

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

UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Basis of Preparation and Significant Accounting Policies

The condensed interim financial statements for the period ended 30 September 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 these 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 30 September 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 30 Sep 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 30 Sep 2021 is as follows: -

	Timber services	Property Development & construction	Trading	Investment & others	Adjustment & Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	3,104	1,298	25,557	-		29,959
Intersegment sales	-	-	-	420	(420)	-
	3,104	1,298	25,557	420	(420)	29,959
Results						
Segment results	(596)	(18,414)	(2,781)	(1,571)		(23,362)
Interest income	121	2	-	152		275
Interest expense	(21)	(1)	-	-		(22)
Profit/(loss) before taxation	(496)	(18,413)	(2,781)	(1,419)		(23,109)
Taxation	21	-	-	57		78
Net profit/(loss)	(475)	(18,413)	(2,781)	(1,362)		(23,031)
Segment assets	28,126	79,475	16,646	132,301	(121,589)	134,959
Segment liabilities	31,022	110,844	13,809	1,199	(150,626)	6,248

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 30 September 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 30 September 2021.

A13 Significant Related Party Transactions

The significant related party transactions occurred during the financial period ended 30 September 2021 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>30/9/2021</u>	<u>30/9/2021</u>
KL Northgate Sdn Bhd	RM	RM
- Refundable deposit for leasing of office space	320,000	1,834,655

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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)
	30/9/2021	30/9/2021
Revenue	6,657	29,959
Gross Profit/(Loss)	101	652
Profit/(loss) before tax	(11,112)	(23,109)

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.

For the quarter under review, the Group achieved Revenue and Gross Profit of RM6.6 million and RM0.1 million respectively mainly due to the contribution made from trading division, which provided RM6 million turnover during the quarter.

The timber division was badly affected by the Movement Control Order (MCO) which came into effect from June 2021 as the division was not allowed to operate during the period. The division only recommenced operation in mid-September 2021 and contributed RM0.3 million turnover during the period.

The Group reported loss before tax of RM11.11million during the quarter mainly due to impairment loss for trade and other debtors amounted to RM10.3million.

For the year to date, the Group achieved RM29.9 million revenue, RM0.65 million gross profit and loss before tax of RM23 million.

B2 Comparison with immediate preceding quarter

	Individual Quarter (RM'000)		Var (%)
	30/9/2021	30/6/2021	
Revenue	6,657	14,159	-53
Gross Profit/(Loss)	101	306	-67
Profit/(loss) before tax	(11,112)	(10,132)	-10

For the current quarter, the Group reported lower revenue and gross profit mainly due to lower sales following the country wide MCO since June 21 as compare to the preceding quarter. The loss before tax has increased to RM11.1 million as a result of higher impairment loss provided for debtors in the current quarter.

B3 Prospects

The COVID-19 pandemic has presented significant challenges to the Group's operations for the current financial year considering the country is in various stages of lockdown since January 2021. The Group will continue to remain vigilant and steadfast in managing its existing businesses 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 30 Sep 2021	Financial Period ended 30 Sep 2021
	RM	RM
Current income tax	-	-
Deferred Tax	(19,453)	(77,812)
	(19,453)	(77,812)

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 30 September 2021, the proceeds raised from the Private Placement which was completed on 25 Jan 2021 were utilized as follows:

Purpose	Expected time for frame utilisation of proceeds	Proposed utilisation RM	Actual utilisation RM	Deviation RM
Working Capital	Within 12 months	14,000,000	13,051,974	948,026
Administrative and operating expenses	Within 12 months	2,510,000	1,444,503	1,065,497
Defraying expenses	Immediate	455,685	359,678	96,007
Total		16,965,685	14,856,155	2,109,530

B9 Group Borrowings and Debts Securities

Group's borrowings as at 30 September 2021 were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	163	426	589
	163	426	589

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 30 September 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 30/9/2021	Cumulative Quarter ended 30/9/2021
Profit/(loss) attributable to ordinary equity holders (RM)	(11,092,342)	(23,031,361)
Weighted average number of shares	1,116,163,660	1,044,606,877
Adjustment for assumed exercise of warrant and SIS	-	-
	1,116,163,660	1,044,606,877
Adjusted weighted average number of ordinary shares issued and issuable		
Earning per share (sen)		
Basic	(0.99)	(2.20)
Diluted	(0.99)	(2.20)

B14 Profit/(Loss) before tax

	<u>Current Quarter ended</u> 30/9/2021	<u>Financial Period ended</u> 30/9/2021
Profit/(loss) before tax is arrived at after charging/(crediting):	RM	RM
Interest Expense	8,500	22,465
Depreciation - PPE	293,528	1,214,682
Depreciation – Right of Use of Assets	123,384	493,534
Impairment loss on debtors	13,895,375	23,674,695
Gain on modification of financial assets	(3,571,505)	(3,571,505)
Gain on disposal of PPE	-	(130,000)
Fair value (gain)/loss on investment	3,186	(103,761)
Interest Income	(70,386)	(274,700)
Other income including investment income	(15,121)	(97,724)