

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

UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation and Significant Accounting Policies

The condensed interim financial statements for the period ended 31 March 2021 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 2020 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

Saved as disclosed below, there were no cancellations, repurchases, resale and repayment of debt or equity securities for the financial period ended 31 March 2021:

	Units	
	Ordinary Shares	Warrant B 2013/2023
As at 1 Oct 2020	892,930,960	32,991,025
Private placement	223,232,700	-
As at 31 Mar 2021	<u>1,116,163,660</u>	<u>32,991,025</u>

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 March 2021 is as follows:-

	Timber services RM'000	Property Development & construction RM'000	Trading RM'000	Investment & others RM'000	Adjustment & Elimination RM'000	Total RM'000
Revenue						
External sales	1,958	-	7,183	-		9,141
Intersegment sales	-	-	-	210	(210)	-
	1,958	-	7,183	210	(210)	9,141
Results						
Segment results	(376)	(571)	(46)	(996)		(1,989)
Interest income	43	2	-	85		130
Interest expense	(5)	(1)	-	-		(6)
Profit/(loss) before taxation	(338)	(570)	(46)	(911)		(1,865)
Taxation	10	-	-	29		39
Net profit/(loss)	(328)	(570)	(46)	(882)		(1,826)
Segment assets	27,397	101,820	19,469	151,975	(140,094)	160,567
Segment liabilities	30,146	115,347	13,896	1,403	(150,141)	10,651

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 2021.

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 March 2021.

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:

	Current quarter ended	Financial period ended
Recurrent related party transaction with a Company in which a director has substantial financial interest previously:	<u>31/3/2021</u>	<u>31/3/2021</u>
KL Northgate Sdn Bhd	RM	RM
- Refundable deposit for leasing of office space	-	2,154,655

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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)
	31/3/2021	31/3/2021
Revenue	5,040	9,141
Gross Profit/(Loss)	154	245
Profit/(loss) before tax	(927)	(1,865)

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 RM5 million and RM0.15 million respectively mainly due to the contribution made from trading division, which provided RM4 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 RM1 million turnover during the period.

For the year to date, the Group achieved RM9.1 million revenue, RM0.25 million gross profit and loss before tax of RM1.9 million.

B2 Comparison with immediate preceding quarter

	Individual Quarter (RM'000)		Var (%)
	31/3/2021	31/12/2020	
Revenue	5,040	4,101	23
Gross Profit/(Loss)	154	91	69
Profit/(loss) before tax	(927)	(938)	-1

For the current quarter, the Group's revenue and operation results are consistent with those of 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 Mar 2021	Financial Period ended 31 Mar 2021
	RM	RM
Current income tax	-	-
Deferred Tax	(19,453)	(38,906)
	(19,453)	(38,906)

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

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

Utilisation of Proceeds From Private Placement

As at 31 March 2021, the proceeds raised from the Private Placement which was completed on 25 Jan 2021 were utilized as follows:

Purpose	Expected time for of frame utilisation of proceeds	Proposed utilisation RM	Actual utilisation RM	Deviation RM
Working Capital	Within 12 months	14,000,000	12,357,972	1,642,028
Administrative and operating expenses	Within 12 months	2,510,000	436,886	2,073,114
Defraying expenses	Immediate	455,685	309,682	146,003
Total		16,965,685	13,104,540	3,861,145

B9 Group Borrowings and Debts Securities

Group's borrowings as at 31 March 2021 were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	128	150	278
	128	150	278

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.

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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 March 2021

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.

	Ind Quarter Ended 31/3/2021	Cumulative Quarter ended 31/3/2021
Profit/(loss) attributable to ordinary equity holders (RM)	(907,668)	(1,826,159)
Weighted average number of shares	1,054,154,577	972,656,964
Adjustment for assumed exercise of warrant and SIS	-	-
Adjusted weighted average number of ordinary shares issued and issuable	1,054,154,577	972,656,964
Earning per share (sen)		
Basic	(0.09)	(0.19)
Diluted	(0.09)	(0.19)

B14 Profit/(Loss) before tax

	<u>Current Quarter ended</u> 31/3/2021	<u>Financial Period ended</u> 31/3/2021
	RM	RM
Profit/(loss) before tax is arrived at after charging/(crediting):		
Interest Expense	2,409	5,640
Depreciation - PPE	311,502	638,364
Depreciation – Right of Use of Assets	123,384	246,767
Fair value gain/(loss) on investment	(31,186)	(139,324)
Interest Income	(77,961)	(129,944)
Other income including investment income	(36,966)	(39,530)