

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

**UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

**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 2022 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 March 2022.

**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 March 2022 is as follows: -

|                    | <b>Timber<br/>services<br/>RM'000</b> | <b>Property<br/>Development<br/>&amp;<br/>construction<br/>RM'000</b> | <b>Trading<br/>RM'000</b> | <b>Investment<br/>&amp; others<br/>RM'000</b> | <b>Adjustment<br/>&amp;<br/>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--------------------|---------------------------------------|---|---------------------------|---|--|-------------------------|
| <b>Revenue</b>     |                                       |   |                           |   |  |                         |
| External sales     | 1,682                                 | 376   | 16,990                    | -   |  | 19,049                  |
| Intersegment sales | -                                     | -   | -                         | 210   | (210)  | -                       |
|                    | <b>1,682</b>                          | <b>376</b>  | <b>16,990</b>             | <b>210</b>                                    | <b>(210)</b>   | <b>19,049</b>           |

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**Results**

|                               |              |                 |            |              |                 |         |
|-------------------------------|--------------|-----------------|------------|--------------|-----------------|---------|
| Segment results               | (444)        | (11,432)        | 155        | (909)        | (12,630)        |         |
| Interest income               | 110          | -               | -          | 39           | 149             |         |
| Interest expense              | (13)         | (1)             | -          | -            | (14)            |         |
| Profit/(loss) before taxation | (347)        | (11,433)        | 155        | (870)        | (12,495)        |         |
| Taxation                      | 10           | -               | -          | 29           | 39              |         |
| <b>Net profit/(loss)</b>      | <b>(337)</b> | <b>(11,433)</b> | <b>155</b> | <b>(841)</b> | <b>(12,456)</b> |         |
| <br>                          |              |                 |            |              |                 |         |
| Segment assets                | 33,172       | 65,728          | 18,435     | 127,200      | (123,235)       | 121,300 |
| <br>                          |              |                 |            |              |                 |         |
| Segment liabilities           | 36,405       | 110,919         | 14,356     | 1,373        | (156,706)       | 6,347   |

**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 2022.

**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 March 2022.

**A13 Significant Related Party Transactions**

The significant related party transactions occurred during the financial period ended 31 March 2022 and outstanding sum brought forward from previous related party transaction are disclosed below:

| Recurrent related party transaction with a Company in which a director has substantial financial interest previously: | Quarter ended |           | Financial period ended |           |
|---|---------------|-----------|------------------------|-----------|
|   | 31/3/2022     | 31/3/2021 | 31/3/2022              | 31/3/2021 |
| KL Northgate Sdn Bhd<br>- Refundable deposit for leasing of office space  | RM            | RM        | RM                     | RM        |
|   | -             | -         | 1,834,655              | 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) |         | Changes | YTD (RM'000) |         | Changes |
|--------------------------|-----------------------------|---------|---------|--------------|---------|---------|
|                          | 31/3/22                     | 31/3/21 | (%)     | 31/3/22      | 31/3/21 | (%)     |
| Revenue                  | 6,371                       | 5,040   | 26%     | 19,049       | 9,141   | 108%    |
| Gross Profit/(Loss)      | 125                         | 154     | -18%    | 329          | 245     | 34%     |
| Profit/(loss) before tax | (9,355)                     | (927)   | -909%   | (12,495)     | (1,865) | -570%   |

During the quarter under review, the Group achieved higher Revenue but lower Gross Profit of RM6.4 million and RM0.1 million respectively mainly due to higher turnover from trading division, which had contributed RM5.3million (2021 2Qtr : RM4 million) turnover during the quarter. However, the loss before tax during the quarter has increased to RM9.4 million from RM0.9 million in previous year corresponding quarter, mainly due to impairment loss provided for other debtors in current quarter amounted to RM8.4 million (2021 2Qtr: Nil).

For the year to date, the Group has achieved higher Revenue and Gross Profit of RM19 million and RM0.33 million respectively mainly due to higher turnover from trading division, which contributed RM17 million (2021 : RM7.3 million) turnover during the period. However, the Group has incurred higher loss before tax of RM12.5 million (2021 : RM1.9 million) during the period mainly due to impairment loss of RM12.5 million (2021: Nil) provided during the period.

**B2 Comparison with immediate preceding quarter**

|                          | Individual Quarter (RM'000) |            | Var (%) |
|--------------------------|-----------------------------|------------|---------|
|                          | 31/3/2022                   | 31/12/2021 |         |
| Revenue                  | 6,371                       | 12,678     | -49%    |
| Gross Profit/(Loss)      | 125                         | 204        | -38%    |
| Profit/(loss) before tax | (9,355)                     | (3,140)    | -198%   |

As compared to the preceding quarter, the Group achieved lower revenue and gross profit mainly due to lower contribution from trading division of RM5.3 million (2022 1Qtr : RM11.7 million) during the period.

The Group has incurred lower loss before tax of RM9.4 million in the current quarter mainly due to higher impairment loss provision during the quarter amounted to RM8.4 million (2022 1Qtr: RM2.45 million).

**B3 Prospects**

The Group will continue to monitor its risk management strategies, including cost reduction measures and liquidity management, which would benefit the Group by strengthening economies of scale and financial position. All things considered, notwithstanding unforeseen circumstances, the Group remains cautiously optimistic of our prospects for current financial year despite these challenging times.

**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 |                 |
|--------------|-----------------|-----------------|------------------------|-----------------|
|              | 31/3/2022       | 31/3/2021       | 31/3/2022              | 31/3/2021       |
|              | RM              | RM              | RM                     | RM              |
| Deferred Tax | (19,453)        | (19,453)        | (38,906)               | (38,906)        |
| <b>Total</b> | <b>(19,453)</b> | <b>(19,453)</b> | <b>(38,906)</b>        | <b>(38,906)</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 March 2022, the proceeds raised from the Private Placement which was completed on 25 Jan 2021 were utilized as follows:

| Purpose                               | Expected<br>frame<br>utilisation<br>proceeds<br>time<br>for<br>of | Proposed<br>utilisation<br>RM | Actual<br>utilisation<br>RM | Deviation<br>RM |
|---------------------------------------|---|-------------------------------|-----------------------------|-----------------|
| Working Capital                       | Within 12 months  | 14,000,000                    | 13,993,974                  | 6,026           |
| Administrative and operating expenses | Within 12 months  | 2,510,000                     | 2,439,617                   | 70,383          |
| Defraying expenses                    | Immediate   | 455,685                       | 359,678                     | 96,007          |
| <b>Total</b>                          |   | <b>16,965,685</b>             | <b>16,793,269</b>           | <b>172,416</b>  |

**B9 Group Borrowings and Debts Securities**

Group's borrowings as at 31 March 2022 were as follows:

|                        | Short Term<br>RM'000 | Long Term<br>RM'000 | Total<br>RM'000 |
|------------------------|----------------------|---------------------|-----------------|
| (a) Secured Borrowings |                      |                     |                 |
| Hire purchase payables | 70                   | 426                 | 496             |
|                        | 70                   | 426                 | 496             |

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 March 2022.

**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 |               |
|---|---------------|---------------|--------------------------|---------------|
|   | 31/3/2022     | 31/3/2021     | 31/3/2022                | 31/3/2021     |
| Profit/(loss) attributable to ordinary equity holders (RM)              | (9,335,876)   | (907,668)     | (12,456,264)             | (1,826,159)   |
| Weighted average number of shares                                       | 1,116,163,660 | 1,054,154,577 | 1,116,163,660            | 972,656,964   |
| Adjustment for assumed exercise of warrant and SIS                      | -             | -             | -                        | -             |
| Adjusted weighted average number of ordinary shares issued and issuable | 1,116,163,660 | 1,054,154,577 | 1,116,163,660            | 972,656,964   |
| Earning per share (sen)   |               |               |                          |               |
| <b>Basic</b>  | <b>(0.84)</b> | <b>(0.09)</b> | <b>(1.12)</b>            | <b>(0.19)</b> |
| <b>Diluted</b>  | <b>(0.84)</b> | <b>(0.09)</b> | <b>(1.12)</b>            | <b>(0.19)</b> |

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

|  | Current Quarter ended |           | Financial Period ended |           |
|--|-----------------------|-----------|------------------------|-----------|
|  | 31/3/2022             | 31/3/2021 | 31/3/2022              | 31/3/2021 |
| Profit/(loss) before tax is arrived at after charging/(crediting): | RM                    | RM        | RM                     | RM        |
| Interest Expense   | 7,433                 | 2,409     | 14,425                 | 5,640     |
| Depreciation   | 291,134               | 311,502   | 584,326                | 638,364   |
| Depreciation-ROUA  | 123,384               | 123,384   | 246,767                | 246,767   |
| Gain on modification of financial assets                           | (1,597,826)           | -         | (1,597,826)            | -         |
| Impairment loss on debtors   | 10,000,000            | -         | 12,448,762             | -         |

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|  |          |          |           |           |
|--|----------|----------|-----------|-----------|
| Fair value (gain)/loss on investment     | 24,129   | (31,186) | 26,302    | (139,324) |
| Interest Income                          | (87,396) | (77,961) | (149,166) | (129,944) |
| Other income including investment income | 3,166    | (36,966) | (25,129)  | (39,530)  |