

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, ShareWorks Sdn Bhd at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL), Malaysia (Tel. No. +603-6201 1120).

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue with Warrants. A copy of this Abridged Prospectus, together with the NPA and RSF (collectively, the "Documents") has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 28 June 2021. Approval has been obtained from Bursa Securities via its letter dated 2 June 2021 for the admission of the Warrants B to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares and Warrants B to be issued pursuant to the Rights Issue with Warrants and the new Kanger Shares to be issued arising from the exercise of the Warrants B on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants, and shall not be taken as an indication of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the Warrants B to the Official List of Bursa Securities and the listing of and quotation for all the said new securities will commence after, amongst others, the receipt of confirmation from Bursa Depository that all the CDS Accounts of our successful Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The Documents are only despatched to the Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Monday, 30 August 2021. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdiction other than the laws of Malaysia. Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who are residents in countries or jurisdiction other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares with Warrants B would result in a contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 11.11 of this Abridged Prospectus. Neither we, UOB Kay Hian nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares with Warrants B made by the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 7 OF THIS ABRIDGED PROSPECTUS.



KANGER INTERNATIONAL BERHAD
Registration No. 201201030306 (1014793-D)
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,861,936,149 NEW ORDINARY SHARES IN KANGER INTERNATIONAL BERHAD ("KANGER SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.06 PER RIGHTS SHARE ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING KANGER SHARE HELD, TOGETHER WITH UP TO 2,861,936,149 FREE DETACHABLE WARRANTS IN KANGER ("WARRANT(S) B") ON THE BASIS OF 1 WARRANT B FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON MONDAY, 30 AUGUST 2021 ("RIGHTS ISSUE WITH WARRANTS")

Principal Adviser

UOBKayHian

UOB Kay Hian Securities (M) Sdn Bhd
(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Monday, 30 August 2021 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Tuesday, 7 September 2021 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Thursday, 9 September 2021 at 4.30 p.m.
Last date and time for acceptance and payment	: Wednesday, 15 September 2021 at 5.00 p.m.
Last date and time for excess application and payment	: Wednesday, 15 September 2021 at 5.00 p.m.

This Abridged Prospectus is dated 30 August 2021

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE WITH WARRANTS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

UOB KAY HIAN, BEING OUR PRINCIPAL ADVISER FOR THE RIGHTS ISSUE WITH WARRANTS, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE WITH WARRANTS.

DISCLAIMER STATEMENT

THE VALUATION UTILISED FOR THE PURPOSE OF THE ACQUISITION SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC, ON THE VALUE OF THE SUBJECT PROPERTIES.

OTHER STATEMENTS

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF SUCH RESTRICTIONS AND TO OBSERVE THEM.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

- "Abridged Prospectus" : This abridged prospectus dated 30 August 2021 in relation to the Rights Issue with Warrants
- "Acquisition" : Acquisition by Kanger Ventures of 126 units of proposed serviced apartments located on the 30th to 45th floors of Tower A, Antara @ Genting Highlands, sited on a piece of freehold land held under title no. GRN 45572 (formerly HSD 18603), Lot 43031 (formerly PT 23923), Mukim and District of Bentong, Pahang Darul Makmur from the developer, namely the Vendor for the Purchase Consideration
- "Act" : The Companies Act 2016
- "Additional Undertaking" : The irrevocable and unconditional undertaking provided by the Undertaking Shareholder to subscribe for additional Rights Shares not taken up by other Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) by way of excess application, if necessary, to the extent such that the Minimum Subscription Level is met. As at the LPD, the Undertaking Shareholder holds 25,000,000 Kanger Shares. In this respect, the Undertaking Shareholder has committed to an additional subscription amount of RM18.50 million to subscribe for 308,333,334 Excess Rights Shares with Warrants B under the Rights Issue with Warrants.
- For avoidance of doubt, only in the event of a shortfall in the number of Rights Shares subscribed as at the Closing Date (including the Entitled Shareholders' and/ or their renounee(s)' and/ or transferee(s)' respective entitlements and any Excess Rights Shares with Warrants B applied for but excluding the Additional Undertaking), the Additional Undertaking shall then crystallise whereby the Undertaking Shareholder shall apply via Excess Application (to fulfil his obligation under the Additional Undertaking) to subscribe for Excess Rights Shares with Warrants B
- "AKSB" or the "Vendor" : Aset Kayamas Sdn Bhd (Registration No. 201101001289 (929423-V))
- "Bamboo Products Manufacturing and Trading" : Manufacturing and trading of bamboo flooring and related products
- "Board" : Our Board of Directors
- "Bursa Depository" : Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
- "Bursa Securities" : Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
- "CDS" : Central Depository System governed under the SICDA
- "CDS Account" : A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor

DEFINITIONS (CONT'D)

"Closing Date"	:	Wednesday, 15 September 2021 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Rights Shares with Warrants B and the application and payment for the Excess Rights Shares with Warrants B
"CMSA"	:	Capital Markets and Services Act 2007
"CNY"	:	Chinese Yuan
"Constitution"	:	Constitution of our Company
"Construction Business"	:	Construction and related activities
"Corporate Exercises"	:	The Rights Issue with Warrants, Acquisition and Diversification, collectively
"COVID-19"	:	Coronavirus disease 2019
"Deed Poll B"	:	The deed poll dated 16 August 2021 constituting the Warrants B
"Director(s)"	:	The director(s) of Kanger and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
"Diversification"	:	The diversification of the existing principal activities of Kanger Group to include Construction Business
"Documents"	:	This Abridged Prospectus together with the NPA and RSF, collectively
"EGM"	:	Extraordinary General Meeting of our Company held on 28 June 2021
"Entitled Shareholder(s)"	:	Our shareholders whose names appear in the Record of Depositors of our Company on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on Monday, 30 August 2021, being the time and date on which the names of our shareholders must appear in the Record of Depositors in order to be entitled to participate in the Rights Issue with Warrants
"Entitlement Undertaking"	:	The irrevocable and unconditional undertaking provided by the Undertaking Shareholder to subscribe for his entitlement in full of the Rights Shares with Warrants B based on his direct shareholding in Kanger as at the Entitlement Date. As at the LPD, the Undertaking Shareholder holds 25,000,000 Kanger Shares. In this respect, the Undertaking Shareholder has undertaken to subscribe in full for his entitlement of 25,000,000 Rights Shares under the Rights Issue with Warrants, amounting to RM1.50 million
"EPS/ (LPS)"	:	Earnings per share/ (Loss) per share
"ESOS Options"	:	65,805,967 outstanding employees' share option scheme options in our Company as at the LPD. Each outstanding ESOS Option entitles its holder to subscribe for 1 new Kanger Share at an exercise price of RM0.05409 per ESOS Option. Our Board has undertaken not to offer any further ESOS Options until the completion of the Rights Issue with Warrants

DEFINITIONS (CONT'D)

"Excess Application"	:	Application for Excess Rights Shares with Warrants B as set out in Section 11.9 of this Abridged Prospectus
"Excess Rights Shares with Warrants B"	:	Rights Shares with Warrants B which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) by the Closing Date
"e-RSF"	:	Electronic submission of the RSF via our Share Registrar's investor portal
"Foreign Entitled Shareholder(s)"	:	Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue with Warrants
"FPE"	:	Financial period ended/ ending
"FYE"	:	Financial year ended/ ending
"Issue Price"	:	The issue price of the Rights Shares of RM0.06 per Rights Share
"Kanger" or our "Company"	:	Kanger International Berhad (Registration No. 201201030306 (1014793-D))
"Kanger Group" or our "Group"	:	Kanger and its subsidiaries, collectively
"Kanger Share(s)" or the "Share(s)"	:	Ordinary share(s) in Kanger
"Kanger Ventures"	:	Kanger Ventures Sdn Bhd (formerly known as Kanger Development (M) Sdn Bhd), a wholly-owned subsidiary of Kanger
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	30 July 2021 being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
"LTD"	:	23 April 2021, being the last market day immediately preceding 26 April 2021, being the price-fixing date of the Rights Shares
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	Assuming all outstanding ESOS Options are exercised prior to the implementation of the Rights Issue with Warrants and all Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue with Warrants
"MCO"	:	Movement Control Order
"Minimum Scenario"	:	Assuming none of the outstanding ESOS Options are exercised prior to the implementation of the Rights Issue with Warrants and the Rights Issue with Warrants is undertaken on the Minimum Subscription Level

DEFINITIONS (CONT'D)

"Minimum Subscription Level"	:	The minimum subscription level of Rights Shares together with Warrants B to be subscribed by the Undertaking Shareholder to raise the intended minimum level of funds amounting to RM20.00 million from the Rights Issue with Warrants based on the Entitlement Undertaking and Additional Undertaking, collectively
"NA"	:	Net assets attributable to the owners of our Company
"NPA"	:	Notice of provisional allotment of Rights Shares with Warrants B pursuant to the Rights Issue with Warrants
"Optima" or the "Independent Valuer"	:	Optima Real Estate Sdn Bhd (Registration No. 201901022119 (1331448-X))
"Official List"	:	A list specifying all securities listed on the ACE Market of Bursa Securities
"PAT/ (LAT)"	:	Profit after taxation/ (Loss) after taxation
"PBT/ (LBT)"	:	Profit before taxation/ (Loss) before taxation
"Providence" or the "Independent Market Researcher"	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
"Provisional Rights Shares with Warrants B"	:	Rights Shares with Warrants B provisionally allotted to the Entitled Shareholders
"Purchase Consideration"	:	RM142,870,000, being the total purchase consideration for the Acquisition to be satisfied entirely via cash
"Record of Depositors"	:	A record of security holders provided by Bursa Depository to our Company under Chapter 24.0 of the Rules of Bursa Depository
"Rights Issue with Warrants"	:	Renounceable rights issue of up to 2,861,936,149 Rights Shares at the Issue Price on the basis of 1 Rights Share for every 1 existing Kanger Share held, together with up to 2,861,936,149 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for, on the Entitlement Date
"Rights Share(s)"	:	Up to 2,861,936,149 new Kanger Shares to be issued at the Issue Price pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form in relation to the Rights Issue with Warrants
"Rules"	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
"Rules of Bursa Depository"	:	The Rules of Bursa Depository as issued pursuant to the SICDA
"SC"	:	Securities Commission Malaysia

DEFINITIONS (CONT'D)

"SPA"	:	Conditional sale and purchase agreement dated 24 February 2021 entered into between Kanger Ventures and the Vendor for the Acquisition
"Share Registrar" or "ShareWorks"	:	ShareWorks Sdn Bhd (Registration No. 199101019611 (229948-U))
"SICDA"	:	Securities Industry (Central Depositories) Act 1991
"Subject Properties"	:	126 units of proposed serviced apartments located on the 30th to 45th floors of Tower A, Antara @ Genting Highlands, which is situated on a piece of freehold land held under Title No. GRN 45572 (formerly HSD 18603), Lot 43031 (formerly PT 23923), Mukim and District of Bentong, Pahang Darul Makmur
"TERP"	:	Theoretical ex-rights price of Kanger Shares
"Undertakings"	:	The Entitlement Undertaking and Additional Undertaking, collectively
"Undertaking Shareholder" or "Mr Kuah"	:	Kuah Choon Ching, who is the Executive Director cum shareholder of Kanger
"UOB Kay Hian" or the "Principal Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"USD"	:	United States Dollars
"VWAP"	:	Volume weighted average market price
"Warrant(s) B"	:	Up to 2,861,936,149 free detachable warrants in Kanger with a tenure of 5 years to be issued pursuant to the Rights Issue with Warrants. Each Warrant B carries the entitlement to subscribe for 1 new Kanger Share during the 5 year exercise period of the Warrants B at the exercise price of RM0.05 per Warrant B

All references to "we", "us", "our" and "ourselves" are made to our Company, or where the context requires, shall include our subsidiaries.

All references to "you" in this Abridged Prospectus are made to the Entitled Shareholders and/ or, where the context otherwise requires, their renounee(s) and/ or transferee(s) (if applicable).

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference to a time of day and date in this Abridged Prospectus shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Abridged Prospectus between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted.

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ADVISERS' DIRECTORY

- COMPANY SECRETARY** : Wong Yuet Chyn
(MAICSA 7047163)
(SSM PC No. 202008002451)

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Tel. No.: 03-6201 1120
Fax. No.: 03-6201 3121
- PRINCIPAL ADVISER** : UOB Kay Hian Securities (M) Sdn Bhd

Suite 19-03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur

Tel. No.: 03-2147 1900
Fax. No.: 03-2147 1950
- DUE DILIGENCE SOLICITORS** : Messrs Tan, Goh & Associates

Unit 821, 8th Floor, Block A, Lift Lobby 6
Damansara Intan, No. 1 Jalan SS20/27
47400 Petaling Jaya, Selangor Darul Ehsan

Tel. No.: 03-7727 7228
Fax. No.: 03-7731 9238
- SHARE REGISTRAR** : ShareWorks Sdn Bhd

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

Tel. No.: 03-6201 1120
Fax. No.: 03-6201 3121
- INDEPENDENT VALUER** : Optima Real Estate Sdn Bhd

Aurora SOVO 1-9-13
Level 9, Plaza Bukit Jalil, No. 1
Persiaran Bukit Jalil 1
Bandar Bukit Jalil
57000 Kuala Lumpur

Tel. No.: 03-5033 2725

Valuer in charge: Sr Cheok Bee Khim
Professional qualification: Registered Valuer, Board of
Valuers, Appraisers, Estate Agents and Property Managers
(Registration No. V-772)

ADVISERS' DIRECTORY (CON'T)

**INDEPENDENT
RESEARCHER**

MARKET : Providence Strategic Partners Sdn Bhd

67-1, Block D, Jaya One
Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya, Selangor

Tel. No.: 03-7625 1769

Executive Director: Melissa Lim Li Hua
(Bachelor of Commerce (Double Major in Marketing and
Management) from Murdoch University, Australia)

STOCK EXCHANGE LISTING : ACE Market of Bursa Securities

The professional experience and qualification of experts whose reports, summaries or statements are included in this Abridged Prospectus is set out below:-

Optima Real Estate Sdn Bhd

Optima is a real estate consultancy firm based in Kuala Lumpur which provide services including valuation advisory, estate agency, property management as well as research and consultancy. Optima is registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers (Registration No. VEPM(1)0025).

Sr Cheok Bee Khim is an executive director of Optima since May 2021. She has approximately 15 years of experience in real estate valuation, estate agency and market & feasibility study. She is a Registered Valuer with the Board of Valuers, Appraisers, Estate Agents and Property Managers (Registration No. V-772) and holds a Bachelor of Science (Hons) in Property Management from University of Technology Malaysia.

Providence Strategic Partners Sdn Bhd

Providence is an independent research and consulting firm based in Petaling Jaya, Selangor. Since its inception in 2017, Providence has been involved in the preparation of independent market research reports for capital market exercises. Providence's reports cover industry dynamics, industry performance, competitive landscape as well as demand and supply conditions.

Melissa Lim is the Executive Director of Providence since 2017. She has approximately 11 years of experience in market research for capital market exercises. She holds a Bachelor of Commerce (Double Major in Marketing and Management) from Murdoch University, Australia.

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SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS

THIS SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. IT DOES NOT CONTAIN ALL INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE ABRIDGED PROSPECTUS.

Key information	Summary
Basis of allotment and number of Rights Shares with Warrants B to be issued pursuant to the Rights Issue with Warrants	<p>: The Rights Issue with Warrants entails an issuance of up to 2,861,936,149 Rights Shares at the Issue Price on the basis of 1 Rights Share for every 1 existing Kanger Share held, together with up to 2,861,936,149 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for by the Entitled Shareholders. In addition, assuming all 2,861,936,149 Warrants B are exercised, a total of 2,861,936,149 Shares will be issued arising therefrom.</p> <p>The actual number of Rights Shares and Warrants B to be issued will be determined based on the total number of issued Shares as at the Entitlement Date and the subscription rate of Rights Shares subscribed by the Entitled Shareholders.</p> <p>Further details are set out in Section 2.1 of this Abridged Prospectus.</p>
Issue Price and exercise price of the Warrants B	<p>: Issue price of RM0.06 per Rights Share and exercise price of RM0.05 per Warrant B</p> <p>Further details are set out in Sections 2.2 and 2.3 of this Abridged Prospectus.</p>
Shareholder's undertakings	<p>: Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level basis after taking into consideration the minimum level of funds of approximately RM20.00 million that our Company intends to raise.</p> <p>In order to meet the Minimum Subscription Level, Mr Kuah had vide his letter dated 24 February 2021 provided his irrevocable and unconditional undertaking to subscribe for:-</p> <p>(i) his entitlement in full of the Rights Shares with Warrants B, based on his direct shareholding in Kanger as at the Entitlement Date, of 25,000,000 Rights Shares under the Rights Issue with Warrants, amounting to RM1.50 million; and</p> <p>(ii) Excess Rights Shares with Warrants B by way of Excess Application, if necessary, to the extent such that the Minimum Subscription Level is met. In this respect, the Undertaking Shareholder has committed to an additional subscription amount of RM18.50 million to subscribe for 308,333,334 Excess Rights Shares with Warrants B under the Rights Issue with Warrants.</p> <p>As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, no underwriting arrangement has been procured for the remaining Rights Shares not subscribed for by the Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s).</p> <p>Further details are set out in Section 3 of this Abridged Prospectus.</p>
Utilisation proceeds of	<p>: The gross proceeds to be raised from the Rights Issue with Warrants will be utilised by Kanger Group in the following manner:-</p>

	Timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario RM'000	Maximum Scenario RM'000
Full/ partial payment for the Acquisition Business/ investment opportunities	Within 12 months	18,977	142,870
Working capital	Within 12 months	-	19,476
Estimated expenses in relation to the Corporate Exercises	Upon completion	1,023	1,023
Total		20,000	171,716

Further details are set out in **Section 4** of this Abridged Prospectus.

SUMMARY OF THE RIGHTS ISSUE WITH WARRANTS (CONT'D)

Key information	Summary
Rationale	<p>(i) To strengthen our financial position and capital base, by reducing our Group's gearing level and increasing our NA thereby providing greater financial flexibility;</p> <p>(ii) To enable the issuance of new Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants;</p> <p>(iii) To provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares;</p> <p>(iv) To raise proceeds for the utilisation purposes as set out in Section 4 of this Abridged Prospectus; and</p> <p>(v) The Warrants B will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants B and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants B. Our Company would also be able to raise additional proceeds as and when the Warrants B are exercised.</p> <p>Further details are set out in Section 6 of this Abridged Prospectus.</p>
Risk factors	<p>You should consider, amongst others, the following risk factors before subscribing for or investing in the Rights Issue with Warrants:-</p> <p>(i) Our Group's business and performance is subject to, amongst others, the impact of COVID-19 which had led to governments employing varying lockdowns and movement restrictions. As our businesses were not deemed essential, the operations of our bamboo processing plant, main sales offices and project sites were affected by such lockdowns. Further, as our Board intends to finance the Shortfall, if any, entirely through bank borrowings, our Group may be further exposed to fluctuations in interest rates;</p> <p>(ii) Our Group's Bamboo Products Manufacturing and Trading is subject to risks inherent in the Bamboo Products Manufacturing and Trading industry including, amongst others, supply and demand conditions for bamboo flooring and related products, reliance on our agents, distributors and appointed dealers for sales, changes in tastes and preferences in flooring and furniture, increase in the cost of labour and risks of supply shortages or price hikes in raw bamboo;</p> <p>(iii) Our Group's property investment and management is subject to, amongst others, competition from existing players and new entrants in the property investment and management industry. Our competitiveness is dependent on, amongst others, our ability to undertake competitive pricing and sales and marketing strategies, accurately assess the demand of the property market and secure strategically located properties;</p> <p>(iv) Our Group's Construction Business is dependent on, amongst others, our ability to continuously secure new projects on commercial terms favourable to our Group. Our financial performance depends on our ability to secure new projects to sustain our order book. If we are unable to do so, our order book may decline and this may cause a material adverse impact on our Group's future financial performance; and</p> <p>(v) The market price of our Shares is influenced by the prevailing market sentiments, volatility of the equity markets, the outlook of the industries we operate in and our financial performance. As the Warrants B are a new type of securities, there can be no assurance that an active market will develop for the Warrants B.</p> <p>Further details are set out in Section 7 of this Abridged Prospectus.</p>
Procedures for acceptance and payment	<p>Acceptance of and payment for the Provisional Rights Shares with Warrants B and application for the Excess Rights Shares with Warrants B must be made by way of the RSF enclosed together with this Abridged Prospectus or by way of electronic subscription via our Share Registrar's investor portal (i.e. e-RSF) and must be completed in accordance with the notes and instructions in this Abridged Prospectus and the RSF.</p> <p>The last day, date and time for acceptance of and payment for the Provisional Rights Shares with Warrants B and the application and payment for the Excess Rights Shares with Warrants B is on Wednesday, 15 September 2021 at 5.00 p.m.</p> <p>Further details are set out in Section 11 of this Abridged Prospectus.</p>



KANGER INTERNATIONAL BERHAD

Registration No. 201201030306 (1014793-D)
(Incorporated in Malaysia)

Registered Office

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

30 August 2021

Board of Directors

Datuk Nur Jazlan Bin Mohamed (*Independent Non-Executive Chairman*)

Wu Wai Kong (*Executive Director*)

Kuah Choon Ching (*Executive Director*)

Low Poh Seong (*Independent Non-Executive Director*)

Mazlan Bin Mohamad (*Independent Non-Executive Director*)

To: The Entitled Shareholders

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,861,936,149 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.06 PER RIGHTS SHARE ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 1 EXISTING KANGER SHARE HELD, TOGETHER WITH UP TO 2,861,936,149 WARRANTS B ON THE BASIS OF 1 WARRANT B FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON MONDAY, 30 AUGUST 2021

1. INTRODUCTION

On 24 February 2021, UOB Kay Hian had, on behalf of our Board, announced that we proposed to undertake the following:-

- (i) the Rights Issue with Warrants;
- (ii) the Acquisition; and
- (iii) the Diversification.

On 26 April 2021, UOB Kay Hian had, on behalf of our Board, announced that our Board had on even date resolved to fix the Issue Price at RM0.06 per Rights Share. The Issue Price was determined and fixed by our Board after taking into consideration the basis and justifications as set out in **Section 2.2** of this Abridged Prospectus.

On 2 June 2021, UOB Kay Hian had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 2 June 2021, resolved to approve the following:-

- (i) admission of the Warrants B to the Official List;
- (ii) listing of and quotation for up to 2,861,936,149 Rights Shares and up to 2,861,936,149 Warrants B pursuant to the Rights Issue with Warrants on the ACE Market of Bursa Securities; and

- (iii) listing of and quotation for up to 2,861,936,149 new Kanger Shares to be issued arising from the exercise of the Warrants B on the ACE Market of Bursa Securities,

subject to the conditions set out below:-

Conditions	Status of compliance
(i) Kanger and UOB Kay Hian must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue with Warrants;	Kanger and UOB Kay Hian will ensure compliance, where applicable
(ii) Kanger and UOB Kay Hian to inform Bursa Securities upon the completion of the Rights Issue with Warrants and Acquisition;	Kanger and UOB Kay Hian will ensure compliance
(iii) Kanger to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants and Acquisition are completed; and	Kanger will ensure compliance
(iv) Kanger to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants B at the end of each quarter together with a detailed computation of listing fees payable.	Our Board will ensure compliance

On 28 June 2021, our shareholders had approved the Corporate Exercises at our EGM.

On 16 August 2021, UOB Kay Hian had, on behalf of our Board, announced that our Board had on even date resolved to fix the exercise price of the Warrants B at RM0.05 per Warrant B. The exercise price of the Warrants B was determined and fixed by our Board after taking into consideration the basis and justifications as set out in **Section 2.3** of this Abridged Prospectus.

Further, on 16 August 2021, UOB Kay Hian had, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

The admission of the Warrants B to the Official List and the listing of and quotation for the Rights Shares and Warrants B to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or UOB Kay Hian.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Basis and number of Rights Shares and Warrants B to be issued

The Rights Issue with Warrants entails an issuance of up to 2,861,936,149 Rights Shares at the Issue Price on the basis of 1 Rights Share for every 1 existing Kanger Share held, together with up to 2,861,936,149 Warrants B on the basis of 1 Warrant B for every 1 Rights Share subscribed for by the Entitled Shareholders.

As at the LPD, Kanger has an issued share capital of RM272,953,286 comprising 2,796,130,182 Kanger Shares. In addition, as at the LPD, we have 65,805,967 outstanding ESOS Options, which are granted but yet to be exercised. Our Board has undertaken not to offer any further ESOS Options until the completion of the Rights Issue with Warrants.

The actual number of Rights Shares and Warrants B to be issued will be determined based on the total number of issued Shares as at the Entitlement Date and the subscription rate of Rights Shares subscribed by the Entitled Shareholders.

The Rights Issue with Warrants will be undertaken on a Minimum Subscription Level, after taking into consideration the minimum level of funds we intend to raise from the Rights Issue with Warrants amounting to RM20.00 million, which would entail a minimum subscription of 333,333,334 Rights Shares based on the Issue Price and will be channelled towards the proposed utilisation as set out in **Section 4** of this Abridged Prospectus. In order to meet the Minimum Subscription Level, the Undertaking Shareholder, who is the Executive Director cum shareholder of Kanger, had vide his letter dated 24 February 2021 provided his irrevocable and unconditional undertaking to subscribe for his entitlement in full of the Rights Shares and Excess Rights Shares with Warrants B by way of Excess Application, if necessary, to the extent such that the Minimum Subscription Level is met.

As set out in **Section 3** of this Abridged Prospectus, the Undertaking Shareholder had provided a confirmation letter dated 16 August 2021 from his financial institution confirming that the Undertaking Shareholder has sufficient funding to fulfil and satisfy his Undertakings under the Rights Issue with Warrants. For clarification, only in the event of a shortfall in the number of Rights Shares subscribed as at the Closing Date (including the Entitled Shareholders' and/ or their renounee(s)' and/ or transferee(s)' respective entitlements and any Excess Rights Shares with Warrants B applied for but excluding the Additional Undertaking), the Additional Undertaking shall then crystallise whereby the Undertaking Shareholder shall apply via Excess Application (to fulfil his obligation under the Additional Undertaking) to subscribe for Excess Rights Shares with Warrants B.

Assuming all the outstanding ESOS Options are exercised prior to the implementation of the Rights Issue with Warrants, our enlarged number of issued Shares will be 2,861,936,149 Kanger Shares and assuming all the Entitled Shareholders subscribe in full for their respective entitlements of the Rights Shares, a maximum of 2,861,936,149 Rights Shares together with a maximum of 2,861,936,149 Warrants B may be issued, raising maximum gross proceeds of up to approximately RM171.72 million based on the Issue Price. In addition, assuming all 2,861,936,149 Warrants B are exercised, a total of 2,861,936,149 Shares will be issued arising therefrom, raising further gross proceeds of up to approximately RM143.10 million based on the exercise price of RM0.05 per Warrant B. Please refer to **Section 4** of this Abridged Prospectus for the proposed utilisation of proceeds from the Rights Issue with Warrants.

The Warrants B will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants B will be issued in registered form and constituted by the Deed Poll B, as may be supplemented from time to time.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders who renounce all or any part of their entitlements to the Rights Shares provisionally allotted to them under the Rights Issue with Warrants will simultaneously relinquish any accompanying entitlement to the Warrants B. For avoidance of doubt, the Rights Shares and the Warrants B are not separately renounceable.

In determining the entitlement of the Entitled Shareholders under the Rights Issue with Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner and on such terms and conditions as our Board in its sole and absolute discretion deem fit or expedient and in the best interests of our Company.

The Rights Shares together with Warrants B that are not taken up or validly taken up, shall be made available for Excess Application by the other Entitled Shareholders and/ or their renounee(s) and/ or transferee(s). Our Board intends to allocate the Excess Rights Shares with Warrants B in a fair and equitable manner in accordance with the procedures set out in **Section 11.9** of this Abridged Prospectus.

2.2 Basis of determining and justifications for the Issue Price

The Issue Price was determined by our Board after taking into consideration, amongst others, the following basis and justifications:-

2.2.1 Basis for determining the Issue Price

The Issue Price was determined by our Board after taking into consideration the TERP calculated based on the 5-day VWAP of Kanger Shares up to and including the LTD.

The Issue Price represents a premium of approximately 5.82% to the TERP of RM0.0567 per Share, calculated based on the 5-day VWAP of Kanger Shares up to and including the LTD, of RM0.0601 per Share.

For shareholders' information, the Issue Price represents a premium of approximately 2.39% to the TERP of RM0.0586 per Share, calculated based on the 5-day VWAP of Kanger Shares up to and including the LPD, of RM0.0658 per Share.

2.2.2 Justifications for determining the Issue Price

Our Board had also taken into consideration further justifications in determining the Issue Price including, amongst others, the following:-

- i. The minimum gross proceeds of RM20.00 million intended to be raised from the Rights Issue with Warrants for the utilisation purposes as set out in **Section 4** of this Abridged Prospectus; and
- ii. The prevailing market conditions and historical trading prices of Kanger Shares for the past 12 months. The Issue Price represents a premium/ (discount) to the following historical trading prices of Kanger Shares as set out below:-

	Premium/ (Discount)		
	RM	RM	%
TERP based on the 5-day VWAP of Kanger Shares up to and including the LTD	0.0567	0.0033	5.82
Last price as at the LTD	0.0600	-	-
5-day VWAP up to and including the LTD	0.0601	(0.0001)	(0.17)
1-month VWAP up to and including the LTD	0.0680	(0.0080)	(11.76)
3-month VWAP up to and including the LTD	0.0949	(0.0349)	(36.78)
6-month VWAP up to and including the LTD	0.1558	(0.0958)	(61.49)
12-month VWAP up to and including the LTD	0.1787	(0.1187)	(66.42)

(Source: Bloomberg)

Based on the above, the Issue Price represents the following:-

- (a) the last price as at the LTD;

- (b) a premium of approximately 5.82% to the TERP calculated based on the 5-day VWAP of Kanger Shares up to and including the LTD; and
- (c) a discount ranging from approximately 0.17% to 66.42% to the 5-day VWAP, 1-month VWAP, 3-month VWAP, 6-month VWAP, and 12-month VWAP up to and including the LTD.

2.3 Basis of determining and justifications for the exercise price of the Warrants B

The Warrants B attached to the Rights Shares will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) who subscribe for the Rights Shares.

The exercise price of RM0.05 per Warrant B was determined by our Board after taking into consideration, amongst others, the following:-

- (i) The Warrants B will be issued at no cost to the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) who successfully subscribe for the Rights Shares;
- (ii) The historical trading prices of Kanger Shares for the past 12 months; and
- (iii) Our Board's intention to fix the exercise price of the Warrants B subject to a discount range of 10% to 30% to the TERP based on the 5-day VWAP of Kanger Shares up to and including 13 August 2021, being the last Market Day immediately preceding the price-fixing date of the Warrants B. The abovementioned range of discount will allow our Board to fix the exercise price of the Warrants B at a sufficiently attractive price to incentivise Warrant B holders to exercise the Warrants B and increase their equity participation in our Company, while also allowing our Board the flexibility to accommodate for potential fluctuations in prevailing market conditions and prices.

The exercise price of RM0.05 per Warrant B represents a discount of approximately 11.66% to the TERP of RM0.0566 per Share, calculated based on the 5-day VWAP of Kanger Shares up to and including 13 August 2021, being the last Market Day immediately preceding the price-fixing date of the Warrants B, of RM0.0599 per Share.

2.4 Ranking of the Rights Shares and new Kanger Shares to be issued arising from the exercise of the Warrants B

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the existing Kanger Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares.

The new Kanger Shares to be issued arising from the exercise of the Warrants B shall, upon allotment and issuance, rank equally in all respects with the existing Kanger Shares, save and except that the new Kanger Shares to be issued arising from the exercise of the Warrants B shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Kanger Shares.

2.5 Salient terms of the Warrants B

Issue size	:	Up to 2,861,936,149 new Warrants B arising in connection with the Rights Issue with Warrants and are immediately detached from the Rights Shares upon issuance, each carrying the right to subscribe for one new Shares during the exercise period at the exercise price, subject to the terms and conditions of Deed Poll B.
Form	:	The Warrants B will be issued in registered form and constituted by Deed Poll B.
Exercise period	:	The period commencing on and including the date of issuance of the Warrants B and ending at the close of business at 5.00 p.m. in Kuala Lumpur, on the date preceding the 5 th anniversary of the date of issuance, or if such is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.
Mode of exercise	:	The registered holder of the Warrant B is required to lodge an exercise form, as set out in the Deed Poll B, with our Share Registrar, duly completed, signed and stamped or via electronic submission of the subscription form by way of email at ir@shareworks.com.my, together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia or by internet bank transfer in accordance with the Deed Poll B.
Exercise price	:	The basis of determining the exercise price of the Warrants B is set out in Section 2.3 of this Abridged Prospectus. The exercise price and the number of outstanding Warrants B shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll B during the exercise period.
Exercise rights	:	The rights conferred on a Warrant B holder to subscribe for 1 new Kanger Share for each Warrant B at any time during the exercise period and at the exercise price subject to the Deed Poll B.
Board lot	:	The Warrants are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new Kanger Shares at any time during the exercise period or such other number of units as may be prescribed by Bursa Securities.
Participating rights of the holders of Warrants B in any distribution and/ or offer of further securities	:	The Warrant B holders are not entitled to vote in any general meeting of our Company and/ or to participate in any distribution other than on winding-up, compromise or arrangement of our Company as set out below and/ or offer of further securities in our Company unless and until the holder of Warrants B becomes a shareholder of our Company by exercising his/ her Warrants B into new Kanger Shares or unless otherwise resolved by our Company in a general meeting.
Adjustments in the exercise price and/ or number of Warrants B	:	The exercise price and/ or number of unexercised Warrants B shall be adjusted in the event of alteration to the share capital of our Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll B. If our Company in any way modify the rights attached to any share or loan capital which is not described in the Deed Poll B so as to convert or make convertible such share or loan capital into, or attached thereto any rights to acquire or subscribe for new shares, our Company must appoint the adviser or the auditors (who shall act as experts) to consider whether any adjustment is appropriate, and if the directors of our Company after such consultation determines that any adjustment is appropriate, the exercise price or the number of Warrants B or both, will be adjusted accordingly.

Rights in the event of winding-up, liquidation, compromise and/ or arrangement	: Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then every holder of Warrants B shall be entitled upon and subject to the provisions of the Deed Poll B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or 6 weeks after the granting of the court order approving the compromise or arrangement, by irrevocable surrender of his/ her Warrants B to our Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants B to the extent specified in the relevant exercise forms and be entitled to receive out of the assets of our Company which would be available in liquidation as if he/ she had on such date been the holder of the new Shares to which he/ she would have been entitled to pursuant to such exercise.
Ranking of the new Kanger Shares to be issued pursuant to the exercise of Warrants B	: The new Kanger Shares to be issued arising from the exercise of exercise rights represented by the Warrants B, shall upon allotment and issue rank <i>pari passu</i> in all respects with the existing Kanger Shares, save and except that the new Kanger Shares will not be entitled to any dividend, right, allotment and/or any other forms of distribution where the entitlement date of such dividend, right, allotment and/or other forms of distribution precedes the relevant date of allotment and issuance of the new Kanger Shares.
Listing status	: The Warrants B and new Kanger Shares to be issued from the exercise of the Warrants B will be listed on the ACE Market of Bursa Securities.
Modifications	: Our Company may, from time to time, subject to the terms and conditions of the Deed Poll B, without the consent or sanction of the warrant holders, modify, amend or add to the Deed Poll B, if such modification, amendment or addition made does not materially prejudice the interests of the Warrant B holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia. Save for the above, any modification, amendment, deletion or addition to the Deed Poll B shall require the approval of the holders of Warrants B sanctioned by special resolution and may be effected only by the Deed Poll B, executed by our Company and expressed to be supplemental hereto and subject to the approval of the relevant authorities, if necessary.
Governing law	: Laws of Malaysia.

3. IRREVOCABLE AND UNCONDITIONAL UNDERTAKINGS

Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level basis after taking into consideration the minimum level of funds of RM20.00 million that our Company intends to raise from the Rights Issue with Warrants that will be channeled towards the proposed utilisation as set out in **Section 4** of this Abridged Prospectus.

In order to meet the Minimum Subscription Level, Mr Kuah, who is the Executive Director cum shareholder of Kanger, had vide his letter dated 24 February 2021 provided his irrevocable and unconditional undertaking to subscribe for the following:-

- (i) his entitlement in full of the Rights Shares with Warrants B based on his direct shareholding in Kanger as at the Entitlement Date. As at the LPD, the Undertaking Shareholder holds 25,000,000 Kanger Shares, representing approximately 0.89% of the issued share capital of Kanger. For avoidance of doubt, the Undertaking Shareholder does not hold any ESOS Options as at the LPD. In this respect, the Undertaking Shareholder has undertaken to subscribe in full for his entitlement of 25,000,000 Rights Shares under the Rights Issue with Warrants, amounting to RM1.50 million; and
- (ii) Excess Rights Shares with Warrants B by way of Excess Application, if necessary, to the extent such that the Minimum Subscription Level is met. In this respect, the Undertaking Shareholder has committed to an additional subscription amount of RM18.50 million to subscribe for 308,333,334 Excess Rights Shares with Warrants B under the Rights Issue with Warrants.

Pursuant to his letter of undertaking dated 24 February 2021, the Undertaking Shareholder has also irrevocably and unconditionally undertaken that he will not sell or in any way dispose of or transfer or otherwise reduce his existing interest in Kanger or any part thereof during the period commencing from the date of his letter of undertaking (i.e. 24 February 2021) up to the completion of the Rights Issue with Warrants.

For clarification, only in the event of a shortfall in the number of Rights Shares subscribed as at the Closing Date (including the Entitled Shareholders' and/ or their renouncee(s)' and/ or transferee(s)' respective entitlements and any Excess Rights Shares with Warrants B applied for but excluding the Additional Undertaking), the Additional Undertaking shall then crystallise whereby the Undertaking Shareholder shall apply via Excess Application (to fulfil his obligation under the Additional Undertaking) to subscribe for Excess Rights Shares with Warrants B.

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For illustrative purpose, the details of the Undertakings under the Minimum Scenario are set out below:-

Undertaking Shareholder	Direct shareholdings as at the LPD		Entitlement Undertaking (A) No. of Rights Shares	Additional Undertaking (B) No. of Rights Shares ^{*2}	Undertakings (A) + (B) No. of Rights Shares	Direct shareholdings after the Rights Issue with Warrants		Funding required RM
	No. of Shares	% ^{*1}				No. of Shares	% ^{*3}	
Mr Kuah	25,000,000	0.89	25,000,000	308,333,334	333,333,334	358,333,334	11.45	20,000,000

Notes:-

*1 Based on the total issued Shares of 2,796,130,182 as at the LPD

*2 Assuming no other Entitled Shareholders subscribe for Rights Shares, the Undertaking Shareholder will subscribe for an additional 308,333,334 Rights Shares pursuant to the Additional Undertaking

*3 Computed based on the enlarged issued share capital of Kanger of 3,129,463,516 Shares after the Rights Issue with Warrants under the Minimum Scenario

As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, our Company will not procure any underwriting arrangement for the remaining Rights Shares not subscribed for by the other Entitled Shareholders and/ or transferee(s) and/ or transferee(s) pursuant to the Rights Issue with Warrants. The Undertaking Shareholder had confirmed, vide his letter of undertaking dated 24 February 2021, that he has sufficient financial resources to fulfil his obligations as specified in the Undertakings and such confirmation had been verified by UOB Kay Hian, being the Principal Adviser for the Rights Issue with Warrants.

As illustrated in the table above, the shareholding of the Undertaking Shareholder will increase from 0.89% to 11.45% pursuant to the completion of the Rights Issue with Warrants under the Minimum Scenario. Further, assuming the full exercise of the Warrants B, the shareholding of the Undertaking Shareholder may further increase from 11.45% to 19.97% as illustrated in **Section 8 of Appendix I** of this Abridged Prospectus. As such, pursuant to the Rights Issue with Warrants under the Minimum Scenario (including assuming the full exercise of Warrants B to be held by the Undertaking Shareholder), the Undertaking Shareholder and the person(s) acting in concert with him, if any, will not trigger a mandatory take-over offer for all the remaining Shares not already owned by them pursuant to Paragraph 4.01 of the Rules.

Pursuant to Rule 8.02(1) of the Listing Requirements, our Company must ensure that at least 25% of the total listed Shares are in the hands of public shareholders. For information purposes, the public shareholding spread of our Company is not expected to fall below 25% of our enlarged issued share capital after the completion of the Rights Issue with Warrants under the Minimum Scenario, including assuming the full exercise of the Warrants B to be held by the Undertaking Shareholder. For illustrative purpose, our pro forma public shareholding spread assuming the Minimum Scenario and after the full exercise of Warrants B to be held by the Undertaking Shareholder under the Minimum Scenario is set out below:-

	As at the LPD		I Assuming the Minimum Scenario		II After I and the full exercise of Warrants B to be held by the Undertaking Shareholder	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors, substantial shareholders and persons connected to them	33,525,300	1.2	366,858,634	11.7	700,191,968	20.2
Public shareholders	2,762,604,882	98.8	2,762,604,882	88.3	2,762,604,882	79.8
Total	2,796,130,182	100.0	3,129,463,516	100.0	3,462,796,850	100.0

4. UTILISATION OF PROCEEDS

Based on the Issue Price, the gross proceeds to be raised from the Rights Issue with Warrants will be utilised by Kanger Group in the following manner:-

	Timeframe for utilisation from completion of the Rights Issue with Warrants	Minimum Scenario		Maximum Scenario	
		RM'000	%	RM'000	%
Full/ partial payment for the Acquisition ^{*1}	Within 12 months	18,977	94.88	142,870	83.20
Business/ investment opportunities ^{*2}	Within 12 months	-	-	19,476	11.34
Working capital ^{*3}	Within 12 months	-	-	8,347	4.86
Estimated expenses in relation to the Corporate Exercises ^{*4}	Upon completion	1,023	5.12	1,023	0.60
Total		20,000	100.00	171,716	100.00

Notes:-

*1 Our Board has earmarked up to approximately RM142.87 million to fully/ partially finance the Acquisition, further details of which are set out in **Section 5** of this Abridged Prospectus. Should there be any shortfall between the Purchase Consideration and the proceeds earmarked for the full/ partial payment for the Acquisition, it is our Board's intention to finance such a shortfall through bank borrowings as set out in **Section 5.4** of this Abridged Prospectus.

*2 At present, our Group is principally involved in the following business activities:-

- (i) Manufacturing and trading of building materials, i.e. bamboo products;
- (ii) Construction Business; and
- (iii) Property investment and management.

Further to the above, our Group has been seeking for suitable and viable business/ investment opportunities in our Group's existing business as well as in complementary businesses for the intention of expanding our Group's earnings. Our Group is considering several business/ investment opportunities, which include, amongst others, acquisitions/ investments in the property sector and/ or investments in property projects for investment/ leasing purposes.

At this juncture, our Board is still in the midst of contemplating new business opportunities as mentioned above and has yet to finalise the terms of any such business opportunity. In this regard, our Group has earmarked up to RM19.48 million of the proceeds to be raised from the Rights Issue with Warrants for the said business/ investment opportunities.

Our Group shall make the requisite announcements and/ or shall seek shareholders' approval in accordance with the Listing Requirements as and when new investment(s) are identified and the terms of negotiations are finalised. However, in the event our Group is unable to identify any suitable and viable investment opportunities within the permitted timeframe, the proceeds earmarked for business/ investment opportunities will continue to be placed as deposits with licensed financial institutions or short-term money market instruments, until such time when our management is able to identify a suitable and viable investment opportunity. Any interest income earned from such deposits or instruments will be used to fund the working capital of our Group.

- *3 The proceeds earmarked for working capital shall be utilised to finance the day-to-day expenses of our Group's existing business, which as mentioned above, comprises our manufacturing and trading of building materials, Construction Business and property investment and management. An indicative breakdown of the proceeds earmarked for working capital, under the Maximum Scenario, is set out below:-

Details of utilisation	Indicative percentage allocation %	Amount of proceeds RM'000
For our Construction Business:-		
Payment to third-party subcontractors/ consultants	50	4,173
Project staff overheads (e.g. insurance as well as travel and meal allowances)	10	835
Project office utilities, supplies and upkeep	20	1,669
For our property investment and management as well as manufacturing and trading of building materials:-		
Sales and marketing expenses (e.g. costs to expand our number of appointed dealers for bamboo related products, launching of new bamboo related products/ brands and sales and marketing expenses for our Group's property investment and management)	10	835
General administrative expenses including, amongst others, office utilities, stationeries and upkeep of office	10	835
Total	100	8,347

Construction Business

With respect to the utilisation of proceeds for our Construction Business, our Group intends to utilise such proceeds for the working capital of our 7 existing construction projects and/ or future construction projects. For shareholders' information, our 7 existing construction projects have a total remaining contract value of RM973.85 million as at the LPD and our Group is only responsible for the project management of these construction projects, which includes, amongst others, co-ordinating the construction work of the construction projects, managing the subcontractors appointed by the main contractors and assisting as well as cooperating with the developers and main contractors on the construction projects. Details of the construction projects are set out below:-

Project name	Project owner ^{*1}	Project location	Type of construction	Remaining contract value as at the LPD RM'million
The Hipster @ Taman Desa	Garuda Searah Sdn Bhd	Lot 52957, Jalan Desa, Taman Desa, Mukim Kuala Lumpur, Wilayah Persekutuan	Main building works for 6 blocks of affordable apartment	142.81
The Hermington	Ujana Mutiara Sdn Bhd	PT 15659, Jalan Indrahana 3, Mukim Petaling, Kuala Lumpur, Wilayah Persekutuan	Building and external works for 2 blocks of apartment	60.13
Antara @ Genting Highlands	Aset Kayamas Sdn Bhd	PT 23923, (HSD 18603) Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang	Piling and foundation works for a temporary gallery	8.97
Antara @ Genting Highlands	Aset Kayamas Sdn Bhd	PT 23923, (HSD 18603) Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang	Piling and foundation works for a mixed residential and commercial development of 4 blocks of service apartment	22.59
Antara @ Genting Highlands	Aset Kayamas Sdn Bhd	PT 23923, (HSD 18603) Genting Highlands, Mukim Bentong, Daerah Bentong, Negeri Pahang	Foundation and main building works for a mixed residential and commercial development of 2 blocks of service apartment (representing the first phase of Antara @ Genting Highlands)	478.00
The Holmes 2, Bandar Tun Razak	Sinerjuta Sdn Bhd	Lot 55121, Jalan Jujur, Bandar Tun Razak, Cheras, Kuala Lumpur	Main building works for 2 blocks of affordable apartments and 2 blocks of apartment	56.53
Axon Bukit Bintang	AK Star Sdn Bhd	Lot 1351 & 1377, Jalan Padang/Jalan Padang Walter Grenier Dan Sebahagian Simpanan Jalan, Seksyen 67, Bukit Bintang, Bandar Kuala Lumpur	Main building works for 2 blocks of service apartment	204.82

Note:-

*1 For shareholders' information, the respective project owners do not have a parent company and are the ultimate project owners as at the LPD.

Property investment and management as well as manufacturing and trading of building materials

In respect of our property investment and management as well as manufacturing and trading of building materials, our Group intends to utilise proceeds to finance the daily operations of these businesses, which are anticipated to grow moving forward as set out in **Section 8.8** of this Abridged Prospectus and as a result of the Acquisition (which is in the ordinary course of our property investment and management business).

Notwithstanding the above, the actual breakdown of the proceeds earmarked for working capital is subject to our Group's operational requirements at the time of utilisation and as such can only be determined at a later stage.

- *4 The proceeds earmarked for estimated expenses in relation to the Corporate Exercises will be utilised as set out below:-

	RM'000	%
Professional fees (i.e. Principal Adviser, due diligence solicitors, company secretary, Share Registrar, Independent Valuer and Independent Market Researcher)	856	83.68
Regulatory fees (i.e. fees payable to Bursa Securities, SC and Companies Commission of Malaysia)	82	8.01
Other incidental expenses (i.e. printing, despatch and advertising costs and miscellaneous expenses)	85	8.31
Total	1,023	100.00

Any variation in the actual amount of the expenses will be adjusted in the portion of the proceeds to be utilised for the working capital of our Group.

The actual gross proceeds to be raised from the Rights Issue with Warrants is dependent on the number of Rights Shares to be issued. Any variance in the actual gross proceeds raised and the intended gross proceeds to be raised will be adjusted against the amount allocated for the working capital of our Group.

In the event we do not achieve full subscription of the Rights Issue with Warrants, we will not be able to raise the amount of RM171.72 million under the Maximum Scenario and in such event, the amount of proceeds raised will be utilised in the following priority:-

- (i) Full/ partial payment for the Acquisition;
- (ii) Business/ investment opportunities; and
- (iii) Working capital.

Pending the utilisation of proceeds from the Rights Issue with Warrants for the above purposes, the proceeds would be placed as deposits with licensed financial institutions or short-term money market instruments. Any interest income earned from such deposits or instruments will be used as working capital of our Group, the details and breakdown of which has yet to be determined at this juncture.

The gross proceeds to be raised from the exercise of the Warrants B is dependent on the total number of Warrants B exercised during the tenure of the Warrants B. As such, the exact amount to be raised and timeframe for utilisation of the proceeds from the exercise of the Warrants B is not determinable at this juncture. Nevertheless, we anticipate that any proceeds raised from the exercise of Warrants B will be utilised within 12 months from the date of receipt of such proceeds. For illustrative purposes only, the gross proceeds to be raised upon the full exercise of the Warrants B based on the exercise price of RM0.05 per Warrant B under the Minimum Scenario and Maximum Scenario is set out below:-

	Minimum Scenario	Maximum Scenario
No. of Warrants B	333,333,334	2,861,936,149
Total gross proceeds raised assuming all outstanding Warrants B are exercised (RM)	16,666,667	143,096,807

Such gross proceeds to be raised from the exercise of Warrants B will be utilised as additional working capital to finance our Group's day to day operations. The proceeds may be utilised to finance, amongst others, employee salaries, payment to trade creditors as well as general expenses such as utilities and office expenses, the breakdown of which has yet to be determined at this juncture.

5. DETAILS OF THE ACQUISITION

On 24 February 2021, Kanger Ventures, a wholly-owned subsidiary of our Company, entered into the SPA with the developer, namely AKSB for the acquisition of 126 units of proposed serviced apartments located on the 30th to 45th floors of Tower A, Antara @ Genting Highlands, which is situated on a piece of freehold land held under Title No. GRN 45572 (formerly HSD 18603), Lot 43031 (formerly PT 23923), Mukim and District of Bentong, Pahang Darul Makmur for a total purchase consideration of RM142.87 million to be satisfied entirely via cash.

The Vendor has agreed to sell and Kanger Ventures has agreed to purchase the Subject Properties free from all encumbrances (save as disclosed in the SPA) and with vacant possession for the Purchase Consideration subject to the terms and conditions of the SPA.

Following the completion of the Acquisition, Kanger will become the sole-owner of the Subject Properties.

Pursuant to the Acquisition, our Group is able to enjoy an en-bloc (i.e. bulk purchase) discount from the Subject Properties. For shareholders' information, Optima estimated an en-bloc discount from the Subject Properties of approximately 19% based on its valuation report dated 16 March 2021. Based on Optima's updated valuation report dated 30 March 2021, the estimated en-bloc discount remained unchanged at approximately 19%. Premised on the future prospects of the Subject Properties as set out in **Section 8.8** of this Abridged Prospectus, our Board anticipates that the Subject Properties may appreciate in value in the near future, the subsequent sale of which is expected to derive capital gains to our Group. For clarification, our Group intends to sell the Subject Properties for capital gains and pending such sale, our Group may lease out the Subject Properties as vacation rental for rental income.

5.1 Status of the Acquisition

Conditions precedent

In accordance with the terms of the SPA, the obligations of Kanger Ventures and the Vendor to complete the Acquisition is conditional upon the following conditions and the status of such conditions as at the LPD are set out below:-

Conditions precedent	Status as at the LPD
(i) the Vendor obtaining the written approval/ consent from the Minister of Urban Wellbeing, Housing and Local Government (" Minister ") that the sale of the Subject Properties shall not be subjected to Schedule H Sale and Purchase Agreement as provided in the Housing Development (Control and Licensing) Act 1966 (Act 118) (" HDA Act ") and the Housing Development (Control and Licensing) Regulation 1989 (" HDA Regulation ");	Fulfilled on 30 April 2021 pursuant to the letter dated 30 April 2021 from the National Housing Department of the Ministry of Housing and Local Government
(ii) the Vendor obtaining the Development Order for Antara @ Genting Highlands;	Fulfilled on 14 April 2021, pursuant to the letter dated 14 April 2021 from the Bentong Municipal Council
(iii) Kanger obtaining the approval from our shareholders for the Acquisition and Rights Issue with Warrants at our EGM;	Fulfilled on 28 June 2021, pursuant to our EGM
(iv) approval from the relevant authorities for the Rights Issue with Warrants;	Fulfilled on 27 August 2021, pursuant to the registration of this Abridged Prospectus by the SC on 27 August 2021
(v) Implementation and completion of the Rights Issue with Warrants; and	Pending fulfillment, which is expected in end-September 2021
(vi) any other approval required by Kanger Ventures and/ or Kanger, pursuant to any order, law, rules, regulations or directives of any governmental authorities or any listing requirements or by operation of law for the purpose of the SPA.	Fulfilled, where applicable. Save for the other conditions precedent and the conditions subsequent below, there is no other approval required by Kanger Ventures and/ or Kanger for the purpose of the SPA

Conditions subsequent

In addition, the Vendor shall ensure that the following be obtained within 3 months from the date all conditions precedent in the SPA are fulfilled or any other period as may be agreed between the parties of the SPA:-

Conditions subsequent	Status as at the LPD
(i) the Vendor to apply for the Advertising Permit and Developer License (" AP/DL ") for Antara @ Genting Highlands, which in the event the AP/DL does not include the sale of the Subject Properties, the Vendor shall apply for consent from the Minister of the exemption of AP/DL for sale of the Subject Properties to Kanger Ventures;	Fulfilled on 30 April 2021. The requirement for AP/DL was waived in respect of the Subject Properties vide the abovementioned letter dated 30 April 2021 from the National Housing Department of the Ministry of Housing and Local Government

Conditions subsequent	Status as at the LPD
(ii) the approved Building Plan by the relevant authority and filed with Commissioner of Building under the Strata Management Act 2013 [Act 757]; and	Fulfilled on 6 July 2021, pursuant to the letter dated 6 July 2021 from the relevant authority, i.e. Bentong Municipal Council
(iii) the allocated share units assigned to the Subject Properties by the Vendor's licensed land surveyors in the schedule of parcels filed with the Commissioner of Buildings under the Strata Management Act 2013.	Pending fulfilment, which is expected in November 2021

As at the LPD, Antara @ Genting Highlands is under construction and development (with approximately 12% completion as at the LPD), with expected completion by January 2026. Therefore, the vacant possessions of the Subject Properties have not been obtained at this juncture.

5.2 Details of the Subject Properties

The Subject Properties entails 126 units of proposed serviced apartments located on the 30th to 45th floors of Tower A, Antara @ Genting Highlands. Antara @ Genting Highlands, which is currently being developed by AKSB, is an on-going residential development consisting of 4 towers with 1 floor of commercial/ retail space, 1 floor dedicated to a convention hall and 3 floors of common amenities and facilities, atop a 10 storey car park podium situated on a piece of freehold land held under Title No. GRN 45572 (formerly HSD 18603), Lot 43031 (formerly PT 23923), Mukim and District of Bentong, Pahang Darul Makmur.

The location map of Antara @ Genting Highlands (of which the Subject Properties form a part) is diagrammatically illustrated as follows:-



The salient details of Antara @ Genting Highlands and the Subject Properties are as follows:-

<p>Location</p>	<p>Antara @ Genting Highlands (of which the Subject Properties form a part) is situated in the locality of Genting Highlands, Pahang</p> <p>It is located along the western boundary of Jalan Genting Sempah-Genting Highlands travelling from Genting Sempah towards Genting Highlands, with the subject site approximately 1 kilometre to Resorts World Genting, Genting Highlands. It is approximately 8 kilometres from the Gohtong Jaya roundabout and is directly accessible from Jalan Genting Sempah-Genting Highlands.</p> <p>Antara @ Genting Highlands is situated approximately 220 kilometres to the west of Kuantan and 235 kilometres to Bandar Indera Mahkota, accessible via the Kuala Lumpur-Karak Expressway. Bentong town is approximately 50 kilometres north east from the subject site. Janda Baik and Bukit Tinggi are approximately 30 kilometres and 35 kilometres from the subject site respectively.</p> <p>The immediate locality is a mixture of leisure properties in nature, serviced residences and plots of vacant development land. Notable landmarks within the immediate radius are Chin Swee Caves Temple, Awana Skyway Chin Swee station, Cradle Rock Genting Highlands, Peacehaven, Ria Apartments, Kayangan Apartments and Genting Highlands Fire and Rescue Station.</p>
<p>Proposed development details</p>	<p>A total of 1,460 units of fully-furnished residential serviced apartment segregated as follows:-</p> <p>Block A (4th to 49th floors) – 46-storey comprising 374 units (of which 126 units located on the 30th to 45th floors comprise the Subject Properties, which Kanger shall acquire pursuant to the Acquisition)</p> <p>Block B (4th to 47th floors) – 44-storey comprising 356 units</p> <p>Block C (4th to 47th floors) – 44-storey comprising 356 units</p> <p>Block D (4th to 49th floors) – 46-storey comprising 374 units</p> <p>There will be four towers (Blocks A to D) atop 3 floors of common facilities and amenities (1st to 3rd floors) including co-working space, gymnasium, multipurpose room, 3 function rooms, surau, changing rooms, sauna and toilets as well as 1 floor for a convention hall measuring 22,445 square feet (upper ground floor), 1 floor for commercial/ retail space (ground floor) and 10 floors of elevated car park podium comprising 2,767 car park bays (lower ground 1 to lower ground 10 floors).</p> <p>Antara @ Genting Highlands is under construction and development (with approximately 12% completion as at the LPD) with expected completion by January 2026. The proposed development will be carried out in 2 phases; the first phase of the development shall comprise the podium block together with Blocks A and B and the second phase shall comprise Blocks C and D. At this juncture, the first phase of the development is anticipated to be completed by June 2025. As set out in Section 5.4 of this Abridged Prospectus, the Subject Properties are expected to be completed in the first quarter of 2024.</p>
<p>Land area</p>	<p>5.345 acres (equivalent to approximately 232,823 square feet) for the entire development of Antara @ Genting Highlands</p>

Proposed gross built-up area	Approximately 2,918,828 square feet (the entire development of Antara @ Genting Highlands). Blocks A to D of Antara @ Genting Highlands will comprise of 4 residential serviced apartment unit types, namely Type A, Type B, Type C1/ C2 and Type C3, which have a proposed gross built-up area of 520 square feet, 800 square feet, 1,030 square feet and 1,040 square feet, respectively. The Subject Properties (located in Block A) will comprise 14 units of Type A, 56 units of Type B, 42 units of Type C1/ C2 and 14 units of Type C3.
Tenure	Freehold
Registered proprietor	Aset Kayamas Sdn Bhd
Development order	The Vendor had obtained the development order for a development of 2 blocks of serviced apartments and a hotel (i.e. the initial concept of Antara @ Genting Highlands) from the Bentong Municipal Council on 9 January 2020 vide approval reference number M.P.BTG/PP/GH/5/16/2019KM(OSC). Subsequently, the Vendor had made a revised application to the development order for the said development, now known as Antara @ Genting Highlands, which included, amongst others, a change in components from 2 blocks of serviced apartments and a hotel to 4 blocks of serviced apartments. A letter of no objection dated 30 November 2020 was issued to the Vendor by PLANMalaysia@Pahang (Pahang Town and Country Planning Department) in relation to the revised development order for Antara @ Genting Highlands. On 14 April 2021, the Vendor had obtained the approval for the revised development order for Antara @ Genting Highlands from the Bentong Municipal Council vide its letter dated 14 April 2021 with approval reference number M.P.BTG/PP/GH/5/16/2019KM(OSC)Jld2.
Category of land use	Building
Express condition	Nil
Encumbrances	Nil
Restriction in interest	Nil

5.3 Basis and justification of the Purchase Consideration

The Purchase Consideration was arrived at, on a willing buyer willing seller basis, after taking into consideration the market value of the Subject Properties of RM143,000,000 (assuming the Subject Properties are completed in accordance to the approved building plans and specifications and fully furnished in good workmanship as set out in **Appendix II** of this Abridged Prospectus).

Based on the valuation by Optima dated 5 January 2021, the Subject Properties were valued as 126 units of assumed completed serviced apartments at RM143,000,000 using a two-tiered adjustment approach. Under the first tier, the Comparison Approach and the Investment Method, Income Approach were adopted to determine the value of a single unit of the 126 units forming the Subject Properties. Under the second tier, adjustments were made to the value of the single unit to reflect the dissimilarities between unit type, built-up area and floor level. The Comparison Approach was adopted as the primary method as there are reliable sale comparables available for analysis. The market value of the Subject Properties represents the aggregate of the individual values of the 126 units less en-bloc discount, i.e. discount to reflect the bulk purchase of 126 units by a single purchaser. Based on its valuation report dated 16 March 2021, Optima has estimated the en-bloc discount from the Subject Properties to be approximately 19%.

Based on Optima's updated valuation report dated 30 March 2021, an updated valuation based on the abovementioned valuation approach was carried out on 20 March 2021 and the market value of the Subject Properties remained unchanged at RM143,000,000 as appraised by Optima.

Optima is of the view that the Comparison Approach reflects the fair market value of the Subject Properties as there are reliable sale comparables available for analysis. The purchase consideration of RM142,870,000 represents a discount of RM130,000 or approximately 0.09% to the market value of RM143,000,000 as ascribed by Optima.

Please refer to **Appendices II and III** of this Abridged Prospectus for the valuation certificate dated 16 March 2021 and the updated valuation certificate dated 30 March 2021 from Optima for the valuation of the Subject Properties, respectively.

Our Board had also taken into consideration further justifications in determining the Purchase Consideration as set out below:-

- (i) the future prospects of the Subject Properties and its strategic location in close proximity to the leisure and tourism destination, Genting Highlands, as set out in **Section 8.8** of this Abridged Prospectus; and
- (ii) the rationale and benefits for the Acquisition as set out in **Section 5.6** of this Abridged Prospectus.

5.4 Mode of settlement and source of funding

The Purchase Consideration will be satisfied entirely in cash in the following manner:-

Source of funding	Minimum Scenario RM'000	Maximum Scenario RM'000
Proceeds from the Rights Issue with Warrants	18,977	142,870
Bank borrowings	123,893	-
Purchase Consideration	142,870	142,870

On the date of the SPA, Kanger Ventures had paid a deposit amounting to 10% of the Purchase Consideration ("**Deposit**") to AKSB in accordance with the terms and conditions of the SPA which was funded via internally generated funds. Subsequently on 1 July 2021, Kanger Ventures had paid an instalment amounting to 20% of the Purchase Consideration to AKSB upon the completion of foundation work in accordance with the terms and conditions of the SPA which was funded via internally generated funds. The remaining 70% of the Purchase Consideration shall be paid in tranches in the manner as set out below:-

Instalments payable	Actual/ expected timeframe	Purchase Consideration	
		%	RM
1. Payable on the date of the SPA in which the Vendor acknowledges receipt of, i.e. the Deposit	24 February 2021	10	14,287,000
2. Upon completion of foundation work	1 July 2021	20	28,574,000
3. 6 months from commencement of building work	Fourth quarter of 2021	20	28,574,000
4. 12 months from commencement of building work	Second quarter of 2022	15	21,430,500
5. Upon completion of the reinforced concrete structural work of the parcels	Fourth quarter of 2022	15	21,430,500
6. Upon completion of the drains serving the building	Third quarter of 2023	5	7,143,500
7. Upon completion of the roads serving the building	Fourth quarter of 2023	5	7,143,500
8. Upon the date Kanger Ventures takes vacant possession of the individual Subject Properties	First quarter of 2024	10	14,287,000
Total		100	142,870,000

Under the Maximum Scenario, Kanger is expected to raise up to approximately RM171.72 million from the Rights Issue with Warrants and the Purchase Consideration shall be financed entirely via the proceeds to be raised from the Rights Issue with Warrants. Under the Minimum Scenario, Kanger will raise RM20.00 million, of which RM18.98 million is earmarked for the partial settlement of the Purchase Consideration. As such, there will be a shortfall of approximately RM123.89 million between the Purchase Consideration and the proceeds earmarked for the partial settlement of the Purchase Consideration ("**Shortfall**"). It is our Board's intention to finance the Shortfall entirely through bank borrowings. For shareholders' information, as at 30 June 2021, our Group's bank borrowings amounted to RM61.46 million, which represents a gearing ratio of 0.22 times calculated based on our Group's latest unaudited total equity of RM278.50 million as at 31 March 2021.

5.5 Liabilities to be assumed by Kanger

Save for the obligation and liabilities in and arising from, pursuant to or in connection with the SPA for the Acquisition, there are no other liabilities including contingent liabilities and/ or guarantees to be assumed by Kanger arising from the Acquisition.

5.6 Rationale and benefits of the Acquisition

The Acquisition is intended to continue our Group's property investment and management business and is in line with our Group's intention to continuously seek for suitable and viable acquisition opportunities in strategic locations which may include, amongst others, acquisition of properties to expand the contribution of our property investment and management segment. In view that the Acquisition is on a bulk purchase basis, our Group will be able to enjoy an en-bloc discount on the prevailing price of the Subject Properties. In addition, our Board expects that the Subject Properties may appreciate in value in the near future, premised on the future prospects of the Subject Properties as set out in **Section 8.8** of this Abridged Prospectus.

While the near term outlook of the property market in Malaysia has been adversely affected by the COVID-19 pandemic and the resulting MCO, the long term recovery prospects are positive, supported by the growing population trend of Malaysia from approximately 31.2 million in 2015 to an estimated 32.7 million in 2021, which in turn is expected to increase demand for residential properties. Further, supportive government policies such as the Government of Malaysia lowering the threshold price of unsold high-rise units for foreigners, from RM1 million to RM600,000 is expected to attract foreign buyers to invest in residential properties in Malaysia. Moreover, the Subject Properties are situated in the state of Pahang and as set out in **Section 8.6** of this Abridged Prospectus, the residential property development market in Pahang is forecast to grow 12.6% in transaction volume, from 12,081 transactions in 2021 to 13,608 transactions in 2022. During the same period, the value of the residential property development market in Pahang is forecast to grow 14.8%, from RM2.7 billion in 2021 to RM3.1 billion in 2022.

Following the completion of the Acquisition, our Group aims to sell the Subject Properties for capital gains and pending such sale, our Group may lease out the Subject Properties as vacation rental for rental income. Premised on the above and barring any unforeseen circumstances, our Board anticipates that the Acquisition will expand the earnings of our Group's property investment and management segment in its ordinary course of business, which in turn may contribute to the growth of our Group's overall business moving forward.

6. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

Our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue to raise the necessary funding for our Group as set out in **Section 4** of this Abridged Prospectus after taking into consideration the following:-

- (i) the Rights Issue with Warrants will strengthen our financial position and capital base, by reducing our Group's gearing level and increasing our NA thereby providing greater financial flexibility, as illustrated in **Section 9.2** of this Abridged Prospectus;
- (ii) the Rights Issue with Warrants will enable the issuance of new Shares without diluting shareholders' equity interest, based on the assumption that all Entitled Shareholders subscribe in full for their respective entitlements under the Rights Issue with Warrants;
- (iii) the Rights Issue with Warrants will provide the Entitled Shareholders with an opportunity to participate in an equity offering in our Company on a pro rata basis and ultimately, participate in the prospects and future growth of our Group by subscribing to the Rights Shares; and

- (iv) as set out in **Section 4** of this Abridged Prospectus, under the Maximum Scenario, up to RM142.87 million of the proceeds to be raised is intended to be utilised for the full payment of the Acquisition, which is expected to generate revenue for our Group moving forward via the subsequent sale of the Subject Properties for capital gains. In addition, up to RM19.48 million of the proceeds to be raised will be used to fund investment/ business opportunities which may include, amongst others, joint ventures, mergers and acquisitions of businesses and/ or investments in property projects in the property sector, with the intention of growing our Group's property investment and management business. Further, up to RM8.35 million of the expected proceeds will be used to fund our Group's immediate working capital requirements, which will allow our Group flexibility in respect of financial allocations for its operational requirements.

The Warrants B have been attached to the Rights Shares to provide the Entitled Shareholders with additional incentive to subscribe for the Rights Shares. The Warrants B will potentially allow the Entitled Shareholders who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants B and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants B. Our Company would also be able to raise additional proceeds as and when the Warrants B are exercised.

7. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants.

7.1 Risks relating to our Group

7.1.1 Impact of COVID-19 on the business and operations of our Group

The COVID-19 pandemic had led to governments employing varying lockdowns and movement restrictions since early 2020 which curbed global economic activity. The Chinese Government had begun to enforce travel restrictions and closures of non-essential business from 23 January 2020 onwards in response to COVID-19. In addition, the Malaysian Government had enforced the first MCO which took effect from 18 March 2020 ("**First MCO**"), where all travel and social gatherings had been restricted as well as the closures of non-essential businesses.

As our Bamboo Products Manufacturing and Trading, which has been the sole contributor of our financial performance, was not deemed essential business, the operations of our bamboo processing plant in Jingzhou, China and our 3 main sales offices located in Shenzhen and Hong Kong, China as well as Kuala Lumpur, Malaysia were affected by such government lockdowns. Our sales offices in Shenzhen and Hong Kong were closed from February 2020 to June 2020 while our sales office located in Kuala Lumpur was closed during the First MCO. As a result of such closure of sales offices, we had implemented work-from-home policies, supported by remote-working and online communication applications (e.g. emails, instant messaging and video calls).

In addition, the relocation of our bamboo processing plant from Ganzhou to Jingzhou was halted from February 2020 to March 2020. Jingzhou is in the Hubei province of China, which was subjected to strict lockdown measures, such as the closure of all non-essential business, including manufacturing plants, from 24 January 2020 until 10 March 2020 (including the extended Lunar New Year holiday from 24 January 2020 to 2 February 2020). For shareholders' information, the relocation of our bamboo processing plant from Ganzhou to Jingzhou was completed in January 2021.

As such, the COVID-19 pandemic negatively impacted our financial performance for the unaudited 15-month FPE 31 March 2021 as evidenced by our revenue of RM33.89 million which represents a decrease of RM31.16 million or 47.90% as compared to RM65.05 million for the audited FYE 31 December 2019. For illustrative purposes, our annualised revenue of RM27.11 million for the 15-month FPE 31 March 2021 represents a decrease of RM37.94 million or 58.32% as compared to RM65.05 million for the audited FYE 31 December 2019. Further details of our financial performance for the unaudited 15-month FPE 31 March 2021 are set out in **Section 7.1 of Appendix I** of this Abridged Prospectus.

Following the relaxation of government lockdowns in China and Malaysia including the lifting of travel restrictions and resumption of non-essential business, our Bamboo Products Manufacturing and Trading had resumed its operations and revenue contribution to our Group under strict standard operating procedures ("**SOP**"). We have and will continue to implement such SOP for COVID-19 prevention such as providing hand sanitisers at our premises, having virtual meetings whenever possible and implementing office-rotation policies. As at the LPD, our Group had incurred total costs of approximately RM0.12 million to comply with SOP for COVID-19 prevention.

However, following the resurgence of COVID-19 infections in Malaysia, the Government of Malaysia had re-implemented and then extended the Conditional Movement Control Order ("**CMCO**") in various states of Malaysia for varying durations from 13 October 2020 onwards. Subsequently, the Government of Malaysia had announced the re-imposition of the MCO in, amongst other states, Selangor, Kuala Lumpur, Sabah and Putrajaya from 13 January 2021 until 5 March 2021 (which had halted all non-essential construction activities) ("**Second MCO**"). The Government of Malaysia had re-imposed a third MCO throughout Malaysia from 12 May 2021, which is still ongoing as at the LPD ("**Third MCO**"). The Malaysian Government had also introduced the National Recovery Plan ("**NRP**") which came to effect as of 1 June 2021 for the intention of reopening the economy. On 15 August 2021, the Malaysian Government had also decided to allow non-essential activities in the manufacturing, construction, mining and quarrying sectors for all states under Phases 1, 2 and 3 of the NRP from 16 August 2021 with the operating capacity dependent on the level of vaccination of the workers. For shareholders' information, our Group's existing projects are located in the states of Kuala Lumpur and Pahang, which as at 15 August 2021, fall under Phases 1 and 2 of the NRP, respectively.

During the Second and Third MCO, our Group's sales office in Kuala Lumpur was forced to close in line with the rules imposed by the Malaysian government. While our Group had implemented work-from-home policies to mitigate the operational impact, our Construction Business (which had commenced in the first quarter of 2021) and our property investment and management had been adversely affected as the progress of our construction projects and the construction of the Subject Properties (the acquisition of which is in the ordinary course of our property investment and management business) had been halted during the Second and Third MCO. For shareholders' information, from the end of the Second MCO until the beginning of the Third MCO, we had resumed our Construction Business as our construction project sites were allowed to reopen under strict standard operating procedures. In addition, progress on the construction of the Subject Properties had resumed as well under strict standard operating procedures.

The outbreak of COVID-19 is an event of force majeure that is beyond the control of our Group. There is no assurance that the continuation of the COVID-19 outbreak, MCO and/ or the CMCO will not continue to have an adverse impact on the market conditions and/ or industry of our Group as well as the progress of our projects and business operations. Potential risks arising therefrom may include but not limited to government-enforced travel restrictions and/ or business premise closures which may affect our network of agents, distributors and dealers, forced closures of our bamboo processing plants and delays in the progress of our Group's construction and property projects, any of which may result in a materially adverse effect on our Group's business and financial conditions.

As at the LPD, our Group has not breached any regulations or incurred any penalties in relation to government-imposed SOP or lockdowns.

In addition, as at the LPD, our Group has not experienced any closures, stop-order or delays in our business operations as a result of positive case(s) of COVID-19 amongst our employees.

7.1.2 Financing risks

As set out in **Section 5.4** of this Abridged Prospectus, under the Minimum Scenario, there will be the Shortfall of approximately RM123.89 million between the Purchase Consideration and the proceeds from the Rights Issue with Warrants earmarked for the partial settlement of the Purchase Consideration. It is our Board's intention to finance the Shortfall entirely through bank borrowings.

Premised on the above, our Group may be further exposed to fluctuations in interest rates should the Acquisition be financed via bank borrowings. Any adverse movement in interest rates may have a material adverse impact on our Group's cash flows and financial performance in the future. Moreover, in order to fund future projects, we may continue to incur additional indebtedness, which may limit our ability to obtain additional financing for working capital, capital expenditure and/ or strategic acquisitions.

As at 30 June 2021, our Group's total bank borrowings amounted to RM61.46 million, which represents a gearing ratio of 0.22 times calculated based on our Group's latest unaudited total equity of RM278.50 million as at 31 March 2021.

7.1.3 Foreign exchange risks

Our Group is exposed to foreign exchange risks as all of our Group's sales and purchases in China are denominated in CNY while part of our sales in countries other than China (as set out in **Section 7.2.2** of this Abridged Prospectus) are denominated in USD.

For avoidance of doubt, the abovementioned foreign exchange risks do not include our Group's outstanding CNY-denominated term loans (as set out in **Section 10.2** of this Abridged Prospectus), as such term loans are entirely held by our subsidiaries that have functional currency in CNY.

As at the LPD, our Group did not have any form of currency hedging arrangements in place with respect to the abovementioned foreign exchange risks. For shareholders' information, for the latest audited FYE 31 December 2019, the sensitivity of our Group's PAT from continuing operations to fluctuation in USD and CNY exchange rates against RM is set out below:-

Fluctuation		Audited FYE 31 December 2019 PAT from continuing operations impact	
		RM'000	%
USD/ RM	- strengthen by 10%	3,509	37.25
	- weaken by 10%	(3,509)	(37.25)
CNY/ RM	- strengthen by 10%	(824)	(8.75)
	- weaken by 10%	824	8.75

Any adverse changes in the relevant exchange rates will negatively impact our Group's financial performance. There can be no assurance that there will not be any significant and/ or volatile fluctuation in such foreign currencies, the occurrence of which may affect the financial performance and position of our Group.

7.1.4 Dependence on key management and qualified personnel

The continued performance and success of our Group's business and operations is dependent on the skills, abilities, experience, competencies and on-going efforts of our Group's Directors, key management and qualified personnel including but not limited to our head of production and production engineers for our bamboo-related product manufacturing as well as our project managers for our Construction Business. Should we fail to recruit suitable candidates to replace any such key management or qualified personnel in a timely manner, our Group's business and operations may be adversely affected.

Our Group's success also depends on our ability to hire, train and retain qualified and competent personnel. The process of identifying personnel with necessary experience, capabilities and characteristics required to carry out our Group's projects and business strategies can be difficult, time consuming and expensive.

There may be a material adverse impact on our Group's business and financial performance in the event we are unable to successfully retain our Group's key management and qualified personnel and/ or recruit suitable candidates to replace any such key management or qualified personnel in the future.

7.1.5 Political, economic and regulatory risks

The nature of our business is subject to prevailing political, economic and regulatory circumstances in Malaysia and/ or other countries in which our Group has business dealings as set out in **Section 7.2.2** of this Abridged Prospectus. Adverse changes in political, economic and regulatory conditions include but are not limited to unfavourable changes in labour market conditions, inflation rates, interest rates, war, government policies and regulations in relation to the bamboo flooring and related products, property and construction industries, civil unrest, riots, trade war and general political and economic uncertainty.

There is no assurance that any adverse developments in the political, economic and regulatory conditions in Malaysia and/ or other countries in which our Group has business dealings will not adversely affect our Group's business and financial performance.

7.2 Risks relating to the Bamboo Products Manufacturing and Trading industry

7.2.1 Business and operational risks

Our Group's business and operations are subject to risks inherent in the Bamboo Products Manufacturing and Trading industry. These risks include, but are not limited to, adverse changes in supply and demand conditions for bamboo flooring and related products, reliance on our agents, distributors and appointed dealers for sales, changes in tastes and preferences in flooring and furniture, cost fluctuations of raw materials and manufacturing equipment, increase in the cost of labour, changes in regulation and policies governing the bamboo manufacturing and trading industry, downturns in regional and/ or national economies, and changes in general business and credit conditions.

There can be no assurance that any one, or a combination of the abovementioned factors will not have a material adverse impact on our Group's Bamboo Products Manufacturing and Trading business and financial results.

7.2.2 Competition risk

Our Group faces direct competition from both existing players and new entrants in the Bamboo Products Manufacturing and Trading industry in Malaysia and other countries where our Group has an operating presence. For the latest audited FYE 31 December 2019, the breakdown of our Bamboo Products Manufacturing and Trading revenue by country is set out below:-

Country	Revenue from our Bamboo Products Manufacturing and Trading	
	RM'million	%
China	25.02	38.46
Malaysia	11.00	16.91
New Zealand	10.96	16.85
Mexico	7.36	11.31
United Arab Emirates	2.94	4.52
Others	7.77	11.95
Total	65.05	100.00

The Bamboo Products Manufacturing and Trading industry has relatively high barriers to entry, particularly with regards to the capital requirement of setting-up large bamboo processing facilities to achieve economies of scale and the necessary technical know-how in the production process.

We compete against our competitors in terms of product quality, product range, pricing and customer service. As such, our competitiveness against present and future competitors primarily depends on our ability to continuously improve the quality of our products and efficiency of our manufacturing processes through research and development, to adapt and expand our product lines to meet changing tastes, to hire for and manage our network of competent agents, distributors and appointed dealers as well as to control our labour and raw material costs. Our Group faces further competition from substitute products mainly comprising flooring of other wood types, including solid wood, engineered solid wood, laminate wood and cork flooring.

There can be no assurance that our Group will be able to remain competitive in terms of the abovementioned factors against present and future competitors within the bamboo flooring and related products industry as well as from other wood type flooring industries and if we are unable to do so, our Group's business and operations may be materially affected.

7.2.3 Availability of raw materials

Our Group's Bamboo Products Manufacturing and Trading uses raw bamboo as its main source of raw material and as such, the success of the business depends on the long-term and sustained supply of raw bamboo. Currently our raw bamboo is sourced from third-party suppliers with bamboo plantations mainly within the vicinity of our bamboo processing plant in Jingzhou. While our Group is not dependent on any single supplier for the sourcing of raw materials, we do not currently have any supply contract with our third-party suppliers, consequently we may be affected by future supply shortages or price hikes in raw bamboo.

Should our Group face any supply shortages or price hikes in raw bamboo, the operations and financial performance of our Bamboo Products Manufacturing and Trading may be materially and adversely affected.

For the past 3 financial years and up to the LPD, we have not experienced any price hikes or supply shortages of raw bamboo which have had a material adverse impact on the operations and financial performance of our Bamboo Products Manufacturing and Trading.

7.3 Risks relating to the property investment and management industry

7.3.1 Competition risk

Our Group faces competition from existing players in the property investment and management industry who have a favourable reputation as well as new entrants to these industries. The competitiveness of our Group's property investment and management is dependent on our ability to secure tenants and/or buyers through competitive pricing and sales and marketing strategies, accurately assess the demand of the property market, secure strategically located properties, employ and retain skilled employees as well as engage the services of competent and price-competitive consultants.

There is no assurance that our Group will be able to successfully compete with these competitors and that competitive pressure will not have a material adverse effect on our Group's business operations, results and/or financial conditions.

7.3.2 Availability of strategic properties for acquisition

The success of our Group's property investment and management is dependent on our ability to identify and acquire suitable properties in terms of, amongst others, price, location and size for investment and/or management purposes. The continuous identification and acquisition of strategically located property for our property portfolio is crucial to our Group sustaining long term growth and earnings from our property investment and management. Due to the scarcity of strategic properties, our Group is expected to face competition from other property investment and management companies in the acquisition of attractive properties at commercially viable prices. Given the competition, properties may be acquired at a higher acquisition cost.

Premised on the above, there is no assurance that our Group will be able to continuously identify and acquire suitable properties at commercially viable prices, which may have a material adverse effect on the financial performance of our property investment and management.

7.3.3 Property overhang risk

Our Group faces the risk of property overhang, commonly caused by over-supply and low demand for similar properties and other factors such as economic downturns and unfavourable financial conditions. Property overhang may occur at the time of completion of our property investments in the future. This would affect the sale and rental of our Group's properties and in turn affect our Group's financial performance.

While we closely monitor developments in the property market and the broader economy as well as undertake market studies prior to finalisation of any property investment, the occurrence of property overhang in the future is inevitable and there can be no assurance that the occurrence of property overhang will not materially and adversely impact our Group's financial performance.

7.4 Risks relating to the construction industry

The Diversification was approved by our shareholders at our EGM. Pursuant thereto, our Group's business will be subject to risks relating to the construction industry as set out in this section of this Abridged Prospectus.

7.4.1 Dependency on award of new contracts

As the nature of our construction business is project-based, there is no assurance that we are able to continuously secure new projects, nor any assurance that new projects secured will be on commercial terms favourable to our Group.

The financial performance of our Group depends on our ability to secure new projects to sustain our order book. If we are unable to do so, our order book may decline and this may cause a material adverse impact on our Group's growth potential, and future financial performance. In addition, it is generally difficult to predict whether and when we will be awarded with such contracts as the bidding and selection process is often lengthy, complex and very competitive.

7.4.2 Dependence on contractors and subcontractors

Our Group may engage and appoint third-party subcontractors from time to time. As such, the performance and profitability of our projects are dependent on the quality, pricing, performance and reliability of the appointed subcontractors to carry out the projects within the prescribed timeframe. The subcontractors may be appointed for, amongst others, mechanical and electrical works, piling and foundation works.

Although we strive to award contracts to competent subcontractors, there is no assurance that the performance of the subcontractors appointed by our Group will be satisfactory or fulfil the quality level expected by our Group. The subcontractors may also experience financial and/ or other difficulties which may affect their ability to carry out the contracted work, leading to possible delays in completion of projects as well as cost overruns which may materially and adversely affect the financial performance of our Group.

7.4.3 Delay in completion of the construction works

The performance of our Group's construction business is dependent on the timely completion of our construction projects and external factors, some of which may be beyond the control of our Group such as obtaining various regulatory approvals as scheduled. Other factors that may cause delays include site accidents and shortage of raw materials as well as changes to regulatory environment and framework.

Any delay in completing the construction projects within the agreed timeframe may expose our Group to additional cost and potential claims which may impact our Group's profitability. Such delays may also affect our Group's reputation which would then adversely affect our Group's ability to successfully bid for other construction projects in the future. This may then affect our Group's ability to replenish our order book, thus affecting future financial performance.

7.4.4 Increase in price or shortage of raw materials

Due to the nature of the construction business, our Group will depend on a continuous supply of raw materials and we will constantly source and purchase a wide range of construction materials, which includes steel bars, ready mixed concrete, precast products, electrical cables and fittings from our suppliers at reasonable prices.

Any sudden and/ or unexpected shortage of supply (e.g. due to events of force majeure, such as adverse weather conditions or the on-going COVID-19 pandemic, or our suppliers deciding to reduce the quantum of their supply to our Group), may require us to source for suitable replacements in a timely manner. Failure to obtain the replacements in a timely manner may lead to delays in our construction works and as a result thereof, our business operations may be adversely affected. Hence, under such circumstances, there is no assurance that we are able to obtain sufficient quantities of construction materials for our projects at competitive prices at all times without any adverse impact to our financial performance.

Further, the abovementioned raw materials are subject to price fluctuations in response to changes in market supply and demand conditions, which are beyond our control and may result in increased costs that have a material adverse effect on our financial performance. As the LPD, we have not experienced any fluctuations in prices or shortages of construction raw materials which have had a material adverse impact on our financial performance.

7.5 Risks relating to the Rights Issue with Warrants

7.5.1 Investment and market risks

The market price of our Shares as traded on Bursa Securities is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, the outlook of the industries which we operate in as well as our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities.

Shareholders should also consider carefully that each Warrant B derives its value from giving its holder the right to subscribe for new Kanger Shares at a predetermined exercise price over the exercise period. The Warrants B have a finite lifespan during which tenure the holders can exercise the subscription rights comprised in the Warrant B. If the sum of the price of the Warrants B as quoted on Bursa Securities and the exercise price of the Warrants B is higher than the market price of Kanger Shares, the Warrants B are deemed to be "out-of-the-money". The value of the Warrants B is directly related to the market price of Kanger Shares. The higher the quantum by which the market price of Kanger Shares exceeds the exercise price of the Warrants B, the higher the value of the Warrants B will be.

Our shareholders are reminded, however, that other factors may also affect the market price of the Warrants B or the market price of our Shares. Other than the fundamentals of our Group, the future price performance of the Warrants B will also depend on various external factors as mentioned above. As the Warrants B are a new type of securities issued by our Company, there can also be no assurance that an active market for the Warrants B will develop upon their listing on the ACE Market of Bursa Securities or if developed, that it will sustain.

Accordingly, there can be no assurance that the market price of the Rights Shares and the Warrants B will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the Warrants B.

7.5.2 Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances, unfavourable changes in governments' policies as well as other force majeure events, which are beyond the control of our Company and UOB Kay Hian, arising prior to or during the implementation of the Rights Issue with Warrants.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants B. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares with Warrants B pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Issue with Warrants is aborted/ terminated, and the Rights Shares and Warrants B have been allotted to our shareholders, a return of monies to all holders of the Rights Shares with Warrants B could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time or at all in such circumstances.

7.5.3 Potential dilution

The Entitled Shareholders who do not or are not able to subscribe for their entitlement(s) under the Rights Issue with Warrants will have their proportionate ownership and voting interest in our Company reduced and the percentage of our enlarged issued share capital represented by their shareholding in our Company will also be reduced accordingly as a result of the issuance of the Rights Shares and the new Shares to be issued upon the exercise of the Warrants B. Consequently, their proportionate entitlement to any dividends, rights, allotments and/ or other distributions that our Company may declare, make or pay after completion of the Rights Issue with Warrants will correspondingly be diluted.

7.6 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section of the Abridged Prospectus. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

8. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

8.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under Phase 1 of the Full Movement Control Order ("**FMCO**"). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

Domestic demand turned around to register a positive growth of 12.3% (1Q 2021: -1.0%) in the second quarter of 2021, mainly supported by private sector expenditure. On the external front, demand for Malaysia's exports, particularly for electrical and electronic ("**E&E**") products, continued to remain robust.

Private consumption growth increased by 11.6% during the second quarter of 2021 (1Q 2021: -1.5%), following a broad-based expansion across both necessity and discretionary items, particularly at the start of the quarter, prior to the imposition of FMCO. This was due mainly to less stringent containment measures and mobility restrictions in the first half of the quarter. Labour market conditions also showed signs of improvement in the same period, which lent support to household spending. Furthermore, various policy measures, including the EPF i-Sinar withdrawals and Bantuan Prihatin Rakyat, provided additional lift to consumer expenditure. Public consumption expanded by 9.0% (1Q 2021: 5.9%), mainly on account of higher spending on supplies and services.

Private investment registered a growth of 17.4% (1Q 2021: 1.3%). The higher investment activity was underpinned mainly by the continued capital spending in telecommunication related equipment, as firms' automation and digitalisation efforts gain further traction, as well as the continued progress in national digital infrastructure investments. In addition, further expansions of new and ongoing investment projects amid improving external demand, particularly in the export-oriented industries such as E&E and metal, also provided further impetus to growth.

After 12 quarters of contraction, public investment recorded a positive growth of 12.0% (1Q 2021: -18.6%). The performance mainly reflects the higher spending on fixed assets by the General Government amid continued weak capital spending by public corporations.

(Source: Developments in the Malaysian Economy, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

The Malaysian economy was on track for a broad recovery in 2021 as compared to last year. However, the resurgence of COVID-19 cases has necessitated the re-imposition of nationwide containment measures, which would weigh on growth. Nevertheless, the impact will be partially mitigated by continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Growth will continue to be supported by policy measures, which will provide cash flow support, particularly for affected households and businesses. Going forward, the economic recovery will be underpinned by higher external demand and gradual improvement in domestic demand. The rapid progress of the nationwide vaccination programme will allow economic sectors to be gradually reopened and provide some lift to household and business sentiments.

Against this backdrop, for 2021, the Malaysian economy is projected to expand within the range of 3.0 – 4.0%, although the pace of recovery will be uneven across sectors. The recovery is expected to accelerate going into 2022, supported by normalisation of economic activities as well as the positive spillovers from continued improvement in external demand.

The balance of risks remains tilted to the downside, arising mainly from pandemic-related factors, such as delay in the easing of containment measures or imposition of tighter containment measures, and a weaker-than-expected global growth recovery.

(Source: Macroeconomic Outlook, Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2021, Bank Negara Malaysia)

8.2 Overview and outlook of the global economy

The global economy is projected to grow 6.0% in 2021 and 4.9% in 2022. The pandemic has taken a turn for the worse in some parts of the world. Meanwhile, a speedy vaccine rollout has helped bring down caseloads quickly in other regions. Economies are diverging even further, influenced by differences in the pace of vaccine rollout and policy support. However, smooth and durable recoveries are not assured even in places where infections are seemingly under control.

As of the end of June 2021, about 3 billion doses had been administered worldwide, nearly 75.0% of those in advanced economies and China. Achieving the 40.0% vaccination target by the end of 2021 will require sustaining the growth in global vaccinations and ensuring their equitable distribution. At the end of June 2021, the pace of daily global vaccinations stood at about 40 million doses a day, with China alone accounting for more than 20 million of those daily doses. High-income countries account for 7 million doses a day. By contrast, fewer than 100,000 doses a day are being administered in low-income countries.

Growth prospects in advanced economies is expected to be positive from further normalization in the second half of 2021 as vaccine rollout proceeds and with additional fiscal support. The significantly improved outlook for the United States of America ("**United States**") economy derives from the impact of anticipated legislation boosting infrastructure investment and strengthening the social safety net in the second half of 2021. In the ASEAN-5 group (Indonesia, Malaysia, Philippines, Thailand, Vietnam), recent infection waves are causing a drag on activity.

Despite near-term supply disruptions, global trade volumes are projected to expand 9.7% in 2021, moderating to 7.0% in 2022. The merchandise trade recovery is set to broaden after being initially concentrated in pandemic-related purchases, consumer durables, and medical equipment. Services trade is expected to recover more slowly, consistent with subdued cross-border travel until virus transmission declines to low levels everywhere.

(Source: World Economic Outlook, July 2021, the International Monetary Fund (IMF))

8.3 Overview and outlook of the economy in China

China's economy will post strong growth in 2021. Assuming the continued suppression of the COVID-19 pandemic, growth is projected to reach 8.5% in 2021 before slowing to 5.4% in 2022.

The structure of aggregate demand is expected to continue to rotate toward private domestic demand. Real consumption growth is projected to gradually return to its pre-COVID-19 pandemic trend, supported by the ongoing labour market recovery and improved consumer confidence. Investment will also remain an engine of growth, but its structure is expected to shift toward private investment as manufacturing capital expenditure improves in response to the robust external demand and stronger revenues, offsetting cooling infrastructure and property investment.

Amid a stronger global recovery, robust export demand will keep industrial capacity utilization high in the short term, but the contribution of net exports to growth will moderate in the medium term as import growth picks up and international travel slowly resumes in 2022. Despite the recent surge in imported raw material prices and firming domestic demand, consumer price inflation is expected to remain below target, reflecting the limited pass-through of rising producer prices to consumer prices and the effect of pork price deflation after last year's swine fever.

Given persistent uncertainty, the authorities will need to stay agile and proactively adjust the level and composition of macroeconomic policy support. As China's recovery firms up, macroeconomic policies are expected to shift from accommodative to more neutral settings. The pace of policy normalization, however, should continue to be data-dependent and calibrated to the strength of the recovery in China and the rest of the world. Rising financial vulnerabilities, together with subdued productivity growth and persistent imbalances in the structure of aggregate demand, pose medium-term challenges that require attention. Macroeconomic policies and structural reforms should aim at reinvigorating the shift to more balanced high-quality growth. While China is on track to reach the target inoculation rate of 40.0% of the population by early summer, a full recovery will also require continued progress toward achieving widespread immunization. This would mitigate the risk of large-scale outbreaks while reducing case mortality rates, allowing for a gradual risk-based relaxation of remaining restrictions, including of those related to cross-border travel.

Turning to fiscal policy, China has policy space at the central level, and policy makers should be ready to maintain fiscal support should private investment and consumption demand remain sluggish and external imbalances further increase. Focusing additional fiscal efforts on social spending and green investment rather than traditional infrastructure investment would not only help secure the recovery and bolster short-term demand but also contribute to the intended medium-term rebalancing of China's economy.

(Source: China Economic Update, World Bank, published in June 2021)

China is expected to post positive gross domestic product ("**GDP**") growth in 2020 (+1.8%). As the pandemic was brought under control early, economic activity rebounded strongly in the second and third quarters of 2020. Despite weaker activity in services, real GDP growth of 8.0% is expected in 2021.

(Source: Economic Outlook for Southeast Asia, China and India 2021: Re-allocating Resources for Digitalisation, Organisation for Economic Co-operation and Development (OECD), published in February 2021)

8.4 Overview and outlook of the bamboo industry in China

Bamboo is an important resource as its versatility allows it to be used in many applications such as for the construction of scaffolding, houses and bridges, for manufacturing furniture, woven products and crafts.

It is estimated that a fifth of the world's bamboo is grown in China. The Government of China recognises the value of bamboo to the economy and environment, and promotes the cultivation of bamboo as well as contributes towards scientific and technological development of the bamboo products industry.

The bamboo products industry in China can be measured by the production output of bamboo products in China, including bamboo flooring products. The bamboo products industry in China grew from USD31.8 billion (RM131.8 billion) in 2016 to USD43.8 billion (RM181.5 billion) in 2019 at a compound annual growth rate ("**CAGR**") of 11.3%. Providence estimates that the bamboo products industry in China will grow to USD48.0 billion (RM201.7 billion) in 2020. Moving forward, the bamboo products industry is forecast to grow from USD52.8 billion (RM221.8 billion) in 2021 to USD58.1 billion (RM244.1 billion) in 2022 at a growth rate of 10.0%.

Despite the growing production of bamboo products, China's exports of bamboo products contracted at a negative CAGR of 4.3% between 2016 and 2019. This indicates that bamboo products produced in China continued to be consumed in the country.

The drop in exports in 2018 and 2019 was largely attributed to the China-United States trade war, with both countries imposing tariffs on each other's goods since mid-2018, including bamboo products. As the United States is the second largest consumer of bamboo products after the European Union, the China-United States trade war have impacted the exports of bamboo products from China. Nevertheless, consumption of bamboo products continued to be supported by local demand, as seen from the growing production of bamboo products during the period.

In China, GDP per capita increased from CNY54,139 (RM33,766.5) in 2016 to CNY72,447 (RM44,134.7) in 2020 at a CAGR of 7.6%. The increase in GDP per capita indicates higher spending power. The population's increasing spending power will increase the likelihood of expenditure on consumer-based products, including bamboo products. Specifically, higher spending power would increase spending on building and refurbishing properties for greater comfort and pleasure, which could include installation of higher quality flooring products. Bamboo flooring is considered a high-quality flooring product and is durable to changes in room's humidity and temperature.

As bamboo products are also used in the construction industry such as for flooring, fencing, blinds, boards, scaffolding, houses and bridges, the bamboo products industry in China is expected to be impacted by the outlook of the local construction industry. The total value of contracts by construction enterprises increased at a CAGR of 13.6% between 2016 and 2019, from CNY37.2 trillion (RM23.3 trillion) to CNY54.5 trillion (RM32.7 trillion). Similar to other countries, the construction industry in China is expected to be adversely affected by the COVID-19 pandemic. Nevertheless, the country has resumed most major construction projects since March 2020, including the Wuhan Tienhe International Airport, Hanjiang Waterway Improvement, Chengjiang - Huangyan expressway and Guangnan Nasa – Xichou Xingjie expressway projects.

China has stopped commercial logging in natural forests for timber in a bid to create an environmentally and economically sustainable model for future development. China will also increase efforts to establish 20 national forest reserves to reduce dependence on timber imports. This has created a loss of jobs as well as additional demand for timber substitutes. As bamboo is an alternative to timber, this bodes well for the bamboo products industry in China. China's mountainous areas are conducive to cultivating bamboo, which brings benefits such as improving forest land fertility, creating rural employment and mitigating climate change.

Development of the bamboo industry will create job opportunities in bamboo cultivation, processing and production. The Government of China has thus targeted the development of the bamboo sector through the China National Bamboo Plan 2011-2020. Among the measures implemented are scientific support on variety selection, breeding, cultivation, prevention of diseases and pests, technological innovation as well as product research and development.

Through the continued development of the bamboo processing industry to create more diverse and value-added products, as well as improve processing technologies and equipment, this is expected to increase the potential of the bamboo products industry in China. In recent years, there has been an increase in the variety of commercial bamboo products such as flooring, laminated furniture, building panels, high quality yarn and fabrics, activated carbon and bamboo extracts. Bamboo continues to be viewed as an excellent substitute for wood due to its attractive appearance, strength, durability and sustainability.

(Source: Independent Market Researcher's report by Providence)

8.5 Overview and outlook of the global bamboo industry

The global bamboo products market grew from USD60.0 billion (RM248.7 billion) in 2016 to USD72.1 billion (RM298.7 billion) in 2019 at a CAGR of 6.3%. Providence estimates that the global bamboo products market will grow to USD75.8 billion (RM318.5 billion) in 2020. Moving forward, the global bamboo products market is forecast to grow from USD79.9 billion (RM335.7 billion) in 2021 to USD84.3 billion (RM354.2 billion) in 2022 at a growth rate of 5.5%.

The global demand for bamboo products is driven by consumer awareness and increasing use of sustainable alternatives to timber. Consumers are concerned about the effects of timber logging, such as deforestation, global warming, soil erosion and loss of wildlife habitat. Due to these sustainability concerns and increasing environmental awareness, bamboo has become more in demand globally as it is viewed as a more eco-friendly, biodegradable and more easily renewable resource. In addition, it is more cost-effective than timber. There is also growing demand for eco-friendly products, as governments around the world spread awareness and ban single-use plastics.

The demand for bamboo products is also driven by the growing global disposable income. The world GDP per capita has been increasing from USD10,286 (RM42,642.7) in 2016 to USD11,442 (RM47,400.8) in 2019, registering a CAGR of 3.6% during the period. With higher spending power, consumers are more likely to spend on consumer-based products, including bamboo products. Specifically, consumers with greater spending power have a higher likelihood of spending on building and refurbishing areas for greater comfort and pleasure. This includes spending on bamboo flooring, which is considered a high-quality flooring product and is durable to changes in room's humidity and temperature.

Meanwhile, bamboo products used in the construction industry such as for flooring, fencing, blinds, boards, scaffolding, houses and bridges, will also be driven by the growth of the construction industry. Between 2017 and 2019, the global construction market size is estimated to have grown from USD10.8 trillion (RM44.8 trillion) in 2017 to USD12.7 trillion (RM52.6 trillion) in 2019, registering a CAGR of 8.4%. As a material used in the refurbishment of existing properties or construction of new properties, demand for bamboo products is expected to benefit from the growing construction industry. While the global construction industry is expected to be affected in 2020 by the short-term uncertainties and impact arising from the COVID-19 pandemic, construction in many countries is expected to continue in order to support economic development.

(Source: Independent Market Researcher's report by Providence)

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8.6 Overview and outlook of the property market in Malaysia

Property market in Pahang

The residential property development market in Pahang has witnessed growing demand over the years, as depicted by increase in property transaction volume and value in the state. There were 9,661 transactions worth RM2.1 billion in 2016, which increased to 11,627 transactions worth RM2.6 billion in 2019. The transaction volume and value registered CAGRs of 6.4% and 7.2% respectively.

In the third quarter of 2020, there were 3,272 transactions valued at RM712.8 million, compared to 2,713 transactions valued at RM607.5 million in the third quarter of 2019. This indicates the continuous demand for residential property in Pahang despite the overall slowdown in the economy resulting from the COVID-19 pandemic.

Moving forward, the transaction volume of the residential property development market in Pahang is estimated to have increased by 1.5% between 2019 and 2020 to 11,796 in 2020. Providence also forecasts the transaction volume of the residential property development market in Pahang to grow at a rate of 12.6%, from 12,081 transactions in 2021 to 13,608 transactions in 2022.

During the same period, the value of the residential property development market in Pahang is estimated to have grown by 3.8% between 2019 and 2020 to RM2.7 billion in 2020. Moving forward, Providence forecasts the value of the residential property development market in Pahang to grow at a rate of 14.8%, from RM2.7 billion in 2021 to RM3.1 billion in 2022.

The growth in the residential property development market in Pahang is attributed to the growing population in Malaysia, which grew from approximately 31.2 million in 2015 to an estimated 32.7 million in 2021. As the population increases, there will be more demand for residential properties.

Property market in Malaysia

There were 203,064 transactions worth RM65.6 billion in 2016, which increased to 209,295 transactions worth RM72.4 billion in 2019. The transaction volume and value registered CAGRs of 1.0% and 3.3% respectively.

In the third quarter of 2020, there were 55,845 transactions valued at RM19.4 billion, compared to 53,147 transactions valued at RM18.1 billion in the previous year. This is attributed to the various Government initiatives which have been implemented to boost the residential property market during the COVID-19 pandemic.

Providence estimates that the residential property development market in Malaysia will grow, in terms of transaction volume, by 1.6% to 212,644 transactions in 2020. Moving forward, the transaction volume of the residential property development market in Malaysia is forecast to grow by 3.5% from 216,046 transactions in 2021 to 223,608 transactions in 2022.

Providence estimates that the residential property development market in Malaysia will grow, in terms of transaction value, by 1.7% to RM73.6 billion in 2020. Moving forward, the value of the residential property development market in Malaysia is forecast to grow by 4.0% to RM74.8 billion in 2021 to reach RM74.8 billion in 2022.

The aim of Shared Prosperity Vision 2030 is to provide a decent standard of living to all Malaysians by 2030. Malaysia's GDP per capita grew at a CAGR of 6.3% from RM40,219 in 2015 to RM42,759 in 2020. The increase in disposable income leads to a rise in a more affluent population that has greater spending power. Consequently, consumer purchases may diversify from necessities to larger purchases such as residential properties.

While the COVID-19 pandemic and resulting MCO have caused a slowdown in economic activities, the Government of Malaysia has announced stimulus packages and initiatives to cushion the adverse impacts of the COVID-19 pandemic on the construction sector and improve the outlook of the residential property sector. Among them include:

- (i) Under Budget 2020, to assist Malaysians who are unable to afford to purchase houses, the Government of Malaysia introduced the Rent To Own financing scheme, in collaboration with selected financial institutions and property developers, to assist people who are unable to afford the deposit and access to financing for the purchase of their first homes. With this, home buyers will initially rent the property, prior to obtaining end-financing in the 6th year to purchase the property. Budget 2020 also extended the Youth Housing Scheme to 31 December 2021 to assist youths in purchasing their first homes. In addition, the Government of Malaysia lowered the threshold price of unsold high-rise units for foreigners, from RM1 million to RM600,000 to attract foreign buyers to invest in residential properties in Malaysia;
- (ii) As part of the economic easing measures to cushion the headwinds arising from the COVID-19 pandemic, Bank Negara Malaysia had reduced its overnight policy rate from 2.7% in February 2020 to 2.5% in March 2020, and then further reduced the overnight policy rate to 2.0% in May 2020 and 1.75% in July 2020. As a result, all commercial banks in Malaysia have also lowered their respective base rates and base lending rates. The lower rates will lower the borrowing costs for property owners, which is expected to support the overall property industry to a certain extent;
- (iii) Real Property Gains Tax was exempted for disposal of residential homes from 1 June 2020 to 31 December 2021. This exemption is limited to the disposal of three units of residential homes per individual;
- (iv) In June 2020, the Short-Term Economic Recovery Plan was introduced to stimulate the property market and provide relief to residential properties purchasers affected by the COVID-19 pandemic. Amongst the incentives include uplifting of the 70.0% margin of financing limit for the third housing loan onwards to property valued at RM600,000 and above during the period of the Home Ownership Campaign, as well as the reintroduction of Home Ownership Campaign allowing for stamp duty exemption on the instruments of transfer and loan agreement for the purchase of residential homes priced between RM300,000 to RM2.5 million subject to at least 10.0% discounts provided by the developer. The exemption on the instrument of transfer is limited to the first RM1 million of the home price while full stamp duty exemption is given on loan agreement effective for sales and purchase agreements signed between 1 June 2020 to 31 May 2021; and
- (v) Budget 2021 also included initiatives to boost the residential property market, including the extension of full stamp duty exemption on instruments of transfer and loan agreement for first time home buyers until 31 December 2025; and the extension of the Rent-to-Own Scheme until 2022.

(Source: Independent Market Researcher's report by Providence)

8.7 Overview and outlook of the construction industry in Malaysia

The construction industry in Malaysia can be depicted by the number of awarded construction projects in the country. There were 8,717 awarded construction projects in 2017. After the General Election 2018, there were postponement and cost-cutting measures of several major infrastructure construction projects in Malaysia including East Coast Rail Link and the MRT projects, impacting the construction industry in 2018. As a result, the number of awarded construction projects in Malaysia declined in 2018 to 8,576 projects.

As several of these major infrastructure construction projects were only re-launched in mid-2019, the construction industry in Malaysia rebounded in the following year to 10,130 projects in 2019. The growth in number of awarded construction projects between 2018 and 2019 were primarily due to an increase in number of infrastructure construction projects in the year.

The construction industry was adversely impacted by the COVID-19 pandemic in 2020, as indicated by a decline in number of awarded construction projects by 13.7%, from 10,130 projects in 2019 to 8,744 projects in 2020. This is largely because the COVID-19 pandemic had resulted in the implementation of the MCO in March 2020 which restricted many businesses from operating excluding businesses deemed as essential services. Although construction activities were deemed as essential services and many construction companies could resume their activities within 2 weeks from the implementation of the MCO, the MCO caused economic uncertainty which led to the postponement of commencement of new construction projects. The MCO also caused delays in the execution of existing projects, and exerted cash flow pressures on construction companies involved in these projects. This also contributed to the deferment of awarding new projects to construction companies during this period.

Nevertheless, Providence expects the construction industry to recover in 2021 and grow at 1.9% to 8,910 projects in the year. Providence also expects that the construction industry will continue to recover in the following years largely due to the initiatives announced by the Government of Malaysia under the PRIHATIN, Short-Term Economic Recovery Plan and Budget 2021.

In March 2020, the Government of Malaysia announced the initiatives under the Prihatin Rakyat Economic Stimulus Package ("**PRIHATIN**") to cushion the headwinds of the COVID-19 pandemic. These initiatives include infrastructure projects in Federal Land Development Authority (FELDA) and other areas; upgrade of dilapidated schools in Sabah and Sarawak; refurbishment of houses under the *Perumahan Rakyat Termiskin* program and maintenance of federal and rural road projects.

In June 2020, the Short-Term Economic Recovery Plan was introduced to stimulate the property market and provide relief to residential properties purchasers affected by the COVID-19 pandemic. Amongst the incentives include uplifting of the 70.0% margin of financing limit for the third housing loan onwards to property valued at RM600,000 and above, as well as the reintroduction of Home Ownership Campaign between 1 June 2020 to 31 May 2021. Also, as part of the economic-easing measures to cushion the headwinds arising from the COVID-19 pandemic, Bank Negara Malaysia had reduced its overnight policy rate from 2.7% in February 2020 to 1.75% in July 2020. The lower rates will lower the borrowing costs for property owners, which is expected to encourage demand for residential and commercial properties.

The Budget 2021 included RM1.3 billion allocation to implement rural and intervillage road projects. The Budget 2021 also included allocation to fund the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking Project and Klang Valley Double Tracking Project Phase One. Key projects such as the Johor Bahru-Singapore Rapid Transit System Link and MRT 3 in Klang Valley will also be continued. Budget 2021 also included initiatives to boost the residential property market, including the extension of full stamp duty exemption on instruments of transfer and loan agreement for first time home buyers until 31 December 2025; and the extension of the Rent-to-Own Scheme until 2022.

In addition, the Government will also focus on ensuring businesses continuity by, amongst others, allocating RM1 billion fund to support the research and development investments in companies focusing on high value-added technology; various tax incentives to attract foreign businesses into the country; National Development Scheme valued at RM1.4 billion to support the implementation and development of domestic supply chain and increase the production of local products. This will financial initiatives are expected to contribute to the demand for commercial and industrial properties.

Apart from the abovementioned Government of Malaysia's initiatives, the Construction Industry Development Board also announced initiatives to reduce the impact of the COVID-19 pandemic on contractors and property developers. The initiatives include a 2-month deferment of levy payment for private sector projects; relaxation of contractor registration conditions; postponement of the Micro Competitiveness Rating for Enhancement evaluation requirement for G1 contractors until 2021; and waiver of Management Efficiency Certificate and Integrity Course requirements. Moreover, there are other initiatives for construction personnel, in addition to the fee reduction for the Certificate of Approval.

Although the MCO was re-imposed in Johor, Melaka, Penang, Sabah, Selangor and Wilayah Persekutuan between 13 January 2021 and 26 January 2021, and later extended to all States in Malaysia except for Sarawak between 22 January 2021 to 5 March 2021, most businesses including companies in the construction industry, are still allowed to operate as usual, subject to standard operating procedures imposed by the Government of Malaysia. As such, disruptions to the businesses in the construction industry were minimised during this period. However, the re-implementation of the full MCO on 1 June 2021 restricted most construction activities except for critical construction activities, and is thus expected to lead to delays in project implementations in the year. However, construction activities (save for critical construction activities) were disrupted during the Total Lockdown and Phase 1 of the National Recovery Plan which were implemented between 1 June 2021 and 15 August 2021. The construction industry has been allowed to resume its activities since 16 August 2021.

(Source: Independent Market Researcher's report by Providence)

8.8 Future prospects of the Subject Properties and our Group

Pursuant to the Acquisition, our Group had entered into the SPA on 24 February 2021 to purchase the Subject Properties, which is currently under development with expected completion in the first quarter of 2024. Our Group intends to sell the Subject Properties for capital gains.

The Subject Properties are strategically situated in the well-known leisure and tourism destination, Genting Highlands. It is located along the western boundary of Jalan Genting Sempah-Genting Highlands travelling from Genting Sempah towards Genting Highlands, with the subject site approximately 1 kilometre to Resorts World Genting, Genting Highlands. It is approximately 8 kilometres from the Gohtong Jaya roundabout and is directly accessible from Jalan Genting Sempah-Genting Highlands.

The immediate locality is a mixture of leisure and tourism properties in nature interspersed with serviced residences and plots of vacant development land. Notable landmarks within the immediate radius are Chin Swee Caves Temple, Awana Skyway Chin Swee station, Cradle Rock Genting Highlands, Peacehaven, Ria Apartments, Kayangan Apartments and Genting Highlands Fire and Rescue Station. Other notable landmarks nearby include First World Hotel, Awana SkyWay cable car, Genting Highlands Premium Outlets, SkyAvenue mall and Skytropolis Indoor Theme Park.

As set out in **Section 8.6** of this Abridged Prospectus, the long term prospects of the property market in Malaysia is supported by the growing population trend of Malaysia from approximately 31.2 million in 2015 to an estimated 32.7 million in 2021, and as the population increases, there will be more demand for residential properties. The Government of Malaysia has also taken measures that are expected to improve the property market in Malaysia including, amongst others, the reduction of Bank Negara Malaysia's overnight policy rate from 2.7% to 1.75% in 2020. Following the reduction in overnight policy rate, all commercial banks in Malaysia had also lowered their respective base rates and base lending rates, which in turn lowered borrowing costs for existing and prospective property owners.

In addition, the Subject Properties are located in the state of Pahang, wherein the value of the residential property development market in Pahang is forecasted to grow at a rate of 14.8%, from RM2.7 billion in 2021 to RM3.1 billion in 2022 as set out in **Section 8.6** of this Abridged Prospectus.

Premised on the above, our Board is optimistic of the future prospects of the Subject Properties and anticipates that our Group may be able to sell the Subject Properties to grow property investment and management segment earnings moving forward, which is in line with our Group's objectives to continuously seek for suitable and viable acquisition opportunities in strategic locations to further expand the property investment and management segment.

Notwithstanding the above and the Diversification, which was approved by our shareholders at our EGM, our Group remains committed to its manufacturing and trading of building materials (i.e. bamboo products) segment, which has been the sole contributor of our Group's revenue for the recent financial years and period as set out in **Section 7.1 of Appendix I** of this Abridged Prospectus. Accordingly, our Group has also expanded its bamboo related products portfolio to include bamboo furniture marketed under the KAR-ACE brand, which is targeted for the China market.

Further, our Group will look to improve and expand distribution channels for our bamboo related products by identifying suitable agents and/ or distributors in China to increase the number of appointed dealers in our sales network, as well as undertaking marketing campaigns on e-commerce platforms (e.g. JD.com, Alibaba's Taobao and WeChat) to better attract customers.

In addition, Kanger had on 26 April 2021 entered into a conditional shares sale agreement for the proposed acquisition of 51.0% equity interest in Sung Master Holdings Sdn Bhd ("**Sung Master**") for a purchase consideration of RM94,789,436 to be satisfied via a combination of cash payment of RM51,999,999.62 ("**Cash Consideration**") and the remaining RM42,789,436.38 to be satisfied via the issuance and allotment of 713,157,273 ordinary shares in Kanger ("**Consideration Share(s)**") at the issue price of RM0.06 per Consideration Share ("**Proposed Acquisition of Sung Master**"). For shareholders' information, RM45,710,790.00 of the Cash Consideration will be sourced via proceeds raised from the Proposed Subscription (as defined in **Section 10.5** of this Abridged Prospectus) and the remaining RM6,289,209.62 of the Cash Consideration will be sourced from a combination of internally generated funds/ bank borrowings, the breakdown of which has yet to be determined at this juncture as the management team of Kanger is in the midst of evaluating the funding options. In the event the remaining Cash Consideration of RM6,289,209.62 is funded entirely via bank borrowings, the pro forma gearing ratio of the Group as at the LPD of 0.21 times (as set out in **Section 9.2** of this Abridged Prospectus) is expected to increase to 0.23 times.

For shareholders' information, Sung Master is a company engaged in the sales and trading of building materials for instance, timber flooring, tiles, bulk cement, concrete, locksets and sanitary ware, which is similar to the current business activities of Kanger, which is in the manufacturing and trading of building materials, i.e. bamboo products. As such, the Proposed Acquisition of Sung Master represents a horizontal acquisition to acquire a peer with the intention of expanding the product offerings of our existing business activities of manufacturing and trading of building materials to include, amongst others, timber flooring, tiles, bulk cement and concrete moving forward.

We had obtained shareholders' approval for the Proposed Acquisition of Sung Master at our extraordinary general meeting convened on 27 July 2021 and at this juncture, the Proposed Acquisition of Sung Master is pending completion.

Premised on the above and barring any unforeseen circumstances, our Board, having considered the relevant economy and industry outlook is optimistic of our Group's future prospects and that the Acquisition is expected to contribute positively to the financial performance of Kanger Group.

9. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

9.1 Issued share capital

The pro forma effects of the Rights Issue with Warrants on the issued share capital of our Company are as follows:-

	<-----Minimum Scenario----->		<-----Maximum Scenario----->	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	2,796,130,182	272,953,286	2,796,130,182	272,953,286
Assume full conversion of ESOS	-	-	65,805,967	3,559,445 ^{*1}
	2,796,130,182	272,953,286	2,861,936,149	276,512,731
Rights Shares to be issued pursuant to the Rights Issue with Warrants	333,333,334	12,333,333 ^{*2}	2,861,936,149	105,891,638 ^{*2}
	3,129,463,516	285,286,629	5,723,872,298	382,404,369
Shares to be issued arising from the full exercise of Warrants B	333,333,334	16,666,667 ^{*3}	2,861,936,149	143,096,807 ^{*3}
Reversal of warrant reserve pursuant to the full exercise of Warrants B	-	7,666,667 ^{*4}	-	65,824,531 ^{*4}
Enlarged issued share capital	3,462,796,850	309,619,953	8,585,808,447	591,325,707

Notes:-

- *1 Assuming all 65,805,967 outstanding ESOS Options are exercised at the exercise price of RM0.05409 per ESOS Option.
- *2 Computed based on the Issue Price and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account
- *3 Computed based on the exercise price of RM0.05 per Warrant B
- *4 Computed based on the number of Warrants B multiplied by the theoretical fair value of RM0.023 per Warrant B as extracted from Bloomberg

9.2 NA and gearing

For illustration purposes only, the pro forma effects of the Rights Issue with Warrants on the latest unaudited consolidated NA and gearing level of our Group as at 31 March 2021 are as follows:-

Minimum Scenario

			I	II
	Unaudited as at 31 March 2021	Subsequent events up to the LPD	After the Rights Issue with Warrants	After I and assuming full exercise of Warrants B
	RM'000	RM'000	RM'000	RM'000
Share capital	260,454	272,953 ^{*1}	285,287 ^{*2}	309,620 ^{*5}
Warrant reserve	-	-	7,667 ^{*2}	- ^{*5}
Reserves	5,428	5,428	4,405 ^{*3}	4,405
Shareholders' equity/ NA	265,882	278,381	297,359	314,025
Non-controlling interests	12,618	12,618	12,618	12,618
Total equity	278,500	290,999	309,977	326,643
No. of shares in issue ('000)	2,565,044	2,796,130 ^{*1}	3,129,464 ^{*2}	3,462,797 ^{*5}
NA per share (RM)	0.10	0.10	0.10	0.09
Total borrowings	59,869	59,869	183,762 ^{*4}	183,762
Gearing ratio (times)	0.21	0.21	0.59	0.56

Notes:-

- *1 From 1 April 2021 up to the LPD, a total of 231,086,249 Shares has been issued from the exercise of 231,086,249 ESOS Options raising approximately RM12.50 million
- *2 Assuming that 333,333,334 Rights Shares are issued at the Issue Price to the Undertaking Shareholder under the Minimum Scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account, and the recognition of 333,333,334 Warrants B at the theoretical fair value of RM0.023 per Warrant B as extracted from Bloomberg as at the LPD
- *3 After deducting the estimated expenses of RM1.023 million in relation to the Corporate Exercises
- *4 Assuming approximately RM123.89 million being the Shortfall pursuant to the Acquisition will be financed via bank borrowings
- *5 Assuming 333,333,334 Warrants B are exercised at the exercise price of RM0.05 per Warrant B under the Minimum Scenario and the reversal of the warrant reverse to share capital

Maximum Scenario

	Unaudited as at 31 March 2021 RM'000	Subsequent events up to the LPD RM'000	I Assuming full exercise of ESOS Options RM'000	II After I and the Rights Issue with Warrants RM'000	III After II and assuming full exercise of Warrants B RM'000
Share capital	260,454	272,953 ^{*1}	276,513 ^{*2}	382,404 ^{*3}	591,326 ^{*5}
Warrant reserve	-	-	-	65,825 ^{*3}	- ^{*5}
Reserves	5,428	5,428	5,428	4,405 ^{*4}	4,405
Shareholders' equity/ NA	265,882	278,381	281,941	452,634	595,731
Non-controlling interests	12,618	12,618	12,618	12,618	12,618
Total equity	278,500	290,999	294,559	465,252	608,349
No. of shares in issue ('000)	2,565,044	2,796,130 ^{*1}	2,861,936 ^{*2}	5,723,872 ^{*3}	8,585,808 ^{*5}
NA per share (RM)	0.10	0.10	0.10	0.08	0.07
Total borrowings	59,869	59,869	59,869	59,869	59,869
Gearing ratio (times)	0.21	0.21	0.20	0.13	0.10

Notes:-

- *1 From 1 April 2021 up to the LPD, a total of 231,086,249 Shares has been issued from the exercise of 231,086,249 ESOS Options raising approximately RM12.50 million
- *2 Assuming all 65,805,967 outstanding ESOS Options are exercised at the exercise price of RM0.05409 per ESOS Option
- *3 Assuming all 2,861,936,149 Rights Shares are issued at the Issue Price to all the Entitled Shareholders under the Maximum Scenario and adjusted for the apportionment of its relative fair value between the share capital account and the warrant reserve account, and the recognition of 2,861,936,149 Warrants B at the theoretical fair value of RM0.023 per Warrant B as extracted from Bloomberg as at the LPD
- *4 After deducting the estimated expenses of RM1.023 million in relation to the Corporate Exercises
- *5 Assuming all 2,861,936,149 Warrants B are exercised at the exercise price of RM0.05 per Warrant B under the Maximum Scenario and the reversal of the warrant reserve to share capital

9.3 Earnings and EPS

9.3.1 Rights Issue with Warrants

The Rights Issue with Warrants, which is expected to be completed by the third quarter of 2021, is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 March 2022. However, there will be a dilution in the EPS of our Group for the FYE 31 March 2022 due to the increase in the number of Shares in issue arising from the Rights Issue with Warrants. Notwithstanding that, the Rights Issue with Warrants is expected to contribute positively to the future earnings of our Group in the ensuing financial year(s) via the utilisation of the proceeds as set out in **Section 4** of this Abridged Prospectus.

For illustrative purpose only, based on the latest unaudited consolidated statements of comprehensive income of our Group for the 15-month FPE 31 March 2021, the pro forma dilution effect of the Rights Issue with Warrants on the basic EPS of our Group is set out below:-

Minimum Scenario

	Unaudited as at 31 March 2021	Subsequent events up to the LPD	I After the Rights Issue with Warrants	II After I and assuming full exercise of the Warrants B
LAT attributable to the owners of our Company (RM'000)	(47,588)	(47,588)	(47,588)	(47,588)
No. of Shares ('000)	2,565,044	2,796,130	3,129,464	3,462,797
Basic LPS (sen)	(1.86)	(1.70)	(1.52)	(1.37)

Maximum Scenario

	Unaudited as at 31 March 2021	Subsequent events up to the LPD	I Assuming full exercise of ESOS Options	II After I and the Rights Issue with Warrants	III After II and assuming full exercise of Warrants B
LAT attributable to the owners of our Company (RM'000)	(47,588)	(47,588)	(47,588)	(47,588)	(47,588)
No. of Shares ('000)	2,565,044	2,796,130	2,861,936	5,723,872	8,585,808
Basic LPS (sen)	(1.86)	(1.70)	(1.66)	(0.83)	(0.55)

9.3.2 Acquisition

The Acquisition is not expected to have any material effect on the earnings and EPS of our Group for the FYE 31 March 2022. However, the Acquisition is expected to contribute positively to our Group's future earnings as and when capital gains are recognised from the subsequent sale of the Subject Properties.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

10.1 Working capital

Our Group's working capital requirements is funded by a combination of internal and external sources of funds. Our internal sources of funds are generated from our operating activities as well as our cash and bank balances, whereas our external sources of funds are derived from credit extended by suppliers and credit facilities from licensed financial institutions. For information purpose, the latest unaudited consolidated cash and bank balances of our Group as at 31 March 2021 amounts to RM81.72 million.

Our Board is of the opinion that, after taking into consideration the funds generated from our operations, existing cash and bank balances, the banking facilities available to our Group, the proceeds to be raised from the Rights Issue with Warrants as set out in **Section 4** of this Abridged Prospectus and the potential impact of COVID-19 on the operations of our Group as set out in **Section 7.1.1** of this Abridged Prospectus, we will have sufficient working capital for a period of 12 months from the date of this Abridged Prospectus. With respect to the above, our Board had also taken into consideration the aim of the Malaysian Government to reopen the economy with the introduction of the NRP which came to effect as of 1 June 2021 and the ongoing nationwide COVID-19 vaccination rollout programme in Malaysia where all adults are estimated to be fully vaccinated by the end of October 2021. On 15 August 2021, the Malaysian Government had also decided to allow non-essential activities in the manufacturing, construction, mining and quarrying sectors for all states under Phases 1, 2 and 3 of the NRP from 16 August 2021 with the operating capacity dependent on the level of vaccination of the workers. For shareholders' information, our Group's existing projects are located in the states of Kuala Lumpur and Pahang, which as at 15 August 2021, fall under Phases 1 and 2 of the NRP, respectively.

10.2 Borrowings

As at 30 June 2021, our Group has total outstanding borrowings of approximately RM61.46 million. All of our borrowings are interest-bearing, further details of which are set out as follows:-

Purpose of facility		Annual interest rate %	Outstanding as at 30 June 2021 RM'million
Long term borrowings:-			
Hire purchase	To finance the purchase of motor vehicles	2.80	1.95
Term loans denominated in CNY	To finance the construction of commercial buildings, the setting up of our bamboo processing plant and production lines as well as for working capital	3.99 to 9.00	58.65 ^{*1}
			60.60
Short term borrowings:-			
Term loans denominated in CNY	For working capital	6.53	0.39 ^{*1}
Hire purchase	To finance the purchase of motor vehicles	2.80	0.47
			0.86
Total			61.46

Note:-

- *1 Comprising CNY-denominated term loans of approximately CNY91.78 million (with equivalent value of RM59.04 million), converted based on the exchange rate of CNY1:RM0.6433, being the middle rate quoted by Bank Negara Malaysia at 12.00 p.m., on 30 June 2021

There have been no default on payments by our Group of either interest and/ or principal sums nor any breaches of covenants in respect of any borrowings during the FYE 31 December 2019 and the subsequent financial period up to the LPD.

10.3 Contingent liabilities

As at the LPD, our Board confirms that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

10.4 Material commitments

Save as disclosed below, as at the LPD, our Board confirms that there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

Capital commitments of our Group as at the LPD	RM'million
Approved and contracted for:-	
– Acquisition of property, plant and equipment (i.e. the remaining 70% of the Purchase Consideration for the Acquisition as set out in Section 5.4 of this Abridged Prospectus)	100.01

10.5 Material transactions

As at the LPD, save as disclosed below, there are no other material transactions which may have a material effect on the operations, financial position and results of our Group since the date of our Group's most recent announced unaudited consolidated financial statements for the 15-month FPE 31 March 2021:-

- (i) the Proposed Acquisition of Sung Master as set out in **Section 8.8** of this Abridged Prospectus. We had obtained shareholders' approval for the Proposed Acquisition of Sung Master at our extraordinary general meeting convened on 27 July 2021 and at this juncture, the Proposed Acquisition of Sung Master is pending completion;
- (ii) In conjunction with the Proposed Acquisition of Sung Master, on 26 April 2021, Kanger had also entered into a subscription agreement with Mr Kuah for a subscription of 769,513,179 new Kanger Shares ("**Subscription Share(s)**") at the subscription price of RM0.06 per Subscription Share to be fully satisfied in cash ("**Proposed Subscription**") and the proceeds to be raised from the Proposed Subscription are intended to partially finance the purchase consideration of the Proposed Acquisition of Sung Master. We had obtained shareholders' approval for the Proposed Subscription at our extraordinary general meeting convened on 27 July 2021 and at this juncture, the Proposed Subscription is pending completion;
- (iii) the Rights Issue with Warrants; and
- (iv) the Acquisition as set out in **Section 5** of this Abridged Prospectus.

11. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

11.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants B which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants B, as well as to apply for Excess Rights Shares with Warrants B if you choose to do so.

This Abridged Prospectus and the RSF are also available from our registered office, our Share Registrar's website at <https://www.shareworks.com.my> or from Bursa Securities' website at <https://www.bursamalaysia.com>.

11.2 NPA

The Provisional Rights Shares with Warrants B are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares with Warrants B will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/ or your renounee(s) and/ or transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

11.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares with Warrants B and the Excess Application is on the Closing Date.

We shall make an announcement on the outcome of the Rights Issue with Warrants after the Closing Date.

11.4 Methods of acceptance and application

You may subscribe for the Provisional Rights Shares with Warrants B as well as apply for Excess Rights Shares with Warrants B, if you choose to do so, using either of the following methods:-

Method	Category of Entitled Shareholders
RSF	All Entitled Shareholders
e-RSF	All Entitled Shareholders

11.5 Procedure for full acceptance and payment

11.5.1 By way of RSF

Acceptance of and payment for the Provisional Rights Shares with Warrants B must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/ or payments which do not strictly conform to the terms of this Abridged Prospectus, the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS B, EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL RIGHTS SHARES WITH WARRANTS B ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/ or your renounee(s) and/ or transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Rights Shares with Warrants B of your entitlement, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided by **ORDINARY POST, COURIER or DELIVERY BY HAND** (at your own risk) to the address stated below:-

ShareWorks Sdn Bhd (Registration No. 199101019611 (229948-U))

2-1, Jalan Sri Hartamas 8
Sri Hartamas, 50480 Kuala Lumpur

Tel. No.: 03 – 6201 1120

Fax. No.: 03 – 6201 3121

so as to arrive **not later than the Closing Date**, being the last date and time for acceptance and payment for the Provisional Rights Shares with Warrants B.

If you and/ or your renounee(s) and/ or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/ or your renounee(s) and/ or transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above or at its website at <https://www.shareworks.com.my>, our registered office or the website of Bursa Securities at <https://www.bursamalaysia.com>.

1 RSF can only be used for acceptance of the Provisional Rights Shares with Warrants B standing to the credit of 1 CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants B standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants subscribed for will be credited into your respective CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Rights Shares with Warrants that can be subscribed for or accepted is 1 Rights Share with Warrant B. However, you and/ or your renounee(s) and/ or transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Warrants B comprises of 100 Rights Shares and 100 Warrants B, respectively. Fractions of Rights Shares with Warrants B, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares with Warrants B allotted to you and/ or your renounee(s) and/ or transferee(s) (if applicable) is not received by our Share Registrar by **the Closing Date**, being the last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants B, you and/ or your renounee(s) and/ or transferee(s) (if applicable) will be deemed to have declined the Provisional Rights Shares with Warrants B and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Provisional Rights Shares with Warrants B are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants B to the applicants who have applied for the Excess Rights Shares with Warrants B in the manner as set out in **Section 11.9** of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "KANGER RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS B WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES WITH WARRANTS B TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES WITH WARRANTS B INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEE(S) AND/ OR TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

11.5.2 By way of e-RSF

The electronic submission of the e-RSF is available to you upon your login to our Share Registrar's investor portal at <https://www.shareworks.com.my>. You are advised to read the instructions as well as the terms and conditions of the electronic submission of the e-RSF.

Entitled Shareholders who wish to subscribe for the Rights Issue with Warrants and apply for the Excess Rights Issue with Warrants by way of electronic submission of the e-RSF, shall take note of the following:-

- (a) the electronic submission of the e-RSF will be closed at **5.00 p.m. on Wednesday, 15 September 2021**. All valid electronic submission of the e-RSF received by our Share Registrar is irrevocable and cannot be subsequently withdrawn;
- (b) the electronic submission of the e-RSF must be made in accordance with the procedures and terms and conditions of the electronic submission of the e-RSF, this Abridged Prospectus and the notes and conditions contained in the e-RSF. Any incomplete or incorrectly completed e-RSF submitted via our Share Registrar's Investor Portal may or may not be accepted at the absolute discretion of our Board.
- (c) your application for the Rights Shares with Warrants B and Excess Rights Shares with Warrants B must be accompanied by the remittance in RM via internet bank transfer, the bank account details as follows:-

Name of bank : Hong Leong Bank Berhad
 Name of account : KANGER RIGHTS ISSUE ACCOUNT
 Bank account no. : 39500048518

You are required to pay an **additional fee of RM15.00** being the stamp duty and handling fee for each electronic submission of the e-RSF.

- (d) All Entitled Shareholders who wish to submit by way of electronic submission of the e-RSF are required to follow the procedures and read the terms and conditions as stated below:-
 - (i) Procedures

Procedures	Action
User registration	
1. Register as a user with the Investor Portal	<ul style="list-style-type: none"> • If you have already registered an account with Investor Portal, you are not required to register again. • Access the website at https://www.shareworks.com.my. Click Investor Portal. Refer to the online help tutorial for assistance. • Read and agree to the terms and conditions and confirm the declaration.

- Upon submission of your registration, your account will be activated within one working day.

Electronic submission of e-RSF

2. Sign in to Investor Portal
 - Login with your user ID and password for electronic submission of the e-RSF before the Closing Date.
3. Complete the submission of e-RSF
 - Open the corporate exercise "RIGHTS ISSUE FOR KANGER INTERNATIONAL BERHAD".
 - Key in your full name, CDS account number, contact number, the number of units for acceptance of your Rights Shares with Warrants B and Excess Rights Shares with Warrants B (if you choose to apply for additional Rights Shares with Warrants B).
 - Upload the proof of payment(s) and print your e-RSF for your reference and record.
 - Ensure all information in the form is accurate and then submit the form.

If you encounter any problems during the registration or submission, please email our Share Registrar at support@shareworks.com.my for assistance.

- (ii) Terms and conditions of the electronic submission of the e-RSF

By submitting your acceptance of the Rights Shares with Warrants B and application of the Excess Rights Shares with Warrants B (if you choose to apply) by way of electronic submission of the e-RSF:-

- (A) You acknowledge that your submission by way of electronic submission of the e-RSF is subject to the risks of electrical, electronic, technical, transmission, communication and computer related faults and breakdowns, fires and other events beyond the control of our Company or our Share Registrar and irrevocably agree that if:-

- (i) our Company or our Share Registrar does not receive your submission of the e-RSF; or
- (ii) data on the e-RSF is wholly or partially lost, corrupted or inaccessible, or not transmitted,

your submission of the e-RSF will be deemed as failed and not to have been made. Our Company and our Share Registrar will not be held liable for any delays, failures or inaccuracies in the processing of your electronic submission of the e-RSF due to the above reasons and you further agree that you may not make any claims whatsoever against our Company or our Share Registrar for any loss, compensation or damage in relation to the unsuccessful or failure of your electronic submission of the e-RSF.

- (B) You will ensure that all information provided by you in the e-RSF is identical with the information in the records of Bursa Depository and further agree and confirm that in the event the said information differs from the records of Bursa Depository, your application by way of electronic submission of the e-RSF may be rejected at the absolute discretion of our Board without assigning any reason.
- (C) You agree that your application shall not be deemed to have been accepted by reason of the remittance have been made.
- (D) You agree that all the Rights Shares and Warrants B to be issued pursuant to the Rights Issue with Warrants will be allotted by way of crediting the Rights Shares and Warrants B into your CDS account. No physical share or warrant certificates will be issued.
- (E) You agree that our Company and our Share Registrar reserve the right to reject your application which does not conform to these terms and conditions.
- (F) If your application is successful, a notice of allotment will be issued and despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk within 8 market days from the Closing Date.
- (G) Where your application is not accepted or accepted only in part, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest by banker's cheque within 15 market days from the last date of acceptance and payment for the Rights Issue with Warrants and will be despatched by ordinary post to the address as shown in the Record of Depositors provided by Bursa Depository at your own risk.

11.6 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Rights Shares with Warrants B provided always that the minimum number of Rights Shares with Warrants B that can be subscribed for or accepted is 1 Rights Share with Warrant B. Fractions of a Rights Share with Warrant B, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares with Warrants B which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 11.5** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares with Warrants B that have not been accepted will be made available to the applicants of the Excess Application.

11.7 Procedure for sale or transfer of the Provisional Rights Shares with Warrants B

As the Provisional Rights Shares with Warrants B are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants B to 1 or more person(s) through your stockbrokers for the period up to the last date and time for sale or transfer of the Provisional Rights Shares with Warrants B, without first having to request for a split of the Provisional Rights Shares with Warrants B standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants B, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Rights Shares with Warrants B, you may still accept the balance of the Provisional Rights Shares with Warrants B by completing Parts I(A) and II of the RSF. Please refer to **Sections 11.5 and 11.6** of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Rights Shares with Warrants B, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants B standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchasers or transferees of the Provisional Rights Shares with Warrants B may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar at the address as stated in **Section 11.5** of this Abridged Prospectus or at its website at <https://www.shareworks.com.my>, or at our Registered Office. This Abridged Prospectus and RSF are also available on the website of Bursa Securities' website at <https://www.bursamalaysia.com>.

11.8 Procedure for acceptance by renouncee(s)/ transferee(s)

Renouncee(s) and/ or transferee(s) (if applicable) who wish to accept the Provisional Rights Shares with Warrants B must obtain a copy of the RSF from their stockbrokers or our Share Registrar at the address as stated in **Section 11.5** of this Abridged Prospectus or at its website at <https://www.shareworks.com.my>, or at our Registered Office or from Bursa Securities' website at <https://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in **Sections 11.5 and 11.6** of this Abridged Prospectus also applies to renouncee(s) and/ or transferee(s) (if applicable) who wish to accept the Provisional Rights Shares with Warrants B.

RENOUNCEE(S) AND/ OR TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

11.9 Procedure for application of Excess Rights Shares with Warrants B

11.9.1 By way of RSF

If you wish to apply for additional Rights Shares with Warrants B in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II). The remittance for the Excess Rights Shares with Warrants B can be combined with the remittance for your entitlements as mentioned in **Section 11.5.1** of this Abridged Prospectus. The completed RSF together with the payment must be received by the Share Registrar no later than **5.00 p.m. Wednesday, 15 September 2021**, being the last time and date for Excess Rights Shares with Warrants B applications and payment.

The payment must be made for the exact amount payable for the Excess Rights Shares with Warrants B applications. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

11.9.2 By way of e-RSF

You may apply for the Excess Rights Shares with Warrants B via e-RSF in addition to your Provisional Rights Shares with Warrants B. If you wish to do so, you may apply for the Excess Rights Shares with Warrants B by following the steps as set out in **Section 11.5.2** of this Abridged Prospectus. The e-RSF for Excess Rights Shares with Warrants B will be made on, and subject to, the same terms and conditions appearing in **Section 11.5.2** of this Abridged Prospectus.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS B APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 11.5 OF THIS ABRIDGED PROSPECTUS. THE COMPLETED RSF AND E-RSF TOGETHER WITH THE PAYMENT MUST BE RECEIVED BY THE SHARE REGISTRAR NO LATER THAN AT 5.00 P.M. ON WEDNESDAY, 15 SEPTEMBER 2021, BEING THE LAST TIME AND DATE FOR EXCESS RIGHTS SHARES WITH WARRANTS B APPLICATIONS AND PAYMENT.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES WITH WARRANTS B APPLIED FOR. ANY EXCESS OR INSUFFICIENT PAYMENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

It is the intention of our Board to allot the Excess Rights Shares with Warrants B, if any, on a fair and equitable basis and in the following priority:-

- (i) Firstly, to minimise the incidence of odd lots;
- (ii) Secondly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants B, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;
- (iii) Thirdly, for allocation to Entitled Shareholders who have applied for the Excess Rights Shares with Warrants B, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants B applied for; and
- (iv) Finally, for allocation to their renounee(s) and/ or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants B, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants B applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants B applied for by the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants B after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants B to the Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who have applied for the Excess Rights Shares with Warrants B until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants B applied for in such manner as our Board deems fit, expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis manner, and that the intention of our Board as set out in steps (i)-(iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants B without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS B. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS B WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES WITH WARRANTS B SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS B IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.10 Form of issuance

Bursa Securities has already prescribed Kanger Shares to be listed on the ACE Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares and Warrants B are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply to all dealings in the Rights Shares and Warrants B.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or warrant certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and the Warrants B will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/ or your renounee(s) and/ or transferee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

Where the Rights Shares with Warrants B are provisionally allotted to the Entitled Shareholders in respect of their existing Kanger Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Rights Shares with Warrants B shall mean that they consent to receive such Rights Shares and Warrants B as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Rights Shares with Warrants B or to whom the Provisional Rights Shares with Warrants B has been transferred and intends to subscribe for the Rights Shares with Warrants B must state his or her CDS Account number in the space provided in the RSF. The Rights Shares and Warrants B will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The Excess Rights Shares with Warrants B, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants B, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in **Section 11.9** of this Abridged Prospectus.

11.11 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue with Warrants.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. UOB Kay Hian, our Share Registrar, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. UOB Kay Hian, our Share Registrar, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renounee(s) and/ or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or UOB Kay Hian in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) UOB Kay Hian, our Share Registrar, our Company, our Directors and officers and other professional advisers that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renouncee(s) and/ or transferee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants B;
- (iii) the Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants B, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) are aware that the Rights Shares with Warrants B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) have received a copy of this Abridged Prospectus, have access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants B; and
- (vi) the Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants B, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants B.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section of the Abridged Prospectus and we reserve the right to reject a purported acceptance of the Provisional Rights Shares with Warrants B from any such application by Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Provisional Rights Shares with Warrants B as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

12. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants B pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in the Documents enclosed herewith.

13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board
KANGER INTERNATIONAL BERHAD


DATUK NUR JAZLAN BIN MOHAMED
Independent Non-Executive Chairman

APPENDIX I - INFORMATION ON OUR COMPANY

1. SHARE CAPITAL

As at the LPD, our issued share capital is RM272,953,286 comprising 2,796,130,182 Kanger Shares.

2. BOARD OF DIRECTORS

The details of our Board as at the LPD are set out as follows:-

Name	Age	Address	Nationality
Datuk Nur Jazlan Bin Mohamed (Independent Non-Executive Chairman)	55	No. 119, Jalan Setiabakti 9, Bukit Damansara, 50490 Kuala Lumpur	Malaysian
Wu Wai Kong (Executive Director)	37	1055, Jalan 17/42 Seksyen 17, 46400 Petaling Jaya, Selangor	Malaysian
Kuah Choon Ching (Executive Director)	36	12, Denai Pinang 18, Seri Tanjung Pinang 10470 Tanjung Tokong, Pulau Pinang	Malaysian
Low Poh Seong (Independent Non-Executive Director)	44	No. 211, Jalan Desa Utama, Taman Desa, 58100 Kuala Lumpur	Malaysian
Mazlan Bin Mohamad (Independent Non-Executive Director)	57	B3A-C07, Armanee Terrace 2, No. 8, Jalan PJU 8/1, Damansara Perdana Malaysia, 47800 Petaling Jaya, Selangor	Malaysian

3. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Kanger Shares for the past 12 months preceding the date of this Abridged Prospectus are as follows:-

	High RM	Low RM
2020		
August	0.325	0.090
September	0.330	0.180
October	0.225	0.135
November	0.215	0.145
December	0.190	0.125
2021		
January	0.160	0.125
February	0.130	0.100
March	0.120	0.060
April	0.085	0.055
May	0.115	0.060
June	0.090	0.055
July	0.080	0.055
Last transacted market price of Kanger Shares as at 23 February 2021 (being the last Market Day immediately prior to the announcement of the Corporate Exercises)		RM0.115
Last transacted market price of Kanger Shares as at the LPD		RM0.065
Last transacted market price of Kanger Shares on 26 August 2021 (being the last Market Day immediately preceding the ex-date for the Rights Issue with Warrants)		RM0.050

(Source: Bloomberg)

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

4. OPTION TO SUBSCRIBE FOR KANGER SHARES

As at the LPD, save for the ESOS Options, Provisional Rights Shares with Warrants B and Excess Rights Shares with Warrants B, no option to subscribe for our Shares has been granted or is entitled to be granted to anyone.

As at the LPD, the ESOS Options comprise 65,805,967 outstanding employees' share option scheme ("**ESOS**") options in our Company, which were offered on 8 April 2021 to our eligible Directors and employees. Each ESOS Option entitles its holder to subscribe for 1 new Kanger Share at an exercise price of RM0.05409 per ESOS Option. The ESOS Options do not have any vesting conditions/ period. The ESOS shall continue to be in force for a period of 10 years commencing from the effective date, i.e. 27 December 2019. Upon expiry of the ESOS, any ESOS Option which has yet to be exercised shall be deemed cancelled and be null and void.

5. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years preceding the date of this Abridged Prospectus:-

- (i) Heads of Agreement between Kanger and Constellation Holdings Limited dated 13 August 2020 for Constellation Holdings Limited to acquire 49% equity of Kanger Glove Manufacturing Sdn Bhd ("**Kanger Glove**") for a cash consideration of RM49,000.00 and Kanger Glove to acquire 3 lots of identified land for the purpose of building a factory containing 8 production lines to produce medical examination gloves with a total investment cost of approximately RM70,000,000.00 subject to terms and conditions of a definitive agreement to be entered between the parties. As at the LPD, Kanger has acquired the 3 lots of identified land pursuant to the completion of SPA I, SPA II and SPA III (as defined below), however building of the factory has yet to commence and Constellation Holdings Limited has yet to acquire 49% equity of Kanger Glove. As at the LPD, no definitive agreement has been entered into between the parties in relation to the said Heads of Agreement;
- (ii) Sale and Purchase Agreement between Poh Lin Estate Sdn Bhd as vendor and Kanger as purchaser dated 24 August 2020 for the purchase of a piece of vacant leasehold agriculture land held under PM 51, Lot 3518 Seksyen 2, Pekan Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor measuring approximately 0.4887 hectares for a purchase consideration of RM1,000,000.00 to be entirely satisfied via cash ("**SPA I**"). SPA I was completed on 19 March 2021;
- (iii) Sale and Purchase Agreement between Poh Lin Estate Sdn Bhd as vendor and Kanger as purchaser dated 24 August 2020 for the purchase of a piece of vacant leasehold agriculture land held under PM 52, Lot 3517 Seksyen 2, Sungai Rambai, Batang Berjuntai, Pekan Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor measuring approximately 0.484 hectares for a purchase consideration of RM1,000,000.00 to be entirely satisfied via cash ("**SPA II**"). SPA II was completed on 19 March 2021;
- (iv) Sale and Purchase Agreements between Poh Lin Estate Sdn Bhd as vendor and Kanger as purchaser dated 24 August 2020 for the purchase of a piece of vacant leasehold agriculture land held under PM 79, Lot 1765, Tempat Batu 28 Ijuk, Mukim Ijuk, Daerah Kuala Selangor, Negeri Selangor measuring approximately 1.2368 hectares for a purchase consideration of RM4,800,000.00 to be entirely satisfied via cash ("**SPA III**"). SPA III was completed on 16 October 2020;

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

- (v) Proxy Agreement between Kanger and Shenzhen Public Health Technology Co Ltd ("**SZPHT**") dated 22 September 2020 to negotiate COVID-19 vaccine distribution rights whereby Kanger had appointed SZPHT to procure for Kanger a dealership/ distributorship of COVID-19 Vaccine (Vero Cell) to be developed by one of the subsidiaries of China National Pharmaceutical Group Corporation ("**Sinopharm**") or China National Biotech Group Company ("**CNBG**"), for the distribution of COVID-19 vaccine in the South East Asia Region. The Proxy Agreement is effective from 22 September 2020 to 8 October 2020, and the service fee to SZPHT shall only be negotiated in the event SZPHT has successfully secured and assisted Kanger in entering into a distribution agreement with either one of the parties. As at the LPD, no distribution agreement has been entered into between the parties in relation to the said Proxy Agreement and the Proxy Agreement has expired;
- (vi) Collaboration Agreement between Kanger and Sinopharm Group Hunan Changde Medical Co Ltd ("**SGHCM**") dated 29 September 2020 for the collaboration to distribute COVID-19 vaccine and medical equipment developed by Sinopharm in Malaysia for a period of 3 years from 25 September 2020 until 24 September 2023 subject to the national laws and administrative regulations. The parties unanimously agree that a long-term collaborative relationship shall be established in accordance with the terms and conditions of this Collaboration Agreement. In respect of the specific product category, products' price, purchase price and payment method, the parties shall enter into a separate distribution agreement on the basis and in accordance with the terms of this Collaboration Agreement. As at the LPD, no distribution agreement has been entered into between the parties in relation to the said Collaboration Agreement;
- (vii) Memorandum of Understanding between Kanger and Zuellig Pharma Sdn Bhd dated 23 October 2020 to collaborate in the import, warehousing and delivery of COVID-19 vaccines developed by Sinopharm in Malaysia on terms and conditions to be set out in a distribution contract to be negotiated at a later stage. This Memorandum of Understanding is effective until mutually terminated by the parties. As at the LPD, no definitive agreement has been entered into between the parties in relation to the said Memorandum of Understanding;
- (viii) Memorandum of Understanding between Kanger and K-Star Sport Limited ("**K-Star**") dated 26 October 2020 to appoint K-Star as the sales agent of COVID-19 vaccines developed by Sinopharm for distribution to private clinics in Malaysia subject to availability of the products and on terms and conditions of a definitive agreement to be entered into at a later stage. The Memorandum of Understanding shall take effect from 26 October 2020 until a definitive agreement is entered into or both parties mutually terminate the Memorandum of Understanding. As at the LPD, no definitive agreement has been entered into between the parties in relation to the said Memorandum of Understanding;
- (ix) SPA between AKSB and Kanger Ventures dated 24 February 2021 for the Acquisition. As at the LPD, the Acquisition is pending completion and further details on the status of the Acquisition are set out in **Section 5.1** of this Abridged Prospectus;
- (x) Shares Sale Agreement between Sii Tung Nai, Sii Tung Aik, Lim Shwu Huey and Kanger dated 26 April 2021 for the Proposed Acquisition of Sung Master. As at the LPD, the Proposed Acquisition of Sung Master is pending completion and further details on the status of the Proposed Acquisition of Sung Master are set out in **Section 10.5** of this Abridged Prospectus;
- (xi) Subscription Agreement between Mr Kuah and Kanger dated 26 April 2021 for the Proposed Subscription. As at the LPD, the Proposed Subscription is pending completion and further details on the status of the Proposed Subscription are set out in **Section 10.5** of this Abridged Prospectus;

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

- (xii) Head of Agreement between Kanger Medical International Sdn Bhd, our wholly-owned subsidiary, ("**Kanger Medical**") as buyer and Sparmak Medical Equipment Trading LLC as supplier dated 19 July 2021 for the purchase of 5,000,000 doses with an option to buy an additional 5,000,000 doses of inactivated SARS-COV-2 Vaccines (Vero Cell) developed by Beijing Institute of Biological Products Co Ltd, an affiliate of Sinopharm CNBG. As at the LPD, no definitive agreement has been entered into between the parties in relation to the said Head of Agreement; and
- (xiii) Deed Poll B.

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims and/ or arbitration, either as plaintiff or defendant, and our Board confirms that there are no other proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

7. KEY FINANCIAL INFORMATION

Our audited consolidated financial information for the past 3 financial years up to the FYE 31 December 2019 and our most recent announced unaudited interim consolidated financial information for the 15-month FPE 31 March 2021 together with the relevant notes are disclosed in the following documents which have been published on the website of Bursa Securities at <https://www.bursamalaysia.com>:-

	Pages
Our annual report for the FYE 31 December 2017	
Statements of financial position	68 – 69
Statements of profit or loss and other comprehensive income	70
Statement of changes in equity	71 – 74
Statements of cash flows	75 – 76
Notes to the financial statements	77 – 122
Our annual report for the FYE 31 December 2018	
Statements of financial position	65 – 66
Statements of profit or loss and other comprehensive income	67 – 68
Statement of changes in equity	69 – 72
Statements of cash flows	73 – 74
Notes to the financial statements	75 – 124
Our annual report for the FYE 31 December 2019	
Statements of financial position	78 – 79
Statements of profit or loss and other comprehensive income	80 – 82
Statement of changes in equity	83 – 87
Statements of cash flows	88 – 89
Notes to the financial statements	90 – 169
Our quarterly report for the 15-month FPE 31 March 2021	
Statement of comprehensive income	1
Statement of financial position	2 – 3
Statement of changes in equity	4
Statement of cash flows	5 – 6
Notes to the financial statements	7 – 15

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

The following table sets out a summary of our Group's key financial information based on past 3 financial years up to the FYE 31 December 2019 and our most recent announced unaudited interim consolidated financial information for the 15-month FPE 31 March 2021 of comprehensive income, statements of financial position and statement of cash flows for the financial years and periods under review:-

7.1 Historical financial performance:-

	←-----Audited-----→			←--Unaudited--→
	FYE 31 December 2017 RM'000	FYE 31 December 2018 RM'000	FYE 31 December 2019 RM'000	15-month FPE 31 March 2021 RM'000
Revenue	66,478	57,130	65,047	33,889
Cost of sales	(50,296)	(44,937)	(50,719)	(31,559)
Gross profit	16,183	12,193	14,328	2,330
Other operating income	174	567	5,665	51,443
Administrative expenses	(5,084)	(6,437)	(7,523)	(26,668)
Selling and distribution expenses	(2,194)	(1,863)	(1,477)	(1,299)
Other operating expenses	(196)	(6)	(0)	(69,229)
Profit/ (loss) from operations	8,882	4,454	10,993	(43,423)
Finance costs	(773)	(769)	(1,729)	(4,022)
PBT/ (LBT)	8,109	3,685	9,264	(47,445)
Taxation	(340)	123	156	(9)
PAT/ (LAT) from continuing operations	7,770	3,808	9,420	(47,454)
LAT from discontinued operations	(469)	(5,521)	(34)	-
PAT/ (LAT)	7,300	(1,713)	9,386	(47,454)
PAT/ (LAT) attributable to:-				
Owners of our Company	7,300	(1,713)	6,847	(47,588)
Non-controlling interests	-	-	2,539	134
Gross profit margin (%)	24.34	21.34	22.03	6.88
PAT/ (LAT) margin (%)	10.98	(3.00)	10.53	(140.03)
Weighted average no. of Shares outstanding ('000)	798,461	839,843	940,855	1,661,327
Basic EPS/ (LPS) (sen)	0.91	(0.20)	0.73	(2.86)
Dividend paid	-	-	-	-

Overview of our financial performance for FYE 31 December 2018 compared to FYE 31 December 2017

Our Group recorded revenue of RM57.13 million for the FYE 31 December 2018 which represents a decrease of RM9.35 million or 14.06% as compared to the preceding financial year of RM66.48 million. The decrease in revenue was mainly attributable to the decrease of RM9.30 million from the sale of bamboo related products as a result of the following:-

- (i) decrease in demand from international customers (e.g. Mexico, Canada and United States) mainly due to the trade war between the United States and China during the financial year under review; and

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

- (ii) decrease in domestic (i.e. China) sales as a result of the closure of our factory in Yanshan, China in 2018. For shareholders' information, our factory in Yanshan, China was closed down due to directives issued by the local authorities in China to industrial plants to cut emissions that would affect air quality.

Our Group recorded PAT from continuing operations of RM3.81 million for the FYE 31 December 2018 which represents a decrease of RM3.96 million or 50.97% as compared to the preceding financial year of RM7.77 million mainly due to the following:-

- (i) lower gross profit recorded which was in tandem with the decrease in revenue for the FYE 31 December 2018; and
- (ii) increase in administrative expenses of RM1.36 million from RM5.08 million for the FYE 31 December 2017 to RM6.44 million for the FYE 31 December 2018. The higher administrative expenses was mainly attributable to property, plant and equipment written off of RM1.06 million from the abovementioned closure of our factory in Yanshan, China.

During the FYE 31 December 2018, the NA of our Group increased from RM122.40 million to RM125.98 million, mainly attributable to the issuance of 92,896,399 Shares pursuant to the conversion of 92,896,399 redeemable convertible notes, which raised approximately RM8.00 million.

During the FYE 31 December 2018, the total borrowings of our Group increased from RM55.00 million to RM61.42 million, mainly attributable to the increase in term loans repayable from licenced banks of RM7.12 million.

Overview of our financial performance for FYE 31 December 2019 compared to FYE 31 December 2018

Our Group recorded revenue of RM65.05 million for the FYE 31 December 2019 which represents an increase of RM7.92 million or 13.86% as compared to the preceding financial year of RM57.13 million. The increase in revenue was mainly attributable to higher sales for our Group's bamboo-related products as a result of marketing and promotional campaigns undertaken during the financial year under review.

Our Group recorded PAT from continuing operations of RM9.42 million for the FYE 31 December 2019 which represents an increase of RM5.61 million or 147.24% as compared to the preceding financial year of RM3.81 million mainly due to the following:-

- (i) higher gross profit recorded which was in tandem with the increase in revenue for the FYE 31 December 2019; and
- (ii) recognition of a cash incentive of RM5.2 million received from the local authority of Jingzhou, China for our Group's efforts to invest, develop, promote as well as set up a high-technology integrated bamboo processing plant and research & development centre in Jingzhou.

During the FYE 31 December 2019, the NA of our Group increased from RM125.98 million to RM143.62 million, mainly attributable to the issuance of 202,469,135 Shares pursuant to the conversion of 202,469,135 redeemable convertible notes, which raised approximately RM12.10 million.

During the FYE 31 December 2019, the total borrowings of our Group decreased from RM61.42 million to RM50.91 million, mainly attributable to the decrease in bill payables from licenced banks of RM11.23 million.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)Overview of our financial performance for the 15-month FPE 31 March 2021 compared to FYE 31 December 2019

Our Group recorded revenue of RM33.89 million for the 15-month FPE 31 March 2021 which represents a decrease of RM31.16 million or 47.90% as compared to RM65.05 million in the FYE 31 December 2019. For illustrative purposes, the annualised revenue of RM27.11 million for the 15-month FPE 31 March 2021 represents a decrease of RM37.94 million or 58.32% as compared to RM65.05 million in the FYE 31 December 2019. The decrease in revenue was mainly attributable to disruptions in our manufacturing and trading of building materials (i.e. bamboo products) operations as a result of government-mandated lock downs due to the COVID-19 outbreak in several countries which our Group operates in. Further details on the impact of COVID-19 on the business and operations of our Group are set out in **Section 7.1.5** of this Abridged Prospectus. In addition, in the first quarter of 2020, our Group had commenced the relocation of our bamboo processing and manufacturing operations from Ganzhou, China to Jingzhou, China, hence lesser revenue was contributed from our subsidiary in Ganzhou during the financial period under review. For shareholders' information, the relocation of our bamboo processing plant from Ganzhou to Jingzhou was completed in January 2021.

Our Group recorded LAT from continuing operations of RM47.45 million for the 15-month FPE 31 March 2021 as compared to PAT from continuing operations of RM9.42 million in the FYE 31 December 2019. For illustrative purposes, the annualised LAT from continuing operations for the 15-month FPE 31 March 2021 was RM37.96 million as compared to PAT from continuing operations of RM9.42 million in the FYE 31 December 2019. The LAT recorded was mainly due to the following:-

- (i) lower gross profit recorded which was in tandem with the decrease in revenue for the 15-month FPE 31 March 2021; and
- (ii) increase in administrative expenses of RM19.15 million from RM7.52 million for the FYE 31 December 2019 to RM26.67 million for the 15-month FPE 31 March 2021 mainly due to:-
 - (a) the recognition of share based payment expenses of RM7.91 million as a result of ESOS options offered during the financial period under review while our Group had not recognised any share based payment expenses during the preceding financial year; and
 - (b) the loss on disposal of investment in quoted shares of RM4.87 million incurred during the financial period under review while our Group had not incurred any loss on disposal of investment in quoted shares during the preceding financial year; and
- (iii) other operating expenses incurred of RM69.23 million for the 15-month FPE 31 March 2021, while our Group had not incurred any other operating expenses for the FYE 31 December 2019, mainly due to the impairment loss on trade and other receivables recognised amounting to RM49.92 million during the 15-month FPE 31 March 2021. The said impairment loss was incurred due to amounts owing by 15 debtors of our manufacturing and trading of bamboo products operations, which had exceeded the credit period. The overdue amounts were outstanding for a duration of 6 to 12 months as at 31 March 2021 and had yet to be collected as at 31 May 2021, despite our efforts to collect such overdue amounts (including, amongst others, reminder letters sent to the aforesaid debtors). Premised on the above, our management, in accordance with the opinion of our external auditors, had deemed the recoverability of the overdue amounts as doubtful and had provided for the said impairment loss accordingly. Nevertheless, we will continue to manage and monitor the aforesaid 15 debtors and take appropriate actions (including but not limited to legal actions) to recover the overdue amounts.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

During the 15-month FPE 31 March 2021, the NA of our Group increased from RM143.62 million to RM265.88 million, mainly attributable to the issuance of 1,471,217,849 Shares pursuant to the conversion of 702,231,039 redeemable convertible notes, exercise of 382,016,126 ESOS Options and issuance of 386,970,684 new placement Shares, raising approximately RM148.22 million.

During the 15-month FPE 31 March 2021, the total borrowings of our Group increased from RM50.91 million to RM59.87 million, mainly attributable to the increase in term loans from licenced banks of RM8.61 million.

7.2 Historical financial position:-

	<-----Audited----->			<--Unaudited-->
	FYE 31 December 2017 RM'000	FYE 31 December 2018 RM'000	FYE 31 December 2019 RM'000	15-month FPE 31 March 2021 RM'000
Non-current assets	93,403	103,749	122,517	281,084
Current assets	90,728	100,769	116,687	131,687
Total assets	184,131	204,517	239,204	412,771
Share capital	79,846	92,226	104,326	260,454
Redeemable convertible notes	-	218	591	-
Reserves	42,551	33,539	38,703	5,428
Total equity attributable to owners of our Company	122,397	125,984	143,620	265,882
Non-controlling interests	-	6,430	9,484	12,618
Total equity	122,397	132,414	153,104	278,500
Non-current liabilities	28,091	37,251	46,192	22,326
Current liabilities	33,642	34,853	39,908	111,945
Total liabilities	61,733	72,103	86,100	134,271
Total liabilities and equity	184,131	204,517	239,204	412,771
NA per Share (RM)	0.15	0.14	0.13	0.10

7.3 Historical cash flows:-

	<-----Audited----->			<--Unaudited-->
	FYE 31 December 2017 RM'000	FYE 31 December 2018 RM'000	FYE 31 December 2019 RM'000	15-month FPE 31 March 2021 RM'000
Net cash generated from/ (used in)				
Operating activities	14,016	(5,210)	12,020	39,540
Investing activities	(35,515)	(10,593)	(19,159)	(111,988)
Financing activities	21,865	18,715	13,302	138,527
Net increase in cash and cash equivalents	365	2,912	6,163	66,079
Effect of exchange rate changes on cash and cash equivalents	(5,357)	(1,517)	(697)	6,914
Cash and cash equivalents at the beginning of the financial year/ period	6,853	1,861	3,256	8,722
Cash and cash equivalents at end of the financial year/ period	1,861	3,256	8,722	81,715

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

8. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

As at the LPD, our Company does not have any substantial shareholder. Nevertheless, for shareholders' information purpose, the pro forma effects of the Rights Issue with Warrants on the Undertaking Shareholder's shareholdings are as follows:-

Minimum Scenario

Undertaking Shareholder	Shareholdings as at the LPD		I After the Rights Issue with Warrants		II After I and the full exercise of Warrants B			
	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->		
No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*3}	
Mr Kuah	25,000,000	0.89	-	-	358,333,334	11.45	-	-
							691,666,668	19.97

Notes:-

- *1 Based on total issued Shares of 2,796,130,182.
- *2 Based on total issued Shares of 3,129,463,516.
- *3 Based on total issued Shares of 3,462,796,850.

Maximum Scenario

Undertaking Shareholder	Shareholdings as at the LPD		I After the full exercise of ESOS Options		II After I and the Rights Issue with Warrants			
	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->		
No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*3}	
Mr Kuah	25,000,000	0.89	-	-	25,000,000	0.87	-	-
							50,000,000	0.87

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Undertaking Shareholder	III After II and the full exercise of Warrants B	
	<-----Direct----->	<-----Indirect----->
	No. of Shares % ^{*4}	No. of Shares % ^{*4}
Mr Kuah	75,000,000 0.87	-

Notes:-

- *1 Based on total issued Shares of 2,796,130,182.
- *2 Based on total issued Shares of 2,861,936,149.
- *3 Based on total issued Shares of 5,723,872,298.
- *4 Based on total issued Shares of 8,585,808,447.

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APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

9. DIRECTORS' SHAREHOLDINGS

Assuming all our shareholders fully subscribe for their entitlements under the Rights Issue with Warrants, the pro forma effects of the Rights Issue with Warrants on our Directors' shareholdings as at the LPD are set out below:-

Minimum Scenario

Directors	Shareholdings as at the LPD			I After the Rights Issue with Warrants			II After I and the full exercise of Warrants B		
	<-----Direct-----> No. of Shares	% ^{*1}	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	% ^{*2}	<-----Indirect-----> No. of Shares	<-----Direct-----> No. of Shares	% ^{*3}	<-----Indirect-----> No. of Shares
Mr Kuah	25,000,000	0.89	-	358,333,334	11.45	-	691,666,668	19.97	-
Datuk Nur Jazlan Bin Mohamed	-	-	-	-	-	-	-	-	-
Wu Wai Kong	-	-	-	-	-	-	-	-	-
Low Poh Seong	-	-	-	-	-	-	-	-	-
Mazlan Bin Mohamad	-	-	-	-	-	-	-	-	-

Notes:-

*1 Based on total issued Shares of 2,796,130,182.

*2 Based on total issued Shares of 3,129,463,516.

*3 Based on total issued Shares of 3,462,796,850.

APPENDIX I - INFORMATION ON OUR COMPANY (CONT'D)

Maximum Scenario

Directors	Shareholdings as at the LPD				I After the full exercise of ESOS Options				II After I and the Rights Issue with Warrants			
	Direct----->		Indirect----->		Direct----->		Indirect----->		Direct----->		Indirect----->	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*2}	No. of Shares	% ^{*3}	No. of Shares	% ^{*3}
Mr Kuah	25,000,000	0.89	-	-	25,000,000	0.87	-	-	50,000,000	0.87	-	-
Datuk Nur Jazlan Bin Mohamed	-	-	-	-	-	-	-	-	-	-	-	-
Wu Wai Kong	-	-	-	-	-	-	-	-	-	-	-	-
Low Poh Seong	-	-	-	-	-	-	-	-	-	-	-	-
Mazlan Mohamad	-	-	-	-	-	-	-	-	-	-	-	-

**III
After II and the full exercise of Warrants B**

Directors	Direct----->		Indirect----->	
	No. of Shares	% ^{*4}	No. of Shares	% ^{*4}
Mr Kuah	75,000,000	0.87	-	-
Datuk Nur Jazlan Bin Mohamed	-	-	-	-
Wu Wai Kong	-	-	-	-
Low Poh Seong	-	-	-	-
Mazlan Mohamad	-	-	-	-

Notes:-

- *1 Based on total issued Shares of 2,796,130,182.
- *2 Based on total issued Shares of 2,861,936,149.
- *3 Based on total issued Shares of 5,723,872,298.
- *4 Based on total issued Shares of 8,585,808,447.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021

CERTIFIED TRUE COPY
WONG YUET CHYN (MAICSA 7047163)
Secretary
SSM PC No. 202008002451

optima
REAL ESTATE

Your Ref: -
Our Ref.: V/21/002/SC

16th March 2021

Kanger International Berhad
K-3-12 & K-3-13, Solaris Mont Kiara
No. 2, Jalan Solaris, Mont Kiara
50480 Kuala Lumpur

28 JUN 2021



Optima Real Estate Sdn. Bhd.
(Company No. 1331448-X)

Aurora SOVO 1-9-13,
Level 9, Plaza Bukit Jalil, No. 1,
Persiaran Bukit Jalil 1,
Bandar Bukit Jalil,
57000 Kuala Lumpur
Tel: 03-5033 2725



By Email & Post

Dear Sirs/Madam,

VALUATION CERTIFICATE OF:-
AN ASSUMED COMPLETED 126 UNITS OF SERVICED APARTMENTS LOCATED ON 30TH TO 45TH FLOORS OF TOWER A, ANTARA @ GENTING HIGHLANDS ("THE SUBJECT PROPERTY"), SITED ON LOT NO. 43031 (FORMERLY PT 23923), MUKIM AND DISTRICT OF BENTONG, PAHANG DARUL MAKMUR HELD UNDER TITLE NO. GRN 45572 (FORMERLY HSD 18603)

We were instructed by Kanger International Berhad to advise on the Market Value of a legal interest in an assumed completed 126 units of serviced apartments located on 30th to 45th Floors of Tower A, Antara @ Genting Highlands, Genting Highlands, Pahang Darul Makmur vide our Report and Valuation bearing Reference No. V/21/002/SC dated 16th March 2021.

This Report and Valuation has been prepared in accordance with your instructions to value the subject property for purposes of submission to Bursa Malaysia Securities Berhad and for inclusion in the Circular and Abridged Prospectus of Kanger International Berhad in relation to the proposed rights issue with warrants, proposed acquisition of the Subject Property and proposed diversification.

The proposed acquisition of the subject property is subject to the terms and conditions as specifically set out in the conditional sale and purchase agreement dated 16th March 2021 ("Conditional SPA") provided to us by Kanger International Berhad. Salient details of which are disclosed under item 6.0.

WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO VALUE THE SUBJECT PROPERTY BASED ON THE FOLLOWING ASSUMPTIONS:-

- A. THE PROPOSED DEVELOPMENT AND THE PROPOSED BUILDING PLANS FOR 4 BLOCKS OF SERVICED APARTMENTS AS WELL AS THE PROPOSED COVERED PEDESTRIAN WALKWAYS ARE APPROVED BY THE RELEVANT AUTHORITIES.
- B. THE PROPOSED DEVELOPMENT AND THE SUBJECT PROPERTY ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE TO THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE (CCC).
- C. EACH COMPONENT UNIT WILL BE ISSUED WITH A STRATA TITLE WHICH WILL CONVEY AN INTEREST IN PERPETUITY, WITH ALL RELEVANT PREMIUM, CHARGES AND EXPENSES TO BE BORNE BY THE DEVELOPER.
- D. THE PROPOSED COVERED PEDESTRIAN WALKWAYS ARE FULLY COMPLETED IN ACCORDANCE TO THE PLANS AND SPECIFICATIONS AS APPROVED BY THE RELEVANT AUTHORITIES.
- E. FURNITURE, FIXTURE AND EQUIPMENT ARE BUILT AND INSTALLED IN GOOD WORKMANSHIP IN ACCORDANCE TO AGREEMENT WITH THE DEVELOPER.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

This Report and Valuation has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

Pursuant to this engagement, our Sr Cheek Bee Khim (V-772) inspected the subject property and its surrounding area on 5th January 2021, conducted title and planning search and gathered all relevant information for purpose of this valuation.

For all the purposes and intents, this Valuation Certificate should be read in conjunction with our Report and Valuation bearing Reference No. V/21/002/SC dated 16th March 2021. Brief description of our Report and Valuation are summarised as follows:-

1.0 THE SUBJECT OF THIS VALUATION

The interest in perpetuity in an assumed completed 126 units of serviced apartments on a fully furnished basis as at 5th January 2021.

Details of the component units forming the subject property are tabulated as following:-

No.	Level	Unit No.	Type	Built-Up Area	No.	Level	Unit No.	Type	Built-Up Area
1	30	A-30-01	C3	1,040 sf	38	35	A-35-01	C3	1,040 sf
2	30	A-30-02	C1A	1,030 sf	39	35	A-35-02	C1A	1,030 sf
3	30	A-30-03	B3	800 sf	40	35	A-35-03	B3	800 sf
4	30	A-30-03A	B1A	800 sf	41	35	A-35-03A	B1A	800 sf
5	30	A-30-05	A	520 sf	42	35	A-35-05	A	520 sf
6	30	A-30-06	B2	800 sf	43	35	A-35-06	B2	800 sf
7	30	A-30-07	B1	800 sf	44	35	A-35-07	B1	800 sf
8	30	A-30-08	C1	1,030 sf	45	35	A-35-08	C1	1,030 sf
9	30	A-30-09	C2	1,030 sf	46	35	A-35-09	C2	1,030 sf
10	31	A-31-02	C1A	1,030 sf	47	36	A-36-01	C3	1,040 sf
11	31	A-31-03	B3	800 sf	48	36	A-36-05	A	520 sf
12	31	A-31-03A	B1A	800 sf	49	36	A-36-06	B2	800 sf
13	31	A-31-07	B1	800 sf	50	36	A-36-09	C2	1,030 sf
14	31	A-31-08	C1	1,030 sf	51	37	A-37-01	C3	1,040 sf
15	32	A-32-02	C1A	1,030 sf	52	37	A-37-05	A	520 sf
16	32	A-32-03	B3	800 sf	53	37	A-37-06	B2	800 sf
17	32	A-32-03A	B1A	800 sf	54	37	A-37-09	C2	1,030 sf
18	32	A-32-07	B1	800 sf	55	38	A-38-01	C3	1,040 sf
19	32	A-32-08	C1	1,030 sf	56	38	A-38-02	C1A	1,030 sf
20	33	A-33-01	C3	1,040 sf	57	38	A-38-03	B3	800 sf
21	33	A-33-02	C1A	1,030 sf	58	38	A-38-03A	B1A	800 sf
22	33	A-33-03	B3	800 sf	59	38	A-38-05	A	520 sf
23	33	A-33-03A	B1A	800 sf	60	38	A-38-06	B2	800 sf
24	33	A-33-05	A	520 sf	61	38	A-38-07	B1	800 sf
25	33	A-33-06	B2	800 sf	62	38	A-38-08	C1	1,030 sf
26	33	A-33-07	B1	800 sf	63	38	A-38-09	C2	1,030 sf
27	33	A-33-08	C1	1,030 sf	64	39	A-39-01	C3	1,040 sf
28	33	A-33-09	C2	1,030 sf	65	39	A-39-02	C1A	1,030 sf
29	33A	A-33A-01	C3	1,040 sf	66	39	A-39-03	B3	800 sf
30	33A	A-33A-02	C1A	1,030 sf	67	39	A-39-03A	B1A	800 sf
31	33A	A-33A-03	B3	800 sf	68	39	A-39-05	A	520 sf
32	33A	A-33A-03A	B1A	800 sf	69	39	A-39-06	B2	800 sf
33	33A	A-33A-05	A	520 sf	70	39	A-39-07	B1	800 sf
34	33A	A-33A-06	B2	800 sf	71	39	A-39-08	C1	1,030 sf
35	33A	A-33A-07	B1	800 sf	72	39	A-39-09	C2	1,030 sf
36	33A	A-33A-08	C1	1,030 sf	73	40	A-40-01	C3	1,040 sf
37	33A	A-33A-09	C2	1,030 sf	74	40	A-40-02	C1A	1,030 sf

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



1.0 THE SUBJECT OF THIS VALUATION (cont'd)

No.	Level	Unit No.	Type	Built-Up Area
75	40	A-40-03	B3	800 sf
76	40	A-40-03A	B1A	800 sf
77	40	A-40-05	A	520 sf
78	40	A-40-06	B2	800 sf
79	40	A-40-07	B1	800 sf
80	40	A-40-08	C1	1,030 sf
81	40	A-40-09	C2	1,030 sf
82	41	A-41-01	C3	1,040 sf
83	41	A-41-02	C1A	1,030 sf
84	41	A-41-03	B3	800 sf
85	41	A-41-03A	B1A	800 sf
86	41	A-41-05	A	520 sf
87	41	A-41-06	B2	800 sf
88	41	A-41-07	B1	800 sf
89	41	A-41-08	C1	1,030 sf
90	41	A-41-09	C2	1,030 sf
91	42	A-42-01	C3	1,040 sf
92	42	A-42-02	C1A	1,030 sf
93	42	A-42-03	B3	800 sf
94	42	A-42-03A	B1A	800 sf
95	42	A-42-05	A	520 sf
96	42	A-42-06	B2	800 sf
97	42	A-42-07	B1	800 sf
98	42	A-42-08	C1	1,030 sf
99	42	A-42-09	C2	1,030 sf
100	43	A-43-01	C3	1,040 sf

No.	Level	Unit No.	Type	Built-Up Area
101	43	A-43-02	C1A	1,030 sf
102	43	A-43-03	B3	800 sf
103	43	A-43-03A	B1A	800 sf
104	43	A-43-05	A	520 sf
105	43	A-43-06	B2	800 sf
106	43	A-43-07	B1	800 sf
107	43	A-43-08	C1	1,030 sf
108	43	A-43-09	C2	1,030 sf
109	43A	A-43A-01	C3	1,040 sf
110	43A	A-43A-02	C1A	1,030 sf
111	43A	A-43A-03	B3	800 sf
112	43A	A-43A-03A	B1A	800 sf
113	43A	A-43A-05	A	520 sf
114	43A	A-43A-06	B2	800 sf
115	43A	A-43A-07	B1	800 sf
116	43A	A-43A-08	C1	1,030 sf
117	43A	A-43A-09	C2	1,030 sf
118	45	A-45-01	C3	1,040 sf
119	45	A-45-02	C1A	1,030 sf
120	45	A-45-03	B3	800 sf
121	45	A-45-03A	B1A	800 sf
122	45	A-45-05	A	520 sf
123	45	A-45-06	B2	800 sf
124	45	A-45-07	B1	800 sf
125	45	A-45-08	C1	1,030 sf
126	45	A-45-09	C2	1,030 sf

2.0 LOCATION AND NEIGHBOURHOOD

Location of the subject site The subject site is situated at the well-known leisure and recreational destination, Genting Highlands.

Sited along the western boundary of Jalan Genting Sempah-Genting Highlands travelling from Genting Sempah towards Genting Highlands, the subject site about 5,412 feet above sea level and approximately 1 kilometre to Resorts World Genting, Genting Highlands. It is approximately 8 kilometres from Gohtong Jaya roundabout and is directly accessible from Jalan Genting Sempah-Genting Highlands.

The subject site is situated approximately 220 kilometres to the west of Kuantan and 235 kilometres to Bandar Indera Mahkota, accessible via the Kuala Lumpur-Karak Expressway. Bentong town is approximately 50 kilometres north east from the subject site. Janda Baik and Bukit Tinggi are approximately 30 kilometres and 35 kilometres from the subject site respectively.

Surrounding Neighbourhood The immediate locality is a mixture of leisure properties in nature interspersed with serviced residences and plots of vacant development land. Notable landmarks within the immediate radius are Chin Swee Caves Temple, Awana Skyway Chin Swee station, Cradle Rock Genting Highlands, Peacehaven, Ria Apartments, Kayangan Apartments and Genting Highlands Fire and Rescue Station.

Sprawling over 12,000 acres, Resorts World Genting (RWG) held under the master developer, Genting Group comprise a host of hospitality, shopping, recreational and entertainment facilities. Under a 10-year master plan launched in 2013 – Genting Integrated Tourism Plan (GITP), RWG has been transformed and reinvigorated. This RM5 billion master plan has been designated as an Entry Point Project by the East Coast Economic Region Development Council in Malaysia. A few notable additions completed under the GITP include Tower 3 of First World Hotel, Awana SkyWay cable car, Genting Highlands Premium Outlets (GPO), SkyAvenue mall and Skytropolis Indoor Theme Park.

Gohtong Jaya is a satellite town of Genting Highlands located about 8 kilometres due southwest of the subject site. It has close proximity to GPO and Awana Golf & Country Club. Notable attractions include Gohtong Memorial Hall, Mini Cameron Highlands Garden Genting (Garden in the Sky), Genting Strawberry Leisure Farm, Happy Bee Farm and multiple choices of restaurants along the shophouses at Gohtong Jaya and Genting Permai. Hotels and residences amongst others Swiss Garden, GEO Resort & Hotel, Hotel Seri Malaysia, DZH Health Resort Club, Genting View Resort, Genting Permai Resort, Vista Residences, Geo38 Residence, Midhills at Genting and Mawar Apartment. Other amenities available in the vicinity of Gohtong Jaya are such as schools - Aminuddin Baki Institute, Sri Layang & Highlands National Secondary Schools, Highlands International Boarding School, clinic, petrol station, Gohtong Jaya Police Station and Awana Genting Mosque.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



2.0 LOCATION AND NEIGHBOURHOOD (cont'd)

There are several high-rise residential developments in Genting Highlands within the past 5 years i.e. Ion D'elemen by NCT Group of Companies, Midhills by LBS Bina Group Berhad, Vista Residences of Kerjaya Prospect Group Berhad, OSK Property's Windmill Upon Hills and geo38 Residence by Pesat Bumi Sdn. Bhd.. Upcoming residential developments include Grand Ion Majestic by NCT Group of Companies, Caestia Genting Highlands by YNH Property Berhad, IBN Highlands City by IBN Highland Sdn. Bhd., Geo Antharas, Geo Elite and Geo Royal by Pesat Bumi's joint venture company, Antharas Hills Sdn. Bhd., Tropicana Grandhill and Pavilion Genting Highlands.

3.0 PROPERTY DESCRIPTION

Site Description The site is an irregular in shaped parcel of land having a titled land area of 2.163 hectares (5,345 acres or 232,823 square feet). It has a total frontage about 395.80 metres (1,299 feet) onto Jalan Genting Sempah – Genting Highlands. Generally, the terrain of the site varies from undulating to slightly hilly.

Construction works within the site commenced in Q3 2019. As at the date of inspection, the overall progress of works was 10% completed.

During our inspection, we noted that there was a temporary sales gallery constructed on the southern portion of the subject site.

The Proposed Development

The developer has obtained planning permission for development with 2 blocks of serviced apartments and 1 block of hotel. Subsequently, the developer has applied for amendments on the planning permission for development with 4 blocks of serviced apartments. Brief details of the proposed 4 blocks of serviced apartments are tabulated as follows:-

Development Component	No. of Storey	No. of Unit	Gross Floor Area (sq. metre)
1) Tower A – Serviced Apartment	46	374	75,822.80
2) Tower B – Serviced Apartment	44	356	
3) Tower C – Serviced Apartment	44	356	
4) Tower D – Serviced Apartment	46	374	
5) Commercial Area			5,917.10
6) Amenities/Facilities Area			5,216.40
7) Corridor/ Lobby Area			5,519.10
Total Gross Floor Area exclude Car Park			168,274.00
Total No. of Car Park Bay and Gross Floor Area		2,767	102,894.00
Total Gross Floor Area include Car Park			271,168.00

The proposed development is practically designed in form of four towers of high rise serviced apartments – Towers A and D (4th to 49th floors); Towers B and C (4th to 47th floors), with 3 amenity/facility floors – 1st to 3rd floors (linked respectively for Towers A/B and Towers C/D) atop a 12-storey podium block. There will be 10 levels of elevated car park (LG1 to LG10), commercial/retail space at ground floor and Convention Hall to be located at UG floor of the podium block. Phase 1 of the development shall comprise of the podium block together with Towers A and B; Towers C and D shall fall under Phase 2 of the proposed development.

The design of each tower features five sky garden located respectively at 6th/7th floors, 13th/14th floors, 21st/22nd floors, 31st/32nd floors and 36th/37th floors.

The four towers of serviced apartments are orientated differently to capture panoramic views from the highlands:-

Tower A	Northeast/Southwest
Tower B	East/West
Tower C	North/South
Tower D	Northeast/Southwest

Meanwhile ample parking is provided to the occupants and visitors i.e. 2,767 car park bays including 11 for bus parking bays; 560 motorcycle parking bays.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)

3.0 PROPERTY DESCRIPTION (cont'd)

The proposed amenities/facilities are tabulated as follows: -

Phase 1: Podium block, Tower A and Tower B	
3 rd floor, Towers A & B	Games room, AV room, family party room, Jazz lounge and co-working space.
2 nd floor, Towers A & B	Upper gymnasium, study room, music room, dancing room, multipurpose room, 3 function rooms, male and female changing rooms/washrooms/lockers.
1 st floor, Towers A & B	Lower gymnasium, indoor golf room, playroom, reading room, management office, male and female changing rooms/washrooms/sauna, male and female surau, male and female washrooms and accessible toilet.
UG floor, podium block	Convention hall measuring about 22,445 sq. ft.
Ground floor, podium block	Management office, childcare/kindergarten, male and female surau, male and female toilets and accessible toilet.
Phase 2: Tower C and Tower D	
3 rd floor	Games room, AV room, family party room, Jazz lounge and co-working space.
2 nd floor	Upper gymnasium, 3 function rooms, male and female changing rooms/washrooms/lockers.
1 st floor	Lower gymnasium, indoor golf room, playroom, reading room, management office, male and female changing rooms/washrooms/sauna, male and female washrooms, male and female surau and accessible toilet.

In accordance with the project brief as provided to us by the Client, the serviced apartments, primarily comprises of 4 sizes will be fully furnished by the developer. A typical serviced apartment floor comprises of 9 units per floor. Appended below a summary of the accommodation and number of units in respective proposed towers.

Type	Size (sq. ft.)	Accommodation (No. of Unit)					No. of Unit			
		Bedroom	Bathroom/ Powder Room	Living Dining Kitchen	Balcony	Whirlpool	Phase 1		Phase 2	
							Tower A	Tower B	Tower C	Tower D
A	520	1	1	1	1	0	42	40	40	42
B1/ B1A/ B2/ B3	800	2	2	1	1	0	166	158	158	166
C1/ C1A/ C4	1,030	3	3	1	1	1	124	118	118	166*
C3/ C5	1,040	3	3	1	1	1	42	40	40	0
							374	356	356	374

Note: -

* Tower D shall comprise 166 units of Type C1 & C1A only.

The developer in collaboration with Genting Malaysia proposes two pedestrian covered walkway in order to enhance the accessibility of the proposed development:-

- (i) From UG floor of Tower A (northern boundary) of the subject site to Resort Hotel, RWG. This walkway is approximately 800 metres.
- (ii) From LG 6 of Tower D (southern boundary) of the subject site to Awana Skyway, Chin Swee Station. This walkway is approximately 300 metres.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



3.0 PROPERTY DESCRIPTION (cont'd)

The Subject Property As mentioned hereinbefore under Item 1.0 of this certificate, the subject property is an assumed completed 126 units of serviced apartments located on 30th to 45th floors of Tower A, Antara @ Genting Highlands.

Based on the information furnished to us by the Client, we noted that the developer intends to sell the serviced apartments on a fully furnished basis. Brief description of 4 types of layout with its accommodation and specifications are as follows:-

Type	Accommodation	Specification
A	A living, a dining area, a kitchen, a balcony, a bedroom and a bath/w.c.	<ul style="list-style-type: none"> • digital lockset to main door • sliding timber door to master bedroom • vanity ledge/counter top in all bathrooms, tempered glass shower screen • kitchen cabinet, kitchen hood & hob, kitchen sink & tap, built-in microwave • wardrobe, storage • TV cabinet, TV • bedhead, bed & mattress • washer, dryer, fridge • sofa, coffee table, side table • dining set • outdoor high table, bar stool • fan and lightings • potted plant, carpet, roller blind
B	A living area, a dining area, a kitchen, a balcony, 2 bedrooms and 2 bath/w.c.	<ul style="list-style-type: none"> • digital lockset to main door • sliding timer door to master bedroom • vanity ledge/counter top in all bathrooms, tempered glass shower screen • kitchen cabinet, kitchen sink & tap, kitchen hood & hob, built-in microwave, • wardrobe, storage • TV cabinet, TV • bedhead, bed & mattress • washer, dryer, fridge • sofa, coffee table, side table • dining set • outdoor high table • fan and lightings • potted plant, artwork, carpet, roller blind
C1 & C2	A living area, a dining area, a kitchen, a balcony, 3 bedrooms, 2 bath/w.c., a powder room and a whirlpool bath.	<ul style="list-style-type: none"> • digital lockset to main door • Sliding timber door to master bedroom • vanity ledge/counter top in all bathrooms, tempered glass shower screen • kitchen cabinet, kitchen sink & tap, kitchen hood & hob, built-in oven • wardrobe, storage • TV cabinet, TV • bedhead, bed & mattress • washer, dryer, fridge • sofa, coffee table, side table • dining set • fan and lightings • potted plant, artwork, carpet, roller blind
C3	A living area, a dining area, a kitchen, a balcony, 3 bedrooms, 2 bath/w.c., a powder room and a whirlpool bath.	<ul style="list-style-type: none"> • digital lockset to main door • sliding timber door to master bedroom, • vanity ledge/counter top in all bathrooms, tempered glass shower screen • kitchen cabinet, kitchen sink & tap, kitchen hood & hob, built-in oven • wardrobe, storage • TV cabinet, TV, • bedhead, bed & mattress • washer, dryer, fridge, • sofa, coffee table, side table • dining set • fan and lightings • potted plant, artwork, carpet, roller blind

4.0 PUBLIC UTILITIES AND SERVICES

The subject site falls under the jurisdiction of the Bentong Municipal Council.

Public utilities and services such as mains water, public sewerage, electricity supply and telephone lines are available in the vicinity and presumably are available for connection to the proposed development and the subject property upon application.

Other essential public services for the area such as collection of refuse, repair and maintenance of roads and roadside drains and street lighting along the main roads i.e. Jalan Genting Sempah – Genting Highlands from the first guard post, "Pondok Pengawal Polis Bantuan Genting Sempah" to Resort World Genting are undertaken by Genting Malaysia Berhad.

Chin Swee Station, Awana Skyway is located at about 1.3 kilometres to the south of the subject site.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



5.0 EXISTING USE AND OCCUPANCY STATUS

As at the date of our site inspection, we noted that the subject site is undergoing construction of the aforementioned development. As per confirmation on-site progress status provided by the developer, as at 5th January 2021, the overall progress works was 10% completed. We were further informed by the developer that Phase 1 (Towers A and B as well as car park podium) development is estimated to be completed by June 2025.

6.0 LEGAL DESCRIPTION

Particulars of Parent Title	Particulars of title in respect of the subject site as per our official search conducted at the Pahang Darul Makmur Land Registry on 21st December 2020 are as follows:-	
Legal Description	Lot 43031 (formerly PT 23923), Mukim and District of Bentong, Pahang Darul Makmur, held under Title No. GRN 45572 (formerly HSD 18603).	
Land Area	2.163 hectares (or 5.345 acres)	
Tenure	Interest in perpetuity (commonly referred to as "Freehold")	
Reserved Area	"Pengisytiharan Rezab Tanah Bukit"	
Quit Rent	RM71,379.00 per annum	
Category of Land Use	Building	
Express Condition	Nil	
Restriction in Interest	Nil	
Registered Proprietor	Aset Kayamas Sdn. Bhd.	
Encumbrances	Nil	

Salient Details of the Conditional SPA

As per the Conditional SPA made between the Developer, Aset Kayamas Sdn. Bhd. and the Purchaser, Kanger Ventures Sdn. Bhd. (a wholly owned subsidiary of Kanger International Berhad, "KIB"), the Developer intend to develop 4 blocks of serviced apartments known as Antara @ Genting Highlands and the Developer has agreed to sell and the Purchaser has agreed to purchase 126 units with vacant possession in the proposed Tower A of Antara @ Genting Highlands at RM142,870,000.

The basis of sale including:-

- 1) The Developer shall at its own cost and expenses obtain the approval of the building plan from the appropriate authority.
- 2) The Developer to apply for the Advertising Permit and Developer License (APDL) for Antara @ Genting Highlands, which in the event the APDL does not include the sale of the subject property, the Developer shall apply for consent from the Minister of the exemption of APDL for sale of the subject property to the Purchaser.
- 3) The Developer shall at its own cost and expense and at no additional cost to the Purchaser obtain the issue of separate strata titles to the subject property.
- 4) The subject property together with all the common facilities, which shall form part of the common property, shall be constructed in a good and workmanlike manner.
- 5) Vacant possession of the subject property shall be delivered to Purchaser within 54 months from the Unconditional Date (refer the Unconditional Date hereinafter).
- 6) The Developer shall at its own cost and expense, duly comply with all the requirements of the appropriate authority which are necessary for the issuance of the certificate of completion and compliance in respect of the subject property.
- 7) The Developer shall let the Purchaser to take vacant possession of the subject property upon the following:-
 - a. The issuance of certificate of completion and compliance
 - b. Water and electricity supply are ready for connection to the subject property
 - c. The Purchaser has made all payment to the Developer
 - d. The completion of any alteration or additional work (if any)

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



6.0 LEGAL DESCRIPTION (cont'd)

The obligation of the parties to complete the sale and purchase of the subject property are conditional upon:-

Approval 1 – Approval/Consent from Minister of Urban Wellbeing, Housing and Local Government (Minister) and Development Order

- 1) The Developer shall at its own cost and expense obtain the written approval/consent from Minister that the sale of the subject property shall not be subjected to Schedule H Sale and Purchase Agreement as provided in Housing Development (Control and Licensing) Act 1966 (Act 118) and the Housing Development (Control and Licensing) Regulation 1989.
- 2) The Developer shall obtain the Development Order for Antara @ Genting Highlands from the relevant authority.

Approval 2 - Other Approvals

- 1) The parties hereto expressly agree that this Agreement shall be further subject to KIB to obtain the following:-
 - a. Approval from shareholders of KIB in an extraordinary general meeting to enter into and be subjected the terms of this Agreement and the proposed rights issue with warrants undertaken by KIB for the purpose of fund raising for payment of the purchase price i.e. RM142,870,000.
 - b. Approval from the relevant authorities of the proposed right issue with warrants.
 - c. Completion and implementation of the proposed right issue with warrants
 - d. Any approval required by the Purchaser or KIB, pursuant to any order, law, rules, regulations or directives of any governmental authorities or any listing requirements or by operation of law for the purpose of this Agreement.
- 2) Upon execution of this Agreement, the Purchaser shall or cause KIB to proceed diligently and at its own cost and expense to obtain the shareholder's approvals, authorities approval for the proposed rights issue with warrant and other authorities approvals.

The obligation of the parties to complete the sale and purchase of the subject property under this Agreement shall become unconditional on the day when the Approval 1 and Approval 2 have been obtained unconditionally (the Unconditional Date).

The subject property forms part of the proposed development, Antara @ Genting Highlands. Antara @ Genting Highlands is a serviced apartment project to be undertaken by Aset Kayamas Sdn. Bhd. held under the aforementioned Parent Title. The subject property is presently not issued with individual Strata Title(s) as yet. As such, for purpose of this valuation, we were specifically instructed by the Client to value the subject property subject to the following details and conditions:-

- (i) **The subject property to be issued with 126 individual Strata Titles in which, floor plan and built-up area are based on details stipulated under Item 1.0 The Subject of this Valuation and Item 3.0 The Proposed Development of this certificate as well as the Conditional SPA;**
- (ii) **The combined floor area of the 126 units is 109,900 square feet; and**
- (iii) **The subject property is free of all encumbrances.**

7.0 PLANNING DETAILS

Our verbal enquiries with the Jabatan Perancangan Pembangunan, Bentong Municipal Council revealed that the subject site is designated for Commercial use with a permissible plot ratio of 1:4.

Our further enquiries revealed that the developer, Aset Kayamas Sdn. Bhd. has submitted planning application to the relevant authorities in relation to proposed development. Details of the planning applications are as follows:-

- (i) **Planning Permission – 2 blocks of serviced apartments and 1 block of hotel**
Obtained planning permission on 9th January 2020 vide reference file number Bil (38) dlm. M.P.BTG/PP/GH/5/16/2019 KM (OSC) for development with 2 blocks of serviced apartments (totalling 831 units) and a block of hotel (745 rooms).
- (ii) **Proposed Amendment – 4 blocks of serviced apartments**
The developer's consultant has made an amendment application to the planning permission for the subject site. A submission letter provided to us by the Client (reference file number PIRP/AKSB/D899/S2/JTKSAS/SUB001 – Jab Perancang Bandar, MPB) dated 14th September 2020 stated that the proposed amendment for development with 4 blocks of serviced apartments has complied with all terms by the Jawatankuasa Teknikal Kawasan Sensitif Alam Sekitar Negeri Pahang. Subsequently, Jabatan Perancangan Bandar Dan Desa Negeri Pahang Darul Makmur has on 30th November 2020 via a letter bearing reference file

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)

7.0 PLANNING DETAILS (Cont'd)

number Bil.(44) dlm.JPBD/PHG/C5/24666 agreed and certified that the application of amendment on the planning permission has complied with all terms by the relevant technical departments and the developer shall proceed with the application of planning permission to Majlis Perbandaran Bentong.

Briefly, the key proposed amendments as compare to the planning permission obtained on 9th January 2020 vide reference file number Bil (38) dlm. M.P.BTG/PP/GH/5/16/2019 KM (OSC) are as follows:-

Development Component	No. of Storey	No. of Unit	Gross Floor Area (sq. metre)
A. Based on Planning Permission Obtained			
1) Tower A – Serviced Apartment	46	364	44,449.94
2) Tower B – Serviced Apartment	48	467	60,981.81
3) Tower C – Hotel	45	745	46,494.57
4) Commercial Area		27	16,348.00
5) Restaurant		3	
6) Workers' accommodation		50	
7) Commercial Wellness/Conference		2	
Total Gross Floor Area exclude Car Park			168,274.32
Total No. of Car Park Bay and Gross Floor Area		2,333	88,978.45
Total Gross Floor Area include Car Park			257,252.77
B. Based on Proposed Amendment			
8) Tower A – Serviced Apartment	46	374	75,822.80
9) Tower B – Serviced Apartment	44	356	75,798.60
10) Tower C – Serviced Apartment	44	356	
11) Tower D – Serviced Apartment	46	374	
12) Commercial Area			5,917.10
13) Amenities/Facilities Area			5,216.40
14) Corridor/ Lobby Area			5,519.10
Total Gross Floor Area exclude Car Park			168,274.00
Total No. of Car Park Bay and Gross Floor Area		2,767	102,894.00
Total Gross Floor Area include Car Park			271,168.00

- Increase of Gross Floor Area from 257,252.77 sq. metres to 271,168 sq. metres.
- Change in components from 3 blocks of serviced apartments and hotel to 4 blocks of serviced apartments.
- Change in part of the planning permission at car park podium and commercial space.

Notwithstanding, the plot ratio of the proposed amendment has remained unchanged at 1:7.78.

(iii) Proposed Building Plans – 4 blocks of serviced apartments

The application of building plans approval for Antara @ Genting Highlands has been submitted to the relevant authorities for approval vide reference file number AA/P1903/0004, AA/P1903/0005, AA/P1903/0006 and AA/P1903/0007 and are certified received by OSC Majlis Perbandaran Bentong dated 9th December 2020.

(iv) Approved Temporary Sale Gallery

The developer has obtained planning permission to construct a temporary sales gallery on the subject site vide reference file number Bil (33) dlm.MPBTG/JKB/BS/5/04/2019 dated 31st December 2020.

(v) Proposed Covered Walkway

In respect of the proposed covered walkway, linking the subject site with Awana Skyway, Chin Swee Station (to the south) and Theme Park Hotel, Resort World (to the north), we were given to understand that the proposal still at the planning stage.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION

Valuation Methodology

The subject of this valuation comprises 126 serviced apartment units on a fully furnished basis with four different types of layout located on the 30th to 45th floors of Tower A, Antara @ Genting Highlands. For purposes of this valuation, we have used two-tiered adjustment approach in arriving at our opinion of value.

In respect of fully furnished package, we have relied estimated cost prepared by the chartered quantity surveyors i.e. Vescope Sdn. Bhd., which analyses to about RM280 per square foot per built-up area.

First Tier - Value of Base Unit

Under this tier, we have selected one of the 126 units forming the subject property as a BASE UNIT. We have adopted 2 methods of valuation i.e. Comparison Approach and Investment Method, Income Approach to determine the value of Base Unit.

We have analysed both the primary and secondary markets in Genting Highlands to have an overview of the Genting Highlands property market.

Our findings indicated that the developer's selling price at the uphill of Genting Highlands has increased at about 35% to 60% as compared to the launched price for existing serviced apartments which was launched about 5 to 8 years ago by the same developers i.e. NCT Group of Companies and Pesat Bumi Sdn. Bhd.

Our study also shown that current ongoing projects with about 4,000 serviced apartment units are upcoming to the market, adding more units to the 3,400 completed units. There is no sign that the development will pause anytime soon.

The development of new serviced apartments in this locality with higher developer's selling prices signify that COVID-19 pandemic has no shown material impact to the potential of this locality in the long run.

Second Tier – Aggregate Value and Market Value of the Subject Property

We have made further adjustments of Base Unit to reflect the micro dissimilarities include type, built-up area and floor level of the remaining 125 units. The Market Value of the subject property is the residue of the aggregate values of the 126 units less en-bloc discount i.e. to reflect the bulk purchase of 126 units by a single purchaser.

Comparison Approach

First Tier – Value of Base Unit

Comparison Approach provides an indication of value by comparing the property with market evidences of identical or comparable (that is similar) properties for which price information is available, such as a comparison with market transaction in the same, or closely similar, type of property within an appropriate time horizon where dissimilarities exist, adjustments are made.

	Comparable 1	Comparable 2	Comparable 3
Property Address	E7-29-09, ION Delemen @ Genting Highlands, Mukim and District of Bentong, Pahang	E7-20-08, ION Delemen @ Genting Highlands, Mukim and District of Bentong, Pahang	Unit 18A5, Ria Apartment, Genting Highlands, Mukim and District of Bentong, Pahang
Title Category Of Land Use	Commercial	Commercial	Residential
Tenure	Interest- in-perpetuity		
Level	29	20	18
Built-Up Area	990 sf	868 sf	1,184 sf
Date of Valuation / Transaction	27-Nov-18	14-Mar-19	24-Nov-20
Consideration	RM1,158,000	RM900,000	RM1,000,000
Source of Information	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)		
Remarks	Full furnished by the developer No ownership of car parking bay Optional Guaranteed Rental Return	Full furnished by the developer No ownership of car parking bay Optional Guaranteed Rental Return	No ownership of car parking bay
Transacted Price per square foot	RM1,170 psf	RM1,037 psf	RM845 psf
Transacted Price on no furnished basis	RM995 psf	RM862 psf	RM845 psf
Adjustments	Upward adjustments: Macro location, accessibility, age & building quality and full furnished package for the base unit	Upward adjustments: Macro location, accessibility, age & building quality, floor level and full furnished package for the base unit	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit
Adjusted Rate	RM1,623 psf	RM1,487 psf	RM1,716 psf

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)

8.0 VALUATION (cont'd)
First Tier – Value of Base Unit (cont'd)
Comparison Approach

	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Property Address	Unit 6405, Ria Apartment, Genting Highlands, Mukim and District of Bentong, Pahang	Unit 9405, Ria Apartment, Genting Highlands, Mukim and District of Bentong, Pahang	Unit 4428, Kayangan Apartment, Genting Highlands, Mukim and District of Bentong, Pahang	Unit 6428, Kayangan Apartment, Genting Highlands, Mukim and District of Bentong, Pahang
Title Category Of Land Use	Residential	Residential	Residential	Residential
Tenure	Interest- in-perpetuity			
Level	6	9	4	6
Built-Up Area	1,249 sf	1,249 sf	1,970 sf	1,658 sf
Date of Valuation / Transaction	16-Jul-19	28-Dec-18	5-Nov-20	6-Oct-20
Consideration	RM800,000	RM950,000	RM1,230,000	RM1,100,000
Source of Information	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)			
Remarks	No ownership of car parking bay	No ownership of car parking bay	No ownership of car parking bay	No ownership of car parking bay
Transacted Price per square foot	RM641 psf	RM761 psf	RM624 psf	RM663 psf
Transacted Price on no furnished basis	RM641 psf	RM761 psf	RM624 psf	RM663 psf
Adjustments	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit
Adjusted Rate	RM1,401 psf	RM1,611 psf	RM1,435 psf	RM1,507 psf

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION (cont'd)

First Tier – Value of Base Unit (cont'd)

Comparison Approach

	Comparable 8	Comparable 9	Comparable 10	Comparable 11
Property Address	WA 18-07, Windmill Upon Hills, Genting Highlands, Mukim and District of Bentong, Pahang	T1-03-10, Midhills, Genting Highlands, Mukim and District of Bentong, Pahang	T2-32-11, Block A, Geo 38 Residences, Genting Highlands, Mukim and District of Bentong, Pahang	Unit 18-12, Vista Residences, Genting Highlands, Mukim and District of Bentong, Pahang
Title Category Of Land Use	Commercial	Commercial	Commercial	Commercial
Tenure	Interest- in-perpetuity	Leasehold	Interest- in-perpetuity	Leasehold
Level	18	3	32	18
Built-Up Area	783 sf	557 sf	642 sf	887 sf
Date of Valuation / Transaction	21-Sep-20	24-Feb-20	04-Sep-20	12-May-20
Consideration	RM600,000	RM385,000	RM579,506	RM700,000
Source of Information	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)			
Remarks	Full furnished by the developer No ownership of car parking bay	Full furnished by the developer No ownership of car parking bay	Full furnished by the developer No ownership of car parking bay	Full furnished by the developer No ownership of car parking bay
Transacted Price per square foot	RM767 psf	RM691 psf	RM903 psf	RM789 psf
Transacted Price on no furnished basis	RM567 psf	RM491 psf	RM703 psf	RM604 psf
Adjustments	Upward adjustments: Location, accessibility, floor level and full furnished package for the base unit	Upward adjustments: Location, accessibility, tenure, floor level and full furnished package for the base unit Downward adjustments: Built-up area	Upward adjustments: Location, accessibility, floor level and full furnished package for the base unit	Upward adjustments: Location, accessibility, tenure, floor level and full furnished package for the base unit
Adjusted Rate	RM1,328 psf	RM1,312 psf	RM1,545 psf	RM1,458 psf

Explanatory Notes:

Fully Furnished Package for Comparables

We noted that the Comparables in Ion Delemen, Windmill Upon Hills, Midhills, Geo 38 Residences and Vista Residences come with fully furnished package. In terms of fully furnished package adjustment for the Comparables, we have adopted the same new cost rate as per the subject property which provided by a licensed quantity surveyor, and thereafter made adjustment for depreciation

Location

Comparables fall within 3 micro locations i.e. within main precinct of Resort World Genting (RWG), fringe of RWG and midhill of Genting Highlands. We did not make adjustment for location for Comparables 3 to 7 and the Subject Property which located within main precinct of RWG. We made adjustments for Comparables 1 and 2 that are located at 4.7km from RWG and at fringe of RWG, and Comparables 8 to 11 that are located at midhill of Genting Highlands based on the findings of our case study

Facilities

We have compared Ion Delemen to Ria and Kayangan Apartments in our case study. In order to analyse the difference of facilities factor in respect of old apartments against modern serviced apartments, we have first net off other dissimilarities include micro location, built-up area and floor level to arrive at the difference between serviced apartment (Subject Property) and apartment schemes (Ria and Kayangan Apartments).

Floor Level

For floor level adjustment, we have categorised it into 5 groups. First group which consists of the lower floors i.e. the 15th floor and below, and thereafter grouping for every 10 floors higher

Size/Floor Area

In terms of floor area adjustment, there are 6 floor size bands in total, starting from the first band for those below 600 sq. ft., followed by 601 sq. ft. to 1,000 sq. ft., 1,001 sq. ft. to 1,500 sq. ft., 1,501 sq. ft. to 2,000 sq. ft., 2,001 sq. ft. to 3,000 sq. ft., 3,001 sq. ft. and above

Fully Furnished Package for Subject Property

In respect of fully furnished package, we have relied estimated cost prepared by the chartered quantity surveyors i.e. Vescope Sdn, Bhd.

COMPUTATION OF MARKET VALUE OF THE BASE UNIT BASED ON COMPARISON APPROACH

In arriving at the Market Value of the Base Unit, we have adopted RM1,600 per square foot for the Base Unit. We have relied on Comparables 3 and 5 in arriving at our opinion of value as they are located at a close proximate to the subject site. We do not rely on Comparable 4 as its transacted yield analysed at about 7.54% which is higher than the market yield of the area. We also placed higher reliance on the Comparables located at uphill of Genting Highlands as from our analysis, the total adjustments for the Comparables 8 to 11 at midhill area are excessive, mainly contributed by a single factor i.e. location.

Base Unit: A-30-07
 Floor Area: 800 sf
 Rate Adopted: RM1,600 psf
MARKET VALUE: RM1,280,000

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)

8.0 VALUATION (cont'd)
First Tier – Value of Base Unit (cont'd)
**Investment Method,
Income Approach**

This approach provides an indication of value by capitalising the net annual rental income of the property, whereby net annual rental income is derived from gross annual rent by deducting annual outgoings/expenses of the property with allowance for voids.

Our findings shown that the transacted yield of serviced apartments in midhill of Genting Highlands is in the range of 2.44% to 3.52% which is significantly lower than comparables in the immediate vicinity of the subject property ranged between 5.72% to 7.97%, therefore we have selected concluded rents of units located at uphill of Genting Highlands.

In arriving at the Market Value of Base Unit on this approach, we have considered the rentals of serviced apartments and apartments within the immediate and larger locality, as follows:-

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Address	E4-23-10, ION Delemen @ Genting Highlands, Mukim and District of Bentong, Pahang	E4-23-02, ION Delemen @ Genting Highlands, Mukim and District of Bentong, Pahang	Unit 3418, Ria Apartment, Genting Highlands, Mukim and District of Bentong, Pahang	Unit 3427, Kayangan Apartment, Genting Highlands, Mukim and District of Bentong, Pahang
Title Category of Land Use	Commercial	Commercial	Residential	Residential
Tenure	Interest-in-perpetuity			
Level	23	23	3	3
Built-Up Area	861 sf	635 sf	1,100 sf	1,658 sf
Date of Valuation / Commencement & Expiry	17-Dec-19 to 16-Dec-22	17-Dec-19 to 16-Dec-22	6-Jul-20 to 5-Jan-21	1-Jun-17 to 31-May-19
Rental Rate	RM6,653.85	RM4,657.20	RM5,500.00	RM8,500.00
Source of Information	JPPH	JPPH	Tenancy Details	JPPH
Remarks	Full furnished by the developer No ownership of car parking bay	Full furnished by the developer No ownership of car parking bay	No ownership of car parking bay	No ownership of car parking bay
Rental Rate per square foot	RM7.73 psf	RM7.33 psf	RM5.00 psf	RM5.13 psf
Rental Rate on no furnished basis	RM6.57 psf	RM6.23 psf	RM5.00 psf	RM5.13 psf
Adjustments	Upward adjustments: Macro location, accessibility, floor level and full furnished package for the base unit.	Upward adjustments: Macro location, accessibility, floor level and full furnished package for the base unit.	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit.	Upward adjustments: Accessibility, age & building quality, facilities, floor level, built-up area and full furnished package for the base unit.
Adjusted Rate	RM10.64 psf	RM10.12 psf	RM10.50 psf	RM11.38 psf

Explanatory Notes:
Fully Furnished Package for Comparables

We made an adjustment of 15% to reflect the fully furnished package provided in Ion Delemen. This is in line with adjustments made under the Comparison Approach. We have further benchmarked against the market norm by comparing serviced apartment units with and without fully furnished package within the same schemes in Klang Valley i.e. KLCC, Mont Kiara and Bangsar areas.

Location

Refer to Explanatory Note for location adjustment in Comparison Approach.

Facilities

Refer to Explanatory Note for facilities adjustment in Comparison Approach.

Floor Level

Refer to Explanatory Note for floor level adjustment in Comparison Approach.

Size/Floor Area

Refer to Explanatory Note for floor area adjustment in Comparison Approach.

Fully Furnished Package for Subject Property

We made an adjustment of 20% to reflect the fully furnished package provided in the Subject Property based on the estimated cost provided by the chartered quantity surveyor. We have further benchmarked against the market norm by comparing serviced apartment units with and without fully furnished package within the same schemes in Klang Valley i.e. KLCC, Mont Kiara and Bangsar areas.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION (cont'd)

First Tier – Value of Base Unit (cont'd)

Investment Method,
Income Approach

A) ADJUSTED RENTAL RATE		
Comparable No. 1	RM10.64 psf	
Comparable No. 2	RM10.12 psf	
Comparable No. 3	RM10.50 psf	
Comparable No. 4	RM11.38 psf	
We have adopted RM10.50 per square foot for the Base Unit. We have relied on Comparable 3 as it is located at a close proximate to the subject site.		
B) PROPERTY DETAILS (BASE UNIT)		
Unit No.	A-30-07	
Type	B1	
Level	30	
Built-Up Area	800 sf	
C) GROSS INCOME		
Market Rental Rate	RM10.50 psf	
Monthly Gross Rental		RM8,400
D) OUTGOINGS		
Total Monthly Outgoings & Voids	About 10%	RM849
E) NET INCOME		
Net Monthly Rental		RM7,551
Annual Net Rental		RM90,617
F) CAPITAL VALUE		
Yield		6.50%
Years Purchase (YP)		15.38
Market Value		RM1,394,112
say		RM1,390,000
or		RM1,738 psf

We have placed higher reliance on Comparison Approach as there are reliable sale comparables to arrive at the Base Value at RM1,280,000.

The Subject
Property

Second Tier – Aggregate Value and Market Value of the Subject Property

Aggregate Value

We have made further adjustments of the Base Unit Value obtained from both Comparison Approach and Investment Method, Income Approach to reflect the micro dissimilarities include type, built-up area and floor level of the remaining 125 units forming the subject property and on a basis that each unit to be marketed and sold separately.

We then summed up to arrive at the Aggregate Values by using the Comparison Approach and Investment Method, Income Approach.

Market Value

The Market Value of the subject property is the residue of the aggregate values of the 126 units less en-bloc discount i.e. to reflect the bulk purchase of 126 units by a single purchaser.

En-Bloc discount is derived on the basis that the Client will re-sale the component units individually to any third parties upon completion of the development and delivery of vacant possession.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION (cont'd)

Second Tier – Aggregate Value and Market Value of the Subject Property (cont'd)

The Subject Property

Briefly, the subject property made up as follows:-

Type	A	B	C1 & C2	C3	Total
Built-Up Area	520 sf	800 sf	1,030 sf	1,040 sf	
Level	No. of Units				
30	1	4	3	1	9
31	0	3	2	0	5
32	0	3	2	0	5
33	1	4	3	1	9
33A	1	4	3	1	9
35	1	4	3	1	9
36	1	1	1	1	4
37	1	1	1	1	4
38	1	4	3	1	9
39	1	4	3	1	9
40	1	4	3	1	9
41	1	4	3	1	9
42	1	4	3	1	9
43	1	4	3	1	9
44	1	4	3	1	9
45	1	4	3	1	9
TOTAL	14	56	42	14	126

Aggregate Value

A. COMPUTATION OF AGGREGATE VALUE BY COMPARISON APPROACH:-

Unit No. : A-30-07
 Type : B1
 Level : 30
 Built-Up Area : 800 square feet
Base Value : RM1,600 psf

Further adjustments made to the other component units forming the Subject Property:-

- (i) Floor Level
- (ii) Type & Built-Up Area

BASE	Type A (30th to 35th Floors)	Type C1 & C2 (30th to 35th Floors)	Type C3 (30th to 35th Floors)	Type A (36th to 45th Floors)	Type B (36th to 45th Floors)	Type C1 & C2 (36th to 45th Floors)	Type C3 (36th to 45th Floors)
RM1,600 psf							
Further Adjustments							
(i) Floor Level	Upward adjustment for type & built-up area	Downward adjustment for type & built-up area	Downward adjustment for type & built-up area	Upward adjustment for floor level and type & built-up area	Upward adjustment for floor level	Upward adjustment for floor level	Upward adjustment for floor level
(ii) Type & Built-Up Area						Downward adjustment for type & built-up area	Downward adjustment for type & built-up area
Adjusted Rate	RM1,680 psf	RM1,520 psf	RM1,520 psf	RM1,760 psf	RM1,680 psf	RM1,600 psf	RM1,600 psf
Value per unit	RM873,600	RM1,565,600	RM1,580,800	RM915,200	RM1,344,000	RM1,648,000	RM1,664,000

Computation of aggregate values in respect of 126 units forming the subject property

Antara @ Genting Highlands					
Tower A					
Type	A	B	C1 & C2	C3	Total
Built-up Area	520 sf	800 sf	1,030 sf	1,040 sf	
	4 units	22 units	16 units	4 units	46 units
Level 30 – 35	RM1,680 psf	RM1,600 psf	RM1,520 psf	RM1,520 psf	
	RM873,600	RM1,280,000	RM1,565,600	RM1,580,800	RM63,027,200
	10 units	34 units	26 units	10 units	80 units
Level 36 – 45	RM1,760 psf	RM1,680 psf	RM1,600 psf	RM1,600 psf	
	RM915,200	RM1,344,000	RM1,648,000	RM1,664,000	RM114,336,000
Total No. of Units	14 units	56 units	42 units	14 units	126 units
Aggregate Values					RM177,363,200

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION (cont'd)

Second Tier – Aggregate Value and Market Value of the Subject Property (cont'd)
Aggregate Value **B. COMPUTATION OF AGGREGATE VALUE BY INVESTMENT METHOD, INCOME APPROACH:-**

Unit No. : A-30-07
 Type : B1
 Level : 30
 Built-Up Area : 800 square feet
Base Value : RM1,738 psf

Further adjustments made to the other component units forming the Subject Property:-

- (i) Floor Level
- (ii) Type & Built-Up Area

BASE	Type A (30th to 35th Floors)	Type C1 & C2 (30th to 35th Floors)	Type C3 (30th to 35th Floors)	Type A (36th to 45th Floors)	Type B (36th to 45th Floors)	Type C1 & C2 (36th to 45th Floors)	Type C3 (36th to 45th Floors)
RM1,738 psf							
Further Adjustments							
(i) Floor Level	Upward adjustment for type & built-up area	Downward adjustment for type & built-up area	Downward adjustment for type & built-up area	Upward adjustment for floor level and type & built-up area	Upward adjustment for floor level	Upward adjustment for floor level	Upward adjustment for floor level
(ii) Type & Built-Up Area						Downward adjustment for type & built-up area	Downward adjustment for type & built-up area
Adjusted Rate	RM1,825 psf	RM1,651 psf	RM1,651 psf	RM1,912 psf	RM1,825 psf	RM1,738 psf	RM1,738 psf
Value per unit	RM949,000	RM1,701,000	RM1,717,000	RM994,000	RM1,460,000	RM1,790,000	RM1,808,000

Computation of aggregate values in respect of 126 units forming the Subject Property:-

Antara @ Genting Highlands					
Tower A					
Type	A	B	C1 & C2	C3	Total
Built-up Area	520 sf	800 sf	1,030 sf	1,040 sf	
	4 units	22 units	16 units	4 units	46 units
Level 30 – 35	RM1,825 psf	RM1,738 psf	RM1,651 psf	RM1,651 psf	
	RM949,000	RM1,390,000	RM1,701,000	RM1,717,000	RM68,460,000
Level 36 – 45	10 units	34 units	26 units	10 units	80 units
	RM1,912 psf	RM1,825 psf	RM1,738 psf	RM1,738 psf	
	RM994,000	RM1,460,000	RM1,790,000	RM1,808,000	RM124,200,000
Total No. of Units	14 units	56 units	42 units	14 units	126 units
Aggregate Values					RM192,660,000

C. SUMMATION OF VALUES AND OPINION OF VALUES:-

Valuation Methodology	Opinion of Value
Comparison Approach	RM177,363,200
Investment Method, Income Approach	RM192,660,000

We have placed higher reliance on Comparison Approach as there are reliable sale comparables to arrive at the Aggregate Value at **RM177,363,200**.

Market Value

Computation in arriving at the Market Value of the Subject Property:-

	Type A	Type B	Type C1 & C2	Type C3	Total	Analysis
Built-up Area	520 sf	800 sf	1,030 sf	1,040 sf	109,900 sf	
No. of Units	14	56	42	14	126	
Aggregate Values					RM177,363,200	RM1,614 psf
Less : En-Bloc Discount (Note 1)						
Including entrepreneur's profit, marketing fees and holding cost				about 19.23%	RM34,111,980	
Market Value of the Subject Property					RM143,251,220	RM1,303 psf
				say	RM143,000,000	RM1,301 psf

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION (cont'd)

Second Tier – Aggregate Value and Market Value of the Subject Property (cont'd)

Market Value

Explanatory Note:

Note 1 : En-Bloc Discount

En-Bloc discount is derived on the basis that the Client will re-sale the component units individually to any third parties upon completion of the development and delivery of vacant possession. As such, cost of sales/ investment to the Client shall include the following:-

(a) Entrepreneur's Profit

Developer's profit to undertake development projects ranged between 15% to 25%. We have adopted 12% in this valuation to reflect lower risk of investment.

(b) Marketing Fee

We have adopted 3% of re-sale values (Aggregate Values) which is in line with the scale fee to estate agency by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

(c) Holding Cost

(i) From our research on the ongoing or newly launched projects, the take-up rates for projects located at midhill of Genting Highlands (IBN Highland and Geo Antaras) are about 8 to 33 units per month, whilst take-up rate for project at uphill Genting Highlands (Ion Majestic) is about 44 units per month. The recently launched project, Tropicana @ Midhill, is about 144 units taken up since launched in October 2020.

In view of the above, we have adopted a take-up rate of about 7 to 8 units per month for purpose of this valuation which work out to about 1.5 years (18 months) to dispose the 126 component units forming the Subject Property.

(ii) We have adopted 7% interest rate (in line with rates offered by banks in Malaysia) and a holding period of about 0.75 year (mid term of marketing period i.e. 1.5 years) in arriving at the holding cost of investment.

Reconciliation of Values

No.	Property Details	Valuation Methodology	Opinion of Value	Remarks
FIRST TIER				
1	BASE VALUE			
	Unit No: A-30-07 of Type B1 having a floor area of about 800 square feet	a) Comparison Approach b) Investment Method, Income Approach	RM1,280,000 RM1,390,000	RM1,280,000
				Base Value is derived from two different Approaches of Valuation, i.e. Comparison Approach and Investment Method, Income Approach before the computation and summation of the Aggregate Value. We have placed higher reliance on Comparison Approach as there are reliable sale comparables to arrive at the Base Value.
SECOND TIER				
2	AGGREGATE VALUES			
	126 serviced apartment units located on the 30th to 45th floors (forming the subject property) i) Type A: 14 units ii) Type B: 56 units iii) Type C1 & C2: 42 units iv) Type C3: 14 units	Further adjustments of Base Value on type, built-up area and floor level, thereafter we have sum up the individual values of the 126 units. a) Comparison Approach b) Investment Method, Income Approach	RM177,363,200 RM177,363,200 RM192,660,000	RM177,363,200
				Adjustments made for the dissimilarities to determine the Market Value for each component unit on a basis that each unit to be marketed and sold separately. We have placed higher reliance on Comparison Approach as there are reliable sale comparables to arrive at the Aggregate Value.
3	MARKET VALUE OF THE SUBJECT PROPERTY			
	Comprises 126 serviced apartment units having a combined floor area of about 109,900 square feet.	The Aggregate Value less en-bloc discount. The adjustments including entrepreneur's profit, marketing fee and holding cost.		RM143,000,000
				En-Bloc discount is derived on the basis that the purchaser will re-sale the component units individually to any third parties upon completion of the development and delivery of vacant possession, i.e. about 19% discount from the Aggregate Value.

APPENDIX II - VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 16 MARCH 2021 (CONT'D)



8.0 VALUATION (cont'd)

COVID-19 Impact

2020 has been an unexceptionally challenging year for all. Disruption of economic and supply chains due to the implementation of several stages of movement control orders has severely affected the business ecosystem. Till date, Malaysian market sentiments remained uncertain since the COVID-19 pandemic breakout in 1Q 2020. Major segments of businesses and income groups still require government assistance to overcome this unprecedented circumstance.

The property market in Malaysia is expected to remain silent in the near future as majority are taking a wait-and-see approach at this juncture. The mismatch of sellers and buyers expectations as well as prolonged transaction process due to the restricted movement control has resulted in property sales plunged since March 2020. However, there are no clear quantitative indication on its impact to the property market values.

This market sentiment is expected to continue to be driven by the COVID-19 pandemic in the short term. The market recovery is very much dependent on how the pandemic being managed and constrained. As such, we would recommend the Client to undertake periodic assessment of the subject property as deemed necessary as market condition changes.

Opinion of Value

WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO VALUE THE SUBJECT PROPERTY BASED ON THE FOLLOWING ASSUMPTIONS:-

- A. THE PROPOSED DEVELOPMENT AND THE PROPOSED BUILDING PLANS FOR 4 BLOCKS OF SERVICED APARTMENTS AS WELL AS THE PROPOSED COVERED PEDESTRIAN WALKWAYS ARE APPROVED BY THE RELEVANT AUTHORITIES.
- B. THE PROPOSED DEVELOPMENT AND THE SUBJECT PROPERTY ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE TO THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE (CCC).
- C. EACH COMPONENT UNIT WILL BE ISSUED WITH A STRATA TITLE WHICH WILL CONVEY AN INTEREST IN PERPETUITY, WITH ALL RELEVANT PREMIUM, CHARGES AND EXPENSES TO BE BORNE BY THE DEVELOPER.
- D. THE PROPOSED COVERED PEDESTRIAN WALKWAYS ARE FULLY COMPLETED IN ACCORDANCE TO THE PLANS AND SPECIFICATIONS AS APPROVED BY THE RELEVANT AUTHORITIES.
- E. FURNITURE, FIXTURE AND EQUIPMENT ARE BUILT AND INSTALLED IN GOOD WORKMANSHIP IN ACCORDANCE TO AGREEMENT WITH THE DEVELOPER.

HAVING REGARD TO THE FOREGOING, OUR OPINION OF THE MARKET VALUE OF THE LEGAL INTEREST IN THE SUBJECT PROPERTY, AN ASSUMED COMPLETED 126 UNITS OF SERVICED APARTMENTS ON A FULLY FURNISHED BASIS, LOCATED ON 30TH TO 45TH FLOORS OF TOWER A, ANTARA @ GENTING HIGHLANDS, SITED ON PARENT LOT 43031 (FORMERLY PT 23923), MUKIM AND DISTRICT OF BENTONG, PAHANG DARUL MAKMUR HELD UNDER PARENT TITLE NO. GRN 45572 (FORMERLY HSD 18603) ON THE BASIS OF VACANT POSSESSION AND SUBJECT TO THE ABOVEMENTIONED ASSUMPTIONS AND THAT THE FORTHCOMING STRATA TITLES WILL BE FREE OF ALL ENCUMBRANCES, GOOD, MARKETABLE AND REGISTRABLE AS AT THE DATE OF THIS VALUATION I.E. 5TH JANUARY 2021 IS RM143,000,000 (RINGGIT MALAYSIA ONE HUNDRED AND FORTY THREE MILLION ONLY).

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

Yours faithfully,
For and on behalf of
OPTIMA REAL ESTATE SDN. BHD.

Sr CHEOK BEE KHIM, MRISM
REGISTERED VALUER, V-772

APPENDIX III – UPDATED VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 30 MARCH 2021

CERTIFIED TRUE COPY
WONG YUET CHYN (MAICSA 7047163)
Secretary
SSM PC No. 202008002451

28 JUN 2021

optima
REAL ESTATE

Your Ref: -
Our Ref.: V/21/015/SC

30th March 2021

Kanger International Berhad
K-3-12 & K-3-13, Solaris Mont Kiara
No. 2, Jalan Solaris, Mont Kiara
50480 Kuala Lumpur

Optima Real Estate Sdn. Bhd.
(Company No. 1331448-X)

Aurora SOVO 1-9-13,
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Bandar Bukit Jalil,
57000 Kuala Lumpur
Tel: 03-5033 2725



PENILAI, EJEN HARTA TANAH
& PENGURUS HARTA
VEPM (I) 0025

By Email & Post

Dear Sirs/Madam,

**UPDATE VALUATION CERTIFICATE OF:-
AN ASSUMED COMPLETED 126 UNITS OF SERVICED APARTMENTS LOCATED ON 30TH TO 45TH
FLOORS OF TOWER A, ANTARA @ GENTING HIGHLANDS (“THE SUBJECT PROPERTY”), SITED ON
LOT NO. 43031 (FORMERLY PT 23923), MUKIM AND DISTRICT OF BENTONG, PAHANG DARUL
MAKMUR HELD UNDER TITLE NO. GRN 45572 (FORMERLY HSD 18603)**

This Update Valuation Certificate has been prepared in accordance with your instructions to value the Subject Property for purposes of submission to Bursa Malaysia Securities Berhad and for inclusion in the Abridged Prospectus of Kanger International Berhad in relation to the rights issue with warrants.

The Terms of Reference of this update valuation remain unchanged as per our valuation of the Subject Property as at 5th January 2021 vide our Report and Valuation bearing Reference No. V/21/002/SC.

This Update Valuation Certificate has been prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

Pursuant to this engagement, we inspected the Subject Property and its surrounding area on 20th March 2021, conducted planning search and gathered all relevant information for purpose of this valuation.

For all the purposes and intents, this Update Valuation Certificate should be read in conjunction with our Report and Valuation bearing Reference No. V/21/002/SC and Valuation Certificate both dated 16th March 2021. Brief description of our update valuation are summarised as follows:-

1.0 THE SUBJECT OF THIS VALUATION

The interest in perpetuity in an assumed completed 126 units of serviced apartments located on 30th to 45th Floors of Tower A, Antara @ Genting Highlands, Pahang Darul Makmur, on a fully furnished basis as at 20th March 2021.

APPENDIX III – UPDATED VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 30 MARCH 2021 (CONT'D)

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REAL ESTATE

2.0 PROPERTY DESCRIPTION

Location	Sited along the western boundary of Jalan Genting Sempah-Genting Highlands travelling from Genting Sempah towards Genting Highlands, the subject site about 5,412 feet above sea level and approximately 1 kilometre to Resorts World Genting, Genting Highlands. It is approximately 8 kilometres from Gohtong Jaya roundabout and is directly accessible from Jalan Genting Sempah-Genting Highlands.
Site Description	Construction works within the site commenced in Q3 2019. As at 25 th March 2021, the overall progress of works was 11% completed. During our inspection, we noted that there was a temporary sales gallery constructed on the southern portion of the subject site.
The Proposed Development	The subject site is proposed for 4 blocks of serviced apartments, totalling 1,460 units.
The Subject Property	The subject property is an assumed completed 126 units of serviced apartments. The component units are of 4 types from 1-bedroom to 3-bedroom serviced apartments comes with fully furnished package.

3.0 EXISTING USE AND OCCUPANCY STATUS

The subject site is undergoing construction. As at 25th March 2021, the overall progress works was 11% completed.

4.0 LEGAL DESCRIPTION

Particulars of Parent Title We have relied on the Title Document as per our latest official search on 21st December 2020.

5.0 PLANNING DETAILS

The details of the latest approval/submission are as follows:-

1	Planning Permission – 2 blocks of serviced apartments and 1 block of hotel	Obtained planning permission on 9th January 2020.
2	Proposed Amendment – 4 blocks of serviced apartments	Submitted application on 14th September 2020.
3	Proposed Building Plans – 4 blocks of serviced apartments	Submitted application and certified received by OSC Majlis Perbandaran Bentong dated 9th December 2020
4	Approved Temporary Sale Gallery	Obtained planning permission on 31st December 2020.
5	Proposed Covered Walkway	Submitted application on 11 th January 2021 and certified received by OSC Majlis Perbandaran Bentong dated 12 th and 13 th January 2021.

Based on the information provided to us by the Client, we noted that planning permission and building plans of the proposed 4 blocks of serviced apartments as well as planning permission for the proposed covered walkway are still pending approval from the relevant authorities.

6.0 VALUATION

Valuation Methodology For purposes of this valuation, we have used two-tiered adjustment approach in arriving at our opinion of value.

First Tier - Value of Base Unit

Under this tier, we have selected one of the 126 units forming the Subject Property as a BASE UNIT. We have adopted 2 methods of valuation i.e. Comparison Approach and Investment Method, Income Approach to determine the value of Base Unit.

Second Tier – Aggregate Value and Market Value of the Subject Property

We have made further adjustments of Base Unit to reflect the micro dissimilarities include type, built-up area and floor level of the remaining 125 units. The Market Value of the subject property is the residue of the aggregate values of the 126 units less en-bloc discount i.e. to reflect the bulk purchase of 126 units by a single purchaser.

APPENDIX III – UPDATED VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 30 MARCH 2021 (CONT'D)

6.0 VALUATION (cont'd)
Reconciliation of Values

No.	Property Details	Valuation Methodology	Opinion of Value	Remarks	
FIRST TIER					
1	BASE VALUE Unit No: A-30-07 of Type B1 having a floor area of about 800 square feet	a) Comparison Approach b) Investment Method, Income Approach	RM1,280,000 RM1,390,000	RM1,280,000	Base Value is derived from two different Approaches of Valuation, i.e. Comparison Approach and Investment Method, Income Approach before the computation and summation of the Aggregate Value. We have placed higher reliance on Comparison Approach as there are reliable sale comparables to arrive at the Base Value.
SECOND TIER					
2	AGGREGATE VALUES 126 serviced apartment units located on the 30th to 45th floors (forming the subject property) i) Type A: 14 units ii) Type B: 56 units iii) Type C1 & C2: 42 units iv) Type C3: 14 units	Further adjustments of Base Value on type, built-up area and floor level, thereafter we have sum up the individual values of the 126 units. a) Comparison Approach b) Investment Method, Income Approach	RM177,363,200 RM177,363,200 RM192,660,000	RM177,363,200	Adjustments made for the dissimilarities to determine the Market Value for each component unit on a basis that each unit to be marketed and sold separately. We have placed higher reliance on Comparison Approach as there are reliable sale comparables to arrive at the Aggregate Value.
3	MARKET VALUE OF THE SUBJECT PROPERTY Comprises 126 serviced apartment units having a combined floor area of about 109,900 square feet.	The Aggregate Value less en-bloc discount. The adjustments including entrepreneur's profit, marketing fee and holding cost.		RM143,000,000	En-Bloc discount is derived on the basis that the purchaser will re-sale the component units individually to any third parties upon completion of the development and delivery of vacant possession, i.e. about 19% discount from the Aggregate Value.

Market Condition

The Malaysian Government has re-implemented MCO (also known as MCO 2.0) throughout the country except for Sarawak from 13th January until 18th February 2021 due to the rise of number of COVID-19 cases. It was further extended for major cities in Peninsular Malaysia until early March 2021. Implementation of MCO 2.0 during this period has again paused the business activities including real estate.

Meanwhile, countries are gearing up with a wider vaccination programme in order to achieve herd immunity in the near future. Herd immunity could be key to ending this pandemic and path towards economy recovery.

APPENDIX III – UPDATED VALUATION CERTIFICATE FROM OPTIMA FOR THE VALUATION OF THE SUBJECT PROPERTIES DATED 30 MARCH 2021 (CONT'D)



6.0 VALUATION (cont'd)

Opinion of Value

WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO VALUE THE SUBJECT PROPERTY BASED ON THE FOLLOWING ASSUMPTIONS:-

- A. THE PROPOSED DEVELOPMENT AND THE PROPOSED BUILDING PLANS FOR 4 BLOCKS OF SERVICED APARTMENTS AS WELL AS THE PROPOSED COVERED PEDESTRIAN WALKWAYS ARE APPROVED BY THE RELEVANT AUTHORITIES.
- B. THE PROPOSED DEVELOPMENT AND THE SUBJECT PROPERTY ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE TO THE APPROVED BUILDING PLANS AND SPECIFICATIONS AND ISSUED WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE (CCC).
- C. EACH COMPONENT UNIT WILL BE ISSUED WITH A STRATA TITLE WHICH WILL CONVEY AN INTEREST IN PERPETUITY, WITH ALL RELEVANT PREMIUM, CHARGES AND EXPENSES TO BE BORNE BY THE DEVELOPER.
- D. THE PROPOSED COVERED PEDESTRIAN WALKWAYS ARE FULLY COMPLETED IN ACCORDANCE TO THE PLANS AND SPECIFICATIONS AS APPROVED BY THE RELEVANT AUTHORITIES.
- E. FURNITURE, FIXTURE AND EQUIPMENT ARE BUILT AND INSTALLED IN GOOD WORKMANSHIP IN ACCORDANCE TO AGREEMENT WITH THE DEVELOPER.

HAVING REGARD TO THE FOREGOING, OUR OPINION OF THE MARKET VALUE OF THE LEGAL INTEREST IN THE SUBJECT PROPERTY, AN ASSUMED COMPLETED 126 UNITS OF SERVICED APARTMENTS ON A FULLY FURNISHED BASIS, LOCATED ON 30TH TO 45TH FLOORS OF TOWER A, ANTARA @ GENTING HIGHLANDS, SITED ON PARENT LOT 43031 (FORMERLY PT 23923), MUKIM AND DISTRICT OF BENTONG, PAHANG DARUL MAKMUR HELD UNDER PARENT TITLE NO. GRN 45572 (FORMERLY HSD 18603) ON THE BASIS OF VACANT POSSESSION AND SUBJECT TO THE ABOVEMENTIONED ASSUMPTIONS AND THAT THE FORTHCOMING STRATA TITLES WILL BE FREE OF ALL ENCUMBRANCES, GOOD, MARKETABLE AND REGISTRABLE AS AT THE DATE OF THIS VALUATION I.E. 20TH MARCH 2021 IS RM143,000,000 (RINGGIT MALAYSIA ONE HUNDRED AND FORTY THREE MILLION ONLY).

IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS AS STATED ABOVE, THE APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED.

We would like to advise that there were no material changes of market condition and development of the subject site and the surrounding areas since our previous valuation. Our opinion of value of the Subject Property is RM143,000,000 as at 20th March 2021 i.e. same as per our opinion of value of the Subject Property as at 5th January 2021.

Yours faithfully,
For and on behalf of
OPTIMA REAL ESTATE SDN. BHD.

Sr CHEOK BEE KHIM, MRISM
REGISTERED VALUER, V-772

APPENDIX IV - ADDITIONAL INFORMATION

1. CONSENTS

Our Principal Adviser, company secretary, the due diligence solicitors, our Share Registrar, Independent Market Researcher and Bloomberg Finance Singapore L.P. have given and have not subsequently withdrawn their written consents for the inclusion in this Abridged Prospectus of their name and all references thereto in the form and context in which they appear in this Abridged Prospectus.

The Independent Valuer has given and has not subsequently withdrawn its written consent for the inclusion in this Abridged Prospectus of its name, valuation certificates for the valuation of the Subject Properties and all reference thereto in the form and context in which they appear in this Abridged Prospectus.

2. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) during normal business hours from Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:-

- (i) the material contracts as referred to in **Section 5 of Appendix I** of this Abridged Prospectus;
- (ii) the letter of undertaking by the Undertaking Shareholder as referred to in **Section 3** of this Abridged Prospectus;
- (iii) letters of consent as referred to in **Section 1 of Appendix IV** of this Abridged Prospectus;
- (iv) the valuation certificate dated 16 March 2021 and the updated valuation certificate dated 30 March 2021 from Optima for the valuation of the Subject Properties as set out in **Appendices II and III** of this Abridged Prospectus, respectively;
- (v) the valuation report dated 16 March 2021 and the updated valuation report dated 30 March 2021 from Optima as referred to in **Section 5.3** of this Abridged Prospectus; and
- (vi) the Independent Market Researcher's report dated 30 July 2021 by Providence as referred to in **Sections 8.4, 8.5, 8.6 and 8.7** of this Abridged Prospectus.

3. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Abridged Prospectus together with the accompanying NPA and RSF. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, they confirmed that there is no false or misleading statement or other facts which if omitted, would make any statement in the Documents false or misleading.

UOB Kay Hian, being the Principal Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.