

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

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 December 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 2021.

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 2021, except for the adoption of the following MFRS, IC Interpretation and Amendments to MFRS which are effective beginning 1 January 2021.

**A2 Audit Qualifications**

The auditors' report on the financial statements for the year ended 30 September 2021 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 2021.

**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 December 2021 is as follows: -

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	Timber services RM'000	Property Development & construction RM'000	Trading RM'000	Investment & others RM'000	Adjustment & Elimination RM'000	Total RM'000
<b>Revenue</b>						
External sales	973	7	11,698	-		12,678
Intersegment sales	-	-	-	105	(105)	-
	<b>973</b>	<b>7</b>	<b>11,698</b>	<b>105</b>	<b>(105)</b>	<b>12,678</b>
<b>Results</b>						
Segment results	(209)	(2,733)	130	(382)		(3,195)
Interest income	28	-	-	34		62
Interest expense	(7)	-	-	-		(7)
Profit/(loss) before taxation	(188)	(2,733)	130	(348)		(3,140)
Taxation	5	-	-	14		19
Net profit/(loss)	<b>(183)</b>	<b>(2,733)</b>	<b>130</b>	<b>(334)</b>		<b>(3,121)</b>
Segment assets	28,090	75,177	17,464	127,635	(118,395)	129,971
Segment liabilities	31,168	110,738	14,341	1,301	(151,865)	5,683

**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 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.

**A12 Capital commitment**

There were no capital commitments incurred by the Group to any parties as at 31 December 2021.

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**A13 Significant Related Party Transactions**

The significant related party transactions occurred during the financial period ended 31 December 2021 and outstanding sum brought forward from previous related party transaction are disclosed below:

	Quarter ended		Financial period ended	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>31/12/2021</u>	<u>31/12/2020</u>
<b>Recurrent related party transaction with a Company in which a director has substantial financial interest previously:</b>				
KL Northgate Sdn Bhd	RM	RM	RM	RM
- Refundable deposit for leasing of office space	-	-	1,834,655	2,448,255
-Project cost incurred	-	-	-	106,400
<b>Related party transaction with a Company which was a previously a substantial shareholder:</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)		Changes	YTD (RM'000)		Changes
	31/12/21	31/12/20	(%)	31/12/21	31/12/20	(%)
Revenue	12,678	4,101	209%	12,678	4,101	209%
Gross Profit/(Loss)	204	91	124%	204	91	124%
Profit/(loss) before tax	(3,140)	(938)	-235%	(3,140)	(938)	-235%

During the period under review, the Group achieved higher Revenue and Gross Profit of RM12.7 million and RM0.2 million respectively mainly due to higher turnover from trading division, which contributed RM11.7million (2020 1Qtr : RM3.2 million) turnover during the quarter.

However, the Group has increased loss before tax from RM0.9 million to RN3.14 million in current period mainly due to impairment loss provided for other debtors amounted to RM2.45 million (2021 1Qtr: RM nil).

**B2 Comparison with immediate preceding quarter**

	Individual Quarter (RM'000)		Var (%)
	31/12/2021	30/9/2021	
Revenue	12,678	6,657	90
Gross Profit/(Loss)	204	101	102
Profit/(loss) before tax	(3,140)	(12,414)	75

As compared to the preceding quarter, the Group achieved higher revenue and gross profit. This is because the operation results in the preceding quarter were affected by the full lockdown during the period of June 2021 to September 2021.

The Group has achieved lower loss before tax of RM3.14 million in the current quarter mainly due to improvement in operation results and lower impairment loss provided for trade and other debtors of RM2.45million (2021 4Qtr: RM10.3 million).

**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		Financial Period ended	
	31/12/20	31/12/21	31/12/20	31/12/21
	RM	RM	RM	RM
Deferred Tax	(19,453)	(19,453)	(19,453)	(19,453)
<b>Total</b>	<b>(19,453)</b>	<b>(19,453)</b>	<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**

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

**Utilisation of Proceeds From Private Placement**

As at 31 December 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	13,643,974	356,026
Administrative and operating expenses	Within 12 months	2,510,000	1,857,193	652,807
Defraying expenses	Immediate	455,685	359,678	96,007
<b>Total</b>		<b>16,965,685</b>	<b>15,860,845</b>	<b>1,104,840</b>

**B9 Group Borrowings and Debts Securities**

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

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	107	426	533
	107	426	533

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 2021.

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

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

	Quarter Ended		Cumulative Quarter ended	
	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Profit/(loss) attributable to ordinary equity holders (RM)	(3,120,388)	(918,491)	(3,120,388)	(918,491)
Weighted average number of shares	1,116,163,660	892,930,960	1,116,163,660	892,930,960
Adjustment for assumed exercise of warrant and SIS	-	-	-	-
Adjusted weighted average number of ordinary shares issued and issuable	1,116,163,660	892,930,960	1,116,163,660	892,930,960
Earning per share (sen)				
<b>Basic</b>	<b>(0.28)</b>	<b>(0.10)</b>	<b>(0.28)</b>	<b>(0.10)</b>
<b>Diluted</b>	<b>(0.28)</b>	<b>(0.10)</b>	<b>(0.28)</b>	<b>(0.10)</b>

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

	Current Quarter ended		Financial Period ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Profit/(loss) before tax is arrived at after charging/(crediting):	RM	RM	RM	RM
Interest Expense	6,992	3,231	6,992	3,231
Depreciation	293,192	326,862	293,192	326,862
Depreciation-ROUA	123,383	123,383	123,383	123,383
Impairment loss on debtors	2,448,762	-	2,448,762	-
Fair value (gain)/loss on				

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investment	2,173	(108,138)	2,173	(108,138)
Interest Income				
	(61,770)	(51,983)	(61,770)	(51,983)
Other income including investment income	(28,295)	(2,564)	(28,295)	(2,564)