

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

UNAUDITED FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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 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 30 September 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 30 september 2022 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	3,265	1,062	18,705	-		23,032
Intersegment sales	-	-	-	420	(420)	-
	3,265	1,062	18,705	420	(420)	23,032

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Results

Segment results	(812)	(24,439)	(1,379)	(1,455)	(28,085)
Interest income	278	-	-	44	322
Interest expense	(25)	(1)	-	-	(26)
Profit/(loss) before taxation	(559)	(24,440)	(1,379)	(1,411)	(27,789)
Taxation	21	-	-	57	78
Net profit/(loss)	(538)	(24,440)	(1,379)	(1,354)	(27,711)

Segment assets	33,930	49,870	18,627	126,485	(123,559)	105,353
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Segment liabilities	37,364	109,652	14,497	1,171	(157,029)	5,655
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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 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 30 September 2022.

A13 Significant Related Party Transactions

The significant related party transactions occurred during the financial period ended 30 September 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	
	<u>30/9/2022</u>	<u>30/9/2021</u>	<u>30/9/2022</u>	<u>30/9/2021</u>
KL Northgate Sdn Bhd - Refundable deposit for leasing of office space	RM	RM	RM	RM
	-	-	1,634,655	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)		Changes	YTD (RM'000)		Changes
	30/9/22	30/9/21	(%)	30/9/22	30/9/21	(%)
Revenue	998	6,658	-85%	23,032	29,959	-23%
Gross Profit/(Loss)	(50)	101	-150%	343	652	-47%
Profit/(loss) before tax	(14,527)	(12,414)	-17%	(27,789)	(24,411)	-14%

During the quarter under review, the Group reported lower Revenue and Gross loss of RM1 million and RM0.05 million respectively mainly due to nil turnover from trading division (2021 4Qtr : RM6.05 million) turnover during the quarter. As a result, the Group slipped into gross loss of RM0.05 million during the quarter. In line with the operation results, the loss before tax has increased to RM14.53 million mainly due to higher impairment loss provided for debtors in current quarter amounted to RM13.81 million (2021 4Qtr: RM11.65 million).

For the year to date, the Group has recorded lower Revenue and Gross Profit of RM23.03 million and RM0.34 million respectively mainly due to lower turnover from trading division, which contributed RM18.7 million (2021 : RM25.56 million) turnover during the period. In line with the operation results, the Group has incurred higher loss before tax of RM27.79 million (2021 : RM24.41 million) during the period mainly due to higher impairment loss of RM24.66 million (2021: RM21.43 million) provided during the period.

B2 Comparison with immediate preceding quarter

	Individual Quarter (RM'000)		Var (%)
	30/9/22	30/6/2022	
Revenue	998	2,985	-66%
Gross Profit/(Loss)	(50)	64	-178%
Profit/(loss) before tax	(14,527)	(766)	-1796%

As compared to the preceding quarter, the Group achieved lower revenue and gross profit mainly due to nil contribution from trading division (2022 3Qtr : RM1.7 million) during the period.

The Group has also reported higher loss before tax of RM14.53 million in the current quarter mainly due to higher impairment loss on debtors during the quarter.

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	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
	RM	RM	RM	RM
Deferred Tax	(19,453)	(19,453)	(77,812)	(77,812)
Total	(19,453)	(19,453)	(77,812)	(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 other corporate proposals that have been announced but not yet completed during the period under review.

B9 Group Borrowings and Debts Securities

Group's borrowings as at 30 September 2022 were as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
(a) Secured Borrowings			
Hire purchase payables	66	306	372
	<u>66</u>	<u>306</u>	<u>372</u>

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.

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 30 September 2022.

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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	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
Profit/(loss) attributable to ordinary equity holders (RM)	(14,507,717)	(12,394,450)	(27,710,757)	(24,333,469)
Weighted average number of shares	1,116,163,660	1,116,163,660	1,116,163,660	1,044,606,877
Adjustment for assumed exercise of warrant and SIS	-	-	-	-
Adjusted weighted average number of ordinary shares issued and issuable	1,116,163,660	1,116,163,660	1,116,163,660	1,044,606,877
Earning per share (sen)				
Basic	(1.30)	(1.11)	(2.48)	(2.33)
Diluted	(1.30)	(1.11)	(2.48)	(2.33)

B14 Profit/(Loss) before tax

	Current Quarter ended		Financial Period ended	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021
Profit/(loss) before tax is arrived at after charging/(crediting):	RM	RM	RM	RM
Interest Expense	5,696	8,500	26,217	22,465
Depreciation	294,763	293,528	1,171,521	1,214,682
Depreciation-ROUA	123,384	123,384	493,534	493,534
Gain on modification of financial assets	4,664	(3,571,505)	(1,593,162)	(3,571,505)
Impairment loss on debtors	13,805,996	15,217,453	26,254,758	24,996,803
Fair value (gain)/loss on investment	10,995	3,186	107,491	(103,761)
Interest Income	(94,985)	(70,386)	(322,475)	(274,700)
Other income including investment income	(28,162)	(15,121)	(62,275)	(97,724)
Gain on disposal of PPE	-	-	-	(130,000)