

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

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

**EXPLANATORY NOTES PURSUANT TO MFRS 134**

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

The condensed interim financial statements for the period ended 31 December 2020 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 30 September 2020.

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 30 September 2020, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS which are effective beginning 1 January 2020

On 16 July 2020, the Company announced the change of financial year end from 31 July to 30 September. The first set of audited financial statements reflecting the change shall be made from 1 August 2019 to 30 September 2020 covering a period of 14 months. Thereafter, the subsequent financial years of the Company shall end on 30 September.

**A2 Audit Qualifications**

The auditors' report on the financial statements for the year ended 30 September 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 December 2020.

**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 December 2020 is as follows:-

	<b>Timber services</b>	<b>Property Development &amp; construction</b>	<b>Trading</b>	<b>Investment &amp; others</b>	<b>Adjustment &amp; Elimination</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External sales	907	-	3,194	-		4,101
Intersegment sales	-	-	-	105	(105)	-
	<b>907</b>	<b>-</b>	<b>3,194</b>	<b>105</b>	<b>(105)</b>	<b>4,101</b>
<b>Results</b>						
Segment results	(187)	(296)	(25)	(479)		(987)
Interest income	15	2	-	35		52
Interest expense	(3)	-	-	-		(3)
Profit/(loss) before taxation	(175)	(294)	(25)	(444)		(938)
Taxation	5	-	-	14		19
Net profit/(loss)	<b>(170)</b>	<b>(294)</b>	<b>(25)</b>	<b>(430)</b>		<b>(919)</b>
Segment assets	24,434	93,746	16,522	135,557	(124,880)	145,379
Segment liabilities	27,024	106,996	10,928	1,499	(134,926)	11,521

**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 December 2020.

**A11 Changes in Contingent liabilities/Contingent assets**

There were no material changes in contingent liabilities or assets since the last annual balance sheet date.

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**A12 Capital commitment**

There were no capital commitments incurred by the Group to any parties as at 31 December 2020.

**A13 Significant Related Party Transactions**

The significant related party transactions occurred during the financial period ended 31 December 2020 and outstanding sum brought forward from previous related party transaction are disclosed below:

	<b>Current quarter ended</b>	<b>Financial period ended</b>
	<b><u>31/12/2020</u></b>	<b><u>31/12/2020</u></b>
<b>Recurrent related party transaction with a Company in which a director has substantial financial interest previously:</b>		
KL Northgate Sdn Bhd	RM	RM
- Refundable deposit for leasing of office space		- 2,448,255
- Project cost incurred		- 106,400
<b>Related party transaction with a Company which was a substantial shareholder previously:</b>		
CSTME Resources Sdn Bhd		
- Sales of Copper Scraps	3,193,556	3,193,556

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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)	Year to Date (RM'000)
	31/12/2020	31/12/2020
Revenue	4,101	4,101
Gross Profit/(Loss)	91	91
Profit/(loss) before tax	(938)	(938)

As announced to Bursa Malaysia Securities Bhd on 16 July 2020, the Group has changed its financial year end from 31 July to 30 September, as such, there are no comparative figures for the preceding year corresponding quarter.

During the quarter under review, the Group achieved Revenue and Gross Profit of RM4.1 million and RM0.09 million respectively mainly due to the contribution made from the copper scrap trading business from the trading division, which provided RM3.2 million turnover during the quarter.

Whereas, the timber division has yet to recover from the effect of the Movement Control Order (MCO) which came into effect from March 2020. This was evidenced by its contribution of only RM0.9 million turnover during the period.

The Group has incurred loss before tax of RM0.9 million during the quarter due to lower revenue and corporate exercise expenses amounted to RM0.36 million incurred during the period.

**B2 Comparison with immediate preceding quarter**

	Individual Quarter (RM'000)		Var (%)
	31/12/2020	30/9/2020	
Revenue	4,101	21,674	-81
Gross Profit/(Loss)	91	316	-71
Profit/(loss) before tax	(938)	(7,795)	88

As compared to the preceding quarter, the revenue and gross profit were lower by 81% and 71% respectively mainly due to lower copper scrap trading revenue of RM3.2 million (2020 5Qtr : RM21 million) during the quarter under review.

However, the Group has achieved lower loss before tax of RM0.9 million mainly due to absence of impairment loss provided for trade and other debtors amounted to RM7.5 million in the preceding quarter

**B3 Prospects**

The Group is cautious of the prospects for the current financial year following the broad-based slowdown in the economy with the coronavirus outbreak. The Group is actively pursuing measures to manage operating costs and revising the business plans to mitigate any potential negative impact arising from the COVID-19 pandemic. The Group will continue to focus on its operational efficiency and productivity so that satisfactory results can be achieved for the current financial year.

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

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

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**B5 Taxation**

	Current Quarter 31 Dec 2020	Financial Period ended 31 Dec 2020
	RM	RM
Current income tax	-	-
Deferred Tax	(19,453)	(19,453)
	<b>(19,453)</b>	<b>(19,453)</b>

**B6 Profit/(Loss) on Sale of Investments or Properties**

There was no disposal of 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) On 6 October 2020, the Company had announced the proposals to undertake

(i) proposed conditional supply agreement dated 5 October 2020 between Anzo Trading Sdn Bhd (a wholly-owned subsidiary of Anzo) ("**Anzo Trading**") and CSTME Resources Sdn Bhd ("**CSTME**") for the supply of birch/cliff copper scrap or berry/candy copper scrap as per the Institute of Scrap Recycling Industries' ("**ISRI**") specifications ("**Products**") to CSTME ("**Supply Agreement**");

(ii) proposed shareholders' ratification of the related party transactions entered into with CSTME for the supply of the Products ("**Proposed Ratification**");

(iii) proposed diversification of the existing business of Anzo and its subsidiaries (collectively, "**Anzo Group**" or the "**Group**") to include trading of industrial materials and related business ("**Proposed Diversification**"); and

(iv) proposed private placement of up to 231,480,400 new ordinary shares in Anzo ("**Anzo Shares**" or the "**Shares**") ("**Placement Shares**"), representing approximately 25% of the enlarged number of issued Anzo Shares (excluding treasury shares, if any) ("**Proposed Private Placement**")

The above proposals had been approved by shareholders during the Extraordinary General Meeting held at 17 December 2020.

On 25 January 2021, the Company had subsequently completed the above private placement proposals by issuing 223,232,700 ordinary shares at RM0.076 per shares.

**B9 Group Borrowings and Debts Securities**

Group's borrowings as at 31 December 2020 were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	232	150	382
	232	150	382

The Group borrowings are all denominated in Ringgit Malaysia

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**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 30 September 2020.

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

There were no dividends proposed, recommended or declared for the period ended 31 December 2020.

**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.

	<b>Ind Quarter Ended 31/12/2020</b>	<b>Cumulative Quarter ended 31/12/2020</b>
Profit/(loss) attributable to ordinary equity holders (RM)	(918,491)	(918,491)
Weighted average number of shares	892,930,960	892,930,960
Adjustment for assumed exercise of warrant and SIS	-	-
	892,930,960	892,930,960
Adjusted weighted average number of ordinary shares issued and issuable		
Earning per share (sen)		
<b>Basic</b>	<b>(0.10)</b>	<b>(0.10)</b>
<b>Diluted</b>	<b>(0.10)</b>	<b>(0.10)</b>

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

	<b><u>Current Quarter ended</u> 31/12/2020</b>	<b><u>Financial Period ended</u> 31/12/2020</b>
	RM	RM
Profit/(loss) before tax is arrived at after charging/(crediting):		
Interest Expense	3,231	3,231
Depreciation - PPE	326,862	326,862
Depreciation – Right of Use of Assets	123,383	123,383
Fair value gain/(loss) on investment	(108,138)	(108,138)
Interest Income	(51,983)	(51,983)
Other income including investment income	(2,564)	(2,564)