will also have no claims whatsoever against the Parties in respect of his/their entitlements or to any net proceeds thereof.

The Company reserves the right, in our absolute discretion, to treat any acceptances as invalid, if we believe that such acceptance may violate applicable legal or regulatory requirements. The Provisional Allotments relating to any acceptance which is treated as invalid will be included in the pool of Rights Shares with Warrants C available for excess application by other Entitled Shareholders and/or their transferee(s) and/or their renounee(s).

Each person, by accepting the delivery of this Abridged Prospectus, the NPA and the RSF, accepting any Provisional Allotments by signing any of the forms accompanying this Abridged Prospectus or subscribing for or acquiring the Rights Shares with Warrants C, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:-

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Entitled Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to;
- (ii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has complied with the laws to which the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is or might be subject to in connection with the acceptance or renunciation;
- (iii) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is not a nominee or agent of a person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) is/are aware that the Rights Shares with Warrants C can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any other way in accordance with all applicable laws in Malaysia;
- (v) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/have obtained a copy of this Abridged Prospectus and has/have read and understood the contents of this Abridged Prospectus, has/have had access to such financial and other information and has/have been provided the opportunity to ask such questions to the representatives of the Parties and receive answers thereto as the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) deem(s) necessary in connection with the Foreign-Addressed Shareholder and/or his transferee and/or his renounee's decision to subscribe for or purchase the Rights Shares and Warrants C; and
- (vi) the Foreign-Addressed Shareholder and/or his transferee(s) and/or his renounee(s) has/have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Warrants C, and is/are and will be able, and is/are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and Warrants C.

**NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN-ADDRESSED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES AND WARRANTS C UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS ON SUCH TERRITORY.**

**11. TERMS AND CONDITIONS**

The issuance of the Rights Shares with Warrants C pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll C, the NPA and RSF.

**12. FURTHER INFORMATION**

You are requested to refer to the enclosed Appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**ANZO HOLDINGS BERHAD**



**DATUK CHAI WOON CHET**  
Managing Director

**APPENDIX I - INFORMATION ON THE COMPANY****1. HISTORY AND PRINCIPAL ACTIVITIES**

Anzo was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 31 December 1977 under the name of Beh Timber Company Sdn Berhad. On 27 March 1992, the Company changed its name to Harvest Court Industries (M) Sdn Bhd. On 13 January 1994, the Company changed its name to Harvest Court Industries Sdn Berhad. On 8 February 1994, the Company was converted into a public limited company and assumed the name of Harvest Court Industries Berhad. The Company was listed on the Main Board of the Kuala Lumpur Stock Exchange (*subsequently amalgamated with the Second Board and now known as the Main Market of Bursa Securities*) on 19 October 1994. On 17 September 2015, the Company changed its name to Anzo Holdings Berhad.

The principal activity of Anzo is investment holding. The Group is principally involved in timber product manufacturing, construction and property development as well as investment holding and others. The principal activities of Anzo's subsidiaries are set out in Section 5 of this Appendix I.

**2. SHARE CAPITAL**

The Company's share capital as at the LPD are as follows:-

|               | No. of Shares | Total<br>(1)RM |
|---------------|---------------|----------------|
| Share capital | 305,536,623   | 31,066,552.30  |

**Note:-**

(1) Excluding any credit in the share premium and other capital reserves.

Details of the changes in the Company's issued share capital for the last three (3) years prior to the LPD are as follows:-

| Date of Allotment | No of Shares Allotted | Consideration / Type of Issue   | Cumulative share capital (RM) |
|-------------------|-----------------------|---------------------------------|-------------------------------|
| 15.5.2014         | 700,000               | Cash / Exercise of ESOS Options | 66,532,380.75                 |
| 16.5.2014         | 100,000               | Cash / Exercise of ESOS Options | 66,557,380.75                 |
| 20.5.2014         | 760,000               | Cash / Exercise of ESOS Options | 66,747,380.75                 |
| 22.5.2014         | 100,000               | Cash / Exercise of ESOS Options | 66,772,380.75                 |
| 23.5.2014         | 665,100               | Cash / Exercise of ESOS Options | 66,938,655.75                 |
| 6.6.2014          | 787,400               | Cash / Exercise of ESOS Options | 67,135,505.75                 |
| 9.6.2014          | 459,300               | Cash / Exercise of ESOS Options | 67,250,330.75                 |
| 11.6.2014         | 1,470,000             | Cash / Exercise of ESOS Options | 67,617,830.75                 |
| 16.6.2014         | 3,781,000             | Cash / Exercise of ESOS Options | 68,563,080.75                 |
| 18.6.2014         | 2,000,000             | Cash / Exercise of ESOS Options | 69,063,080.75                 |

## APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

| <b>Date of Allotment</b> | <b>No of Shares Allotted</b> | <b>Consideration / Type of Issue</b>   | <b>Cumulative share capital (RM)</b> |
|--------------------------|------------------------------|--|--------------------------------------|
| 25.6.2014                | 1,812,800                    | Cash / Exercise of ESOS Options  | 69,516,280.75                        |
| 27.6.2014                | 1,235,000                    | Cash / Exercise of ESOS Options  | 69,825,030.75                        |
| 30.6.2014                | 384,000                      | Cash / Exercise of ESOS Options  | 69,921,030.75                        |
| 3.7.2014                 | 502,000                      | Cash / Exercise of ESOS Options  | 70,046,530.75                        |
| 14.7.2014                | 128,000                      | Cash / Exercise of ESOS Options  | 70,078,530.75                        |
| 17.7.2014                | 420,000                      | Cash / Exercise of ESOS Options  | 70,183,530.75                        |
| 25.8.2014                | 100,000                      | Cash / Exercise of ESOS Options  | 70,208,530.75                        |
| 3.3.2016                 | 840,000                      | Cash / Exercise of SIS Options   | 70,418,530.75                        |
| 7.3.2016                 | 560,000                      | Cash / Exercise of SIS Options   | 70,558,530.75                        |
| 14.3.2016                | 200,000                      | Cash / Exercise of SIS Options   | 70,608,530.75                        |
| 15.3.2016                | 13,580,000                   | Cash / Exercise of SIS Options   | 74,003,530.75                        |
| 6.4.2016                 | 150,000                      | Cash / Exercise of SIS Options   | 74,041,030.75                        |
| 6.5.2016                 | -                            | Par value reduction via the cancellation of RM0.15 of the par value of every ordinary shares of RM0.25 each in the issued and paid-up share capital of the Company | 29,616,412.30                        |
| 18.5.2016                | 75,000                       | Cash / Exercise of SIS Options   | 29,623,912.30                        |
| 23.6.2016                | 2,500,000                    | Cash / Exercise of SIS Options   | 29,873,912.30                        |
| 9.8.2016                 | 100,000                      | Cash / Exercise of SIS Options   | 29,883,912.30                        |
| 17.8.2016                | 110,500                      | Cash / Exercise of SIS Options   | 29,894,962.30                        |
| 8.9.2016                 | 130,000                      | Cash / Exercise of SIS Options   | 29,907,962.30                        |
| 15.12.2016               | 50,000                       | Cash / Exercise of SIS Options   | 29,912,962.30                        |
| 21.12.2016               | 210,000                      | Cash / Exercise of SIS Options   | 29,933,962.30                        |
| 23.12.2016               | 276,300                      | Cash / Exercise of SIS Options   | 29,961,592.30                        |
| 28.12.2016               | 100,000                      | Cash / Exercise of SIS Options   | 29,971,592.30                        |
| 5.1.2017                 | 300,000                      | Cash / Exercise of SIS Options   | 30,001,592.30                        |
| 6.1.2017                 | 200,000                      | Cash / Exercise of SIS Options   | 30,021,592.30                        |

**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**

| <b>Date of Allotment</b> | <b>No of Shares Allotted</b> | <b>Consideration / Type of Issue</b> | <b>Cumulative share capital (RM)</b> |
|--------------------------|------------------------------|--------------------------------------|--------------------------------------|
| 10.1.2017                | 250,000                      | Cash / Exercise of SIS Options       | 30,046,592.30                        |
| 13.1.2017                | 300,000                      | Cash / Exercise of SIS Options       | 30,076,592.30                        |
| 17.1.2017                | 200,000                      | Cash / Exercise of SIS Options       | 30,096,592.30                        |
| 19.1.2017                | 285,600                      | Cash / Exercise of SIS Options       | 30,125,152.30                        |
| 24.1.2017                | 200,000                      | Cash / Exercise of SIS Options       | 30,145,152.30                        |
| 26.1.2017                | 200,000                      | Cash / Exercise of SIS Options       | 30,165,152.30                        |
| 2.2.2017                 | 200,000                      | Cash / Exercise of SIS Options       | 30,206,152.30                        |
| 7.2.2017                 | 200,000                      | Cash / Exercise of SIS Options       | 30,247,152.30                        |
| 13.2.2017                | 200,000                      | Cash / Exercise of SIS Options       | 30,288,152.30                        |
| 15.2.2017                | 100,000                      | Cash / Exercise of SIS Options       | 30,308,652.30                        |
| 17.2.2017                | 200,000                      | Cash / Exercise of SIS Options       | 30,349,652.30                        |
| 21.2.2017                | 200,000                      | Cash / Exercise of SIS Options       | 30,390,652.30                        |
| 27.2.2017                | 220,000                      | Cash / Exercise of SIS Options       | 30,435,752.30                        |
| 1.3.2017                 | 155,000                      | Cash / Exercise of SIS Options       | 30,467,527.30                        |
| 7.4.2017                 | 1,212,000                    | Exercise of Warrants A               | 30,770,527.30                        |
| 7.4.2017                 | 162,000                      | Exercise of Warrants B               | 30,811,027.30                        |
| 17.4.2017                | 25,000                       | Exercise of Warrants B               | 30,817,277.30                        |
| 17.4.2017                | 811,100                      | Exercise of Warrants A               | 31,020,052.30                        |
| 20.4.2017                | 100,000                      | Cash / Exercise of SIS Options       | 31,040,552.30                        |
| 20.4.2017                | 100,000                      | Cash / Exercise of SIS Options       | 31,066,552.30                        |

**3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to Section 8.3 of this Abridged Prospectus for information on the substantial shareholders' shareholdings before and after the Rights Issue with Warrants.



**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)****4. DIRECTORS**

The details of the Board as at the LPD are as follows:-

| <b>Name (Designation)</b>  | <b>Age</b> | <b>Address</b>  | <b>Nationality</b> | <b>Profession</b> |
|--|------------|---|--------------------|-------------------|
| Dato' Seri Abdul Azim Bin Mohd Zabidi<br><i>(Independent Non-Executive Chairman)</i> | 58         | Tanah Abang<br>No. 1 Jalan Setiabudi<br>Bukit Damansara<br>50490 Kuala Lumpur             | Malaysian          | Company Director  |
| Datuk Chai Woon Chet<br><i>(Managing Director)</i>                                   | 39         | Lot 116, Jalan Timah 3<br>Mines Resort City<br>43300 Seri Kembangan<br>Selangor           | Malaysian          | Businessman       |
| Abdul Jaliludin bin Jamalludin<br><i>(Executive Director)</i>                        | 66         | 131 Jalan SS 19/6B<br>47500 Subang Jaya<br>Selangor                                       | Malaysian          | Businessman       |
| Mazlan Bin Mohamad<br><i>(Executive Director)</i>                                    | 53         | 33-8-4, Pangsapuri Golf View<br>Solok Bukit Jambul 1<br>11950 Bayan Lepas<br>Pulau Pinang | Malaysian          | Accountant        |
| Dato' Sri Ti Lian Ker<br><i>(Senior Independent Non-Executive Director)</i>          | 55         | 11 Lorong Kubang Buaya 78<br>25050 Kuantan<br>Pahang                                      | Malaysian          | Lawyer            |
| Aimi Aizal Bin Nasharuddin<br><i>(Independent Non-Executive Director)</i>            | 50         | No. 27 Jalan UP 3/2<br>Ukay Perdana<br>68000 Ampang<br>Selangor                           | Malaysian          | Businessman       |
| Rahmad Bin Tohak<br><i>(Independent Non-Executive Director)</i>                      | 48         | 41 Jalan Semerbak 1<br>Taman Bukit Dahlia<br>81700 Pasir Gudang<br>Johor                  | Malaysian          | Businessman       |

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**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**

Save as disclosed below, none of the Directors have any direct and/or indirect shareholding in the Company as at the LPD.

**Minimum Scenario**

| Director                              | As at the LPD |                  |                           | (I)<br>After the Rights Issue with Warrants |                  |          |                           |                  |
|---------------------------------------|---------------|------------------|---------------------------|---|------------------|----------|---------------------------|------------------|
|                                       | Direct        |                  | Indirect                  | Direct                                      |                  | Indirect |                           |                  |
|                                       | No. of shares | % <sup>(1)</sup> |                           | No. of shares                               | % <sup>(2)</sup> |          | No. of shares             | % <sup>(2)</sup> |
| Datuk Chai Woon Chet                  | 8,350,000     | 2.73             | <sup>(4)</sup> 59,100,000 | 19.34                                       | 8,350,000        | 2.38     | <sup>(4)</sup> 89,100,000 | 25.42            |
| Dato' Seri Abdul Azim Bin Mohd Zabidi | -             | -                | <sup>(5)</sup> 1,000,000  | 0.33  | -                | -        | <sup>(5)</sup> 16,000,000 | 4.56             |

| Director                              | (II)<br>After (I) and assuming full exercise of the Warrants C |                  |                            |               |
|---------------------------------------|--|------------------|----------------------------|---------------|
|                                       | Direct   |                  | Indirect                   |               |
|                                       | No. of shares  | % <sup>(3)</sup> |                            | No. of shares |
| Datuk Chai Woon Chet                  | 8,350,000  | 2.24             | <sup>(4)</sup> 104,100,000 | 27.91         |
| Dato' Seri Abdul Azim Bin Mohd Zabidi | -  | -                | <sup>(5)</sup> 23,500,000  | 6.30          |

**Notes:-**

- (1) Based on the share capital of 305,536,623 Anzo Shares as at the LPD.
- (2) Based on the enlarged share capital of 350,536,623 Anzo Shares, under the Minimum Scenario.
- (3) Based on the enlarged share capital of 373,036,623 Anzo Shares, under the Minimum Scenario.
- (4) Deemed interested by virtue of his interest in Zenith City Investments Limited and Ocean Milestone Sdn Bhd.
- (5) Deemed interested by virtue of his interest in Syawaras Sdn Bhd.

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## APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)

Maximum Scenario

| Director                              | (I)                     |                  |  |                  | (II)                                 |                  |  |                  | (III)                   |                  |  |                  |  |                  |                           |                  |
|---------------------------------------|-------------------------|------------------|--|------------------|--------------------------------------|------------------|--|------------------|-------------------------|------------------|--|------------------|--|------------------|---------------------------|------------------|
|                                       | As at the LPD           |                  | Assuming full granting and/or exercise of the Convertible Securities |                  | After the Rights Issue with Warrants |                  | After (I), (II) and assuming full exercise of the Warrants C |                  | As at the LPD           |                  | Assuming full granting and/or exercise of the Convertible Securities |                  | After (I), (II) and assuming full exercise of the Warrants C |                  |                           |                  |
|                                       | Direct<br>No. of shares | % <sup>(1)</sup> | Indirect<br>No. of shares  | % <sup>(1)</sup> | Direct<br>No. of shares              | % <sup>(2)</sup> | Indirect<br>No. of shares                                    | % <sup>(2)</sup> | Direct<br>No. of shares | % <sup>(3)</sup> | Indirect<br>No. of shares  | % <sup>(3)</sup> | Direct<br>No. of shares                                      | % <sup>(4)</sup> | Indirect<br>No. of shares | % <sup>(4)</sup> |
| Datuk Chai Woon Chet                  | 8,350,000               | 2.73             | (6)59,100,000  | 19.34            | 8,350,000                            | 1.91             | (6)59,100,000  | 13.53            | 20,875,000              | 1.91             | (6)147,750,000   | 13.53            | 27,137,500   | 1.91             | (6)192,075,000            | 13.53            |
| Dato' Seri Abdul Azim bin Mohd Zabidi | -                       | -                | (6)1,000,000   | 0.33             | -                                    | -                | (6)1,000,000   | 0.23             | -                       | -                | (6)2,500,000   | 0.23             | -  | -                | (6)3,250,000              | 0.23             |

Notes:-

- (1) Based on the share capital of 305,536,623 Anzo Shares as at the LPD.
- (2) Based on the enlarged share capital of 436,804,146 Anzo Shares, assuming all the 19,632,700 SIS Options, 78,643,798 Warrants A and 32,991,025 Warrants B are fully granted and/or exercised.
- (3) Based on the enlarged share capital of 1,092,010,365 Anzo Shares, under the Maximum Scenario.
- (4) Based on the enlarged share capital of 1,419,613,474 Anzo Shares, under the Maximum Scenario.
- (5) Deemed interested by virtue of his interest in Zenith City Investments Limited and Ocean Milestone Sdn Bhd.
- (6) Deemed interested by virtue of his interest in Syawaras Sdn Bhd.

**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)****5. SUBSIDIARIES**

The Company's subsidiaries as at the LPD are as follows:-

| <b>Subsidiary</b>                  | <b>Date and place of incorporation</b> | <b>(1)Share capital</b> | <b>Effective equity interest (%)</b> | <b>Principal activities</b>                            |
|------------------------------------|--|-------------------------|--------------------------------------|--|
| Harvest Court Trading Sdn Bhd      | 31.12.1982; Malaysia                   | RM1,600,000             | 100.00                               | Sawmilling and marketing of sawn timber                |
| Harvest Court Marketing Sdn Bhd    | 22.11.1994; Malaysia                   | RM3,000,000             | 100.00                               | Provision of marketing consultancy service             |
| Harvest Lumber Sdn Bhd             | 22.12.1995; Malaysia                   | RM13,000,000            | 100.00                               | Manufacturing and marketing of timber related products |
| Harvest Court Corporation Sdn Bhd  | 24.7.1995; Malaysia                    | RM3,000,000             | 100.00                               | Manufacturing and marketing of timber related products |
| Harvest Exporter Sdn Bhd           | 27.8.1997; Malaysia                    | RM3,500,000             | 100.00                               | Construction and interior design fit up                |
| Quantum Pro Sdn Bhd                | 28.8.1996; Malaysia                    | RM4,000,000             | 100.00                               | Timber kiln drying                                     |
| Harvest Court Properties Sdn Bhd   | 11.7.1996; Malaysia                    | RM5,000,000             | 100.00                               | Property development                                   |
| Harvest Rimba Sdn Bhd              | 9.8.1993; Malaysia                     | RM10,000,000            | 98.80                                | Property development and provision of jetty services   |
| Harvest Court Management Sdn Bhd   | 10.7.1996; Malaysia                    | RM2,000,000             | 100.00                               | Investment holding                                     |
| Harvest Court Construction Sdn Bhd | 24.7.1995; Malaysia                    | RM2,200,000             | 100.00                               | Construction   |
| Harvest Nation Sdn Bhd             | 19.7.1993; Malaysia                    | RM1,200,000             | 100.00                               | Dormant  |

**Note:-**

(1) Excluding any credit in the share premium and other capital reserves.

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**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)****6. PROFIT AND DIVIDEND RECORD**

The profit and dividend records based on the audited consolidated financial statements of the Group for the FYE 31 March 2016, the 15-month FPE 31 March 2015 and FYE 31 December 2013 as well as the unaudited consolidated financial statements of the Group for the FYE 31 March 2017 are as follows:-

|  | Audited                    |                                  |                      | Unaudited            |
|--|----------------------------|----------------------------------|----------------------|----------------------|
|  | FYE 31<br>December<br>2013 | 15-month<br>FPE 31<br>March 2015 | FYE 31<br>March 2016 | FYE 31<br>March 2017 |
|  | RM'000                     | RM'000                           | RM'000               | RM'000               |
| Revenue  | 16,961                     | 7,042                            | 6,112                | 12,258               |
| Cost of sales  | (15,901)                   | (10,647)                         | (7,530)              | (11,414)             |
| <b>GP / (GL)</b>   | <b>1,060</b>               | <b>(3,605)</b>                   | <b>(1,418)</b>       | <b>844</b>           |
| Other income   | 614                        | 494                              | 225                  | 164                  |
| Administrative expenses                                      | (5,231)                    | (6,581)                          | (9,730)              | (5,644)              |
| Distribution costs   | (127)                      | (18)                             | -                    | -                    |
| Finance costs  | (10)                       | (16)                             | (34)                 | (114)                |
| Share of results of associate                                | 27                         | -                                | -                    | -                    |
| <b>PBT / (LBT)</b>   | <b>(3,667)</b>             | <b>(9,726)</b>                   | <b>(10,957)</b>      | <b>(4,750)</b>       |
| Taxation   | (52)                       | 507                              | 106                  | 124                  |
| <b>PAT / (LAT) attributable to<br/>owners of the Company</b> | <b>(3,719)</b>             | <b>(9,219)</b>                   | <b>(10,851)</b>      | <b>(4,626)</b>       |
| Loss before interest, tax,<br>depreciation and amortisation  | (2,286)                    | (7,996)                          | (9,373)              | (2,679)              |
| GP / (gross loss) margin (%)                                 | 6.25                       | (51.19)                          | (23.20)              | 6.89                 |
| LAT margin (%)   | (21.93)                    | (130.91)                         | (177.54)             | (37.74)              |
| Weighted average number of<br>Shares in issue ('000)         | 221,616                    | 275,137                          | 281,540              | 299,068              |
| Basic LPS (sen) <sup>(1)</sup>                               | (1.68)                     | (3.35)                           | (3.85)               | (1.55)               |
| Dividend (sen)   | -                          | -                                | -                    | -                    |

**Note:-**

- (1) Diluted LPS is not presented as the diluted LPS is equal to the basic LPS because the conversion has an anti-dilutive effect.

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**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)****Commentary on past financial performance:-****(i) FYE 31 March 2017 vs FYE 31 March 2016**

The Group's revenue increased by approximately 100.56% from RM6.11 million in the FYE 31 March 2016 to RM12.26 million in the FYE 31 March 2017. As revenue growth from the timber division remained flat, the increase in revenue was mainly due to higher contribution from the construction division following the commencement of construction works for PDM Phase 1 in the first quarter of 2017. Since the commencement of the construction works for PDM Phase 1 in the first quarter of 2017, the Group has recognised revenue of approximately RM5.7 million from PDM Phase 1 up to 31 March 2017.

The Group's LBT decreased by approximately 56.65% from RM10.96 million in the FYE 31 March 2016 to RM4.75 million in the FYE 31 March 2017. The decrease was mainly due to the following:-

- (a) the Group recorded gross profit of RM0.84 million as compared to gross loss of RM1.42 million in the previous financial year;
- (b) lower fair value adjustment on share options of RM1.67 million as compared to RM3.56 million in the previous financial year;
- (c) absence of a one-off amount of RM1.13 million written off in the previous financial year, due to the forfeiture of deposit arising from the termination of a sale and purchase agreement for the acquisition of property (a piece of leasehold land together with four (4) units of warehouse and two (2) units of Tenaga Nasional Berhad station in Negeri Sembilan); and

The above was partially offset by higher depreciation of RM1.96 million in the FYE 31 March 2017 as compared to RM1.55 million in the previous financial year.

**(ii) FYE 31 March 2016 vs 15-month FPE 31 March 2015**

The Group's revenue of RM6.11 million for the FYE 31 March 2016 is at a similar level to the revenue of RM7.04 million recorded in the 15-month FPE 31 March 2015 (or RM5.63 million on an annualised basis). Notwithstanding that, the Group recorded a lower gross loss of RM1.42 million in the FYE 31 March 2016 as compared to RM3.61 million in the 15-month FPE 31 March 2015 (or RM2.88 million on an annualised basis) as a result of lower cost of sales. In turn, this was mainly attributable to a lower write down of inventories of RM1.14 million in the FYE 31 March 2016 as compared to RM2.07 million in the 15-month FPE 31 March 2015.

The Group recorded a higher LBT of RM10.96 million in the FYE 31 March 2016 as compared to LBT of RM9.73 million recorded in the 15-month FPE 31 March 2015 (or RM7.38 million on an annualised basis). The higher LBT was mainly due to:-

- (a) higher share-based payment cost of RM3.56 million in the FYE 31 March 2016 as compared to RM0.54 million in the 15-month FPE 31 March 2015, as more ESOS Options were issued to employees during the FYE 31 March 2016;
- (b) a one-off amount of RM1.13 million written off in the FYE 31 March 2016, due to the forfeiture of deposit arising from the termination of a sale and purchase agreement for the acquisition of property; and
- (c) provision for doubtful debts amounting to RM0.77 million in the FYE 31 March 2016, which was absent in the 15-month FPE 31 March 2015.

The above was partially offset by lower gross loss as set out above.

**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)**

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**(iii) 15-month FPE 31 March 2015 vs FYE 31 December 2013**

The Group recorded a lower revenue of RM7.04 million for the 15-month FPE 31 March 2015 (or RM5.63 million on an annualised basis) compared to RM16.96 million recorded in the FYE 31 December 2013. This was mainly attributable to lower contribution from both the timber and construction divisions which faced a tough business environment as well as distractions from the Company's shareholder tussle during this period. These unfavourable business conditions during the 15-month FPE 31 March 2015 resulted in the:-

- (a) discontinuation of the Group's timber door manufacturing line; and
- (b) mutual termination of several construction contracts awarded to the Group.

The Group recorded a higher LBT of RM9.73 million for the 15-month FPE 31 March 2015 (or RM7.38 million on an annualised basis) compared to RM3.67 million recorded in the FYE 31 December 2013. The higher LAT was mainly due to:-

- (a) a gross loss of RM3.61 million in the 15-month FPE 31 March 2015 (or RM2.88 million on an annualised basis) as compared to a gross profit of RM1.06 million in the FYE 31 December 2013. The gross loss was mainly attributable to high cost of sales (despite lower revenue), due to high fixed operating expenses incurred by the timber division such as electricity and plant maintenance costs as well as losses arising from the damaged stocks due to flood and termite attack which resulted in the writing down of work-in-progress inventories amounting to RM2.07 million; and
- (b) higher share-based payment cost of RM0.54 million in the 15-month FPE 31 March 2015 (or RM0.43 million on an annualised basis) as compared to RM0.21 million in the FYE 31 December 2013, as more ESOS Options were issued to employees during the 15-month FPE 31 March 2015.

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**APPENDIX I - INFORMATION ON THE COMPANY (CONT'D)****7. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of Anzo Shares traded on Bursa Securities for the past twelve (12) months up to April 2017 (being the last full trading month prior to the date of this Abridged Prospectus) are as follows:-

|                    | <b>High<br/>(RM)</b> | <b>Low<br/>(RM)</b> |
|--------------------|----------------------|---------------------|
| <b><u>2016</u></b> |                      |                     |
| May                | 0.300                | 0.220               |
| June               | 0.240                | 0.190               |
| July               | 0.240                | 0.200               |
| August             | 0.235                | 0.205               |
| September          | 0.260                | 0.195               |
| October            | 0.225                | 0.195               |
| November           | 0.220                | 0.190               |
| December           | 0.265                | 0.210               |
| <b><u>2017</u></b> |                      |                     |
| January            | 0.270                | 0.230               |
| February           | 0.270                | 0.245               |
| March              | 0.585                | 0.260               |
| April              | 0.630                | 0.300               |

**RM**

Last transacted market price on 16 December 2015, being the last Market Day immediately prior to the first announcement of the Corporate Exercises 0.190

Last transacted market price as at the LPD 0.320

Last transacted market price on 22 May 2017, being the Market Day immediately prior to the ex-date for the Rights Issue with Warrants 0.240

*(Source: Bloomberg)*

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APPENDIX II – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 29 MARCH 2016

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**ANZO HOLDINGS BERHAD**  
(Company No. 36998-T)  
(Incorporated In Malaysia)

**EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 29 MARCH 2016**

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**PROPOSED RIGHTS ISSUE OF SHARES WITH WARRANTS**

“THAT subject to the passing of the Special Resolution 1 and Special Resolution 2 above, the completion of the Proposed Par Value Reduction and the necessary approvals being obtained from the relevant authorities and parties (if required), approval be and is hereby given for the Company to undertake the Proposed Rights Issue with Warrants as follows:-

- (i) to provisionally issue and allot by way of renounceable rights issue of up to 655,206,219 Rights Shares together with up to 327,603,109 Warrants C to the shareholders of the Company (“Shareholders”) whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined by the Board (“Entitlement Date”) (“Entitled Shareholders”), and/or their renounee(s), on the basis of six (6) Rights Shares for every four (4) Anzo Shares held and three (3) free Warrants C for every six (6) Rights Shares subscribed for on the Entitlement Date at an issue price to be determined by the Board and on such terms and conditions and in such manner as the Board may determine;
- (ii) to enter into and execute the deed poll constituting the Warrants C (“Deed Poll C”) and to do all acts, deeds and things as they deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll C wherein each of the Warrants C will carry the rights to subscribe, subject to any adjustment in accordance with the Deed Poll C to be executed, at any time during the “Exercise Period” as defined in the Deed Poll C, for one (1) new Share at an exercise price to be determined by the Board at a later date and that the Common Seal of the Company be affixed to the Deed Poll C in accordance with the provisions of the Articles of Association of the Company;
- (iii) to issue and allot in registered form to the Entitled Shareholders (and/or their renounee(s), as the case may be) who subscribe for and are allotted the Rights Shares, each Warrant C conferring the right to subscribe for one (1) new Anzo Share at an exercise price to be determined by the Board on such Entitlement Date, subject to adjustment to the subscription rights attached to the Warrants C in accordance with the provisions of the Deed Poll C;
- (iv) to issue and allot such number of additional Warrants C as may be required or permitted to be issued as a result of any adjustments under the provisions of the Deed Poll C (“Additional Warrants C”) and to adjust from time to time the exercise price of the Warrants C as a consequence of the adjustments under the provisions of the Deed Poll C and/or to effect such modifications, variations and/or amendments as may be imposed, required or permitted by Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities or parties (if required); and
- (v) to issue and allot and issue such number of new Shares credited as fully paid-up to the holders of the Warrants C upon their exercise of the relevant Warrants C to subscribe for new Shares during the tenure of the Warrants C, and such further new Shares as may be required or permitted to be issued pursuant to the exercise of the Additional Warrants C and such adjustments in accordance with the provisions of the Deed Poll;

**APPENDIX II – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 29 MARCH 2016 (CONT'D)**

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**Anzo Holdings Berhad (36998-T)**

**Extract of the Minutes of Extraordinary General Meeting held on 29 March 2016**

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THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever to the Entitled Shareholders and/or their renounee(s) shall be made available for excess applications in such manner and to such persons (“**Excess Applicants**”) as the Board shall determine at its absolute discretion;

THAT the Rights Shares, Warrants C and new Shares to be issued pursuant to the exercise of the Warrants C and Additional Warrants C (if any) shall be listed on the Main Market of Bursa Securities;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in Section 5 of the Circular to Shareholders dated 4 March 2016 and the Board be and is hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interests of the Company, subject (where required) to the approval of the relevant authorities;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with Warrants, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue with Warrants as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue with Warrants in order to implement and give full effect to the Proposed Rights Issue with Warrants;

THAT the Rights Shares shall, upon allotment, issuance and full payment of the issue price of the Rights Shares, rank *pari passu* in all respects with the then existing issued and paid-up Anzo Shares, save and except that the holders of such Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT the new Anzo Shares to be issued pursuant to the exercise of the Warrants C (or the Additional Warrants C, as the case may be) shall, upon allotment, issuance and full payment of the exercise price of the Warrants C (or the Additional Warrants C, as the case may be), rank *pari passu* in all respects with the then existing issued and paid-up Anzo Shares, save and except that the holders of such new Anzo Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to Shareholders, the entitlement date of which is prior to the date of allotment of such new Anzo Shares to be issued pursuant to the exercise of the Warrants C (or the Additional Warrants C, as the case may be);

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlement of the Rights Shares and the Warrants C arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner and to such persons as the Board may in its absolute discretion deem fit and in the best interest of the Company (including without limitation to disregard such fractional entitlements altogether);

**APPENDIX II – CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT THE EGM HELD ON 29 MARCH 2016 (CONT'D)**

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*Anzo Holdings Berhad (36998-T)*

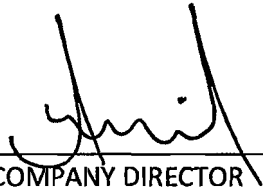
*Extract of the Minutes of Extraordinary General Meeting held on 29 March 2016*

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AND THAT this resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants C, Additional Warrants C (if any) and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue with Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue with Warrants.”

Certified as a True Extract of the original



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COMPANY DIRECTOR  
DATUK CHAI WOON CHET



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COMPANY SECRETARY  
CHONG VOON WAH  
(MAICSA 7055003)

Dated : 9 May 2017

**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON**

**Morison AAC**  
*Your Partners In Success*

**Morison Anuarul Azizan Chew (AF 001977)**  
Chartered Accountants

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W [www.morisonaac.com](http://www.morisonaac.com)

Date: **10 MAY 2017**

**ANZO HOLDINGS BERHAD**

Suite 10.03, Level 10  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

**To : Board of Directors**

Dear Sir/ Madam,

**ANZO HOLDINGS BERHAD (“ANZO” OR THE “COMPANY”)  
REPORTING ACCOUNTANTS’ LETTER ON THE COMPILATION OF PRO FORMA  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN THE  
ABRIDGED PROSPECTUS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of Anzo as at 31 March 2016, together with the accompanying notes thereto. The pro forma consolidated statements of financial position, as set out in Appendix A of this letter (which we have stamped for the purpose of identification), have been compiled by the Board of Directors for the inclusion in the Abridged Prospectus of Anzo in relation to the renounceable rights issue of up to 655,206,219 new ordinary shares in Anzo (“Anzo Share” or “Shares”) (“Rights Shares”) together with up to 327,603,109 free detachable warrants in Anzo (“Warrants C”) on the basis of six (6) Rights Shares together with three (3) free Warrants C for every four (4) existing Anzo Shares held by entitled shareholders of Anzo on an entitlement date (“Rights Issue with Warrants”).

The pro forma consolidated statements of financial position have been compiled by the Board of Directors to illustrate the impact of the Rights Issue with Warrants, as set out in Note 1 to 4 of the pro forma consolidated statements of financial position, on Anzo’s financial position as at 31 March 2016.

As part of this process, information about Anzo’s financial position has been extracted by the Board of Directors from Anzo’s audited consolidated financial statements for the financial year ended 31 March 2016, on which the audited report was dated 20 July 2016.

***Directors’ responsibilities for the pro forma consolidated statements of financial position***

The Board of Directors of Anzo is solely responsible for compiling the pro forma consolidated statements of financial position on the basis set out in Note 1 to 4 of the pro forma consolidated statements of financial position.

APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)

ANZO HOLDINGS BERHAD  
Page 2

**Morison AAC**  
Your Partners In Success

*Our responsibilities*

Our responsibility is to express an opinion on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 to 4 of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires us to comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors have compiled, in all material respects, the pro forma financial information on the basis set out in Note 1 to 4 of the pro forma consolidated statements of financial position.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Further, such information may not reflect the actual or predict the Group's future financial position. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis set out in Note 1 to 4 of the pro forma consolidated statements of financial position and involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of Anzo, the event or transaction in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

**ANZO HOLDINGS BERHAD**

Page 3

**Morison AAC**  
Your Partners In Success

*Opinion*

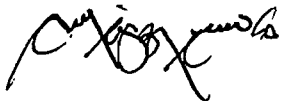
In our opinion,

- (a) The pro forma consolidated statements of financial position of Anzo, which have been prepared by the Directors of Anzo, have been prepared on the basis of assumptions as set out in the accompanying notes using financial statements prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by Anzo; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

**OTHER MATTERS**

This letter is issued solely for the purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue with Warrants. As such, this letter should not be reproduced, referred to in any other document or used for any other purpose without our prior written consent.

Yours faithfully



**MORISON ANUARUL AZIZAN CHEW**  
(AF001977)  
CHARTERED ACCOUNTANTS



**SATHIEA SEELEAN A/L MANICKAM**  
1729/05/18 (J/PH)  
CHARTERED ACCOUNTANT

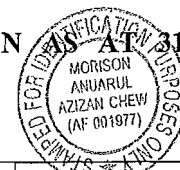
**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

## APPENDIX A

## ANZO HOLDINGS BERHAD

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 2016**

(Page 1 of 2)

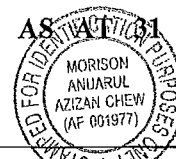
**MINIMUM SCENARIO**

| MINIMUM SCENARIO                                    | Audited statements of financial position of Anzo as at 31.3.16 | Adjusted for Subsequent Events up to LPD <sup>(1)</sup> | Pro forma (I)   | Pro forma (II)                                     |
|---|--|---|---|--|
|   |  |   | After adjusted for Subsequent Events up to LPD and Rights Issue with Warrants | After (I) and assuming full exercise of Warrants C |
|   | RM   | RM  | RM  | RM   |
| <b>Non-Current Assets</b>                           |  |   |   |  |
| Property, plant and equipment                       | 31,493,830   | 31,493,830  | 31,493,830  | 31,493,830   |
| <b>Current Assets</b>                               |  |   |   |  |
| Trade receivables                                   | 3,712,867  | 3,712,867   | 3,712,867   | 3,712,867  |
| Other receivables                                   | 10,573,914   | 10,573,914  | 10,573,914  | 10,573,914   |
| Short-term deposits with licensed banks             | 3,579,555  | 3,579,555   | 3,579,555   | 3,579,555  |
| Cash and bank balances                              | 1,661,523  | 3,730,965   | 12,000,965  | 16,500,965   |
|   | 19,527,859   | 21,597,301  | 29,867,301  | 34,367,301   |
| <b>Total Assets</b>                                 | <b>51,021,689</b>  | <b>53,091,131</b>                                       | <b>61,361,131</b>   | <b>65,861,131</b>                                  |
| <b>Equity attributable to owners of the Company</b> |  |   |   |  |
| Share capital                                       | 74,003,531   | 31,066,552  | <sup>(2)</sup> 40,066,552   | <sup>(5)</sup> 48,038,302                          |
| Share premium                                       | -  | 581,802   | <sup>(3)</sup> -  | -  |
| Warrants reserves                                   | 5,225,539  | 5,196,086   | <sup>(4)</sup> 8,667,836  | 5,196,086  |
| Capital reserve                                     | -  | 6,816,408   | <sup>(4)</sup> 3,344,658  | 3,344,658  |
| SIS reserve   | 2,771,671  | 2,249,277   | 2,249,277   | 2,249,277  |
| Discount on equity                                  | (2,670,439)  | (2,640,986)   | (2,640,986)   | (2,640,986)  |
| (Accumulated losses)/ Retained earnings             | (35,751,236)   | 2,379,369   | <sup>(3)</sup> 2,231,171  | 2,231,171  |
|   | 43,579,066   | 45,648,508  | 53,918,508  | 58,418,508   |
| <b>Non-Current Liabilities</b>                      |  |   |   |  |
| Finance lease liabilities                           | 1,275,203  | 1,275,203   | 1,275,203   | 1,275,203  |
| Deferred tax liabilities                            | 1,909,918  | 1,909,918   | 1,909,918   | 1,909,918  |
|   | 3,185,121  | 3,185,121   | 3,185,121   | 3,185,121  |
| <b>Current Liabilities</b>                          |  |   |   |  |
| Trade payables                                      | 1,096,200  | 1,096,200   | 1,096,200   | 1,096,200  |
| Other payables                                      | 1,625,070  | 1,625,070   | 1,625,070   | 1,625,070  |
| Amount owing to a director                          | 1,168,995  | 1,168,995   | 1,168,995   | 1,168,995  |
| Finance lease liabilities                           | 367,237  | 367,237   | 367,237   | 367,237  |
|   | 4,257,502  | 4,257,502   | 4,257,502   | 4,257,502  |
| <b>Total Liabilities</b>                            | <b>7,442,623</b>   | <b>7,442,623</b>  | <b>7,442,623</b>  | <b>7,442,623</b>                                   |
| <b>Total Equity and Liabilities</b>                 | <b>51,021,689</b>  | <b>53,091,131</b>                                       | <b>61,361,131</b>   | <b>65,861,131</b>                                  |

**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS’ REPORT THEREON (CONT’D)**

## APPENDIX A

**ANZO HOLDINGS BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016**  
**(Page 2 of 2)**  
**MINIMUM SCENARIO**



| MINIMUM SCENARIO |  |   | Pro forma (I)   | Pro forma (II)                                     |
|------------------|--|---|---|--|
|                  | Audited statements of financial position of Anzo as at 31.3.16 | Adjusted for Subsequent Events up to LPD <sup>(1)</sup> | After adjusted for Subsequent Events up to LPD and Rights Issue with Warrants | After (I) and assuming full exercise of Warrants C |
|                  | RM   | RM  | RM  | RM   |

|                                |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|
| Number of Anzo Share(s)        | 296,014,123 | 305,536,623 | 350,536,623 | 373,036,623 |
| Net assets per Anzo Share (RM) | 0.15        | 0.15        | 0.15        | 0.16        |
| Borrowings (RM)                | 1,642,440   | 1,642,440   | 1,642,440   | 1,642,440   |
| Gearing (times)                | 0.04        | 0.04        | 0.03        | 0.03        |

## Notes:

- (1) Being adjusted for following subsequent events up to 25 April 2017, being the latest practicable date of the Abridged Prospectus (“LPD”).
- par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company, which was completed on 6 May 2016 (“Par Value Reduction”) (for information, pursuant to the implementation of the Companies Act 2016 (“the Act”) on 31 January 2017, all shares shall have no par or nominal value);
  - issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
  - issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
  - issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
  - granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.
- (2) Based on the Minimum Subscription Level of 45,000,000 Rights Shares together with 22,500,000 Warrants C at the issue price of RM0.20 per Rights Share.
- (3) After netting off estimated expenses of approximately RM0.73 million in relation to the Rights Issue with Warrants.
- (4) Recognition of fair value of warrants of RM0.1543 per Warrant C pursuant to the Rights Issue with Warrants, offset against the capital reserve account amounting to RM3.47 million. For illustration purposes, the fair value of warrants of RM0.1543 per Warrant C was derived based on the Trinomial Option Pricing Model. The warrant reserve will be transferred to the issued share capital account upon the full exercise of the Warrants C.
- (5) Based on the exercise price of RM0.20 per Warrant C.

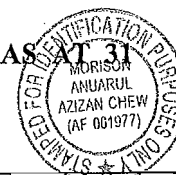
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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING  
ACCOUNTANTS' REPORT THEREON (CONT'D)**

## APPENDIX A

**ANZO HOLDINGS BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31**  
**MARCH 2016**  
**(Page 1 of 2)**  
**BASE CASE SCENARIO**

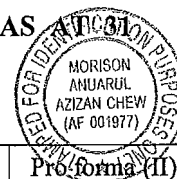


| BASE CASE SCENARIO                                      | Audited statements<br>of financial<br>position of Anzo<br>as at 31.3.16 | Adjusted for<br>Subsequent<br>Events up to<br>LPD <sup>(1)</sup> | Pro forma (I)  | Pro forma (II)  |
|---|---|--|--|---|
|   |   |  | After adjusted<br>for Subsequent<br>Events up to<br>LPD and<br>Rights Issue<br>with Warrants | After (I) and<br>assuming full<br>exercise of<br>Warrants C |
|   | RM  | RM   | RM   | RM  |
| <b>Non-Current Assets</b>                               |   |  |  |   |
| Property, plant and equipment                           | 31,493,830  | 31,493,830   | 31,493,830   | 31,493,830  |
| <b>Current Assets</b>                                   |   |  |  |   |
| Trade receivables                                       | 3,712,867   | 3,712,867  | 3,712,867  | 3,712,867   |
| Other receivables                                       | 10,573,914  | 10,573,914   | 10,573,914   | 10,573,914  |
| Short-term deposits with licensed<br>banks              | 3,579,555   | 3,579,555  | 3,579,555  | 3,579,555   |
| Cash and bank balances                                  | 1,661,523   | 3,730,965  | 94,661,952   | 140,492,445   |
|   | 19,527,859  | 21,597,301   | 112,528,288  | 158,358,781   |
| <b>Total Assets</b>                                     | <b>51,021,689</b>   | <b>53,091,131</b>  | <b>144,022,118</b>   | <b>189,852,611</b>  |
| <b>Equity attributable to owners of the<br/>Company</b> |   |  |  |   |
| Share capital   | 74,003,531  | 31,066,552   | <sup>(2)(4)</sup> 94,185,721   | <sup>(5)</sup> 175,374,440                                  |
| Share premium   | -   | 581,802  | <sup>(3)</sup> -   | -   |
| Warrants reserves                                       | 5,225,539   | 5,196,086  | <sup>(4)</sup> 40,554,312  | 5,196,086   |
| Capital reserve   | -   | 6,816,408  | <sup>(4)</sup> -   | -   |
| SIS reserve   | 2,771,671   | 2,249,277  | 2,249,277  | 2,249,277   |
| Discount on equity                                      | (2,670,439)   | (2,640,986)  | (2,640,986)  | (2,640,986)   |
| (Accumulated losses)/ Retained<br>earnings              | (35,751,236)  | 2,379,369  | <sup>(3)</sup> 2,231,171   | 2,231,171   |
|   | 43,579,066  | 45,648,508   | 136,579,495  | 182,409,988   |
| <b>Non-Current Liabilities</b>                          |   |  |  |   |
| Finance lease liabilities                               | 1,275,203   | 1,275,203  | 1,275,203  | 1,275,203   |
| Deferred tax liabilities                                | 1,909,918   | 1,909,918  | 1,909,918  | 1,909,918   |
|   | 3,185,121   | 3,185,121  | 3,185,121  | 3,185,121   |
| <b>Current Liabilities</b>                              |   |  |  |   |
| Trade payables  | 1,096,200   | 1,096,200  | 1,096,200  | 1,096,200   |
| Other payables  | 1,625,070   | 1,625,070  | 1,625,070  | 1,625,070   |
| Amount owing to a director                              | 1,168,995   | 1,168,995  | 1,168,995  | 1,168,995   |
| Finance lease liabilities                               | 367,237   | 367,237  | 367,237  | 367,237   |
|   | 4,257,502   | 4,257,502  | 4,257,502  | 4,257,502   |
| <b>Total Liabilities</b>                                | <b>7,442,623</b>  | <b>7,442,623</b>   | <b>7,442,623</b>   | <b>7,442,623</b>  |
| <b>Total Equity and Liabilities</b>                     | <b>51,021,689</b>   | <b>53,091,131</b>  | <b>144,022,118</b>   | <b>189,852,611</b>  |

**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

## APPENDIX A

**ANZO HOLDINGS BERHAD  
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
MARCH 2016  
(Page 2 of 2)  
BASE CASE SCENARIO**



| BASE CASE SCENARIO |  |   | Pro forma (I)   | Pro forma (II)                                     |
|--------------------|--|---|---|--|
|                    | Audited statements of financial position of Anzo as at 31.3.16 | Adjusted for Subsequent Events up to LPD <sup>(1)</sup> | After adjusted for Subsequent Events up to LPD and Rights Issue with Warrants | After (I) and assuming full exercise of Warrants C |
|                    | RM   | RM  | RM  | RM   |

|                                |             |             |             |             |
|--------------------------------|-------------|-------------|-------------|-------------|
| Number of Anzo Share(s)        | 296,014,123 | 305,536,623 | 763,841,557 | 992,994,024 |
| Net assets per Anzo Share (RM) | 0.15        | 0.15        | 0.18        | 0.18        |
| Borrowings (RM)                | 1,642,440   | 1,642,440   | 1,642,440   | 1,642,440   |
| Gearing (times)                | 0.04        | 0.04        | 0.01        | 0.01        |

## Notes:

- (1) Being adjusted for following subsequent events up to LPD:
  - (i) Par Value Reduction (for information, pursuant to the implementation of the Act on 31 January 2017, all shares shall have no par or nominal value);
  - (ii) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
  - (iii) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
  - (iv) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
  - (v) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.
- (2) Assuming all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements at the issue price of RM0.20 per Rights Share.
- (3) After netting off estimated expenses of approximately RM0.73 million in relation to the Rights Issue with Warrants.
- (4) Recognition of fair value of warrants of RM0.1543 per Warrant C pursuant to the Rights Issue with Warrants, offset against the capital reserve account and issued share capital account amounting to RM35.36 million. For illustration purposes, the fair value of warrants of RM0.1543 per Warrant C was derived based on the Trinomial Option Pricing Model. The warrant reserve will be transferred to the issued share capital account upon the full exercise of the Warrants C.
- (5) Based on the exercise price of RM0.20 per Warrant C.

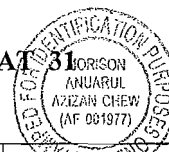
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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING  
ACCOUNTANTS' REPORT THEREON (CONT'D)**

## APPENDIX A

## ANZO HOLDINGS BERHAD

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31  
MARCH 2016**

**(Page 1 of 2) MAXIMUM SCENARIO**

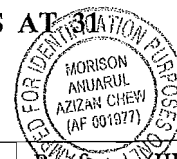
| MAXIMUM SCENARIO                                    | Audited statements of financial position of Anzo as at 31.3.16 | Adjusted for Subsequent Events up to LPD <sup>(1)</sup> | Pro forma (I)   | Pro forma (II)                           | Pro forma (III)                                     |
|---|--|---|---|--|---|
|   |  |   | After adjusted for Subsequent Events up to LPD and assuming full granting and/or exercise of the Convertible Securities | After (I) and Rights Issue with Warrants | After (II) and assuming full exercise of Warrants C |
|   | RM   | RM  | RM  | RM                                       | RM  |
| <b>Non-Current Assets</b>                           |  |   |   |  |   |
| Property, plant and equipment                       | 31,493,830   | 31,493,830  | 31,493,830  | 31,493,830                               | 31,493,830  |
| <b>Current Assets</b>                               |  |   |   |  |   |
| Trade receivables                                   | 3,712,867  | 3,712,867   | 3,712,867   | 3,712,867                                | 3,712,867   |
| Other receivables                                   | 10,573,914   | 10,573,914  | 10,573,914  | 10,573,914                               | 10,573,914  |
| Short-term deposits with licensed banks             | 3,579,555  | 3,579,555   | 3,579,555   | 3,579,555                                | 3,579,555   |
| Cash and bank balances                              | 1,661,523  | 3,730,965   | 35,765,598  | 166,076,842                              | 231,597,464   |
|   | 19,527,859   | 21,597,301  | 53,631,934  | 183,943,178                              | 249,463,800   |
| <b>Total Assets</b>                                 | <b>51,021,689</b>  | <b>53,091,131</b>                                       | <b>85,125,764</b>   | <b>215,437,008</b>                       | <b>280,957,630</b>                                  |
| <b>Equity attributable to owners of the Company</b> |  |   |   |  |   |
| Share capital                                       | 74,003,531   | 31,066,552  | <sup>(2)</sup> 65,656,285   | <sup>(3)(5)</sup> 152,964,777            | <sup>(6)</sup> 269,034,559                          |
| Share premium                                       | -  | 581,802   | 581,802   | <sup>(4)</sup> -                         | -   |
| Warrants reserves                                   | 5,225,539  | 5,196,086   | -   | <sup>(5)</sup> 50,549,160                | -   |
| Capital reserve                                     | -  | 6,816,408   | 6,816,408   | <sup>(5)</sup> -                         | -   |
| SIS reserve   | 2,771,671  | 2,249,277   | -   | -  | -   |
| Discount on equity                                  | (2,670,439)  | (2,640,986)   | -   | -  | -   |
| (Accumulated losses)/ Retained earnings             | (35,751,236)   | 2,379,369   | 4,628,646   | <sup>(4)</sup> 4,480,448                 | 4,480,448   |
|   | 43,579,066   | 45,648,508  | 77,683,141  | 207,994,385                              | 273,515,007   |
| <b>Non-Current Liabilities</b>                      |  |   |   |  |   |
| Finance lease liabilities                           | 1,275,203  | 1,275,203   | 1,275,203   | 1,275,203                                | 1,275,203   |
| Deferred tax liabilities                            | 1,909,918  | 1,909,918   | 1,909,918   | 1,909,918                                | 1,909,918   |
|   | 3,185,121  | 3,185,121   | 3,185,121   | 3,185,121                                | 3,185,121   |
| <b>Current Liabilities</b>                          |  |   |   |  |   |
| Trade payables                                      | 1,096,200  | 1,096,200   | 1,096,200   | 1,096,200                                | 1,096,200   |
| Other payables                                      | 1,625,070  | 1,625,070   | 1,625,070   | 1,625,070                                | 1,625,070   |
| Amount owing to a director                          | 1,168,995  | 1,168,995   | 1,168,995   | 1,168,995                                | 1,168,995   |
| Finance lease liabilities                           | 367,237  | 367,237   | 367,237   | 367,237                                  | 367,237   |
|   | 4,257,502  | 4,257,502   | 4,257,502   | 4,257,502                                | 4,257,502   |
| <b>Total Liabilities</b>                            | <b>7,442,623</b>   | <b>7,442,623</b>  | <b>7,442,623</b>  | <b>7,442,623</b>                         | <b>7,442,623</b>                                    |
| <b>Total Equity and Liabilities</b>                 | <b>51,021,689</b>  | <b>53,091,131</b>                                       | <b>85,125,764</b>   | <b>215,437,008</b>                       | <b>280,957,630</b>                                  |

**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

## APPENDIX A

**ANZO HOLDINGS BERHAD**  
**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016**

(Page 2 of 2)

**MAXIMUM SCENARIO**

| MAXIMUM SCENARIO               | Audited statements of financial position of Anzo as at 31.3.16 | Adjusted for Subsequent Events up to LPD <sup>(1)</sup> | Pro forma (I)<br>After adjusted for Subsequent Events up to LPD and assuming full granting and/or exercise of the Convertible Securities | Pro forma (II)<br>After (I) and Rights Issue with Warrants | Pro forma (III)<br>After (II) and assuming full exercise of Warrants C |
|--------------------------------|--|---|--|--|--|
|                                | RM   | RM  | RM   | RM   | RM   |
| Number of Anzo Share(s)        | 296,014,123  | 305,536,623   | 436,804,146  | 1,092,010,365  | 1,419,613,474  |
| Net assets per Anzo Share (RM) | 0.15   | 0.15  | 0.18   | 0.19   | 0.19   |
| Borrowings (RM)                | 1,642,440  | 1,642,440   | 1,642,440  | 1,642,440  | 1,642,440  |
| Gearing (times)                | 0.04   | 0.04  | 0.02   | 0.01   | 0.01   |

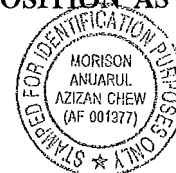
Notes:-

- (1) Being adjusted for following subsequent events up to LPD:
  - (i) Par Value Reduction (for information, pursuant to the implementation of the Act on 31 January 2017, all shares shall have no par or nominal value);
  - (ii) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
  - (iii) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
  - (iv) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
  - (v) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.
- (2) Assuming all 19,632,700 SIS Options are granted and exercised at the exercise prices as stated in Note 2 of Section 8.1 of this Abridged Prospectus as well as 78,643,798 outstanding Warrants 2009/2019 ("Warrants A") and 32,991,025 outstanding Warrants 2013/2023 ("Warrants B") are exercised at the exercise price of RM0.25 per Warrant A and RM0.25 per Warrant B. Collectively, the SIS Options, the Warrants A and the Warrants B are referred to as the "Convertible Securities".
- (3) Assuming all the Entitled Shareholders and/or their renounee(s) fully subscribe for their respective entitlements at the issue price of RM0.20 per Rights Share.
- (4) After netting off estimated expenses of approximately RM0.73 million in relation to the Rights Issue with Warrants.
- (5) Recognition of fair value of warrants of RM0.1543 per Warrant C pursuant to the Rights Issue with Warrants, offset against the capital reserve account and issued share capital account amounting to RM50.55 million. For illustration purposes, the fair value of warrants of RM0.1543 per Warrant C was derived based on the Trinomial Option Pricing Model. The warrant reserve will be transferred to the issued share capital account upon the full exercise of the Warrants C.
- (6) Based on the exercise price of RM0.20 per Warrant C.

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**ANZO HOLDINGS BERHAD (“ANZO”)  
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016**



**1. Basis of preparation**

The pro forma consolidated statements of financial position of Anzo have been prepared based on the audited consolidated statements of financial position of Anzo as at 31 March 2016 taking into account that the subsequent completed events up to LPD, Rights Issue of Shares with Warrants, the full exercise of the Warrants C issued pursuant to the Rights Issue with Warrants as described in Note (1) to (4) below, had been effected on that date. The pro forma consolidated statements of financial position have been properly compiled on the basis stated using financial statements prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of Anzo.

**2. Details of the corporate exercises**

On 17 December 2015 and 8 January 2016, Mercury Securities Sdn Bhd had, on behalf of the Board of Directors, announced that the Company proposes to undertake the Par Value Reduction as well as the Rights Issue with Warrants (collectively the “Corporate Exercises”). The Par Value Reduction was completed on 6 May 2016.

The Rights Issue with Warrants involves the issuance of up to 655,206,219 new ordinary shares in Anzo (“Anzo Share” or “Shares”) (“Rights Shares”) together with up to 327,603,109 free detachable warrants in Anzo (“Warrants C”) on the basis of six (6) Rights Shares together with three (3) free Warrants C for every four (4) existing Anzo Shares held by entitled shareholders of Anzo on an entitlement date to be determined later (“Entitlement Date”).

The Rights Shares will be provisionally allotted and issued to shareholders whose names appear in the Record of Depositors of the Company at the close of business on the Entitlement Date after obtaining all the relevant approvals for the Rights Issue with Warrants (“Entitled Shareholders”).

The Rights Issue with Warrants will be implemented on a minimum subscription level of 45,000,000 Rights Shares together with 22,500,000 Warrants C based on the issue price of RM0.20 per Rights Share to arrive at proceeds of RM9,000,000 (“Minimum Subscription Level”). The Minimum Subscription Level was determined by the Board of Directors after taking into consideration various factors which include amongst others, the funding requirements of Anzo as set out in the Abridged Prospectus.

**3. Scenarios**

The pro forma consolidated statements of financial position which the Directors of Anzo are solely responsible, have been prepared solely for illustrative purposes, to show the effects of the following:-

**a) Minimum Scenario**

Assuming that none of the Convertible Securities are exercised / converted into new Anzo Shares prior to the Entitlement Date and none of the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) fully subscribe to their entitlements of the Rights Shares with Warrants C and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level.

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**3. Scenarios – (Continued)**

- b) **Base Case Scenario**  
Assuming that none of the existing Convertible Securities are exercised / converted into new Anzo Shares on or prior to the Entitlement Date and all the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) fully subscribe for their entitlements under the Rights Issue with Warrants.
- c) **Maximum Scenario**  
Assuming that all the existing Convertible Securities are exercised / converted into new Anzo Shares on or prior to the Entitlement Date and all the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) fully subscribe for their entitlements of the Rights Shares with Warrants C.

**4. The Pro forma Consolidated Statements of Financial Position**

**4.1 Minimum Scenario**

**4.1.1 Adjustments for subsequent completed events up to LPD**

The audited consolidated statement of financial position as at 31 March 2016 is adjusted with the following effects:

- (a) par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company which was completed on 6 May 2016.
- (b) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
- (c) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
- (d) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
- (e) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.

Accordingly, the remaining unexercised SIS Options, Warrants A and Warrant B are 18,719,900 SIS Options, 78,643,798 Warrants A and 32,991,025 Warrants B respectively. The share capital of the Company after the above subsequent event is RM31,066,552 comprising 305,536,623 Anzo Shares (excluding any credit in the share premium and other capital reserves).

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**ANZO HOLDINGS BERHAD (“ANZO”)  
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**4. The Pro forma Consolidated Statements of Financial Position - (Continued)**

**4.1.2 Pro forma I – Rights Issue with Warrants**

Pro forma I incorporates the effects of the subsequent completed events and the effects of the Rights Issue with Warrants. The Minimum Subscription Level would give rise to an increase in the issued share capital of Anzo of RM9,000,000 and generate total gross cash proceeds of RM9,000,000.

The expected utilisation of the proceeds is as follows:-

| <b>Details of utilisation</b>  | <b>Expected timeframe for utilisation from completion of the Proposed Rights Issue with Warrants</b> | <b>Minimum Scenario RM'000</b> |
|--|--|--------------------------------|
| Construction works for the Porto De Melaka Project Phase I (“PDM Phase I”) | Within 30 months   | 9,000                          |
| <b>Total</b>   |  | <b>9,000</b>                   |

**Note:-**

- (1) Under the Minimum Scenario, the estimated expenses for the Corporate Exercises of RM0.73 million will be funded by the Company’s internally-generated funds.

The fair value per Warrant C of RM0.1543 is determined using the Trinomial Option Pricing model based on the following key assumptions:

|                         |               |
|-------------------------|---------------|
| Exercise price          | RM0.20        |
| Underlying price        | RM0.2659      |
| Days to expiration      | 1095 (3years) |
| Risk free interest rate | 3.23% pa      |
| Expected volatility     | 75%           |
| Expected dividend yield | -             |

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
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**ANZO HOLDINGS BERHAD (“ANZO”)****NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
AT 31 MARCH 2016****4. The Pro forma Consolidated Statements of Financial Position – (Continued)****4.1.2 Pro forma I – Rights Issue with Warrants – (Continued)**

The full issuance of 22,500,000 Warrants C will generate a total of RM3,471,750 warrant reserve with the fair value of RM0.1543 per Warrant C.

**4.1.3 Pro forma II – Assuming full exercise of Warrants C**

Pro forma II incorporates the effects of the subsequent completed events, Pro forma I and the effects of assuming full exercise of Warrants C at an exercise price of RM0.20 per Warrant C.

The warrant reserves will be transferred to issued share capital account upon the full exercise of the Warrants C. The quantum of proceeds to be received by the Company pursuant to the exercise of the Warrants C would depend upon the actual number of Warrants C exercised. Such proceeds will be utilised for working capital purposes.

**4.2 Base Case Scenario****4.2.1 Adjustments for subsequent completed events up to LPD**

The audited consolidated statement of financial position as at 31 March 2016 is adjusted with the following effects:

- (a) par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company which was completed on 6 May 2016.
- (b) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
- (c) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
- (d) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
- (e) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.

Accordingly, the remaining unexercised SIS Options, Warrants A and Warrant B are 18,719,900 SIS Options, 78,643,798 Warrants A and 32,991,025 Warrants B respectively. The share capital of the Company after the above subsequent event is RM31,066,552 comprising 305,536,623 Anzo Shares (excluding any credit in the share premium and other capital reserves).



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**4. The Pro forma Consolidated Statements of Financial Position- (Continued)**

4.2.2 Pro forma I – Rights Issue with Warrants

Pro forma I incorporates the effects of the subsequent completed events and the effects of the Rights Issue with Warrants. All the Entitled Shareholders and/or their transferee(s) and/or their renounee(s) fully subscribe for their entitlements under the Rights Issue with Warrants of 458,304,934 Rights Shares together with up to 229,152,467 Warrants C would give rise to an increase in the issued share capital of Anzo of RM91,660,987 and generate total gross cash proceeds of RM90,930,987 after netting off estimated expenses of RM730,000.

The expected utilisation of the proceeds is as follows:-

| <b>Utilisation of proceeds</b>                      | <b>Expected timeframe for utilisation from completion of the Rights Issue with Warrants</b> | <b>Base Case Scenario RM'000</b> |
|---|---|----------------------------------|
| (i) Construction works for PDM Project (Phase 1)    | Within 30 months  | 35,000                           |
| (ii) Working capital                                | Up to 24 months   | 10,000                           |
| (iii) Funding for future construction projects      | Within 24 months  | 45,931                           |
| (iv) Estimated expenses for the Corporate Exercises | Immediate   | 730                              |
| <b>Total</b>  |   | <b>91,661</b>                    |

The fair value per Warrant C of RM0.1543 is determined using the Trinomial Option Pricing model based on the following key assumptions:

|                         |               |
|-------------------------|---------------|
| Exercise price          | RM0.20        |
| Underlying price        | RM0.2659      |
| Days to expiration      | 1095 (3years) |
| Risk free interest rate | 3.23% pa      |
| Expected volatility     | 75%           |
| Expected dividend yield | -             |

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**ANZO HOLDINGS BERHAD (“ANZO”)  
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**4. The Pro forma Consolidated Statements of Financial Position – (Continued)**

**4.2.2 Pro forma I – Rights Issue with Warrants – (Continued)**

The full issuance of 229,152,467 Warrants C will generate a total of RM35,358,226 warrant reserve with the fair value of RM0.1543 per Warrant C.

**4.2.3 Pro forma II – Assuming full exercise of Warrants C**

Pro forma II incorporates the effects of the subsequent completed events, Pro forma I and the effects of assuming full exercise of Warrants C at an exercise price of RM0.20 per Warrant C.

The warrant reserves will be transferred to issued share capital account upon the full exercise of the Warrants C. The quantum of proceeds to be received by the Company pursuant to the exercise of the Warrants C would depend upon the actual number of Warrants C exercised. Such proceeds will be utilised for working capital purposes.

**4.3 Maximum Scenario**

**4.3.1 Adjustments for subsequent completed events up to LPD**

The audited consolidated statement of financial position as at 31 March 2016 is adjusted with the following effects:

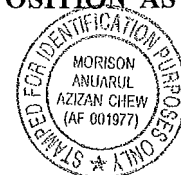
- (a) par value reduction via the cancellation of RM0.15 from the par value of every ordinary share of RM0.25 each in the Company which was completed on 6 May 2016.
- (b) issuance of 7,312,400 new Anzo Shares arising from the exercise of SIS Options from 1 April 2016 up to the LPD;
- (c) issuance of 2,023,100 new Anzo shares arising from the exercise of Warrants A at the exercise price of RM0.25 per Warrant A from 1 April 2016 up to the LPD;
- (d) issuance of 187,000 new Anzo Shares arising from the exercise of Warrants B at the exercise price of RM0.25 per Warrant B from 1 April 2016 up to the LPD; and
- (e) granting of 25,204,400 SIS Options and lapse of 14,685,000 SIS Options from 1 April 2016 up to the LPD.

Accordingly, the remaining unexercised SIS Options, Warrants A and Warrant B are 18,719,900 SIS Options, 78,643,798 Warrants A and 32,991,025 Warrants B respectively. The share capital of the Company after the above subsequent event is RM31,066,552 comprising 305,536,623 Anzo Shares (excluding any credit in the share premium and other capital reserves).

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**4. The Pro forma Consolidated Statements of Financial Position – (Continued)**

**4.3.2 Pro forma I – Assuming full grant and exercise of the SIS Options, Warrants A and Warrants B.**

Pro forma I incorporates the effects of the subsequent completed events and assuming full grant and exercise of SIS Options at exercise prices of between RM0.205 – RM0.288 per SIS Option, Warrants A at RM0.25 per warrant and Warrants B at RM0.25 per warrant.

The warrant reserves will be transferred to discount on equity and issued share capital account upon the full exercise of the Warrants B. The quantum of proceeds to be received by the Company pursuant to the exercise of the warrants would depend upon the actual number of warrants exercised. Such proceeds will be utilised for working capital purposes.

**4.3.3 Pro forma II –Rights Issue with Warrants**

Pro forma II incorporates the effects of the subsequent completed events, Pro forma I and the effects of the Rights Issue with Warrants. The full subscription of 655,206,219 Rights Shares together with up to 327,603,109 Warrants C would give rise to an increase in the issued share capital of Anzo of RM131,041,244 and generate total gross cash proceeds of RM130,311,244 after netting off estimated expenses of RM730,000.

The expected utilisation of the proceeds are as follows:-

| <b>Utilisation of proceeds</b>                      | <b>Expected timeframe for utilisation from completion of the Rights Issue with Warrants</b> | <b>Maximum Scenario RM'000</b> |
|---|---|--------------------------------|
| (i) Construction works for PDM Phase 1              | Within 30 months  | 35,000                         |
| (ii) Working capital                                | Up to 24 months   | 20,000                         |
| (iii) Funding for future construction projects      | Within 24 months  | 75,311                         |
| (iv) Estimated expenses for the Corporate Exercises | Immediate   | 730                            |
| <b>Total</b>  |   | <b>131,041</b>                 |

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**4. The Pro forma Consolidated Statements of Financial Position – (Continued)**

**4.3 Maximum Scenario – (Continued)**

**4.3.3 Pro forma II –Rights Issue with Warrants – (Continued)**

The fair value per Warrant C of RM0.1543 is determined using the Trinomial Option Pricing model based on the following key assumptions:

|                         |               |
|-------------------------|---------------|
| Exercise price          | RM0.20        |
| Underlying price        | RM0.2659      |
| Days to expiration      | 1095 (3years) |
| Risk free interest rate | 3.23% pa      |
| Expected volatility     | 75%           |
| Expected dividend yield | -             |

The full issuance of 327,603,109 Warrants C will generate a total of RM50,549,160 warrant reserve with the fair value of RM0.1543 per Warrant C.

**4.3.4 Pro forma III – Assuming full exercise of Warrants C**

Pro forma III incorporates the effects of the subsequent completed events, Pro forma I, Pro forma II and the effects of assuming full exercise of Warrants C at an exercise price of RM0.20 per warrant.

The warrant reserves will be transferred to issued share capital account upon the full exercise of the Warrants C. The quantum of proceeds to be received by the Company pursuant to the exercise of the Warrants C would depend upon the actual number of Warrants C exercised. Such proceeds will be utilised for working capital purposes.

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
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**NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
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**5. Cash and Bank Balance**

The movement in cash and bank balances of Anzo are as follows:-



| <b>Cash and Bank Balance</b>   | <b>Minimum Scenario<br/>RM</b>        |
|--|---------------------------------------|
| Audited as at 31 March 2016  | 1,661,523                             |
| After subsequent completed event adjustment                                  | 2,069,442                             |
| As per after subsequent completed event                                      | 3,730,965                             |
| Proceeds from the Rights Issue of Shares with Warrants                       | 9,000,000                             |
| Estimated expenses related to the Rights Issue with Warrants                 | (730,000)                             |
| As per Pro forma I   | 12,000,965                            |
| Proceeds from full exercise of Warrants C                                    | 4,500,000                             |
| As per Pro forma II  | 16,500,965                            |
|  |                                       |
| <b>Cash and Bank Balance</b>   | <b>Based Case<br/>Scenario<br/>RM</b> |
| Audited as at 31 March 2016  | 1,661,523                             |
| After subsequent completed event adjustment                                  | 2,069,442                             |
| As per after subsequent completed event                                      | 3,730,965                             |
| Proceeds from the Rights Issue of Shares with Warrants                       | 91,660,987                            |
| Estimated expenses related to the Rights Issue with Warrants                 | (730,000)                             |
| As per Pro forma I   | 94,661,952                            |
| Proceeds from full exercise of Warrants C                                    | 45,830,493                            |
| As per Pro forma II  | 140,492,445                           |
|  |                                       |
| <b>Cash and Bank Balance</b>   | <b>Maximum Scenario<br/>RM</b>        |
| Audited as at 31 March 2016  | 1,661,523                             |
| After subsequent completed event adjustment                                  | 2,069,442                             |
| As per after subsequent completed event                                      | 3,730,965                             |
| Proceeds from full exercise of the Warrants A, Warrants B and SIS<br>Options | 32,034,633                            |
| As per Pro forma I   | 35,765,598                            |
| Proceeds from the Rights Issue of Shares with Warrants                       | 131,041,244                           |
| Estimated expenses related to the Rights Issue with Warrants                 | (730,000)                             |
| As per Pro forma II  | 166,076,842                           |
| Proceeds from full exercise of Warrants C                                    | 65,520,622                            |
| As per Pro forma III   | 231,597,464                           |

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
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**ANZO HOLDINGS BERHAD (“ANZO”)  
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**6. Share Capital**

The movement in share capital of Anzo are as follows:-



| <b>Minimum Scenario</b>                                       | <b>No of Ordinary Shares</b> | <b>RM</b>    |
|---|------------------------------|--------------|
| Audited as at 31 March 2016                                   | 296,014,123                  | 74,003,531   |
| After subsequent completed events adjustment                  | 9,522,500                    | 1,487,640    |
| Arising from the Par Value Reduction                          | -                            | (44,424,619) |
| As per after subsequent completed events                      | 305,536,623                  | 31,066,552   |
| Arising from the Rights Issue of Shares with Warrants         | 45,000,000                   | 9,000,000    |
| As per Pro forma I  | 350,536,623                  | 40,066,552   |
| Arising from full exercise of the Warrants C                  | 22,500,000                   | 4,500,000    |
| Transfer of warrants reserve upon full exercise of Warrants C | -                            | 3,471,750    |
| As per Pro forma II   | 373,036,623                  | 48,038,302   |

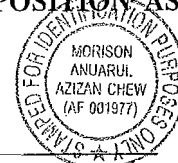
| <b>Base Case Scenario</b>                                     | <b>No of Ordinary Shares</b> | <b>RM</b>    |
|---|------------------------------|--------------|
| Audited as at 31 March 2016                                   | 296,014,123                  | 74,003,531   |
| After subsequent completed events adjustment                  | 9,522,500                    | 1,487,640    |
| Arising from the Par Value Reduction                          | -                            | (44,424,619) |
| As per after subsequent completed events                      | 305,536,623                  | 31,066,552   |
| Arising from the Rights Issue of Shares with Warrants         | 458,304,934                  | 91,660,987   |
| Adjustment for fair value of Warrants C                       | -                            | (28,541,818) |
| As per Pro forma I  | 763,841,557                  | 94,185,721   |
| Arising from full exercise of the Warrants C                  | 229,152,467                  | 45,830,493   |
| Transfer of warrants reserve upon full exercise of Warrants C | -                            | 35,358,226   |
| As per Pro forma II   | 992,994,024                  | 175,374,440  |

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**ANZO HOLDINGS BERHAD (“ANZO”)  
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**6. Share Capital – (Continued)**

| <b>Maximum Scenario</b>   | <b>No of Ordinary Shares</b> | <b>RM</b>    |
|---|------------------------------|--------------|
| Audited as at 31 March 2016   | 296,014,123                  | 74,003,531   |
| After subsequent completed events adjustment  | 9,522,500                    | 1,487,640    |
| Arising from the Par Value Reduction  | -                            | (44,424,619) |
| As per after subsequent completed events  | 305,536,623                  | 31,066,552   |
| Arising from full grant and/or exercise of the Warrants A, Warrants B and SIS Options | 131,267,523                  | 32,034,633   |
| Transfer of warrants reserve upon full exercise of Warrants B                         | -                            | 2,555,100    |
| As per Pro forma I  | 436,804,146                  | 65,656,285   |
| Arising from the Rights Issue of Shares with Warrants                                 | 655,206,219                  | 131,041,244  |
| Adjustment for fair value of Warrants C   | -                            | (43,732,752) |
| As per Pro forma II   | 1,092,010,365                | 152,964,777  |
| Arising from full exercise of the Warrants C  | 327,603,109                  | 65,520,622   |
| Transfer of warrants reserve upon full exercise of Warrants C                         | -                            | 50,549,160   |
| As per Pro forma III  | 1,419,613,474                | 269,034,559  |

**7. Share Premium**

The movement in share premium of Anzo are as follows:-

| <b>Share Premium</b>   | <b>Minimum Scenario</b>   |
|--|---------------------------|
|  | <b>RM</b>                 |
| Audited as at 31 March 2016                                  | -                         |
| After subsequent completed events adjustment                 | 581,802                   |
| As per after subsequent completed events                     | 581,802                   |
| Estimated expenses related to the Rights Issue with Warrants | (581,802)                 |
| As per Pro forma I and II                                    | -                         |
| <b>Share Premium</b>   | <b>Base Case Scenario</b> |
|  | <b>RM</b>                 |
| Audited as at 31 March 2016                                  | -                         |
| After subsequent completed events adjustment                 | 581,802                   |
| As per after subsequent completed events                     | 581,802                   |
| Estimated expenses related to the Rights Issue with Warrants | (581,802)                 |
| As per Pro forma I and II                                    | -                         |

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
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APPENDIX A

**ANZO HOLDINGS BERHAD (“ANZO”)  
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
AT 31 MARCH 2016**

**7. Share Premium – (Continued)**

| Share Premium  | Maximum Scenario |
|--|------------------|
|  | RM               |
| Audited as at 31 March 2016                                  | -                |
| After subsequent completed events adjustment                 | 581,802          |
| As per after subsequent completed events and Pro forma I     | 581,802          |
| Estimated expenses related to the Rights Issue with Warrants | (581,802)        |
| As per Pro forma II and III                                  | -                |

**8. Warrant Reserve**

The movement in warrant reserve of Anzo are as follows:-

| Warrant Reserve   | Minimum Scenario |
|---|------------------|
|   | RM               |
| Audited as at 31 March 2016                                       | 5,225,539        |
| After subsequent completed events adjustment                      | (29,453)         |
| As per after subsequent completed events                          | 5,196,086        |
| Adjustment for fair value of Warrants C                           | 3,471,750        |
| As per Pro forma I  | 8,667,836        |
| Transfer to issued share capital upon full exercise of Warrants C | (3,471,750)      |
| As per Pro forma II   | 5,196,086        |

| Warrant Reserve   | Base Case Scenario |
|---|--------------------|
|   | RM                 |
| Audited as at 31 March 2016                                       | 5,225,539          |
| After subsequent completed events adjustment                      | (29,453)           |
| As per after subsequent completed events                          | 5,196,086          |
| Adjustment for fair value of Warrants C                           | 35,358,226         |
| As per Pro forma I  | 40,554,312         |
| Transfer to issued share capital upon full exercise of Warrants C | (35,358,226)       |
| As per Pro forma II   | 5,196,086          |

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING  
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## APPENDIX A

**ANZO HOLDINGS BERHAD (“ANZO”)****NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
AT 31 MARCH 2016****8. Warrant Reserve – (Continued)**

| <b>Warrant Reserve</b>   | <b>Maximum Scenario<br/>RM</b> |
|--|--------------------------------|
| Audited as at 31 March 2016  | 5,225,539                      |
| After subsequent completed events adjustment   | (29,453)                       |
| As per after subsequent completed events   | 5,196,086                      |
| Transfer to discount on equity and issued share capital upon full exercise of Warrants B | (5,196,086)                    |
| As per Pro forma I   | -                              |
| Adjustment for fair value of Warrants C  | 50,549,160                     |
| As per Pro forma II  | 50,549,160                     |
| Transfer to issued share capital upon full exercise of Warrants C                        | (50,549,160)                   |
| As per Pro forma III   | -                              |

**9. Capital Reserve**

The movement in capital reserve of Anzo are as follows:-

| <b>Capital Reserve</b>                       | <b>Minimum Scenario<br/>RM</b> |
|--|--------------------------------|
| Audited as at 31 March 2016                  | -                              |
| After subsequent completed events adjustment | 6,816,408                      |
| As per after subsequent completed events     | 6,816,408                      |
| Adjustment for fair value of Warrants C      | (3,471,750)                    |
| As per Pro forma I and II                    | 3,344,658                      |

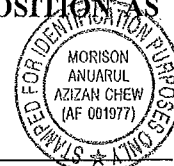
| <b>Capital Reserve</b>                       | <b>Based Case<br/>Scenario<br/>RM</b> |
|--|---------------------------------------|
| Audited as at 31 March 2016                  | -                                     |
| After subsequent completed events adjustment | 6,816,408                             |
| As per after subsequent completed events     | 6,816,408                             |
| Adjustment for fair value of Warrants C      | (6,816,408)                           |
| As per Pro forma I and II                    | -                                     |

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (CONT'D)**

## APPENDIX A

**ANZO HOLDINGS BERHAD (“ANZO”)  
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016**



## 9. Capital Reserve – (Continued)

| <b>Capital Reserve</b>                                   | <b>Maximum Scenario<br/>RM</b> |
|--|--------------------------------|
| Audited as at 31 March 2016                              | -                              |
| After subsequent completed events adjustment             | 6,816,408                      |
| As per after subsequent completed events and Pro forma I | 6,816,408                      |
| Adjustment for fair value of Warrants C                  | (6,816,408)                    |
| As per Pro forma II and III                              | -                              |

## 10. SIS Reserve

The movement in SIS reserve of Anzo are as follows:-

| <b>SIS Reserve</b>   | <b>Minimum Scenario<br/>RM</b> |
|--|--------------------------------|
| Audited as at 31 March 2016                                  | 2,771,671                      |
| After subsequent completed events adjustment                 | (522,394)                      |
| As per after subsequent completed events, Pro forma I and II | 2,249,277                      |

| <b>SIS Reserve</b>   | <b>Base Case Scenario<br/>RM</b> |
|--|----------------------------------|
| Audited as at 31 March 2016                                  | 2,771,671                        |
| After subsequent completed events adjustment                 | (522,394)                        |
| As per after subsequent completed events, Pro forma I and II | 2,249,277                        |

| <b>SIS Reserve</b>                                     | <b>Maximum Scenario<br/>RM</b> |
|--|--------------------------------|
| Audited as at 31 March 2016                            | 2,771,671                      |
| After subsequent completed events adjustment           | (522,394)                      |
| As per after subsequent completed events               | 2,249,277                      |
| Arising from full grant and/or exercise of SIS Options | (2,249,277)                    |
| As per Pro forma I, II and III                         | -                              |

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**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING  
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## APPENDIX A

## ANZO HOLDINGS BERHAD (“ANZO”)

**NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
AT 31 MARCH 2016**

**11. Discount on equity**

The movement in discount on equity of Anzo are as follows:-



| <b>Discount on equity</b>                                    | <b>Minimum Scenario</b>   |  |
|--|---------------------------|--|
|  | <b>RM</b>                 |  |
| Audited as at 31 March 2016                                  | (2,670,439)               |  |
| After subsequent completed events adjustment                 | 29,453                    |  |
| As per after subsequent completed events, Pro forma I and II | <u>(2,640,986)</u>        |  |
|  | <b>Base Case Scenario</b> |  |
|  | <b>RM</b>                 |  |
| Audited as at 31 March 2016                                  | (2,670,439)               |  |
| After subsequent completed events adjustment                 | 29,453                    |  |
| As per after subsequent completed events, Pro forma I and II | <u>(2,640,986)</u>        |  |
|  | <b>Maximum Scenario</b>   |  |
|  | <b>RM</b>                 |  |
| Audited as at 31 March 2016                                  | (2,670,439)               |  |
| After subsequent completed events adjustment                 | 29,453                    |  |
| As per after subsequent completed events                     | (2,640,986)               |  |
| Arising from full grant and/or exercise of SIS Options       | 2,640,986                 |  |
| As per Pro forma I, II and III                               | <u>-</u>                  |  |

**12. Accumulated Losses**

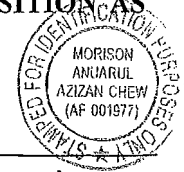
The movement in accumulated losses of Anzo are as follows:-

| <b>Accumulated Losses</b>                                    | <b>Minimum Scenario</b> |                |
|--|-------------------------|----------------|
|  | <b>Group</b>            | <b>Company</b> |
|  | <b>RM</b>               | <b>RM</b>      |
| Audited as at 31 March 2016                                  | (35,751,236)            | (37,608,211)   |
| After subsequent completed events adjustment                 | 38,130,605              | 38,130,605     |
| As per after subsequent completed events                     | 2,379,369               | 522,394        |
| Estimated expenses related to the Rights Issue with Warrants | (148,198)               | (148,198)      |
| As per Pro forma I and II                                    | <u>2,231,171</u>        | <u>374,196</u> |

**APPENDIX III – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF  
THE GROUP AS AT 31 MARCH 2016 TOGETHER WITH THE REPORTING  
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## APPENDIX A

**ANZO HOLDINGS BERHAD (“ANZO”)  
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS  
AT 31 MARCH 2016**

**12. Accumulated Losses – (Continued)**

| <b>Accumulated Losses</b>                                    | <b>Base Case Scenario</b> |                |
|--|---------------------------|----------------|
|  | <b>Group</b>              | <b>Company</b> |
|  | <b>RM</b>                 | <b>RM</b>      |
| Audited as at 31 March 2016                                  | (35,751,236)              | (37,608,211)   |
| After subsequent completed events adjustment                 | 38,130,605                | 38,130,605     |
| As per after subsequent completed events                     | 2,379,369                 | 522,394        |
| Estimated expenses related to the Rights Issue with Warrants | (148,198)                 | (148,198)      |
| As per Pro forma I and II                                    | <u>2,231,171</u>          | <u>374,196</u> |

| <b>Accumulated Losses</b>                                    | <b>Maximum Scenario</b> |                  |
|--|-------------------------|------------------|
|  | <b>Group</b>            | <b>Company</b>   |
|  | <b>RM</b>               | <b>RM</b>        |
| Audited as at 31 March 2016                                  | (35,751,236)            | (37,608,211)     |
| After subsequent completed events adjustment                 | 38,130,605              | 38,130,605       |
| As per after subsequent completed events                     | 2,379,369               | 522,394          |
| Transfer of SIS reserve upon full exercise of SIS Options    | 2,249,277               | 2,249,277        |
| As per Pro forma I   | 4,628,646               | 2,771,671        |
| Estimated expenses related to the Rights Issue with Warrants | (148,198)               | (148,198)        |
| As per Pro forma II and III                                  | <u>4,480,448</u>        | <u>2,623,473</u> |

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**ANZO HOLDINGS BERHAD**  
(Formerly known as Harvest Court Industries Berhad)  
(Company No.: 36998 – T)  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS**

**31 MARCH 2016**

MORISON ANUARUL AZIZAN CHEW (AF001977)  
CERTIFIED TRUE COPY

A handwritten signature in black ink, appearing to read 'Sathiea'.

.....  
**SATHIEA SEELEAN A/L MANICKAM**

Chartered Accountant

NRIC No : 641019-10-6869

Approved No : 1729/05/18(J/PH)

**Registered office:**

**Suite 10.03, Level 10,  
The Gardens South Tower,  
Mid Valley City, Lingkaran Syed Putra,  
59200 Kuala Lumpur.**

**Principal place of business:**

**Lot 450, Jalan Papan,  
Pandamaran Industrial Area,  
42000 Port Klang,  
Selangor Darul Ehsan.**

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**  
(Formerly known as Harvest Court Industries Berhad)  
(Company No: 36998-T)  
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS**

**31 MARCH 2016**

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**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

---

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**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 March 2016.

**Principal Activities**

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

**Financial Results**

|                                 | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|---------------------------------|---------------------|-----------------------|
| Net loss for the financial year | <u>10,851,483</u>   | <u>12,921,826</u>     |

**Dividend**

No dividend has been paid or declared by the Company since the end of the previous financial period. The Board of Directors does not recommend any dividend in respect of the financial year under review.

**Reserves and Provisions**

There were no material transfers to or from reserves or provisions during the financial year under review other than those disclosed in the financial statements.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**Issue of Shares and Debentures**

During the financial year, the issued and paid-up share capital of the Company was increased from RM70,208,531 to RM74,003,531 by way of the issuance of 15,180,000 new ordinary shares of RM0.25 each pursuant to the Company's Share Issuance Scheme.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issuance of debentures during the financial year under review.

**Warrants**

The Company has two types of warrants: Warrants A (2009/2019) and Warrants B (2013/2023).

The main features of the Warrants are as follows:

- a. Each Warrant carries the entitlement to subscribe for one (1) Company's share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
- b. Subject to the adjustments in accordance with the Deed Poll, the exercise price of the Warrants has been fixed at RM0.25 each, being the par value of the Company's shares price.
- c. The Warrants can be exercised at any time during the period commencing from and including the date of issue of the Warrants and up to and including the Expiry Date.
- d. Warrants A and Warrants B shall expire at 5.00 p.m. on 19.11.2019 and 25.8.2023 respectively. Any warrants which have not been exercised will lapse and cease thereafter to be valid for any purpose.

During the financial year, no Warrants were exercised. The movement of the Warrant A and B are as follows:

|           | Number of Warrants |         |          | At<br>31.3.2016 |
|-----------|--------------------|---------|----------|-----------------|
|           | At<br>1.4.2015     | Granted | Exercise |                 |
| Warrant A | 80,666,898         | -       | -        | 80,666,898      |
| Warrant B | 33,178,025         | -       | -        | 33,178,025      |



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

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**Shares Issuance Scheme (“SIS”)**

The Company’s SIS was approved by shareholders at the Extraordinary General Meeting on 14 September 2015 and became effective on 25 September 2015 for a period of 5 years, which will lapse on 24 September 2020.

The salient features and other terms of the SIS are disclosed in Note 24 to the financial statements.

The Company has been granted exemption pursuant to Section 169(11) of the Companies Act, 1965 by the Companies Commission of Malaysia from having to disclose the names of option holders, other than Directors, who have been granted options to subscribe for less than 320,000 units. The names and number of options granted and accepted in excess of 320,000 are disclosed in Note 24 to the financial statements.

The movement of options granted under SIS during the financial year are disclosed in Note 24 to the financial statements.

Details of the options granted to Directors are disclosed in the section on Directors’ Interests of this report.

**Directors**

The Directors of the Company who served in office since the date of the last report and the date of this report are as follows:

|   |                          |
|---|--------------------------|
| Mazlan Bin Mohamad                      |                          |
| Abdul Jaliludin Bin Jamalludin          | (Appointed on 19.5.2015) |
| Dato’ Seri Abdul Azim Bin Mohd Zabidi   | (Appointed on 22.5.2015) |
| Datuk Chai Woon Chet                    | (Appointed on 22.5.2015) |
| Aimi Aizal Bin Nasharuddin              | (Appointed on 25.5.2015) |
| Dato’ Seri Ti Lian Ker                  | (Appointed on 16.6.2015) |
| Rahmad Bin Tohak                        | (Appointed on 21.6.2016) |
| Zainuri Bin Zainal                      | (Resigned on 19.5.2015)  |
| Chan Boon Lim                           | (Resigned on 22.5.2015)  |
| Woo Mun Chee                            | (Resigned on 22.5.2015)  |
| Ng Wai Han                              | (Resigned on 12.9.2015)  |
| Dato’ Mohamed Amir Abas Bin Zainal Azim | (Retired on 14.9.2015)   |
| Chua Eng Chin                           | (Retired on 14.9.2015)   |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**Directors' Interests**

According to the Register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares or options in the Company and its related corporations during the financial year end are as follows:

|  | <b>No. of ordinary shares of RM0.25 each</b> |                 |                 |                         |
|--|--|-----------------|-----------------|-------------------------|
|  | <b>At<br/>1.4.2015</b>                       | <b>Acquired</b> | <b>Disposed</b> | <b>At<br/>31.3.2016</b> |
| <b>Anzo Holdings Berhad</b>                          |  |                 |                 |                         |
| Direct interest:                                     |  |                 |                 |                         |
| Abdul Jaliludin Bin Jamalludin                       | -  | 4,800,000       | -               | 4,800,000               |
| Datuk Chai Woon Chet                                 | -  | 8,350,000       | -               | 8,350,000               |
| Indirect interest:                                   |  |                 |                 |                         |
| Datuk Chai Woon Chet <sup>(1)</sup>                  | 58,500,000                                   | -               | -               | 58,500,000              |
| Dato' Seri Abdul Azim Bin Mohd Zabidi <sup>(2)</sup> | 20,000                                       | 980,000         | -               | 1,000,000               |

|                                | <b>No. of SIS over ordinary shares of RM0.25 each</b> |                |                  |                         |
|--------------------------------|---|----------------|------------------|-------------------------|
|                                | <b>At<br/>1.4.2015</b>                                | <b>Granted</b> | <b>Exercised</b> | <b>At<br/>31.3.2016</b> |
| <b>Anzo Holdings Berhad</b>    |   |                |                  |                         |
| Direct interest:               |   |                |                  |                         |
| Abdul Jaliludin Bin Jamalludin | -   | 4,800,000      | (4,800,000)      | -                       |
| Datuk Chai Woon Chet           | -   | 4,000,000      | (4,000,000)      | -                       |

- (1) Deemed interest by virtue of his interests in Zenith City Investments Limited pursuant to Section 6A of the Companies Act, 1965 in Malaysia.
- (2) Deemed interest by virtue of his interests in Syawaras Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 in Malaysia.

By virtue of their interests in the shares of the Company, Datuk Chai Woon Chet and Dato' Seri Abdul Azim Bin Mohd Zabidi are also deemed to have interest in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares and options of the Company or its related corporations during the financial year under review.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)**

---

**Directors' Benefits**

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remunerations received by Directors as shown in Note 21 to the financial statements) 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.

Neither during nor at the end of the financial year was the Company or its subsidiary companies a party to any arrangement the object of which is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than those arising from the share options granted under the Company's SIS.

**Other Statutory Information**

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that no provision for doubtful debts were necessary; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) any amount stated in the financial statements of the Group and of the Company misleading; and
  - (iv) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

**Other Statutory Information (Cont'd)**

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
  - (ii) any contingent liability in respect of the Group and the Company which has arisen since the end of the financial year.
- (d) No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (e) In the opinion of the Directors:
- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (ii) there has not 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.

**Significant Events**

The significant events during the financial year are disclosed in Note 28 to the financial statements.

**Auditors**

The auditors, Messrs. Morison Anuarul Azizan Chew, have expressed their willingness to accept re-appointment.

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

  
MAZLAN BIN MOHAMAD

  
DATUK CHAI WOON CHET

**Puchong Selangor**

20 JUL 2016

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

**Pursuant to Section 169(15) of the Companies Act, 1965**

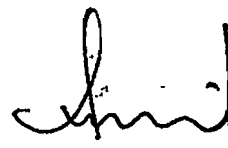
We, MAZLAN BIN MOHAMAD and DATUK CHAI WOON CHET, being two of the Directors of ANZO HOLDINGS BERHAD (formerly known as Harvest Court Industries Berhad), do hereby state that, in the opinion of the Directors, the financial statements set out on pages 12 to 72 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 March 2016 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in page 73 to the financial statements have been prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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



MAZLAN BIN MOHAMAD



DATUK CHAI WOON CHET

Puchong Selangor

20 JUL 2016

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**STATUTORY DECLARATION**

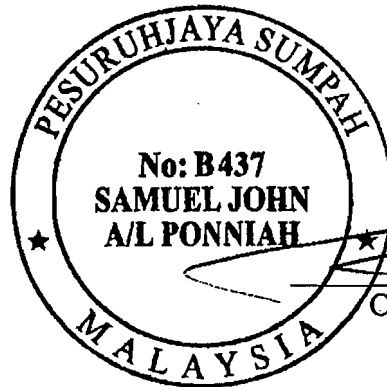
Pursuant to Section 169(16) of the Companies Act, 1965

I, MAZLAN BIN MOHAMAD, being the Director primarily responsible for the financial management of ANZO HOLDINGS BERHAD (formerly known as Harvest Court Industries Berhad), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 12 to 72 and the supplementary information set out on page 73 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.

Subscribed and solemnly declared by the )  
abovenamed MAZLAN BIN MOHAMAD )  
at **PUCHONG, SELANGOR** )  
on this date of 20 JUL 2016 )

  
MAZLAN BIN MOHAMAD

Before me,



  
COMMISSIONER FOR OATHS

No. 23B, 1st Floor,  
Jalan TK 1/11A, Taman Kinrara  
47180 Puchong, Selangor

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)



**Morison Anuarul Azizan Chew (AF 001977)**  
Chartered Accountants

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)

(Company No.: 36998 - T)

(Incorporated in Malaysia)

**Report on the Financial Statements**

We have audited the financial statements of Anzo Holdings Berhad (formerly known as Harvest Court Industries Berhad) which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 72.

*Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Your Partners In Success*

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### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the followings:

- (a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our auditor's reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

### **Other Reporting Responsibilities**

The supplementary information set out on page 73 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.





**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Anuarul Azizan Chew'.

MORISON ANUARUL AZIZAN CHEW  
Firm Number: AF 001977  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Sathiea Seelean'.

SATHIEA SEELEAN A/L MANICKAM  
Approved Number: 1729/05/18 (J/PH)  
Chartered Accountant

KUALA LUMPUR

20 JUL 2016

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016**

|   | Note | Group             |                   | Company           |                   |
|---|------|-------------------|-------------------|-------------------|-------------------|
|   |      | 2016<br>RM        | 2015<br>RM        | 2016<br>RM        | 2015<br>RM        |
| <b>Non-Current Assets</b>                           |      |                   |                   |                   |                   |
| Property, plant and equipment                       | 4    | 31,493,830        | 30,583,232        | 7,687,153         | 8,180,938         |
| Investment in subsidiary companies                  | 5    | -                 | -                 | 7,947,548         | 14,391,548        |
|   |      | <u>31,493,830</u> | <u>30,583,232</u> | <u>15,634,701</u> | <u>22,572,486</u> |
| <b>Current Assets</b>                               |      |                   |                   |                   |                   |
| Inventories   | 6    | -                 | 1,482,166         | -                 | -                 |
| Trade receivables                                   | 7    | 3,712,867         | 10,184,362        | -                 | -                 |
| Other receivables                                   | 8    | 10,573,914        | 3,647,032         | 580,835           | 3,606,518         |
| Amount owing by subsidiary companies                | 9    | -                 | -                 | 32,470,946        | 26,786,604        |
| Tax recoverable                                     |      | -                 | 4,250             | -                 | -                 |
| Short-term deposits with licensed banks             | 10   | 3,579,555         | 5,008,478         | 3,189,555         | 5,008,478         |
| Cash and bank balances                              |      | 1,661,523         | 928,592           | 1,335,296         | 368,511           |
|   |      | <u>19,527,859</u> | <u>21,254,880</u> | <u>37,576,632</u> | <u>35,770,111</u> |
| <b>Total Assets</b>                                 |      | <u>51,021,689</u> | <u>51,838,112</u> | <u>53,211,333</u> | <u>58,342,597</u> |
| <b>Equity attributable to owners of the Company</b> |      |                   |                   |                   |                   |
| Share capital                                       | 11   | 74,003,531        | 70,208,531        | 74,003,531        | 70,208,531        |
| Other reserves                                      | 12   | 5,326,771         | 2,555,100         | 5,326,771         | 2,555,100         |
| Accumulated losses                                  |      | (35,751,236)      | (25,689,113)      | (37,608,211)      | (25,475,745)      |
| <b>Total Equity</b>                                 |      | <u>43,579,066</u> | <u>47,074,518</u> | <u>41,722,091</u> | <u>47,287,886</u> |
| <b>Non-Current Liabilities</b>                      |      |                   |                   |                   |                   |
| Finance lease liabilities                           | 13   | 1,275,203         | 165,124           | -                 | -                 |
| Deferred tax liabilities                            | 14   | 1,909,918         | 1,990,973         | 922,447           | 981,815           |
|   |      | <u>3,185,121</u>  | <u>2,156,097</u>  | <u>922,447</u>    | <u>981,815</u>    |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)

(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016 (CONT'D)**

|  | Note | Group             |                   | Company           |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
|  |      | 2016<br>RM        | 2015<br>RM        | 2016<br>RM        | 2015<br>RM        |
| <b>Current Liabilities</b>               |      |                   |                   |                   |                   |
| Trade payables                           | 15   | 1,096,200         | 305,567           | -                 | -                 |
| Other payables                           | 16   | 1,625,070         | 2,234,650         | 687,185           | 977,393           |
| Amounts owing to subsidiary<br>companies | 9    | -                 | -                 | 8,710,615         | 9,095,503         |
| Amount owing to a director               | 17   | 1,168,995         | -                 | 1,168,995         | -                 |
| Finance lease liabilities                | 13   | 367,237           | 67,280            | -                 | -                 |
|  |      | <u>4,257,502</u>  | <u>2,607,497</u>  | <u>10,566,795</u> | <u>10,072,896</u> |
| <b>Total Liabilities</b>                 |      | <u>7,442,623</u>  | <u>4,763,594</u>  | <u>11,489,242</u> | <u>11,054,711</u> |
| <b>Total Equity and Liabilities</b>      |      | <u>51,021,689</u> | <u>51,838,112</u> | <u>53,211,333</u> | <u>58,342,597</u> |

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

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**STATEMENTS COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

|  | Note | Group                             |                                   | Company                           |                                   |
|--|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  |      | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM |
| Revenue  | 18   | 6,112,121                         | 7,042,005                         | 350,000                           | -                                 |
| Cost of sales  | 19   | (7,530,582)                       | (10,646,912)                      | -                                 | -                                 |
| Gross (loss)/profit  |      | <u>(1,418,461)</u>                | <u>(3,604,907)</u>                | <u>350,000</u>                    | <u>-</u>                          |
| Other income   |      | 225,373                           | 493,766                           | 180,516                           | 1,527,295                         |
| Administrative expenses  |      | (9,730,169)                       | (6,581,101)                       | (13,511,710)                      | (5,893,670)                       |
| Distributions costs  |      | -                                 | (18,084)                          | -                                 | -                                 |
| Finance costs  | 20   | (34,008)                          | (16,429)                          | -                                 | -                                 |
| <b>Loss before taxation</b>  | 21   | <u>(10,957,265)</u>               | <u>(9,726,755)</u>                | <u>(12,981,194)</u>               | <u>(4,366,375)</u>                |
| Taxation   | 22   | 105,782                           | 507,592                           | 59,368                            | (113,505)                         |
| <b>Loss for the financial<br/>year/period, representing<br/>total comprehensive loss<br/>for the financial<br/>year/period attributable<br/>to owners of the<br/>Company</b> |      | <u>(10,851,483)</u>               | <u>(9,219,163)</u>                | <u>(12,921,826)</u>               | <u>(4,479,880)</u>                |
| Loss per share attributable<br>to owners of the Company<br>(sen):  |      |                                   |                                   |                                   |                                   |
| Basic  | 23   | (3.85)                            | (3.35)                            |                                   |                                   |
| Diluted  | 23   | <u>(3.85)</u>                     | <u>(3.35)</u>                     |                                   |                                   |

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

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

| Group   | Attributable to Owners of the Company |                      |                          |                             |                             |  | Total equity<br>RM |
|---|---------------------------------------|----------------------|--------------------------|-----------------------------|-----------------------------|--|--------------------|
|   | Share<br>capital<br>RM                | SIS<br>reserve<br>RM | Warrant<br>reserve<br>RM | Discount on<br>equity<br>RM | Accumulated<br>losses<br>RM |  |                    |
| 2016  |                                       |                      |                          |                             |                             |  |                    |
| At 1 April 2015   | 70,208,531                            | -                    | 5,225,539                | (2,670,439)                 | (25,689,113)                |  | 47,074,518         |
| Loss/total comprehensive loss for the<br>financial year | -                                     | -                    | -                        | -                           | (10,851,483)                |  | (10,851,483)       |
| Share option granted under SIS                          | -                                     | 3,561,031            | -                        | -                           | -                           |  | 3,561,031          |
| Issuance of shares pursuant to SIS                      | 3,795,000                             | (789,360)            | -                        | -                           | 789,360                     |  | 3,795,000          |
| At 31 March 2016  | 74,003,531                            | 2,771,671            | 5,225,539                | (2,670,439)                 | (35,751,236)                |  | 43,579,066         |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

| Group  | Attributable to Owners of the Company |                       |                          |                             |                             |             | Total<br>equity<br>RM |
|--|---------------------------------------|-----------------------|--------------------------|-----------------------------|-----------------------------|-------------|-----------------------|
|  | Share<br>capital<br>RM                | ESOS<br>reserve<br>RM | Warrant<br>reserve<br>RM | Discount on<br>equity<br>RM | Accumulated<br>losses<br>RM |             |                       |
| <b>2015</b>  |                                       |                       |                          |                             |                             |             |                       |
| At 1 January 2014                                      | 66,357,381                            | 213,650               | 5,225,539                | (2,670,439)                 | (17,228,129)                | 51,898,002  |                       |
| Loss/total comprehensive loss for the financial period | -                                     | -                     | -                        | -                           | (9,219,163)                 | (9,219,163) |                       |
| Share option granted under ESOS                        | -                                     | 544,529               | -                        | -                           | -                           | 544,529     |                       |
| Issuance of shares pursuant to ESOS                    | 3,851,150                             | (420,557)             | -                        | -                           | 420,557                     | 3,851,150   |                       |
| ESOS expired   | -                                     | (337,622)             | -                        | -                           | 337,622                     | -           |                       |
| At 31 March 2015                                       | 70,208,531                            | -                     | 5,225,539                | (2,670,439)                 | (25,689,113)                | 47,074,518  |                       |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

| Company   | Share capital<br>RM | SIS<br>reserve<br>RM | Non-Distributable        |                             |                             | Total equity<br>RM |
|---|---------------------|----------------------|--------------------------|-----------------------------|-----------------------------|--------------------|
|   |                     |                      | Warrant<br>reserve<br>RM | Discount on<br>equity<br>RM | Accumulated<br>losses<br>RM |                    |
| 2016  |                     |                      |                          |                             |                             |                    |
| At 1 April 2015   | 70,208,531          | -                    | 5,225,539                | (2,670,439)                 | (25,475,745)                | 47,287,886         |
| Loss/total comprehensive loss for the<br>financial year | -                   | -                    | -                        | -                           | (12,921,826)                | (12,921,826)       |
| Share option granted under SIS                          | -                   | 3,561,031            | -                        | -                           | -                           | 3,561,031          |
| Issuance of shares pursuant to SIS                      | 3,795,000           | (789,360)            | -                        | -                           | 789,360                     | 3,795,000          |
| At 31 March 2016  | 74,003,531          | 2,771,671            | 5,225,539                | (2,670,439)                 | (37,608,211)                | 41,722,091         |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

| Company   | Non-Distributable      |                       |                          |                             |                             | Total equity<br>RM |
|---|------------------------|-----------------------|--------------------------|-----------------------------|-----------------------------|--------------------|
|   | Share<br>capital<br>RM | ESOS<br>reserve<br>RM | Warrant<br>reserve<br>RM | Discount on<br>equity<br>RM | Accumulated<br>losses<br>RM |                    |
| 2015  |                        |                       |                          |                             |                             |                    |
| At 1 January 2014   | 66,357,381             | 213,650               | 5,225,539                | (2,670,439)                 | (21,754,044)                | 47,372,087         |
| Loss/total comprehensive loss for the<br>financial period | -                      | -                     | -                        | -                           | (4,479,880)                 | (4,479,880)        |
| Share option granted under ESOS                           | -                      | 544,529               | -                        | -                           | -                           | 544,529            |
| Issuance of shares pursuant to ESOS                       | 3,851,150              | (420,557)             | -                        | -                           | 420,557                     | 3,851,150          |
| ESOS expired  | -                      | (337,622)             | -                        | -                           | 337,622                     | -                  |
| At 31 March 2015  | 70,208,531             | -                     | 5,225,539                | (2,670,439)                 | (25,475,745)                | 47,287,886         |

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



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

|   | Group                             |                                   | Company                           |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM |
| <b>Cash Flows From Operating Activities</b>                       |                                   |                                   |                                   |                                   |
| Loss before taxation  | (10,957,265)                      | (9,726,755)                       | (12,981,194)                      | (4,366,375)                       |
| Adjustments for:  |                                   |                                   |                                   |                                   |
| Allowance for impairment loss on trade receivables                | 22,737                            | -                                 | -                                 | -                                 |
| Allowance for impairment loss on other receivables                | 747,983                           | -                                 | 747,983                           | -                                 |
| Bad debts written off   | 9,858                             | 47,224                            | -                                 | -                                 |
| Depreciation of property, plant and equipment                     | 1,550,131                         | 1,713,673                         | 495,644                           | 617,647                           |
| Deposits written off  | 1,125,000                         | 45,000                            | 1,125,000                         | -                                 |
| Gain on disposal of property, plant and equipment                 | (38,000)                          | -                                 | -                                 | -                                 |
| Interest expenses   | 34,008                            | 16,429                            | -                                 | -                                 |
| Inventory written off   | 1,138,891                         | 2,066,950                         | -                                 | -                                 |
| Property, plant and equipment written off                         | 12,892                            | 1,950                             | 12,892                            | -                                 |
| Provision for impairment loss on amount owing by subsidiary       | -                                 | -                                 | 9,136                             | 1,006,620                         |
| Provision for impairment loss on investment in subsidiary company | -                                 | -                                 | 6,444,000                         | -                                 |
| Share options granted under SIS/ESOS                              | 3,561,031                         | 544,529                           | 1,951,878                         | 493,768                           |
| Interest income   | (167,516)                         | (248,636)                         | (167,516)                         | (248,636)                         |
| Operating loss before working capital changes                     | <u>(2,960,250)</u>                | <u>(5,539,636)</u>                | <u>(2,362,177)</u>                | <u>(2,496,976)</u>                |
| <b>Changes in working capital</b>                                 |                                   |                                   |                                   |                                   |
| Inventories   | 343,274                           | 2,087,962                         | -                                 | -                                 |
| Trade and other receivables                                       | (2,360,965)                       | (390,978)                         | 1,152,700                         | (2,805,510)                       |
| Trade and other payables  | 205,781                           | (82,728)                          | (290,208)                         | (188,613)                         |
| Amounts owing by subsidiary companies                             | -                                 | -                                 | (4,469,213)                       | (480,555)                         |
| Amounts owing to contract customers                               | -                                 | (1,077,060)                       | -                                 | -                                 |
| Amounts owing to a Director                                       | 1,168,995                         | -                                 | 1,168,995                         | -                                 |
|   | <u>(642,915)</u>                  | <u>537,196</u>                    | <u>(2,437,726)</u>                | <u>(3,474,678)</u>                |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

|  | Group                             |                                   | Company                           |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM |
| Cash used in operations  | (3,603,165)                       | (5,002,440)                       | (4,799,903)                       | (5,971,654)                       |
| Interest received  | 167,516                           | 248,636                           | 167,516                           | 248,636                           |
| Interest paid  | (34,008)                          | (16,429)                          | -                                 | -                                 |
| Tax refunded   | 4,250                             | 387,285                           | -                                 | 387,285                           |
| Tax paid   | -                                 | (68,262)                          | -                                 | -                                 |
|  | 137,758                           | 551,230                           | 167,516                           | 635,921                           |
| Net cash used in operating activities  | <u>(3,465,407)</u>                | <u>(4,451,210)</u>                | <u>(4,632,387)</u>                | <u>(5,335,733)</u>                |
| <b>Cash Flows From Investing Activities</b>                                    |                                   |                                   |                                   |                                   |
| Purchase of property, plant and equipment                                      | (931,621)                         | (461,899)                         | (14,751)                          | (19,192)                          |
| Proceeds from disposal of property, plant and equipment                        | 38,000                            | -                                 | -                                 | -                                 |
| Net cash used in investing activities  | <u>(893,621)</u>                  | <u>(461,899)</u>                  | <u>(14,751)</u>                   | <u>(19,192)</u>                   |
| <b>Cash Flows From Financing Activities</b>                                    |                                   |                                   |                                   |                                   |
| Proceeds from issuance of shares   | 3,795,000                         | 3,851,150                         | 3,795,000                         | 3,851,150                         |
| Repayment of hire purchase payable   | (131,964)                         | (79,360)                          | -                                 | -                                 |
| Net cash generated from financing activities                                   | <u>3,663,036</u>                  | <u>3,771,790</u>                  | <u>3,795,000</u>                  | <u>3,851,150</u>                  |
| <b>Net decrease in cash and cash equivalents</b>                               | <b>(695,992)</b>                  | <b>(1,141,319)</b>                | <b>(852,138)</b>                  | <b>(1,503,775)</b>                |
| <b>Cash and cash equivalents at the beginning of the financial year/period</b> | <b>5,937,070</b>                  | <b>7,078,389</b>                  | <b>5,376,989</b>                  | <b>6,880,764</b>                  |
| <b>Cash and cash equivalents at the end of the financial year/period</b>       | <b><u>5,241,078</u></b>           | <b><u>5,937,070</u></b>           | <b><u>4,524,851</u></b>           | <b><u>5,376,989</u></b>           |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (CONT'D)**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>1.4.2015</b>  | <b>1.1.2014</b>  | <b>1.4.2015</b>  | <b>1.1.2014</b>  |
|   | <b>to</b>        | <b>to</b>        | <b>to</b>        | <b>to</b>        |
|   | <b>31.3.2016</b> | <b>31.3.2015</b> | <b>31.3.2016</b> | <b>31.3.2015</b> |
|   | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        |
| <b>Cash and cash equivalents at the end<br/>of the financial year/period comprises:</b> |                  |                  |                  |                  |
| Cash and bank balances  | 1,661,523        | 928,592          | 1,335,296        | 368,511          |
| Short term deposits with a licensed<br>bank licensed bank                               | <u>3,579,555</u> | <u>5,008,478</u> | <u>3,189,555</u> | <u>5,008,478</u> |
|   | <u>5,241,078</u> | <u>5,937,070</u> | <u>4,524,851</u> | <u>5,376,989</u> |

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

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

**ANZO HOLDINGS BERHAD**

(Formerly known as Harvest Court Industries Berhad)  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Corporate Information**

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated in Malaysia under the Companies Act, 1965 and domiciled in Malaysia, and is listed on Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur and the principal place of business of the Company is located at Lot 450, Jalan Papan, Pandamaran Industrial Area, 42000 Port Klang, Selangor Darul Ehsan.

**2. Basis of Preparation**

- (a) The financial statements of the Group and of the Company have been prepared on the historical cost convention except as disclosed in the notes to the financial statements and in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 1965 in Malaysia.

The accounting policies adopted are consistent with those of the previous year except in the current financial year, the Group and the Company have adopted all applicable new and amended MFRS and IC interpretations that are effective for annual periods beginning on 1 April 2015. The adoption of these accounting standards and interpretations did not have any significant impact on the financial performance or position of the Group and the Company.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)****2. Basis of Preparation (Cont'd)****(b) Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia (“RM”) which is the Group’s and Company’s functional currency and all values has been rounded to the nearest RM except when otherwise stated.

**(c) Significant Accounting Estimates and Judgements**

The summary of accounting policies as described in Note 3 are essential to understand the Company’s results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Company’s accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group’s and the Company’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

**(i) Useful lives of property, plant and equipment**

The costs of property, plant and equipment of the Group and of the Company are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment as disclosed in Note 3(b)(iii). These are common life expectancies applied in the industry. Changes in the expected level of usage could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

**(ii) Impairment of non-financial assets**

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, the non-financial assets are impaired by evaluating the extent to which the recoverable amount of these assets are less than their cost. Methods used to determine the recoverable amount includes evaluation of valuation reports and discounted cash flows. Significant judgement is required in the estimation of present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group’s test for impairment of assets.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)**

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**2. Basis of Preparation (Cont'd)****(c) Significant Accounting Estimates and Judgements (Cont'd)****(iii) Impairment of investments in subsidiary companies**

The carrying amount of investment in subsidiary companies are reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

**(iv) Impairment of financial assets**

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

**(v) Income taxes**

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is involved especially in determining tax base allowances and deductibility of certain expenses in determining the Group-wide and the Company-wide provision for income taxes. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**(vi) Share Issuance Scheme (“SIS”)/Employee Share Option Scheme (“ESOS”)**

The fair value of share options granted during the financial year was estimated by the management using the Black-Scholes-Merton model, taking into accounts the terms and conditions upon which the options were granted. The fair value of share options was measured at Grant Date.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)**

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**2. Basis of Preparation (Cont'd)****(c) Significant Accounting Estimates and Judgements (Cont'd)****(vii) Construction contracts**

The Group recognises construction contracts based on stage of completion method. Revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group assesses the profitability of on-going construction contracts and the order backlog at least monthly, using project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

**3. Summary of Significant Accounting Policies****(a) Basis of consolidation****(i) Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)**

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**3. Summary of Significant Accounting Policies (Cont'd)****(a) Basis of consolidation (Cont'd)****(ii) Business Combination**

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

**(iii) Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)**

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**3. Summary of Significant Accounting Policies (Cont'd)****(a) Basis of consolidation (Cont'd)****(iv) Non-controlling interest**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

**(v) Transaction eliminated on consolidation**

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

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Property, plant and equipment****(i) Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

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**3. Significant Accounting Policies (Cont'd)**

**(b) Property, plant and equipment (Cont'd)**

**(i) Recognition and measurement (Cont'd)**

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

**(ii) Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

**(iii) Depreciation**

Depreciation is recognised in the profit and loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative periods are as follows:

|  |  |
|--|--|
| Leasehold lands                          | Remaining lease periods of<br>15 to 35 years |
| Leasehold buildings                      | 50 years                                     |
| Plant and machinery                      | 3 - 20 years                                 |
| Motor vehicles                           | 5 - 10 years                                 |
| Office furniture, fittings and equipment | 10 - 20 years                                |
| Electrical installation                  | 20 years                                     |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)**

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**3. Significant Accounting Policies (Cont'd)****(b) Property, plant and equipment (Cont'd)****(iii) Depreciation (Cont'd)**

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method of depreciation are the expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Gains or losses on disposals are determined by comparing net disposal proceeds with carrying amount and are recognised in the statements of profit or loss and other comprehensive income.

**(c) Financial assets**

Financial assets are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument.

**(i) Classification**

The Group and the Company classify their financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets.

**(ii) Recognition and initial measurement**

Financial assets are initially recognised at fair value plus transaction costs.

**(iii) Subsequent measurement**

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

3. **Significant Accounting Policies (Cont'd)**(c) **Financial assets (Cont'd)**(iv) **Impairment**

The Group and the Company assess at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

*Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss.

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, it is written off against the related accumulated impairment losses account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit and loss.

(v) **Derecognition**

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 risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)****3. Significant Accounting Policies (Cont'd)****(d) Financial liabilities**

Financial liabilities are recognised on the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company classify their financial liabilities as other financial liabilities. Management determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method.

Other financial liabilities are non-derivatives financial liabilities. The Group's and the Company's other financial liabilities comprise trade and other payables and borrowings. Financial liabilities are classified as current liabilities; except for maturities more than 12 months after the reporting date, in which case they are classified as non-current liabilities.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(e) Impairment of non-financial assets**

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)****3. Significant Accounting Policies (Cont'd)****(e) Impairment of non-financial assets (Cont'd)**

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

**(f) Inventories**

Inventories of raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories.

Cost is determined using the first in, first out method. The cost of raw materials comprises the original cost of purchase plus the cost of bringing the stocks to its present location and condition.

The cost of work-in-progress and finished goods consist of raw materials, direct labour, other direct costs and appropriate proportion of production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

**(g) Leases**

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)****3. Significant Accounting Policies (Cont'd)****(h) Share capital**

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the profit and loss.

Dividends on ordinary shares, when declared or proposed by the Directors of the Company are disclosed in the notes to the financial statements. Upon approval and when paid, such dividends will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year in which the dividends are paid.

**(i) Cash and cash equivalents**

Cash and cash equivalent consist of cash in hand, bank balances and deposits with banks which have an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalent are presented net of bank overdrafts and pledged deposits.

**(j) Foreign currencies transactions**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period.

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 the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 3. Significant Accounting Policies (Cont'd)

## (k) Income recognition

Income is recognised when it is probable that the economic benefits will flow to the Group and the Company and when the income can be measured reliably, on the following bases:

(i) Goods sold and services rendered

Revenue from sales of goods and services is recognised when significant risk and rewards have been transferred to the buyer, if any, or on performance of services, net of sales taxes and discounts.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Construction revenue

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(o) to the financial statements.

## (l) Employee benefits

## (i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

## (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit and loss in the period to which they relate.



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

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**3. Significant Accounting Policies (Cont'd)**

**(l) Employee benefits (Cont'd)**

**(iii) Share Issuance Scheme (“SIS”)/ Employee Share Option Scheme (“ESOS”)**

The Company’s SIS/ESOS is an equity-settled, share-based compensation plan. It allows the Group’s employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting period, the Group revises its estimated number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit and loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option exercised, or expires, upon which it will transferred directly to retained earnings. The proceeds received, net of any directly attributable transaction costs, are credited to equity when the options are exercised.

**(m) Income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)****3. Significant Accounting Policies (Cont'd)****(n) Operating segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Group's Executive Board to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

**(o) Construction contracts**

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as expenses in the period in which they are incurred. Irrespective of whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 4. Property, Plant and Equipment

|                                 | Leasehold<br>lands<br>RM | Leasehold<br>buildings<br>RM | Plant and<br>machinery<br>RM | Motor<br>vehicles<br>RM | Office<br>furniture,<br>fittings and<br>equipment<br>RM | Electrical<br>installation<br>RM | Total<br>RM |
|---------------------------------|--------------------------|------------------------------|------------------------------|-------------------------|---|----------------------------------|-------------|
| <b>2016</b>                     |                          |                              |                              |                         |   |                                  |             |
| <b>Group<br/>Cost</b>           |                          |                              |                              |                         |   |                                  |             |
| At 1 April 2015                 | 10,258,373               | 21,683,291                   | 9,967,265                    | 454,014                 | 160,917   | 779,254                          | 43,303,114  |
| Additions                       | -                        | 233,697                      | 38,941                       | 2,180,500               | 20,483  | -                                | 2,473,621   |
| Disposal                        | -                        | -                            | (178,000)                    | -                       | -   | -                                | (178,000)   |
| Written-off                     | -                        | -                            | -                            | -                       | (63,114)  | -                                | (63,114)    |
| At 31 March 2016                | 10,258,373               | 21,916,988                   | 9,828,206                    | 2,634,514               | 118,286   | 779,254                          | 45,535,621  |
| <b>Accumulated Depreciation</b> |                          |                              |                              |                         |   |                                  |             |
| At 1 April 2015                 | 2,097,517                | 2,374,408                    | 7,194,289                    | 204,041                 | 132,353   | 717,274                          | 12,719,882  |
| Charge for the financial year   | 493,533                  | 427,490                      | 343,118                      | 261,174                 | 8,466   | 16,350                           | 1,550,131   |
| Disposal                        | -                        | -                            | (178,000)                    | -                       | -   | -                                | (178,000)   |
| Written-off                     | -                        | -                            | -                            | -                       | (50,222)  | -                                | (50,222)    |
| At 31 March 2016                | 2,591,050                | 2,801,898                    | 7,359,407                    | 465,215                 | 90,597  | 733,624                          | 14,041,791  |
| <b>Carrying amount</b>          |                          |                              |                              |                         |   |                                  |             |
| At 31 March 2016                | 7,667,323                | 19,115,090                   | 2,468,799                    | 2,169,299               | 27,689  | 45,630                           | 31,493,830  |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 4. Property, Plant and Equipment (Cont'd)

|                                 | Leasehold<br>lands<br>RM | Leasehold<br>buildings<br>RM | Plant and<br>machinery<br>RM | Motor<br>vehicles<br>RM | Office<br>furniture,<br>fittings and<br>equipment<br>RM | Electrical<br>installation<br>RM | Total<br>RM |
|---------------------------------|--------------------------|------------------------------|------------------------------|-------------------------|---|----------------------------------|-------------|
| <b>2015</b>                     |                          |                              |                              |                         |   |                                  |             |
| <b>Group<br/>Cost</b>           |                          |                              |                              |                         |   |                                  |             |
| At 1 January 2014               | 10,258,373               | 20,299,699                   | 9,572,593                    | 454,014                 | 145,670   | 779,254                          | 41,509,603  |
| Additions                       | -                        | 1,383,592                    | 394,672                      | -                       | 25,642  | -                                | 1,803,906   |
| Written-off                     | -                        | -                            | -                            | -                       | (10,395)  | -                                | (10,395)    |
| At 31 March 2015                | 10,258,373               | 21,683,291                   | 9,967,265                    | 454,014                 | 160,917   | 779,254                          | 43,303,114  |
| <b>Accumulated Depreciation</b> |                          |                              |                              |                         |   |                                  |             |
| At 1 January 2014               | 1,480,599                | 1,878,008                    | 6,747,213                    | 90,538                  | 130,459   | 687,837                          | 11,014,654  |
| Charge for the financial period | 616,918                  | 496,400                      | 447,076                      | 113,503                 | 10,339  | 29,437                           | 1,713,673   |
| Written-off                     | -                        | -                            | -                            | -                       | (8,445)   | -                                | (8,445)     |
| At 31 March 2015                | 2,097,517                | 2,374,408                    | 7,194,289                    | 204,041                 | 132,353   | 717,274                          | 12,719,882  |
| <b>Carrying amount</b>          |                          |                              |                              |                         |   |                                  |             |
| At 31 March 2015                | 8,160,856                | 19,308,883                   | 2,772,976                    | 249,973                 | 28,564  | 61,980                           | 30,583,232  |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**4. Property, Plant and Equipment (Cont'd)**

|                                 | <b>Leasehold<br/>lands<br/>RM</b> | <b>Office<br/>furniture,<br/>fittings and<br/>equipment<br/>RM</b> | <b>Total<br/>RM</b> |
|---------------------------------|-----------------------------------|--|---------------------|
| <b>2016</b>                     |                                   |  |                     |
| <b>Company</b>                  |                                   |  |                     |
| <b>Cost</b>                     |                                   |  |                     |
| At 1 April 2015                 | 10,258,373                        | 48,216   | 10,306,589          |
| Additions                       | -                                 | 14,751   | 14,751              |
| Written-off                     | -                                 | (34,219)   | (34,219)            |
| At 31 March 2016                | <u>10,258,373</u>                 | <u>28,748</u>  | <u>10,287,121</u>   |
| <b>Accumulated Depreciation</b> |                                   |  |                     |
| At 1 April 2015                 | 2,097,517                         | 28,134   | 2,125,651           |
| Charge for the financial year   | 493,533                           | 2,111  | 495,644             |
| Written-off                     | -                                 | (21,327)   | (21,327)            |
| At 31 March 2016                | <u>2,591,050</u>                  | <u>8,918</u>   | <u>2,599,968</u>    |
| <b>Carrying amount</b>          |                                   |  |                     |
| At 31 March 2015                | <u>7,667,323</u>                  | <u>19,830</u>  | <u>7,687,153</u>    |
| <b>2015</b>                     |                                   |  |                     |
| <b>Company</b>                  |                                   |  |                     |
| <b>Cost</b>                     |                                   |  |                     |
| At 1 January 2014               | 10,258,373                        | 29,024   | 10,287,397          |
| Additions                       | -                                 | 19,192   | 19,192              |
| At 31 March 2015                | <u>10,258,373</u>                 | <u>48,216</u>  | <u>10,306,589</u>   |
| <b>Accumulated Depreciation</b> |                                   |  |                     |
| At 1 January 2014               | 1,480,599                         | 27,405   | 1,508,004           |
| Charge for the financial period | 616,918                           | 729  | 617,647             |
| At 31 March 2015                | <u>2,097,517</u>                  | <u>28,134</u>  | <u>2,125,651</u>    |
| <b>Carrying amount</b>          |                                   |  |                     |
| At 31 March 2015                | <u>8,160,856</u>                  | <u>20,082</u>  | <u>8,180,938</u>    |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**4. Property, Plant and Equipment (Cont'd)**

- (a) The aggregate additional cost for the property, plant and equipment of the Group and of the Company during the financial year under hire purchase financing and cash payment are as follows:

|                                 | Group          |                | Company       |               |
|---------------------------------|----------------|----------------|---------------|---------------|
|                                 | 2016<br>RM     | 2015<br>RM     | 2016<br>RM    | 2015<br>RM    |
| Aggregate costs                 | 2,473,621      | 1,803,906      | 14,751        | 19,192        |
| Less: Finance Lease             | (1,542,000)    | -              | -             | -             |
| Transferred from<br>inventories | -              | (1,342,007)    | -             | -             |
| Cash payment                    | <u>931,621</u> | <u>461,899</u> | <u>14,751</u> | <u>19,192</u> |

- (b) The entire motor vehicles of the Group were acquired under finance lease arrangement.
- (c) The leasehold lands and leasehold buildings of the Group and of the Company have remaining lease period of 15 to 35 years.

**5. Investments in Subsidiary Companies**

- (a) Investments in subsidiary companies

|                                | Company           |                   |
|--------------------------------|-------------------|-------------------|
|                                | 2016<br>RM        | 2015<br>RM        |
| <b>Unquoted share, at cost</b> |                   |                   |
| At 1 April/1 January/31 March  | <u>61,312,269</u> | <u>61,312,269</u> |
| <b>Less: Impairment loss</b>   |                   |                   |
| At 1 April/1 January           | 46,920,721        | 46,920,721        |
| Add: Impairment loss           | 6,444,000         | -                 |
| At 31 March                    | <u>53,364,721</u> | <u>46,920,721</u> |
| Carrying amount                | <u>7,947,548</u>  | <u>14,391,548</u> |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**5. Investments in Subsidiary Companies (Cont'd)**

- (b) All the subsidiary companies of the Company are incorporated in Malaysia. The details of the subsidiary companies and the shareholdings are as follows:

| Name of companies                     | Effective ownership<br>and voting interest |           | Principal activities   |
|---------------------------------------|--|-----------|--|
|                                       | 2016<br>%                                  | 2015<br>% |  |
| <b>Direct holding:</b>                |  |           |  |
| Harvest Court Trading Sdn. Bhd.       | 100.00                                     | 100.00    | Sawmilling and marketing of sawn timber                                |
| Harvest Court Marketing Sdn. Bhd.     | 100.00                                     | 100.00    | Marketing of timber doors and other related products                   |
| Harvest Lumber Sdn. Bhd.              | 100.00                                     | 100.00    | Manufacturing and marketing of timber doors and other related products |
| Harvest Court Corporation Sdn. Bhd.   | 100.00                                     | 100.00    | Manufacturing and marketing of timber doors and other related products |
| Harvest Exporter Sdn. Bhd.            | 100.00                                     | 100.00    | Construction and interior design fit up                                |
| Quantum Pro Sdn. Bhd.                 | 100.00                                     | 100.00    | Timber kiln drying   |
| Harvest Court Properties Sdn. Bhd.    | 100.00                                     | 100.00    | Property development   |
| Harvest Rimba Sdn. Bhd.               | 98.80                                      | 98.80     | Dormant  |
| Harvest Court Management Sdn. Bhd.    | 100.00                                     | 100.00    | Investment holding   |
| Harvest Court Constructions Sdn. Bhd. | 100.00                                     | 100.00    | Construction   |
| Harvest Nation Sdn. Bhd.              | 100.00                                     | 100.00    | Dormant  |
| Timbeck (M) Sdn. Bhd.                 | 100.00                                     | 100.00    | Dormant  |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**6. Inventories**

|                                | <b>Group</b> |                  |
|--------------------------------|--------------|------------------|
|                                | <b>2016</b>  | <b>2015</b>      |
|                                | <b>RM</b>    | <b>RM</b>        |
| <b>At cost</b>                 |              |                  |
| Raw material                   | -            | 975,531          |
| Finish goods                   | -            | 236,334          |
|                                | <u>-</u>     | <u>1,211,865</u> |
| <b>At net realisable value</b> |              |                  |
| Finish goods                   | -            | 270,301          |
|                                | <u>-</u>     | <u>1,482,166</u> |

Inventories amounting to RM1,138,891 (2015: RM2,066,950) was written down during the financial year.

**7. Trade Receivables**

|                                     | <b>Group</b>     |                   |
|-------------------------------------|------------------|-------------------|
|                                     | <b>2016</b>      | <b>2015</b>       |
|                                     | <b>RM</b>        | <b>RM</b>         |
| Trade receivables                   | 3,735,604        | 10,184,362        |
| Less: Allowance for impairment loss | (22,737)         | -                 |
|                                     | <u>3,712,867</u> | <u>10,184,362</u> |

The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case to case basis.

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

|   | <b>Group</b>     |                   |
|---|------------------|-------------------|
|   | <b>2016</b>      | <b>2015</b>       |
|   | <b>RM</b>        | <b>RM</b>         |
| Neither past due nor impaired                   | 618,945          | 412,122           |
| Past due less than 30 days but not impaired     | 270,483          | 794,189           |
| Past due for more than 30 days but not impaired | 2,823,439        | 8,978,051         |
|   | 3,093,922        | 9,772,240         |
| Individually impaired                           | 22,737           | -                 |
|   | <u>3,735,604</u> | <u>10,184,362</u> |



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**7. Trade Receivables (Cont'd)**

Movements on the allowance for impairment loss on trade receivables are as follows:

|                                     | Group         |            |
|-------------------------------------|---------------|------------|
|                                     | 2016<br>RM    | 2015<br>RM |
| At 1 April/1 January                | -             | -          |
| Provision during the financial year | <u>22,737</u> | <u>-</u>   |
| At 31 March                         | <u>22,737</u> | <u>-</u>   |

The Group has a significant concentration of credit risk of an amount owing by a customer of RM2,527,958 (2015: RM8,729,558) where a former Director of the Company has a substantial financial interest.

**8. Other Receivables**

|                                       | Group             |                  | Company          |                  |
|---------------------------------------|-------------------|------------------|------------------|------------------|
|                                       | 2016<br>RM        | 2015<br>RM       | 2016<br>RM       | 2015<br>RM       |
| Other receivables                     | 893,925           | 821,307          | 752,818          | 797,818          |
| Deposits                              | 10,221,900        | 2,811,500        | 576,000          | 2,808,700        |
| Prepayments                           | <u>206,072</u>    | <u>14,225</u>    | <u>-</u>         | <u>-</u>         |
|                                       | 11,321,897        | 3,647,032        | 1,328,818        | 3,606,518        |
| Less: Accumulated<br>impairment loss: |                   |                  |                  |                  |
| - Other receivables                   | <u>(747,983)</u>  | <u>-</u>         | <u>(747,983)</u> | <u>-</u>         |
|                                       | <u>10,573,914</u> | <u>3,647,032</u> | <u>580,835</u>   | <u>3,606,518</u> |

Movements on the allowance for impairment loss on other receivables are as follows:

|  | Group          |            | Company        |            |
|--|----------------|------------|----------------|------------|
|  | 2016<br>RM     | 2015<br>RM | 2016<br>RM     | 2015<br>RM |
| At 1 April/1 January                   | -              | -          | -              | -          |
| Provision during the<br>financial year | <u>747,983</u> | <u>-</u>   | <u>747,983</u> | <u>-</u>   |
| At 31 March                            | <u>747,983</u> | <u>-</u>   | <u>747,983</u> | <u>-</u>   |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**9. Amount Owing by/(to) Subsidiary Companies**

Amount Owing by Subsidiary Companies:

|                                      | Company           |                   |
|--------------------------------------|-------------------|-------------------|
|                                      | 2016<br>RM        | 2015<br>RM        |
| Amount owing by subsidiary companies | 34,610,215        | 28,916,737        |
| Less: Provision for impairment loss  | (2,139,269)       | (2,130,133)       |
|                                      | <u>32,470,946</u> | <u>26,786,604</u> |

Movements in impairment (individually assessed) during the financial year are as follows:

|                                     | Company          |                  |
|-------------------------------------|------------------|------------------|
|                                     | 2016<br>RM       | 2015<br>RM       |
| At 1 April/1 January                | 2,130,133        | 1,123,513        |
| Provision during the financial year | 9,136            | 1,006,620        |
| At 31 March                         | <u>2,139,269</u> | <u>2,130,133</u> |

The amounts owing by subsidiary companies are unsecured, interest free and repayable on demand.

Amounts Owing to Subsidiary Companies

The amounts owing to subsidiary companies are unsecured, interest free and repayable on demand.

**10. Short Term Deposits with Licensed Banks**

The short term deposits with licensed banks of the Group and of the Company have interest rates with a range of 2.30% to 3.08% per annum with a maturity of 1 to 30 days.

**11. Share Capital**

|                                    | Group/Company         |                       | Group/Company      |                    |
|------------------------------------|-----------------------|-----------------------|--------------------|--------------------|
|                                    | 2016<br>No. of shares | 2015<br>No. of shares | 2016<br>RM         | 2015<br>RM         |
| Ordinary shares of<br>RM0.25 each: |                       |                       |                    |                    |
| <b>Authorised</b>                  |                       |                       |                    |                    |
| At 1 April/1 January/<br>31 March  | <u>800,000,000</u>    | <u>800,000,000</u>    | <u>200,000,000</u> | <u>200,000,000</u> |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**11. Share Capital (Cont'd)**

|  | Group/Company      |                    | Group/Company     |                   |
|--|--------------------|--------------------|-------------------|-------------------|
|  | 2016               | 2015               | 2016              | 2015              |
|  | No. of shares      | No. of shares      | RM                | RM                |
| Ordinary shares of<br>RM0.25 each:         |                    |                    |                   |                   |
| <b>Issued and fully<br/>paid</b>           |                    |                    |                   |                   |
| At 1 April/1 January                       | 280,834,123        | 265,429,523        | 70,208,531        | 66,357,381        |
| Issuance of shares<br>pursuant to SIS/ESOS | <u>15,180,000</u>  | <u>15,404,600</u>  | <u>3,795,000</u>  | <u>3,851,150</u>  |
| At 31 March                                | <u>296,014,123</u> | <u>280,834,123</u> | <u>74,003,531</u> | <u>70,208,531</u> |

During the financial year the issued and paid-up share capital of the Company was increased from RM70,208,531 to RM74,003,531 by way of the issuance of 15,180,000 new ordinary shares of RM0.25 each pursuant to the Company's Share Issuance Scheme.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

**12. Other Reserves**

|                    | Group/Company      |                    |
|--------------------|--------------------|--------------------|
|                    | 2016               | 2015               |
|                    | RM                 | RM                 |
| SIS/ESOS reserve   | 2,771,671          | -                  |
| Warrant reserve    | 5,225,539          | 5,225,539          |
| Discount on equity | <u>(2,670,439)</u> | <u>(2,670,439)</u> |
|                    | <u>5,326,771</u>   | <u>2,555,100</u>   |

**(i) SIS/ESOS Reserve**

The SIS/ESOS reserve represents the estimated cumulative value of services received from employees which arose from the equity-settled share option granted to the employees. The reserve is reduced by transfer to accumulated losses upon exercise or expiry of the share options.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**12. Other Reserves (Cont'd)**

**(i) SIS/ESOS Reserve (Cont'd)**

Movements of the SIS/ESOS reserve during the financial year/period are as follows:

|   | <b>Group/Company</b> |             |
|---|----------------------|-------------|
|   | <b>2016</b>          | <b>2015</b> |
|   | <b>RM</b>            | <b>RM</b>   |
| At 1 April/ 1 January                               | -                    | 213,650     |
| Share option granted under SIS/ESOS                 | 3,561,031            | 544,529     |
| SIS/ESOS exercised during the financial year/period | (789,360)            | (420,557)   |
| SIS/ESOS expired during the financial year/period   | -                    | (337,622)   |
| At 31 March   | <u>2,771,671</u>     | <u>-</u>    |

**(ii) Warrant Reserve**

The Company has two types of warrants: Warrants A (2009/2019) and Warrants B (2013/2023).

The main features of the Warrants are as follows:

- a. Each Warrant carries the entitlement to subscribe for one (1) Company's share at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
- b. Subject to the adjustments in accordance with the Deed Poll, the exercise price of the Warrants has been fixed at RM0.25 each, being the par value of the Company's shares price.
- c. The Warrants can be exercised at any time during the period commencing from and including the date of issue of the Warrants and up to and including the Expiry Date.
- d. Warrants A and Warrant B shall expire at 5.00 p.m. on 19.11.2019 and 25.8.2023 respectively. Any warrants which have not been exercised will lapse and cease thereafter to be valid for any purpose.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**12. Other Reserve (Cont'd)**

**(ii) Warrant Reserve (Cont'd)**

During the financial year, no Warrants were exercised. The movement of the Warrant A and B are as follows:

|           | Number of Warrants |         |           | At<br>31.3.2016 |
|-----------|--------------------|---------|-----------|-----------------|
|           | At<br>1.4.2015     | Granted | Exercised |                 |
| Warrant A | 80,666,898         | -       | -         | 80,666,898      |
| Warrant B | 33,178,025         | -       | -         | 33,178,025      |

The warrants reserve is in respect of the fair value for free Warrants B issued pursuant to the Right Issue and the discount on equity is a reserve account that is created to preserve the par value of the ordinary shares.

**13. Finance Lease Liabilities**

|  | Group            |                |
|--|------------------|----------------|
|  | 2016<br>RM       | 2015<br>RM     |
| Minimum finance lease payments             |                  |                |
| Within one year                            | 442,567          | 76,632         |
| Within two to five years                   | 1,395,921        | 177,402        |
|  | <u>1,838,488</u> | <u>254,034</u> |
| Less: Future finance charges               | (196,048)        | (21,630)       |
| Present value of finance lease liabilities | <u>1,642,440</u> | <u>232,404</u> |
| Present value of finance lease liabilities |                  |                |
| Within one year                            | 367,237          | 67,280         |
| Within two to five years                   | 1,275,203        | 165,124        |
|  | <u>1,642,440</u> | <u>232,404</u> |
| Analysed as:                               |                  |                |
| Repayable within twelve months             | 367,237          | 67,280         |
| Repayable after twelve months              | 1,275,203        | 165,124        |
|  | <u>1,642,440</u> | <u>232,404</u> |

The finance lease interest is charged at rates ranging from 2.39% to 2.88% per annum. ...

Finance lease liabilities are effectively secured against the leased assets.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**14. Deferred Tax Liabilities**

|   | Group            |                  | Company        |                |
|---|------------------|------------------|----------------|----------------|
|   | 2016<br>RM       | 2015<br>RM       | 2016<br>RM     | 2015<br>RM     |
| <b>Temporary difference<br/>arises from property,<br/>plant and equipment</b> |                  |                  |                |                |
| At 1 April/1 January  | 1,990,973        | 2,092,292        | 981,815        | 1,056,025      |
| Recognised in profit or<br>loss   | (81,055)         | (101,319)        | (59,368)       | (74,210)       |
| At 31 March   | <u>1,909,918</u> | <u>1,990,973</u> | <u>922,447</u> | <u>981,815</u> |

Deferred tax assets has not been recognised based on the following items:

|  | Group             |                   | Company        |                |
|--|-------------------|-------------------|----------------|----------------|
|  | 2016<br>RM        | 2015<br>RM        | 2016<br>RM     | 2015<br>RM     |
| Unabsorbed capital<br>allowance                            | 6,302,700         | 6,101,500         | 82,000         | 67,300         |
| Unutilised tax losses                                      | 28,671,000        | 26,768,000        | 439,800        | 439,800        |
| Reinvestment allowance                                     | 1,103,500         | 1,103,500         | -              | -              |
|  | <u>36,077,200</u> | <u>33,973,000</u> | <u>521,800</u> | <u>507,100</u> |
| Deferred tax asset not<br>recognised at 24% (2015:<br>25%) | <u>8,658,500</u>  | <u>8,493,200</u>  | <u>125,200</u> | <u>126,800</u> |

**15. Trade Payables**

The Group's normal trade credit terms range from 30 to 120 days. Other credit terms are assessed and approved on a case to case basis.

**16. Other Payables**

|                | Group            |                  | Company        |                |
|----------------|------------------|------------------|----------------|----------------|
|                | 2016<br>RM       | 2015<br>RM       | 2016<br>RM     | 2015<br>RM     |
| Other payables | 554,030          | 500,324          | 572,130        | 347,129        |
| Accruals       | 1,071,040        | 1,734,326        | 115,055        | 630,264        |
|                | <u>1,625,070</u> | <u>2,234,650</u> | <u>687,185</u> | <u>977,393</u> |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**17. Amount Owing to a Director**

These represent unsecured interest free advances which are repayable on demand.

**18. Revenue**

|                         | <b>Group</b>     |                  | <b>Company</b>   |                  |
|-------------------------|------------------|------------------|------------------|------------------|
|                         | <b>1.4.2015</b>  | <b>1.1.2014</b>  | <b>1.4.2015</b>  | <b>1.1.2014</b>  |
|                         | <b>to</b>        | <b>to</b>        | <b>to</b>        | <b>to</b>        |
|                         | <b>31.3.2016</b> | <b>31.3.2015</b> | <b>31.3.2016</b> | <b>31.3.2015</b> |
|                         | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        |
| Construction revenue    | -                | 1,270,792        | -                | -                |
| Sale of timber products | 6,112,121        | 5,771,213        | -                | -                |
| Management fees         | -                | -                | 350,000          | -                |
|                         | <u>6,112,121</u> | <u>7,042,005</u> | <u>350,000</u>   | <u>-</u>         |

**19. Cost of Sales**

|                         | <b>Group</b>     |                   |
|-------------------------|------------------|-------------------|
|                         | <b>1.4.2015</b>  | <b>1.1.2014</b>   |
|                         | <b>to</b>        | <b>to</b>         |
|                         | <b>31.3.2016</b> | <b>31.3.2015</b>  |
|                         | <b>RM</b>        | <b>RM</b>         |
| Construction costs      | -                | 149,520           |
| Sale of timber products | 7,530,582        | 10,497,392        |
|                         | <u>7,530,582</u> | <u>10,646,912</u> |

Included in cost of sales is a write down of inventories amounted to RM1,138,891 (2015: RM2,066,950) during the financial year as disclose in Note 6.

**20. Finance Cost**

|                           | <b>Group</b>     |                  |
|---------------------------|------------------|------------------|
|                           | <b>1.4.2015</b>  | <b>1.1.2014</b>  |
|                           | <b>to</b>        | <b>to</b>        |
|                           | <b>31.3.2016</b> | <b>31.3.2015</b> |
|                           | <b>RM</b>        | <b>RM</b>        |
| Interest expenses on:     |                  |                  |
| Finance lease liabilities | <u>34,008</u>    | <u>16,429</u>    |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**21. Loss Before Taxation**

Loss before taxation is derived at after charging/(crediting):

|   | <b>Group</b>                                |   | <b>Company</b>                              |   |
|---|---|---|---|---|
|   | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> |
| Auditor's remuneration  |   |   |   |   |
| - Current year  | 40,400                                      | 66,975                                      | 15,000                                      | 31,250                                      |
| - Under/(over) provision<br>in prior years                                  | 8,574                                       | (4,900)                                     | (3,799)                                     | (5,000)                                     |
| Allowance for impairment<br>loss on trade receivables                       | 22,737                                      | -   | -   | -   |
| Allowance for impairment<br>loss on other receivables                       | 747,983                                     | -   | 747,983                                     | -   |
| Bad debt written off  | 9,858                                       | 47,224                                      | -   | -   |
| Directors' remuneration   |   |   |   |   |
| - Fee   | -   | 228,000                                     | -   | 228,000                                     |
| - Salaries and other<br>emoluments  | 527,758                                     | 655,000                                     | 488,450                                     | 580,000                                     |
| - EPF   | 55,800                                      | 69,600                                      | 55,800                                      | 69,600                                      |
| - Share options granted<br>under SIS  | 457,600                                     | -   | 457,600                                     | -   |
| Depreciation of property,<br>plant and equipment                            | 1,550,131                                   | 1,713,673                                   | 495,644                                     | 617,647                                     |
| Deposits written off  | 1,125,000                                   | 45,000                                      | 1,125,000                                   | -   |
| Expenses on corporate<br>exercise   | 456,816                                     | 24,892                                      | 456,816                                     | 24,892                                      |
| Office rental   | 135,000                                     | -   | -   | -   |
| Property, plant and<br>equipment written off                                | 12,892                                      | 1,950                                       | 12,892                                      | -   |
| Provision for product<br>compensation                                       | -   | 245,340                                     | -   | -   |
| Provision for impairment<br>loss on amount owing by<br>subsidiary companies | -   | -   | 9,136                                       | 1,006,620                                   |
| Provision for impairment<br>loss on investment in<br>subsidiary companies   | -   | -   | 6,444,000                                   | -   |



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**21. Loss Before Taxation (Cont'd)**

|   | <b>Group</b>                                |   | <b>Company</b>                              |   |
|---|---|---|---|---|
|   | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> |
| Share options granted under SIS/ESOS              | 3,103,431                                   | 544,529                                     | 1,494,278                                   | 493,768                                     |
| Gain on disposal of property, plant and equipment | (38,000)                                    | -   | -   | -   |
| Interest income                                   | (167,516)                                   | (248,636)                                   | (167,516)                                   | (248,636)                                   |
| Gain on foreign exchange<br>- Realised            | -   | (2,544)                                     | -   | -   |
|   | <u>                    </u>                 | <u>                    </u>                 | <u>                    </u>                 | <u>                    </u>                 |

**22. Taxation**

|                         | <b>Group</b>                                |   | <b>Company</b>                              |   |
|-------------------------|---|---|---|---|
|                         | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> |
| Income tax:             |   |   |   |   |
| - Prior year            | (24,727)                                    | (406,273)                                   | -   | 187,715                                     |
|                         | <u>(24,727)</u>                             | <u>(406,273)</u>                            | <u>-</u>                                    | <u>187,715</u>                              |
| Deferred tax (Note 14): |   |   |   |   |
| - Current year/period   | (81,055)                                    | (101,319)                                   | (59,368)                                    | (74,210)                                    |
| Tax (saving)/expense    | <u>(105,782)</u>                            | <u>(507,592)</u>                            | <u>(59,368)</u>                             | <u>113,505</u>                              |

Income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated assessable loss for the financial year.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**22. Taxation (Cont'd)**

A reconciliation of income tax applicable to loss before taxation at the statutory income tax rate to income tax at the effective income tax rate of the Group and of the Company are as follows:

|   | Group                             |                                   | Company                           |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM |
| Loss before tax   | <u>(10,957,265)</u>               | <u>(9,726,755)</u>                | <u>(12,981,194)</u>               | <u>(4,366,375)</u>                |
| Tax at statutory tax rate of 24% (2015: 25%)            | (2,629,744)                       | (2,431,689)                       | (3,115,487)                       | (1,091,594)                       |
| Expenses not deductible for tax purposes                | 2,423,003                         | 1,342,768                         | 3,212,869                         | 1,066,982                         |
| Deferred tax assets not recognised                      | 165,300                           | 1,042,000                         | 1,600                             | 4,800                             |
| Income not subject to tax                               | (39,614)                          | (54,398)                          | (39,614)                          | (54,398)                          |
| (Over)/Under provision of income taxation in prior year | <u>(24,727)</u>                   | <u>(406,273)</u>                  | <u>-</u>                          | <u>187,715</u>                    |
| Tax (saving)/expense                                    | <u>(105,782)</u>                  | <u>(507,592)</u>                  | <u>(59,368)</u>                   | <u>113,505</u>                    |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**23. Loss Per Share**

(a) Basic loss per share

The loss per share has been calculated based on the consolidated loss profit after taxation for the financial year attributable to owners of the company for the Group and the adjusted weighted average number of ordinary shares in issue during the financial year as follows:

|   | <b>Group</b>                                |   |
|---|---|---|
|   | <b>1.4.2015<br/>to<br/>31.3.2016<br/>RM</b> | <b>1.1.2014<br/>to<br/>31.3.2015<br/>RM</b> |
| Net loss for the financial year/period<br>attributable to the owners of the Company | <u>(10,851,483)</u>                         | <u>(9,219,163)</u>                          |
| Weighted number of ordinary shares in issue   | <u>281,539,697</u>                          | <u>275,137,186</u>                          |
| Basic loss per share (sen)  | <u>(3.85)</u>                               | <u>(3.35)</u>                               |

(b) Diluted loss per share

The diluted loss per share is equal to the basic loss per share because the conversion have an anti-dilutive effect.

**24. Share Options**

Share Issuance Scheme (“SIS”)

The Company’s SIS was approved by shareholders at the EGM on 14 September 2015 and became effective on 25 September 2015 for a period of 5 years which will lapse on 24 September 2020.

The salient features of the SIS are as follows:

- (a) the SIS Committee appointed by the Board of Directors to administer the SIS, may from time to time grant options to eligible employees of the Group to subscribe for new ordinary shares of RM0.25 each in the Company;
- (b) the eligibility of a Director or employee of the Group to participate in the SIS shall be at the discretion of the SIS Committee, who shall take into consideration factors such as year of service and performance track record;

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

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**24. Share Options (Cont'd)**

The salient features of the SIS are as follows (cont'd):

- (c) the total number of shares to be issued under SIS shall not exceed in aggregate 15% of the issued share capital of the Company at any point of time during the tenure of the SIS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Directors and senior management. In addition, not more than 10% of the shares available under the SIS shall be allocated to any individual Director or employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up capital of the Company;
- (d) the option price for each share shall be weighted average of the market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of which the option is granted less, if the SIS Committee shall so determine at their discretion from time to time, a discount of not more than 10% or the par value of the shares of the Company at RM0.25;
- (e) the number of outstanding options to subscribe for shares or the option price or both may be adjusted following any issue of additional shares by way of right issues, bonus issues or other capitalisation issue carried out by the Company while an option remain unexercised; and
- (f) the new shares allotted upon any exercise of the option shall rank pari passu in all respects with the existing ordinary shares of the Company except that the new shares so issued will not rank for any rights, dividends, allotment and or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares.

Details of share options outstanding at end of the financial year are as follows:

| <b>Share Options</b> | <b>Exercise Price<br/>RM</b> | <b>Exercise Period<br/>RM</b> |
|----------------------|------------------------------|-------------------------------|
| 2015 Grant           | 0.25                         | 05.10.2015 – 24.09.2020       |
| 2016 Grant           | 0.26                         | 21.03.2016 – 24.09.2020       |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 24. Share Options (Cont'd)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows:

| No. of SIS/ESOS options over ordinary shares of RM0.25 each |  |            |              |              |                               |                               |
|---|--|------------|--------------|--------------|-------------------------------|-------------------------------|
| Movement during the financial year                          |  |            |              |              |                               |                               |
|   | Outstanding<br>at<br>1 April/<br>1 January | Granted    | Exercised    | Lapsed       | Outstanding<br>at<br>31 March | Exercisable<br>at<br>31 March |
| <b>2016</b>   |  |            |              |              |                               |                               |
| 2015 Grant  | -  | 15,692,900 | (15,180,000) | -            | 512,900                       | 512,900                       |
| 2016 Grant  | -  | 15,000,000 | -            | -            | 15,000,000                    | 15,000,000                    |
|   | -  | 30,692,900 | (15,180,000) | -            | 15,512,900                    | 15,512,900                    |
| <b>WAEP</b>   | -  | 0.25       | 0.25         | -            | 0.25                          | 0.25                          |
| <b>2015</b>   |  |            |              |              |                               |                               |
| 2010 Grant  | 486,800                                    | -          | (10,000)     | (476,800)    | -                             | -                             |
| 2011 Grant  | 5,000                                      | -          | -            | (5,000)      | -                             | -                             |
| 2013 Grant  | 12,000,000                                 | -          | (7,558,600)  | (4,441,400)  | -                             | -                             |
| 2014 Grant  | -  | 15,000,000 | (7,836,000)  | (7,164,000)  | -                             | -                             |
|   | 12,491,800                                 | 15,000,000 | (15,404,600) | (12,087,200) | -                             | -                             |
| <b>WAEP</b>   | 0.25                                       | 0.25       | 0.25         | 0.25         | -                             | -                             |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 24. Share Option (Cont'd)

Directors of the Group and of the Company have been granted the following number of options under the SIS/ESOS:

|             |  | No. of SIS/ESOS options over ordinary shares of RM0.25 each |             |           |                               |                               |
|-------------|--|---|-------------|-----------|-------------------------------|-------------------------------|
|             |  | Movement during the financial year                          |             |           |                               |                               |
|             | Outstanding<br>at<br>1 April/<br>1 January | Granted   | Exercised   | Lapsed    | Outstanding<br>at<br>31 March | Exercisable<br>at<br>31 March |
| <b>2016</b> |  |   |             |           |                               |                               |
| 2015 Grant  | -  | 8,800,000   | (8,800,000) | -         | -                             | -                             |
| WAEP        | -  | 0.25  | 0.25        | -         | -                             | -                             |
| <b>2015</b> |  |   |             |           |                               |                               |
| 2013 Grant  | 700,000                                    | -   | -           | (700,000) | -                             | -                             |
| WAEP        | 0.25                                       | -   | -           | 0.25      | -                             | -                             |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**24. Share Options (Cont'd)**

The names and the number of options granted and accepted in excess of 320,000 units during the financial year are as follows:

| <u>Names</u>                   | <u>Number of<br/>SIS granted</u> |
|--------------------------------|----------------------------------|
| Datuk Chai Woon Chet           | 4,000,000                        |
| Abdul Jaliludin Bin Jamalludin | 4,800,000                        |
| Ng Wai Han                     | 2,283,000                        |
| Low Son Heng                   | 3,683,000                        |
| Chong Fui Fui                  | 2,283,000                        |
| How Choon Hock                 | 8,900,000                        |
| Tee Kim Kyok                   | 907,900                          |
| Ter Hock Chye                  | 447,100                          |
| Kamaruzaman Bin Sidek          | 372,400                          |
| Mohd Hanafi Bin Isa            | 320,000                          |
| Ramesh A/L Kuppusamy           | 330,600                          |
| Perumal A/L Murugiah           | 351,000                          |
| Hasan Bin Suleiman             | 521,900                          |
| Lua Ka Hin                     | 402,200                          |

The fair value of the share options granted was estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which options were granted. The fair value of share options were measured at Grant Date and the assumptions are as follows:

| <u>Grant date</u>                    | <u>21.3.2016</u> | <u>5.10.2015</u> |
|--------------------------------------|------------------|------------------|
| Fair value of share options (RM)     | 0.183            | 0.052            |
| Weighted average share price (RM)    | 0.312            | 0.178            |
| Weighted average exercise price (RM) | 0.26             | 0.25             |
| Expected volatility                  | 64               | 23               |
| Expected option life (years)         | 4.5              | 5                |
| Risk free interest rate, per annum   | 3.72             | 4.36             |
| Expected dividend yield (%)          | 0                | 0                |

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of the fair value.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**25. Employee Benefits Expenses**

|  | <b>Group</b>                      |                                   | <b>Company</b>                    |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM | 1.4.2015<br>to<br>31.3.2016<br>RM | 1.1.2014<br>to<br>31.3.2015<br>RM |
| Salaries, wages and others                       | 1,469,695                         | 4,868,445                         | 1,046,837                         | 2,211,149                         |
| Contribution to defined contribution plan        | 131,460                           | 353,751                           | 96,231                            | 246,472                           |
| Share option granted under SIS/ESOS              | <u>3,103,431</u>                  | <u>544,529</u>                    | <u>1,494,278</u>                  | <u>493,768</u>                    |
| Employee benefits expenses (excluding Directors) | <u>4,704,586</u>                  | <u>5,766,725</u>                  | <u>2,637,346</u>                  | <u>2,951,389</u>                  |

**26. Segmental Reporting**

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business unit, the Group's Chief Executive Officer reviews internal management reports on at least quarterly basis.

The following summary describes the main business segments and respective business activity of each segment of the Group's reportable segments:

| <b>Business segment</b>               | <b>Business activities</b>  |
|---------------------------------------|---|
| Timber product manufacturing          | Kiln drying, sawmilling, manufacturing of timber doors and related products   |
| Construction and property development | Contractors in construction and interior design fit up works and related maintenance services, development of residential and commercial properties |
| Investment holding and others         | Investments in shares and securities and the provision of marketing and management service  |



APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

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26 **Segmental Reporting (Cont'd)**

Performance is measured based on segment (loss)/profit before taxation, interest and depreciation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker.

Segment (loss)/profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**Segment assets**

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

Segment total asset is used to measure the return of assets of each segment.

**Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence no disclosure is made on segment liability.

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 26. Segmental Reporting (Cont'd)

| 2016                            | Timber<br>product<br>manufacturing<br>RM | Construction<br>and property<br>development<br>RM | Investment<br>holding and<br>others<br>RM | Elimination<br>RM | Consolidated<br>RM |
|---------------------------------|--|---|---|-------------------|--------------------|
| <b>Revenue</b>                  |  |   |   |                   |                    |
| External sales – Malaysia       | 6,112,121                                | -   | -   | -                 | 6,112,121          |
| Inter-segment sales             | -  | -   | 350,000                                   | (350,000)         | -                  |
| Total revenue                   | 6,112,121                                | -   | 350,000                                   | (350,000)         | 6,112,121          |
| <b>Results</b>                  |  |   |   |                   |                    |
| Segment results                 | (1,938,108)                              | (2,106,929)                                       | (13,156,546)                              | 6,110,810         | (11,090,773)       |
| Interest income                 | -  | -   | 167,516                                   | -                 | 167,516            |
| Interest expenses               | (34,008)                                 | -   | -   | -                 | (34,008)           |
| Loss before taxation            | (1,972,116)                              | (2,106,929)                                       | (12,989,030)                              | 6,110,810         | (10,957,265)       |
| Taxation                        | 24,281                                   | 22,133  | 59,368                                    | -                 | 105,782            |
| Net loss for the financial year | (1,947,835)                              | (2,084,796)                                       | (12,929,662)                              | 6,110,810         | (10,851,483)       |
| Additions to non-current assets | 2,455,705                                | 3,164   | 14,751                                    | -                 | 2,473,621          |
| Segment assets                  | 34,106,730                               | 12,750,018  | 44,535,234                                | (40,420,293)      | 51,021,689         |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 26. Segmental Reporting (Cont'd)

2016

## Non-Cash Items

Allowance for impairment loss on trade receivables  
 Allowance for impairment loss on other receivables  
 Bad debts written off  
 Depreciation of property, plant and equipment  
 Deposits written off  
 Inventory written off  
 Property, plant and equipment written off  
 Gain on disposal of property, plant and equipment

|  | Timber<br>product<br>manufacturing<br>RM | Construction<br>and property<br>development<br>RM | Investment<br>holding and<br>others<br>RM | Elimination<br>RM | Consolidated<br>RM |
|--|--|---|---|-------------------|--------------------|
|  | 22,737                                   | -   | -   | -                 | 22,737             |
|  | -  | 9,858   | 747,983                                   | -                 | 747,983            |
|  | -  | 211   | -   | -                 | 9,858              |
|  | 1,054,277                                | -   | 495,643                                   | -                 | 1,550,131          |
|  | -  | -   | 1,125,000                                 | -                 | 1,125,000          |
|  | 1,138,891                                | -   | -   | -                 | 1,138,891          |
|  | -  | -   | 12,892                                    | -                 | 12,892             |
|  | (38,000)                                 | -   | -   | -                 | (38,000)           |

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 26. Segmental Reporting (Cont'd)

|   | Timber<br>product<br>manufacturing<br>RM | Construction<br>and property<br>development<br>RM | Investment<br>holding and<br>others<br>RM | Elimination<br>RM | Consolidated<br>RM |
|---|--|---|---|-------------------|--------------------|
| <b>2015</b>                                   |  |   |   |                   |                    |
| <b>Revenue</b>                                |  |   |   |                   |                    |
| External sales - Malaysia                     | 5,771,213                                | 1,270,792   | -   | -                 | 7,042,005          |
| Inter-segment sales                           | 3,561                                    | -   | -   | (3,561)           | -                  |
| Total revenue                                 | 5,774,774                                | 1,270,792   | -   | (3,561)           | 7,042,005          |
| <b>Results</b>                                |  |   |   |                   |                    |
| Segment results                               | (6,189,933)                              | (1,069,833)                                       | (4,498,703)                               | 1,799,507         | (9,958,962)        |
| Interest income                               | -  | -   | 248,636                                   | -                 | 248,636            |
| Interest expenses                             | (16,429)                                 | -   | -   | -                 | (16,429)           |
| Loss before taxation                          | (6,206,362)                              | (1,069,833)                                       | (4,250,067)                               | 1,799,507         | (9,726,755)        |
| Taxation                                      | 27,109                                   | (6,012)   | (113,505)                                 | 600,000           | 507,592            |
| Net loss for the financial period             | (6,179,253)                              | (1,075,845)                                       | (4,363,572)                               | 2,399,507         | (9,219,163)        |
| Additions to non-current assets               | 1,784,714                                | -   | 19,192                                    | -                 | 1,803,906          |
| Segment assets                                | 33,926,197                               | 9,473,582   | 49,285,097                                | (40,846,764)      | 51,838,112         |
| <b>Non-Cash Items</b>                         |  |   |   |                   |                    |
| Bad debts written off                         | 17,219                                   | 30,005  | -   | -                 | 47,224             |
| Depreciation of property, plant and equipment | 1,095,347                                | 679   | 617,647                                   | -                 | 1,713,673          |
| Deposits written off                          | -  | 45,000  | -   | -                 | 45,000             |
| Property, plant and equipment written off     | -  | 1,950   | -   | -                 | 1,950              |
| Provision for product compensation            | 245,340                                  | -   | -   | -                 | 245,340            |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**27. Capital Commitment**

|   | <b>Group/Company</b> |                  |
|---|----------------------|------------------|
|   | <b>2016</b>          | <b>2015</b>      |
|   | <b>RM</b>            | <b>RM</b>        |
| Capital expenditure approved and contracted for | <u>-</u>             | <u>5,250,000</u> |

**28. Significant Events**

The Group had on 21 September 2015, announced that the Company has changed its name to Anzo Holdings Berhad with effect from 17 September 2015.

The Group had, on 17 December 2015, announced the following proposals:

- (i) Proposed par value reduction involving the cancellation of RM0.15 from the par value of every existing ordinary share of RM0.25 each in the issued and paid up capital of the Company pursuant to section 64 of the Companies Act, 1965 in Malaysia. On 29 April 2016, the High Court of Malaya (“the Court”) had granted an order confirming the proposed par value reduction. The Sealed Court Order was lodged with the Registrar of Companies on 6 May 2016 following which the Proposed Par Value Reduction became effective and is deemed completed on the said date.
- (ii) Proposed renounceable rights issue of up to 655,206,219 new ordinary shares of RM0.10 each in the Company (after proposed par value reduction) together with up to 327,603,109 free detachable Warrants in the Company on the basis of six rights shares together with 3 free Warrants C for every four existing shares held by entitled shareholders of the Company on an entitlement date to be determined later.
- (iii) Proposed amendment to the memorandum of association of the Company.

The above proposals have been approved by shareholders during the Extraordinary General Meeting held on 14 September 2015.

**29. Related Party Disclosures**

**(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**29. Related Party Disclosures (Cont'd)**

(a) Identifying related parties (Cont'd)

The Group has related party relationships with companies where a Director of the Company has substantial financial interest, subsidiary companies, associate company and key management personnel.

(b) Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The related party transactions of the Group and of the Company are as follows:

|  | Group             |                   | Company           |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2016              | 2015              | 2016              | 2015              |
|  | RM                | RM                | RM                | RM                |
| <b>Transactions with subsidiary companies</b>  |                   |                   |                   |                   |
| Manpower support charges   | -                 | -                 | -                 | 1,050,597         |
| Management fee   | 350,000           | -                 | 350,000           | -                 |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b>Transactions with companies where a former Director of the Company has substantial financial interest</b> |                   |                   |                   |                   |
| Construction progress billings   | -                 | 193,731           | -                 | -                 |
| Administrative charges on construction project   | -                 | 228,061           | -                 | 228,061           |
| Sales of doors   | -                 | 200,138           | -                 | -                 |
| Advertisement, design and printing expenses  | -                 | 43,241            | -                 | 43,241            |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

- (c) The remuneration of key management personnel is same with the Directors' remuneration as disclosed in Note 21 to the financial statements. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**30. Financial Instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

|  | <b>Loans and<br/>receivables<br/>RM</b> | <b>Other financial<br/>liabilities at<br/>amortised cost<br/>RM</b> | <b>Total<br/>RM</b> |
|--|---|---|---------------------|
| <b>Group</b>                               |   |   |                     |
| <b>2016</b>                                |   |   |                     |
| <b>Financial Assets</b>                    |   |   |                     |
| Trade and other receivables                | 14,080,709                              | -   | 14,080,709          |
| Short term deposits with<br>licensed banks | 3,579,555                               | -   | 3,579,555           |
| Cash and bank balances                     | 1,661,523                               | -   | 1,661,523           |
| <b>Total financial assets</b>              | <b>19,321,787</b>                       | <b>-</b>  | <b>19,321,787</b>   |
| <b>Financial Liabilities</b>               |   |   |                     |
| Trade and other payables                   | -                                       | 1,650,230   | 1,650,230           |
| Amount owing to a Director                 | -                                       | 1,168,995   | 1,168,995           |
| Finance leases liabilities                 | -                                       | 1,642,440   | 1,642,440           |
| <b>Total financial liabilities</b>         | <b>-</b>                                | <b>4,461,665</b>  | <b>4,461,665</b>    |
| <b>2015</b>                                |   |   |                     |
| <b>Financial Assets</b>                    |   |   |                     |
| Trade and other receivables                | 13,817,169                              | -   | 13,817,169          |
| Short term deposits with<br>licensed banks | 5,008,478                               | -   | 5,008,478           |
| Cash and bank balances                     | 928,592                                 | -   | 928,592             |
| <b>Total financial assets</b>              | <b>19,754,239</b>                       | <b>-</b>  | <b>19,754,239</b>   |
| <b>Financial Liabilities</b>               |   |   |                     |
| Trade and other payables                   | -                                       | 805,891   | 805,891             |
| Finance lease liabilities                  | -                                       | 232,404   | 232,404             |
| <b>Total financial liabilities</b>         | <b>-</b>                                | <b>1,038,295</b>  | <b>1,038,295</b>    |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**30. Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

|  | <b>Loans and<br/>receivables<br/>RM</b> | <b>Other financial<br/>liabilities at<br/>amortised cost<br/>RM</b> | <b>Total<br/>RM</b> |
|--|---|---|---------------------|
| <b>Company</b>                             |   |   |                     |
| <b>2016</b>                                |   |   |                     |
| <b>Financial Assets</b>                    |   |   |                     |
| Other receivables                          | 1,328,818                               | -   | 1,328,818           |
| Amounts owing by<br>subsidiary companies   | 32,470,946                              | -   | 32,470,946          |
| Short term deposits with<br>licensed banks | 3,189,555                               | -   | 3,189,555           |
| Cash and bank balances                     | 1,335,296                               | -   | 1,335,296           |
| <b>Total financial assets</b>              | <b>38,324,615</b>                       | <b>-</b>  | <b>38,324,615</b>   |
| <b>Financial Liabilities</b>               |   |   |                     |
| Other payables                             | -                                       | 572,130   | 572,130             |
| Amounts owing to<br>subsidiary companies   | -                                       | 8,710,615   | 8,710,615           |
| Amount owing to a Director                 | -                                       | 1,168,995   | 1,168,995           |
| <b>Total financial liabilities</b>         | <b>-</b>                                | <b>10,451,740</b>   | <b>10,451,740</b>   |
| <b>2015</b>                                |   |   |                     |
| <b>Financial Assets</b>                    |   |   |                     |
| Other receivables                          | 3,606,518                               | -   | 3,606,518           |
| Amounts owing by<br>subsidiary companies   | 26,786,604                              | -   | 26,786,604          |
| Short term deposits with<br>licensed banks | 5,008,478                               | -   | 5,008,478           |
| Cash and bank balances                     | 368,511                                 | -   | 368,511             |
| <b>Total financial assets</b>              | <b>35,770,111</b>                       | <b>-</b>  | <b>35,770,111</b>   |
| <b>Financial Liabilities</b>               |   |   |                     |
| Other payables                             | -                                       | 347,129   | 347,129             |
| Amounts owing to<br>subsidiary companies   | -                                       | 9,095,503   | 9,095,503           |
| <b>Total financial liabilities</b>         | <b>-</b>                                | <b>9,442,632</b>  | <b>9,442,632</b>    |



**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)****30. Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies**

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity and cash flow risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policies are not to engage in speculative transactions.

**(c) Credit risk**

Short term deposits with licensed banks, cash and bank balances are placed with a credit worthy financial institution.

Credit risk arises mainly from the inability of its customers to make payments when due. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via the Group's and the Company's management reporting procedures and action will be taken for long outstanding debts. The Company only provided loans and advances to subsidiary companies and the results of the subsidiary companies are monitored regularly.

At the reporting date, there were no significant concentrations of credit risk other than disclosed in Note 7 to the financial statements. The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk in relation to financial assets.

**(d) Liquidity risk**

The Group's and the Company's funding requirements and liquidity risks are managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor their cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

## APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FYE 31 MARCH 2016 (CONT'D)

## 30. Financial Instruments (Cont'd)

## (d) Liquidity risk (Cont'd)

|                           | Carrying amount<br>RM | Contractual interest rate<br>% | Total contractual cash flows<br>RM | On demand or within 1 year<br>RM | Within 1 to 5 years<br>RM |
|---------------------------|-----------------------|--------------------------------|------------------------------------|----------------------------------|---------------------------|
| <b>Group</b>              |                       |                                |                                    |                                  |                           |
| <b>2016</b>               |                       |                                |                                    |                                  |                           |
| Trade and other payables  | 1,650,230             | -                              | 1,650,230                          | 1,650,230                        | -                         |
| Amount owing to Director  | 1,168,995             | -                              | 1,168,995                          | 1,168,995                        | -                         |
| Finance lease liabilities | 1,642,440             | 2.39 - 2.88                    | 1,838,488                          | 442,567                          | 1,395,921                 |
|                           | <u>4,461,665</u>      |                                | <u>4,657,713</u>                   | <u>3,261,792</u>                 | <u>1,395,921</u>          |
| <b>2015</b>               |                       |                                |                                    |                                  |                           |
| Trade and other payables  | 805,891               | -                              | 805,891                            | 805,891                          | -                         |
| Finance lease liabilities | 232,404               | 2.39 - 2.88                    | 254,034                            | 76,632                           | 177,402                   |
|                           | <u>1,038,295</u>      |                                | <u>1,059,925</u>                   | <u>882,523</u>                   | <u>177,402</u>            |

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**30. Financial Instruments (Cont'd)**

(d) Liquidity risk (Cont'd)

|  | <b>Carrying<br/>Amount<br/>RM</b> | <b>Contractual<br/>interest rate<br/>%</b> | <b>Total<br/>contractual<br/>cash flow<br/>RM</b> | <b>On demand<br/>or within 1<br/>year<br/>RM</b> |
|--|-----------------------------------|--|---|--|
| <b>Company</b>                           |                                   |  |   |  |
| <b>2016</b>                              |                                   |  |   |  |
| Other payables                           | 572,130                           | -  | 572,130   | 572,130  |
| Amounts owing to<br>subsidiary companies | 8,710,615                         | -  | 8,710,615   | 8,710,615  |
| Amount owing to a<br>Director            | 1,168,995                         |  | 1,168,995   | 1,168,995  |
|  | <u>10,451,740</u>                 |  | <u>10,451,740</u>                                 | <u>10,451,740</u>                                |
| <b>2015</b>                              |                                   |  |   |  |
| Other payables                           | 347,129                           | -  | 347,129   | 347,129  |
| Amounts owing to<br>subsidiary companies | 9,095,503                         | -  | 9,095,503   | 9,095,503  |
|  | <u>9,442,632</u>                  |  | <u>9,442,632</u>                                  | <u>9,442,632</u>                                 |

(e) Market risks

Interest rate risk

The Group and the Company obtain financing through other financial liabilities. The Group's and the Company's policy are to obtain the financing with the most favourable interest rates in the market.

The Group and the Company constantly monitor their interest risk and do not utilise swap contracts or other derivative instruments for trading or speculative purposes. At the end of the reporting period, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

|  | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>2016</b>      | <b>2015</b>      | <b>2016</b>      | <b>2015</b>      |
|  | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        |
| <b>Financial Asset</b>                     |                  |                  |                  |                  |
| Short term deposits<br>with licensed banks | <u>3,579,555</u> | <u>5,008,478</u> | <u>3,189,555</u> | <u>5,008,478</u> |

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)30. **Financial Instruments (Cont'd)**(e) **Market risks (Cont'd)**Interest rate sensitivity analysis

The Group and the Company are exposed to interest rate risk arising from the short term deposits with licensed banks. However, the short term deposit with licensed banks interest rate risk is insignificant and any fluctuations in the rate would have no material impact on the results of the Group and of the Company.

(f) **Fair values of financial assets and financial liabilities**

- (i) The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amount derived from such methods and valuation technique are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of amount estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amount of the various financial assets and financial liabilities reflected on the statements of financial position approximate their fair values.

The carrying amounts are considered to approximate the fair values as they are within the normal credit terms or they have short-term maturity period and insignificant discounting impact.

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**30. Financial Instruments (Cont'd)**

(f) Fair values of financial assets and financial liabilities (Cont'd)

- (ii) Fair value of financial instruments by categories that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

|                                  | 2016            |                    | 2015            |                    |
|----------------------------------|-----------------|--------------------|-----------------|--------------------|
|                                  | Carrying amount | Level 2 fair value | Carrying amount | Level 2 fair value |
|                                  | RM              | RM                 | RM              | RM                 |
| <b>Group Financial liability</b> |                 |                    |                 |                    |
| Finance lease payables           | 1,642,440       | 1,732,426          | 232,404         | 190,520            |

**Fair value hierarchy**

The Group and the Company use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:-

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The fair value of long term finance lease liabilities carried on the statements of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar types of borrowings.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)

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**31. Capital Management**

The Group's and the Company's management manage its capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholder value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

The capital of the Group consists of issued capital, cash and cash equivalents and finance lease.

The Group and the Company have no gearing as the Group's and the Company's cash and cash equivalents are sufficient to repay the entire borrowing obligation at financial year end.

There were no changes in the Group's and the Company's approaches to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirements.

**32. Comparative Figures**

The comparative figures of the financial statements for the previous financial period are from 1 January 2014 to 31 March 2015. Therefore, the comparative figures may not be comparable with the current year's financial figures.

**33. Date of Authorisation for Issue**

The financial statements of the Group and of the Company for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 20 July 2016

**APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR  
THE FYE 31 MARCH 2016 (CONT'D)**

**SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES**

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised losses is as follows:

|  | <b>Group</b>        |                     | <b>Company</b>      |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>2016</b>         | <b>2015</b>         | <b>2016</b>         | <b>2015</b>         |
|  | <b>RM</b>           | <b>RM</b>           | <b>RM</b>           | <b>RM</b>           |
| <b>Accumulated losses</b>              |                     |                     |                     |                     |
| - Realised                             | (70,942,486)        | (60,799,344)        | (36,685,765)        | (24,493,930)        |
| - Unrealised                           | (1,909,918)         | (1,990,937)         | (922,446)           | (981,815)           |
|  | <u>(72,852,404)</u> | <u>(62,790,281)</u> | <u>(37,608,211)</u> | <u>(25,475,745)</u> |
| <b>Less: Consolidation adjustments</b> |                     |                     |                     |                     |
|  | 37,101,168          | 37,101,168          | -                   | -                   |
|  | <u>(35,751,236)</u> | <u>(25,689,113)</u> | <u>(37,608,211)</u> | <u>(25,475,745)</u> |

The determination of realised and unrealised profits or losses is based on the Guidance on Special Matter No.1 Determination of Realised and Unrealised Profits or Losses in the Context of disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017**

**Anzo Holdings Berhad (36998-T)**  
**Condensed Consolidated Statement of Comprehensive Income**  
**For the period ended 31 March 2017**

|  | 2017<br>Current Qtr ended<br>31 Mar<br>(RM)<br>(Unaudited) | 2016<br>Current Qtr ended<br>31 Mar<br>(RM)<br>(Unaudited) | 2017<br>12 months cumulative<br>31 Mar<br>(RM)<br>(Unaudited) | 2016<br>12 months cumulative<br>31 Mar<br>(RM)<br>(Unaudited) |
|--|--|--|---|---|
| Revenue  | 7,581,355  | 1,401,205  | 12,258,348  | 6,112,121   |
| Cost of sales  | (6,723,082)  | (2,632,737)  | (11,413,681)  | (7,530,582)   |
| <b>Gross profit /(loss)</b>  | <b>858,273</b>   | <b>(1,231,532)</b>   | <b>844,667</b>  | <b>(1,418,461)</b>  |
| Other income   | 39,143   | 52,470   | 163,554   | 225,373   |
| Administrative expenses  | 382,369  | (2,668,334)  | (5,644,355)   | (9,730,169)   |
| Finance Cost   | (30,054)   | (13,493)   | (114,170)   | (34,008)  |
| <b>Profit /(Loss) before taxation</b>  | <b>1,249,731</b>   | <b>(3,860,889)</b>   | <b>(4,750,304)</b>  | <b>(10,957,265)</b>   |
| Taxation   | 19,453   | 20,264   | 124,564   | 105,782   |
| <b>Profit /(Loss) for the period, representing total comprehensive income for the period</b> | <b>1,269,184</b>   | <b>(3,840,625)</b>   | <b>(4,625,740)</b>  | <b>(10,851,483)</b>   |
| <b>Net profit/(loss) and total comprehensive income for the financial period</b>             |  |  |   |   |
| Attributable to:   |  |  |   |   |
| Equity holders of the parent   | 1,269,184  | (3,840,625)  | (4,625,740)   | (10,851,483)  |
| <b>Profit/(Loss) per share attributable to equity holders of the parent:</b>                 |  |  |   |   |
| Basic (Sen)  | 0.42   | (1.35)   | (1.55)  | (3.85)  |
| Dilluted (Sen)   | 0.37   | (1.35)   | (1.53)  | (3.85)  |

**Notes:**

- 1) The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.



**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**Anzo Holdings Berhad (36998-T)**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the period ended 31 March 2017**

|  | Attributable to Equity Holders of the Parent |                          |                            |                        |                            |                               |                               | Total<br>Equity<br>(RM) |
|--|--|--------------------------|----------------------------|------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------|
|  | Non-Distributable                            |                          |                            |                        |                            |                               |                               |                         |
|  | Share Capital<br>(RM)                        | Share<br>Premium<br>(RM) | Capital<br>Reserve<br>(RM) | SIS<br>Reserve<br>(RM) | Warrant<br>Reserve<br>(RM) | Discount on<br>Equity<br>(RM) | Accumulated<br>Losses<br>(RM) |                         |
| <b>12 months<br/>ended 31 Mar 2017</b>   |  |                          |                            |                        |                            |                               |                               |                         |
| Balance at<br>beginning of period  | 74,003,531                                   | -                        | -                          | 2,771,671              | 5,225,539                  | (2,670,439)                   | (35,751,236)                  | 43,579,066              |
| Net loss for the financial period, representing total<br>comprehensive income for the financial period | -  | -                        | -                          | -                      | -                          | -                             | (4,625,740)                   | (4,625,740)             |
| Capital Reduction  | (44,424,619)                                 | -                        | 6,725,590                  | -                      | -                          | -                             | 37,699,029                    | -                       |
| Share option granted under Share Issuance<br>Scheme ('SIS)   | -  | -                        | -                          | 3,024,528              | -                          | -                             | -                             | 3,024,528               |
| Issuance of shares pursuant to SIS/SIS Expired   | 888,615                                      | 581,802                  | -                          | (3,516,622)            | -                          | -                             | 2,158,655                     | 112,450                 |
| <b>Balance at end of period</b>  | <b>30,467,527</b>                            | <b>581,802</b>           | <b>6,725,590</b>           | <b>2,279,577</b>       | <b>5,225,539</b>           | <b>(2,670,439)</b>            | <b>(519,292)</b>              | <b>42,090,304</b>       |
| <b>12 months<br/>ended 31 Mar 2016</b>   |  |                          |                            |                        |                            |                               |                               |                         |
| Balance at<br>beginning of period  | 70,208,531                                   | -                        | -                          | -                      | 5,225,539                  | (2,670,439)                   | (25,689,113)                  | 47,074,518              |
| Net loss for the financial period, representing total<br>comprehensive income for the financial period | -  | -                        | -                          | -                      | -                          | -                             | (10,851,483)                  | (10,851,483)            |
| Share option granted under Share Issuance<br>Scheme ('SIS)   | -  | -                        | -                          | 3,561,031              | -                          | -                             | -                             | 3,561,031               |
| Issuance of shares pursuant to SIS/SIS Expired   | 3,795,000                                    | -                        | -                          | (789,360)              | -                          | -                             | 789,360                       | 3,795,000               |
| <b>Balance at end of period</b>  | <b>74,003,531</b>                            | <b>-</b>                 | <b>-</b>                   | <b>2,771,671</b>       | <b>5,225,539</b>           | <b>(2,670,439)</b>            | <b>(35,751,236)</b>           | <b>43,579,066</b>       |

## Notes:

1) The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**Anzo Holdings Berhad (36998-T)****Condensed Consolidated Statement of Financial Position**

As at 31 March 2017

|   | As at<br>31 Mar 2017<br>(RM)<br>(Unaudited) | As at<br>31 Mar 2016<br>(RM)<br>(Audited) |
|---|---|---|
| <b>NON-CURRENT ASSETS</b>   |   |   |
| Property, plant and equipment   | 30,375,797                                  | 31,493,830                                |
|   | <b>30,375,797</b>                           | <b>31,493,830</b>                         |
| <b>CURRENT ASSETS</b>   |   |   |
| Trade receivables   | 9,255,198                                   | 3,712,867                                 |
| Due from contract customer  | 2,167,436                                   | -   |
| Other receivables, deposits & prepayments   | 10,797,742                                  | 10,573,914                                |
| Short term deposits with licensed banks   | 873,311                                     | 3,579,555                                 |
| Cash and bank balances  | 837,218                                     | 1,661,523                                 |
|   | <b>23,930,905</b>                           | <b>19,527,859</b>                         |
| <b>TOTAL ASSETS</b>   | <b>54,306,702</b>                           | <b>51,021,689</b>                         |
| <b>FINANCED BY:</b>   |   |   |
| Share Capital   | 30,467,527                                  | 74,003,531                                |
| Share Premium   | 581,802                                     | -   |
| Reserves  | 11,560,267                                  | 5,326,771                                 |
| Retained Profit/(Accumulated losses)  | (519,292)                                   | (35,751,236)                              |
| <b>Total equity</b>   | <b>42,090,304</b>                           | <b>43,579,066</b>                         |
| <b>Non-Current Liabilities</b>  |   |   |
| Finance payables  | 1,378,155                                   | 1,275,203                                 |
| Deferred tax liabilities  | 1,755,708                                   | 1,909,918                                 |
|   | <b>3,133,863</b>                            | <b>3,185,121</b>                          |
| <b>CURRENT LIABILITIES</b>  |   |   |
| Trade payables  | 5,702,756                                   | 1,096,200                                 |
| Other payables  | 1,281,269                                   | 1,625,070                                 |
| Amount owing to director  | 1,516,005                                   | 1,168,995                                 |
| Finance payables  | 582,505                                     | 367,237                                   |
| Tax payables  | -   | -   |
| <b>Total current liabilities</b>  | <b>9,082,535</b>                            | <b>4,257,502</b>                          |
| <b>TOTAL LIABILITIES</b>  | <b>12,216,398</b>                           | <b>7,442,623</b>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>54,306,702</b>                           | <b>51,021,689</b>                         |
| <b>NET ASSETS PER SHARE<br/>ATTRIBUTABLE TO ORDINARY EQUITY<br/>HOLDERS OF THE PARENT (Sen)</b> | <b>13.81</b>                                | <b>14.72</b>                              |

**Notes:**

- 1) The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**Anzo Holdings Berhad (36998-T)  
Condensed Consolidated Statement of Cash Flows  
For the period ended 31 March 2017**

|   | 2017<br>12 months ended<br>31 Mar<br>(RM'000) | 2016<br>12 months ended<br>31 Mar<br>(RM'000) |
|---|---|---|
| Net profit /(loss) before tax                             | (4,750)                                       | (10,957)                                      |
| Adjustments for non-cash flow:-                           |   |   |
| Non-cash items  | 4,156   | 8,130   |
| Non-operating items (which are investing/financing)       | (50)  | (133)   |
| Operating profit/(loss) before changes in working capital | <u>(644)</u>                                  | <u>(2,960)</u>                                |
| Changes in working capital :-                             |   |   |
| Net change in current assets                              | (8,466)                                       | (2,018)                                       |
| Net change in current liabilities                         | 4,610   | 1,375   |
| Cash generated from/(used in) operations                  | <u>(4,500)</u>                                | <u>(3,603)</u>                                |
| Interest received   | 164   | 168   |
| Interest paid   | (114)   | (34)  |
| Tax paid/refund   | (30)  | 4   |
| Net cash from/(used in) operating activities              | <u>(4,480)</u>                                | <u>(3,465)</u>                                |
| Investing Activities                                      |   |   |
| Proceeds from disposal of PPE                             | -   | 38  |
| Purchase of PPE   | (147)   | (932)   |
| Net cash used in investing activities                     | <u>(147)</u>                                  | <u>(894)</u>                                  |
| Financing Activities                                      |   |   |
| - Proceeds from ESOS/Right Issues                         | 1,471   | 3,795   |
| - Bank borrowing  | -   | -   |
| - Drawdown from HP Financing                              | -   | -   |
| - Repayment of HP   | (374)   | (132)   |
| Net cash used in financing activities                     | <u>1,097</u>                                  | <u>3,663</u>                                  |
| Net changes in Cash & Cash equivalents                    | (3,530)                                       | (696)   |
| Cash & Cash Equivalents at beginning of period            | 5,241   | 5,937   |
| Foreign Currency differences                              | -   | -   |
| Cash & Cash Equivalents at end of period                  | <u>1,711</u>                                  | <u>5,241</u>                                  |
| Cash & Cash Equivalents comprise the following :-         |   |   |
| Cash and bank balances                                    | 837   | 1,661   |
| Short Term Deposits with licensed banks                   | 873   | 3,580   |
|   | <u>1,711</u>                                  | <u>5,241</u>                                  |

**Notes:**

- 1) The condensed consolidated cashflow statements should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**ANZO HOLDINGS BERHAD (36998T)  
(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

**EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1 Basis of Preparation and Significant Accounting Policies**

The condensed interim financial statements for the period ended 31 March 2017 are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and should be read in conjunction with the Group audited financial statements for the year ended 31 March 2016.

The accounting policies applied by the Group in this condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2016.

**A2 Audit Qualifications**

The auditors' report on the financial statements for the year ended 31 March 2016 was not qualified.

**A3 Seasonal or Cyclical Factors**

The operations of the Group were not significantly affected by seasonal and cyclical factors.

**A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows because of their nature, size or incidence for the financial period under review.

**A5 Material Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

**A6 Debt and Equity Securities**

Save as disclosed below, there were no cancellations, repurchases, resale and repayment of debt or equity securities for the financial period ended 31 March 2017:

|                           | Units                                |                        |                        | SIS               |
|---------------------------|--------------------------------------|------------------------|------------------------|-------------------|
|                           | Ordinary<br>Shares of<br>RM0.10 each | Warrant A<br>2009/2019 | Warrant B<br>2013/2023 |                   |
| As at 1 April 2016        | 296,014,123                          | 80,666,898             | 33,178,025             | 15,512,000        |
| ESOS allocation           | -                                    | -                      | -                      | 25,204,400        |
| ESOS<br>exercised/expired | 7,112,400                            | -                      | -                      | (21,796,500)      |
| <b>As at 31 Mar 2017</b>  | <b>303,126,523</b>                   | <b>80,666,898</b>      | <b>33,178,025</b>      | <b>18,919,900</b> |

**A7 Dividend Paid**

There were no dividends paid for the current quarter.

**A8 Segment Revenue and Results**

The segmental analysis for the Group for the financial period ended 31 March 2017 is as follows:-

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**ANZO HOLDINGS BERHAD (36998T)  
(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

|   | Timber product<br>manufacturing<br>RM'000 | Property<br>development &<br>construction<br>RM'000 | Investment<br>holding and<br>others<br>RM'000 | Adjustment<br>and<br>Elimination<br>RM'000 | Consolidated<br>RM'000 |
|---|---|---|---|--|------------------------|
| <b>REVENUE</b>  |   |   |   |  |                        |
| External sales  | 5,523                                     | 6,735   | -   | -  | 12,258                 |
| Inter-segment sales                                     | -   | -   | 435   | (435)                                      | -                      |
| <b>Total revenue</b>                                    | <b>5,523</b>                              | <b>6,735</b>  | <b>435</b>                                    | <b>(435)</b>                               | <b>12,258</b>          |
| <b>RESULTS</b>  |   |   |   |  |                        |
| Segment results   | (579)                                     | (981)   | (3,240)                                       | -  | (4,800)                |
| Interest income   | -   | -   | 164   | -  | 164                    |
| Interest expense  | (114)                                     | -   | -   | -  | (114)                  |
| Profit/(loss) before Taxation                           | (693)                                     | (981)   | (3,076)                                       | -  | (4,750)                |
| Taxation  | 31  | -   | 94  | -  | 125                    |
| <b>Net profit/(loss)<br/>for the financial<br/>year</b> | <b>(662)</b>                              | <b>(981)</b>  | <b>(2,982)</b>                                | <b>-</b>                                   | <b>(4,625)</b>         |
| Additions to non-current assets                         | 839                                       | -   | -   | -  | 839                    |
| Segment assets  | 32,491                                    | 18,223  | 45,247  | (41,654)                                   | 54,307                 |
| <b>NON-CASH EXPENSES/ (INCOME)</b>                      |   |   |   |  |                        |
| Depreciation of property, plant and equipment           | 1,461                                     | -   | 496   | -  | 1,957                  |
| Provision for doubtful debts                            | (381)                                     | 914   | -   | -  | 533                    |

**A9 Material Events Subsequent to the End of the Period**

There were no material events subsequent to the end of the current quarter.

**A10 Changes in Composition of the Group**

There have been no changes in the composition of the Group for the financial period ended 31 March 2017.

**A11 Changes in Contingent liabilities/Contingent assets**

There were no material changes in contingent liabilities or assets since the last annual balance sheet date.

**A12 Capital commitment**

There were no capital commitments incurred by the Group to any parties as at 31 March 2017.

**A13 Significant Related Party Transactions**

There were no significant related party transactions occurred during the financial period ended 31 March 2017.

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**ANZO HOLDINGS BERHAD (36998T)  
(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

**B1 Review of performance**

*Comparison of current quarter with the corresponding quarter in previous year*

During the quarter under review, the Group achieved a substantial improvement in both revenue and operating results. Revenue has increased by 441% to RM7.58 million (4Q 2016 : RM1.40 million) and operating results has improved from loss to profit before tax of RM1.25 million (4Q 2016 : loss of RM3.86 million).

The improvement is mainly due to construction billings from Porto De Melaka project amounting to RM5.7 million, reversal on provision for doubtful debts of RM1.3 million (4Q 2016: provision of RM0.77 million) and no further inventory write down (4Q 2016: RM1.14 million) in current quarter.

*Comparison of current period with the corresponding period in previous year*

The Group achieved a revenue of RM12.26 million (2016: RM6.11million) and loss before taxation of RM4.75 million (2016 : RM10.96 million) for the current financial period ended 31 March 2017.

The improvement in operating results are mainly due to reasons stated in the above paragraph.

**B2 Comparison with immediate preceding quarter**

The Group achieved a revenue of RM7.58 million (3Qtr 2017: RM1.69 million) and profit before tax of RM1.25 million (3Qtr 2017: loss before tax RM0.72 million) in the current quarter.

The improvement is mainly due to construction billings from Porto De Melaka project amounting to RM5.7 million (3Q 2017: RM0.3 million) and reversal on provision for doubtful debts of RM1.3 million (3Q 2017: nil) in current quarter.

**B3 Prospects**

Despite challenging economic conditions, the outlook for the construction industry in Malaysia remains positive, more so with the expected recovery of the property sector and the robust public spending on major infrastructure projects. The Group is confident that it will benefit from some of these proposed projects.

At present, the Group has successfully secured construction order book of RM301.3 million and has recently received the letter of intent from KL Northgate for the Paragon@KL Northgate, 18-acre mixed development project in Selayang with an estimated contract value of RM1.2 billion. The Group is currently working with MCC Overseas (M) Sdn Bhd ("MCC") to jointly undertake the construction of the Project.

With the above construction order in hand, the Group is optimistic of the prospects for the financial year ending 31 March 2018.

**B4 Variance of Actual Profit from Forecast Profit/Guarantee**

The Group did not issue any profit forecast or profit guarantee.

**B5 Taxation**

|  | Current<br>Quarter<br>31 Mar 2017 | Comparative<br>Quarter<br>31 Mar 2016 | Financial Period<br>ended 31 Mar<br>2017 | Comparative<br>Financial Period<br>ended 31 Mar<br>2016 |
|--|-----------------------------------|---------------------------------------|--|---|
|  | RM                                | RM                                    | RM                                       | RM  |
| Income tax Under/(Over)provision in prior year | -                                 | -                                     | 29,643                                   | (24,727)  |
| Deferred Tax                                   | (19,453)                          | (20,264)                              | (154,207)                                | (81,055)  |
|  | <b>(19,453)</b>                   | <b>(20,264)</b>                       | <b>(124,564)</b>                         | <b>(105,782)</b>  |

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**ANZO HOLDINGS BERHAD (36998T)  
(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

**B6 Profit/(Loss) on Sale of Unquoted Investments or Properties**

There was no disposal of unquoted investments or properties for the current quarter and financial period to date.

**B7 Purchase or Disposal of Quoted Securities**

- (a) There was no purchase or disposal of quoted securities for the current quarter and financial period to date.
- (b) There was no investment in quoted securities as at the end of the financial period.

**B8 Status of Corporate Proposals**

Save as disclosed below, there were no other corporate proposals that have been announced but not yet completed during the period under review:

- 1) Proposed Par Value Reduction, Right Issues with Warrants and amendments to the Company's Memorandum of Association ("Multiple Proposals")

The Company had on 17 December 2015 and 8 January 2016 proposed to undertake the below:

- (i) par value reduction involving the cancellation of RM0.15 from the par value of every existing ordinary share of RM0.25 each in the issued and paid-up share capital of the Company pursuant to Section 64 of the Companies Act, 1965 ("Proposed Par Value Reduction");
- (ii) renounceable rights issue of up to 655,206,219 new ordinary shares of RM0.10 each in Anzo (after the Proposed Par Value Reduction) ("Anzo Shares") ("Rights Shares") together with up to 327,603,109 free detachable warrants in Anzo ("Warrants C") on the basis of six (6) Rights Shares together with three (3) free Warrant C for every four (4) existing Anzo Share held by entitled shareholders of Anzo on an entitlement date to be determined later ("Proposed Rights Issue with Warrants"); and
- (iii) amendment to the Memorandum of Association of the Company ("Proposed Amendment"). Please refer to the attachment for further details on the Proposals.

The listing application pertaining to the above multiple proposals had been approved by Bursa Malaysia Securities Berhad on 27 January 2016 and by the Company's shareholders during the EGM held on 29 March 2016.

The par value reduction has been completed on 6 May 2016.

Bursa Securities has on 15 December 2016 approved to extend the time from 27 January 2017 to 27 July 2017 for the Company to implement and complete the Proposed Right Issues with Warrants.

On 8 May 2017, the Company has announced the to fix the issue price of the Rights Shares at RM0.20 per Rights Share and the exercise price of the Warrants C at RM0.20 per Warrant C.

On 9 May 2017, it was further announced that the book closing date for entitled shareholders will be on 25 May 2017.

**B9 Group Borrowings and Debts Securities**

Group's borrowings as at 31 March 2017 were as follows:

|                        | <b>Short Term<br/>RM'000</b> | <b>Long Term<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------|------------------------------|-----------------------------|-------------------------|
| (a) Secured Borrowings |                              |                             |                         |
| Hire purchase payables | 582                          | 1,378                       | 1,960                   |
|                        | <b>582</b>                   | <b>1,378</b>                | <b>1,960</b>            |

The Group borrowings are all denominated in Ringgit Malaysia

**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

**ANZO HOLDINGS BERHAD (36998T)  
(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

**B10 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk at the date of this report.

**B11 Changes in Material Litigations**

There is no material litigation since the last annual balance sheet date of 31 March 2016.

**B12 Dividends - Proposed, Recommended or Declared**

There were no dividends proposed, recommended or declared for the period ended 31 March 2017.

**B13 Profit/(Loss) Per Share**

Profit/(loss) per share is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the period.

|   | Quarter Ended |               | Cumulative Quarter ended |               |
|---|---------------|---------------|--------------------------|---------------|
|   | 31/03/2017    | 31/03/2016    | 31/03/2017               | 31/03/2016    |
| Profit/(loss) attributable to ordinary equity holders (RM)              | 1,269,184     | (3,840,625)   | (4,625,740)              | (10,851,483)  |
| Weighted average number of shares                                       | 301,934,536   | 283,671,925   | 299,068,447              | 281,539,697   |
| Adjustment for assumed exercise of warrant and SIS                      | 38,481,022    | -             | 3,281,736                | -             |
| Adjusted weighted average number of ordinary shares issued and issuable | 340,415,558   | 283,671,925   | 302,350,183              | 281,539,697   |
| Earning per share (sen)   |               |               |                          |               |
| <b>Basic</b>  | <b>0.42</b>   | <b>(1.35)</b> | <b>(1.55)</b>            | <b>(3.85)</b> |
| <b>Diluted</b>  | <b>0.37</b>   | <b>(1.35)</b> | <b>(1.53)</b>            | <b>(3.85)</b> |

**B14 Disclosure of realised and unrealised profits/losses**

|                                       | As at 31 Mar 2017 | As at 31 Mar 2016 |
|---------------------------------------|-------------------|-------------------|
|                                       | RM'000            | RM'000            |
| Total accumulated losses of the group |                   |                   |
| - Realised                            | (41,975)          | (70,942)          |
| - Unrealised                          | (1,756)           | (1,910)           |
|                                       | (43,731)          | (72,852)          |
| Less : Consolidation Adjustments      | 43,212            | 37,101            |
|                                       | <b>(519)</b>      | <b>(35,751)</b>   |

**B15 Profit/(Loss) before tax**



**APPENDIX V – UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP  
FOR THE FYE 31 MARCH 2017 (CONT'D)**

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**ANZO HOLDINGS BERHAD (36998T)  
(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

|  | <b>Current<br/>Quarter Ended</b> | <b>Financial<br/>Period<br/>Ended</b> |
|--|----------------------------------|---------------------------------------|
|  | <b>31 Mar 2017</b>               | <b>31 Mar 2017</b>                    |
|  | <b>RM</b>                        | <b>RM</b>                             |
| Profit/(loss) before tax is arrived at after charging/(crediting): |                                  |                                       |
| Interest Expense   | 30,054                           | 114,170                               |
| Depreciation   | 477,467                          | 1,957,549                             |
| Provision for doubtful debts                                       | (1,300,000)                      | 533,046                               |
| Share options granted under SIS                                    | -                                | 1,666,561                             |
| Interest Income  | (39,143)                         | (163,554)                             |

**APPENDIX VI - DIRECTORS' REPORT**



**ANZO HOLDINGS BERHAD (36998T)**

*(Formerly known as Harvest Court Industries Berhad)*

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Website : [www.anzo.com.my](http://www.anzo.com.my) Email : [anzoholdings@gmail.com](mailto:anzoholdings@gmail.com)

Date: 1.1 MAY 2017

To: The Entitled Shareholders of Anzo Holdings Berhad ("Anzo" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of Anzo ("**Board**"), I wish to report that after due enquiry by us in relation to the interval between the period from 31 March 2016 (being the date to which the last audited consolidated financial statements of the Company and its subsidiaries ("**Group**") have been made up) to the date hereof (being a date not earlier than 14 days before the date of issuance of this Abridged Prospectus), that:-

- (i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (ii) in the opinion of the Board, since the last audited consolidated financial statements of the Group, no circumstances that has adversely affected the trading or the value of the assets of the Group has arisen;
- (iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities that has arisen by reason of any guarantee or indemnities given by the Group;
- (v) there has not been, since the last audited consolidated financial statements of the Group, any default or known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings of the Group;
- (vi) save as disclosed in the unaudited consolidated financial statements of the Group for the 9-month financial period ended 31 December 2016 as set out in Appendix V of this Abridged Prospectus, there has not been, since the last audited consolidated financial statements of the Group, any material changes in the published reserves or unusual factors affecting the profits of the Group; and
- (vii) as disclosed above and up the date of this letter, no other reports are required in relation to items (i) to (vi) above.

Yours faithfully

For and behalf of the Board of  
**ANZO HOLDINGS BERHAD**

A handwritten signature in black ink, appearing to read 'Chai Woon Chet', written over a white background.

**DATUK CHAI WOON CHET**  
Managing Director

## APPENDIX VII - ADDITIONAL INFORMATION

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### 1. SHARE CAPITAL

- (i) Save for the Rights Shares, Warrants C and new Shares to be issued pursuant to the exercise of the Warrants C, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.
- (ii) As at the LPD, there is only one (1) class of shares in the Company, namely ordinary shares in the Company, all of which rank *pari passu* with one another.
- (iii) As at the LPD, save as disclosed below and the Rights Shares and Warrants C, no person has been or is entitled to be granted an option to subscribe for any securities of the Company and no capital of the Company is under any option or agreed conditionally or unconditionally to be put under any option:-
  - (a) 78,643,798 outstanding Warrants A carrying the right to subscribe for one (1) new Share at an exercise price of RM0.25 per Warrant A;
  - (b) 32,991,025 outstanding Warrants B carrying the right to subscribe for one (1) new Share at an exercise price of RM0.25 per Warrant B; and
  - (b) under the SIS, the Company may grant SIS Options carrying the right to subscribe for new Shares up to but not exceeding 15% of the Company's total number of issued shares (excluding treasury shares, if any) at any one time throughout the duration of the five (5) years from the effective date of the SIS i.e. 25 September 2015. As at the LPD, 55,897,300 SIS Options have been granted, out of which 22,492,400 SIS Options have been exercised and 14,685,000 SIS Options have lapsed due to non-acceptance.

### 2. DIRECTORS' REMUNERATION

An extract of the provisions in the Company's Articles of Association<sup>(1)</sup> in relation to the remuneration of its Directors are as follows:-

#### **Article 82**

The Directors shall be paid by way of remuneration for their services such fixed sum (not being a commission on or percentage of profits or of turnover) as shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors in such proportion and manner as the Directors may determine. In addition to such remuneration each Director shall be paid such reasonable traveling hotel and other expenses as he shall incur in attending meetings of the Directors or General Meetings or which he may otherwise incur on or about the business of the Company.

#### **Article 83**

The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a General Meeting convened by a notice specifying the intention to propose such increase.

#### **Article 87**

The remuneration of a Managing Director or other executive director shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Directors, and may be by way of fixed salary or a percentage of profits of the Company or of any other company in which the Company is interested or by participation in any such profits or by any, or all of these modes but shall not include a commission on or percentage of turnover.

## APPENDIX VII - ADDITIONAL INFORMATION (CONT'D)

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Note:-

- (1) Section 619(3) of the Act states that the memorandum of association and articles of association of an existing company in force and operative at the commencement of the Act, and the provisions of Table A under the Fourth Schedule of the Companies Act 1965 if adopted as all or part of the articles of association of a company at the commencement of the Act, shall have effect as if made or adopted under the Act, unless otherwise resolved by the company.

### 3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group during the two (2) years preceding the date of this Abridged Prospectus.

### 4. MATERIAL LITIGATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Group and there are no other proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

### 5. GENERAL

- (i) There are no service contracts or proposed service contracts between the Directors and the Company or any of its subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus;
- (ii) Save as disclosed in this Abridged Prospectus, the financial condition and operations of the Group are not affected by any of the following:-
- (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the Group's liquidity;
  - (b) any material commitment for capital expenditure of the Group;
  - (c) unusual, infrequent events or transactions or any significant economic changes which materially affect the amount of reported income from operations;
  - (d) known trends or uncertainties which have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the Group's revenues or operating income; and
  - (e) material information, including all special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect the Group's profits.

## APPENDIX VII - ADDITIONAL INFORMATION (CONT'D)

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### 6. CONSENTS

- (i) The written consents of the Principal Adviser, Company Secretaries, Share Registrar, Solicitors for the Rights Issue with Warrants, Auditors and Principal Bankers for the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of the Reporting Accountants for the inclusion in this Abridged Prospectus of their name, letter and report relating to the pro forma consolidated statements of financial position and the audited consolidated financial statements for the FYE 31 March 2016 and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (iii) The written consent of Bloomberg Finance L.P. for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Anzo at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal business hours (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:-

- (i) Memorandum and Articles of Association of Anzo;
- (ii) pro forma consolidated statements of financial position of the Group as at 31 March 2016 together with the Reporting Accountants' report thereon as set out in Appendix III of this Abridged Prospectus;
- (iii) audited consolidated financial statements of the Group for the 15-month FPE 31 March 2015 and FYE 31 March 2016;
- (iv) unaudited consolidated financial statements of the Group for the FYE 31 March 2017;
- (v) the undertaking letters dated 25 April 2017 from the Undertaking Shareholders in relation to the Undertakings referred to in Section 3 of this Abridged Prospectus;
- (vi) the Directors' Report as set out in Appendix VI of this Abridged Prospectus;
- (vii) letters of consent referred to in Section 6 of this Appendix VII; and
- (viii) Deed Poll C.

**APPENDIX VII - ADDITIONAL INFORMATION (CONT'D)**

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**8. RESPONSIBILITY STATEMENT**

- (i) The Board has seen and approved this Abridged Prospectus, together with the NPA and RSF and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.
- (ii) Mercury Securities, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue with Warrants.