

**ANZO HOLDINGS BERHAD (36998T)**  
**(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 January 2019**

**EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of Preparation and Significant Accounting Policies**

The condensed interim financial statements for the period ended 31 January 2019 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 July 2018.

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 July 2018, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS which are effective beginning 1 January 2018:

MFRS 9 Financial Instruments – Classification and Measurement of Financial Assets and Financial Liabilities

MFRS 15 Revenue from Contracts with Customers

The adoption of the above revised standards and amendments is not expected to result in any material impact on the financial position and results of the Group.

On 27 April 2018, the Company announced the change of financial year end from 31 March to 31 July. The first set of audited financial statements reflecting the change was made from 1 April 2017 to 31 July 2018 covering a period of 16 months. Thereafter, the subsequent financial years of the Company shall end on 31 July.

**A2 Audit Qualifications**

The auditors’ report on the financial statements for the year ended 31 July 2018 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**

There were no cancellations, repurchases, resale and repayment of debt or equity securities for the financial period ended 31 January 2019.

**A7 Dividend Paid**

There were no dividends paid for the current quarter.

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**A8 Segment Revenue and Results**

The segmental analysis for the Group for the financial period ended 31 January 2019 is as follows:-

	Timber service RM'000	Property development & construction RM'000	Investment holding and others RM'000	Adjustment and Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External sales	2,991	-	-	-	2,991
Inter-segment sales	-	-	180	(180)	-
Total revenue	2,991	-	180	(180)	2,991
<b>RESULTS</b>					
Segment results	(425)	(690)	(729)	-	(1,844)
Interest income	-	8	181	-	189
Interest expense	(29)	-	-	-	(29)
Profit/(loss) before Taxation	(454)	(682)	(548)	-	(1,684)
Taxation	10	-	29	-	39
Net profit/(loss) for the financial year	(444)	(682)	(519)	-	(1,645)
Additions to non-current assets					
Segment assets	28,374	117,371	150,213	(141,583)	154,375
<b>NON-CASH EXPENSES/ (INCOME)</b>					
Depreciation of property, plant and equipment	668	12	253	-	933
Provision for doubtful debts no longer required	(10)	-	-	-	(10)

**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 January 2019.

**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 January 2019.

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**A13 Significant Related Party Transactions**

Details of significant related party transactions occurred during the financial period ended 31 January 2019:

	<b>Current quarter ended</b>	<b>Financial period ended</b>
<b>Recurrent related party transaction with a Company in which a director has substantial financial interest :</b>	<b><u>31/1/2019</u></b>	<b><u>31/1/2019</u></b>
KL Northgate Sdn Bhd	RM	RM
- Refundable deposit for leasing of office space	(401,695)	3,101,255

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**ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

**B1 Review of performance**

	Individual Quarter (RM'000)	YTD (RM'000)
	31/1/19	31/1/19
Revenue	1,403	2,991
Gross Profit/(Loss)	12	56
Profit/(loss) before tax	(1,002)	(1,684)

The Company had changed its financial year end from 31 March to 31 July on 27 April 2018, as such, there is no comparative figures for the current quarter and cumulative quarter.

During the quarter, the Group has achieved revenue and loss before tax of RM1.4 million and RM1 million respectively, mainly contributed from its timber division.

**B2 Comparison with immediate preceding quarter**

	Individual Quarter (RM'000)		Changes
	31/1/2019	31/10/2018	(%)
Revenue	1,403	1,587	-11%
Gross Profit/(Loss)	12	44	-73%
Profit/(loss) before tax	(1,002)	(683)	46%

During the quarter, the Group's revenue and gross profit are consistent with results of the preceding quarter. The increase in loss before tax in the current period was mainly due to higher legal expenses included in the administrative expenses.

**B3 Prospects**

The Group expect the construction sector to remain challenging for year 2019 following the tight budget from the new Government and the Group will selectively participate in tender for construction projects with reasonable margin.

Meanwhile, the Group will continue to build the competitiveness in timber services and construction business while remaining focused on operational efficiency and productivity so that satisfactory results are achieved in the current financial year.

**B4 Variance of Actual Profit from Forecast Profit/Guarantee**

The Group did not issue any profit forecast or profit guarantee.

**B5 Taxation**

	Current Quarter 31 Jan 19	Financial Period ended 31 Jan 2019
	RM	RM
Current income tax	-	-
Deferred Tax	(19,453)	(38,906)
	<u>(19,453)</u>	<u>(38,906)</u>

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**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**

There were no other corporate proposals that have been announced but not yet completed during the period under review.

**Utilisation of Proceeds From Right Issues**

As at 31 January 2019, the proceeds raised from the Right Issues exercised on 23 June 2017 were utilized as follows:

Purpose	Expected time frame for utilisation of proceeds from the date of listing of the Right Shares	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000
Construction work for Melaka project Phase 1	Within 30 months	35,000,000	29,606,045	5,393,955
Future construction work	Within 24 months	50,670,308	58,376,597	(7,706,289)
Working Capital	Within 24 months	10,000,000	5,637,099	4,362,901
Estimated expenses for the Right Issues	Immediate	730,000	551,821	178,179
Total		96,400,308	94,171,562	2,228,746

**B9 Group Borrowings and Debts Securities**

Group's borrowings as at 31 January 2019 were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	329	741	1,070
	329	741	1,070

The Group borrowings are all denominated in Ringgit Malaysia

**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 July 2018.

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**B12 Dividends - Proposed, Recommended or Declared**

There were no dividends proposed, recommended or declared for the period ended 31 January 2019.

**B13 Profit/(Loss) Per Share**

Profit/(loss) per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	<b>Quarter Ended</b> <b>31/1/2019</b>	<b>Cumulative Quarter ended</b> <b>31/1/2019</b>
Profit/(loss) attributable to ordinary equity holders (RM)	(982,426)	(1,645,497)
Weighted average number of shares	880,810,960	880,810,960
Adjustment for assumed exercise of warrant and SIS	-	-
Adjusted weighted average number of ordinary shares issued and issuable	<u>880,810,960</u>	<u>880,810,960</u>
Earning per share (sen)		
<b>Basic</b>	<b>(0.11)</b>	<b>(0.19)</b>
<b>Diluted</b>	<b>(0.11)</b>	<b>(0.19)</b>

**B14 Profit/(Loss) before tax**

	<b>Current</b> <b>Quarter Ended</b> <b>31 Jan 2019</b>	<b>Financial</b> <b>Period</b> <b>Ended</b> <b>31 Jan 2019</b>
	<b>RM</b>	<b>RM</b>
Profit/(loss) before tax is arrived at after charging/(crediting):		
Interest Expense	13,573	28,657
Depreciation	465,657	933,842
Interest Income	(68,412)	(188,703)
Provision for doubtful debts no longer required	(10,000)	(10,000)