

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIFTH (5TH) QUARTER ENDED 31 MARCH 2021**

	----- Individual Quarter -----		Cumulative
	31 March 2021 RM '000	31 March 2020 RM '000	Quarter 31 March 2021 RM '000
Revenue	1,098	11,257	33,889
Cost of sales	(1,887)	(8,763)	(31,559)
Gross (loss)/profit	(789)	2,494	2,330
Other operating income	49,399	3	51,443
Administrative expenses	(4,364)	(6,218)	(26,668)
Selling and distribution expenses	241	(408)	(1,299)
Other operating expenses	(58,322)	(9)	(69,229)
Finance costs	(2,530)	(235)	(4,022)
Loss before taxation	(16,365)	(4,373)	(47,445)
Taxation	(9)	(12)	(9)
Loss after taxation "LAT"	(16,374)	(4,385)	(47,454)
Other comprehensive income: <i>Items that maybe reclassified subsequently to profit or loss</i>			
- Foreign exchange translation	10,032	3,055	13,675
Total comprehensive (loss)/income	(6,342)	1,330	(33,779)
(LAT)/PROFIT AFTER TAX ("PAT") ATTRIBUTABLE TO:			
- Owners of the Company	(16,235)	(4,293)	(47,588)
- Non-controlling interest	(139)	(92)	134
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:			
- Owners of the Company	(5,810)	2,206	(33,275)
- Non-controlling interests	(532)	(876)	(504)
Weighted average no. of ordinary shares ('000)	1,661,327	1,232,768	1,661,327
Loss per share attributable to Owners of the Company (sen):			
- Basic	(0.98)	(0.35)	(2.86)
- Diluted	N/A	N/A	N/A

N/A: The effect is not shown as this is anti-dilutive.

Notes:

On 10 February 2021, Kanger International Berhad ("**Kanger**" or the "**Company**") announced the change of financial year end from 31 December 2020 to 31 March 2021. The current reporting financial period will be for a period of 3 months and 15 months, made up from 1 January 2021 to 31 March 2021 and from 1 January 2020 to 31 March 2021 respectively. As such, there are no comparative figures for the cumulative preceding year corresponding periods.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended ("**FYE**") 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	(Unaudited) As at 31 March 2021 RM '000	(Audited) As at 31 December 2019 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	77,169	103,025
Investment properties	185,040	-
Right-of-use assets	2,933	3,225
Intangible assets	10,973	16,267
Other investments	4,589	-
Long term deposit	380	-
	<u>281,084</u>	<u>122,517</u>
CURRENT ASSETS		
Inventories	12,859	17,272
Trade and other receivables	36,767	89,143
Current tax assets	346	8
Cash and cash equivalents	81,715	10,264
	<u>131,687</u>	<u>116,687</u>
TOTAL ASSETS	<u>412,771</u>	<u>239,204</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	260,454	104,326
Reserves	5,428	38,703
Redeemable convertible notes	-	591
SHAREHOLDERS' EQUITY	<u>265,882</u>	<u>143,620</u>
Non-controlling interests	12,618	9,484
TOTAL EQUITY	<u>278,500</u>	<u>153,104</u>
CURRENT LIABILITIES		
Trade and other payables	67,992	21,259
Amount due to a director	-	970
Bank borrowings	42,889	17,476
Lease liabilities	1,027	117
Current tax liabilities	37	86
	<u>111,945</u>	<u>39,908</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 (CONT'D)

	(Unaudited) As at 31 March 2021 RM '000	(Audited) As at 31 December 2019 RM '000
NON-CURRENT LIABILITIES		
Bank borrowings	16,980	33,436
Lease liabilities	5,116	3,234
Redeemable convertible notes	-	9,123
Deferred taxation	230	399
	<u>22,326</u>	<u>46,192</u>
TOTAL LIABILITIES	134,271	86,100
TOTAL EQUITY AND LIABILITIES	412,771	239,204
NET ASSETS PER SHARE (sen)	<u>10.86</u>	<u>14.00</u>

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIFTH (5TH) QUARTER ENDED 31 MARCH 2021

	Attributable to Owners of the Company						Distributable	Shareholders' Equity	Non-controlling Interests	Total Equity
	Non-distributable				Share Option Reserve	Redeemable Convertible Notes				
	Share Capital	Merger Reserve	Revaluation Reserve	Translation Reserve	Share Option Reserve	Redeemable Convertible Notes	Retained Earnings	Shareholders' Equity	Non-controlling Interests	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Balance as at 31 December 2019 (Audited)	104,326	(12,805)	1,227	2,281	-	591	48,000	143,620	9,484	153,104
Conversion of redeemable convertible notes	114,570	-	-	-	-	(591)	-	113,979	-	113,979
Issuance of shares granted under SIS	41,558	-	-	-	(7,908)	-	-	33,650	-	33,650
Share options granted under SIS	-	-	-	-	7,908	-	-	7,908	-	7,908
Increase in share capital of a subsidiary	-	-	-	-	-	-	-	-	3,638	3,638
(LAT)/PAT	-	-	-	-	-	-	(47,588)	(47,588)	134	(47,454)
Foreign currency translation	-	-	-	14,313	-	-	-	14,313	(638)	13,675
Total comprehensive income/(loss)	-	-	-	14,313	-	-	(47,588)	(33,275)	(504)	(33,779)
Balance as at 31 March 2021	260,454	(12,805)	1,227	16,594	-	-	412	265,882	12,618	278,500

Note:

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIFTH (5TH) QUARTER ENDED 31 MARCH 2021

	Current period to date 31 March 2021 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES	
Loss before taxation	(47,445)
Adjustments for:	
Amortisation of intangible assets	2,237
Bad debts written off	2,040
Depreciation of property, plant and equipment	6,862
Depreciation of right-of-use assets	1,120
Fair value gain on investment properties	(46,052)
Gain on foreign exchange – unrealized	(1,029)
Impairment loss on trade and other receivables	49,923
Intangible assets written off	1,804
Interest expenses	4,022
Interest income	(106)
Inventories written off	6,895
Loss on disposal of other investments	4,866
Property, plant and equipment written off	16
Share-based payment	7,908
Operating loss before working capital changes:	(6,939)
Change in inventories	(50)
Change in trade and other receivables	1,061
Change in trade and other payables	45,763
CASH GENERATED FROM OPERATIONS	39,835
Interest received	106
Tax paid	(401)
NET CASH GENERATED FROM OPERATING ACTIVITIES	39,540
CASH FLOWS FOR INVESTING ACTIVITIES	
Additions to intangible assets	(24)
Proceeds from disposal of other investments	15,128
Proceeds from issuance of shares to non-controlling interests	3,638
Purchase of other investments	(24,583)
Purchase of property, plant and equipment and investment properties	(106,147)
NET CASH USED IN INVESTING ACTIVITIES	(111,988)
CASH FLOWS FOR FINANCING ACTIVITIES	
Interest paid	(4,022)
Net drawdown of bank borrowings	4,869
Net repayment of lease liabilities	(2,180)
Proceeds from issuance of shares	138,319
Withdrawal of fixed deposit pledged as security	1,541
NET CASH GENERATED FROM FINANCING ACTIVITIES	138,527

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIFTH (5TH) QUARTER ENDED 31 MARCH 2021 (CONT'D)**

	Current period to date 31 March 2021 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	66,079
EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS	6,914
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>8,722</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>81,715</u></u>
Cash and cash equivalents at end of the financial period comprise the following:	
- Cash and bank balances	<u><u>81,715</u></u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

QUARTERLY REPORT FOR THE FORTH (5TH) QUARTER ENDED 31 MARCH 2021

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2021

A1. Change in financial year end

As announced on 10 February 2021, the Company has changed its financial year end from 31 December 2020 to 31 March 2021. The current financial period covers a 15 months period from 1 January 2020 to 31 March 2021.

A2. Accounting policies and methods of computation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

Kanger and its subsidiaries (“Group”) have not applied the following standards, amendments and interpretations under the MFRS framework that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the Group:

MFRSs (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
Amendments to MFRS 16: Covid-19 - Related Rent Concessions	1 June 2020
Agenda Decision on MFRS 123: Borrowing Cost relating to over time transfer of constructed goods	1 July 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendment to MFRS 16: Leases	1 April 2021
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs 2018 - 2020	1 January 2022
MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group intends to adopt the above MFRSs as well as amendments to MFRSs when they become effective.

The adoption of the above standards will not have any material impact on the financial position and performance of the Group. The accounting policies and methods of computation adopted by the Group in these unaudited condensed interim financial statements are consistent with those adopted in the Audited Financial Statements of Kanger for the FYE 31 December 2019.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the audited consolidated financial statements of the Group for the FYE 31 December 2019 was not subject to any qualification.

A4. Seasonal or cyclical factors

The principal business of the Group was not significantly affected by seasonal or cyclical factors in the current financial quarter ended 31 March 2021.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter.

A6. Material changes in estimates

Not applicable as there were no estimates reported in the prior financial years.

A7. Debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt or equity securities for the current financial quarter ended 31 March 2021 other than 302,016,126 new ordinary shares which were issued under Share Issuance Scheme amounting to approximately RM28.4 million.

A8. Segmental information

The Group's revenue is derived from three (3) products, as follows:

	---- Individual Quarter ----		Cumulative
	31 March	31 March	Quarter
	2021	2020	31 March
	RM '000	RM '000	2021
			RM '000
Horizontal and vertical bamboo and wood flooring	1,098	5,656	15,685
Strand woven bamboo flooring	-	5,515	16,450
Bamboo furniture and other strand woven bamboo products	-	86	1,754
Total	<u>1,098</u>	<u>11,257</u>	<u>33,889</u>

The Group's revenue based on the geographical location of its customers is as follows:

	---- Individual Quarter ----		Cumulative
	31 March	31 March	Quarter
	2021	2020	31 March
	RM '000	RM '000	2021
			RM '000
PRC	1,098	2,500	18,106
Export:			
-Hong Kong	-	8,757	15,783
	<u>1,098</u>	<u>11,257</u>	<u>33,889</u>

No other segmental information such as segment assets and liabilities are presented as the Group's assets and liabilities are managed on group wide basis and are not allocated to any of the operating segments.

A9. Valuation of investment properties

In current financial quarter ended 31 March 2021, a revaluation exercise was undertaken for the investment properties of the Group pursuant to MFRS 140. The revaluation exercise brought a net appreciation on the fair value of the investment properties by RM46 million and the fair value gain has been incorporated into the financial statements of the Group for the financial period ended 31 March 2021.

A10. Capital commitments

The capital commitments of the Group as at 31 March 2021 are as follows:

	RM '000
Approved and contracted for:	
- Capital work-in-progress	<u>16,466</u>

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter.

A12. Contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets since the date of the last annual reporting period up to the date of this report.

A13. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current financial quarter and financial period-to-date that have not been reflected in this interim financial report.

A14. Related party transactions

There were no related party transactions entered into with related parties during the current financial quarter and financial period-to-date.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

	---- Individual Quarter ----		Variance (Amount RM'000/%)
	31 March 2021 RM '000	31 March 2020 RM '000	
Revenue	1,098	11,257	(10,159)/-90%
Gross (loss)/profit	(789)	2,494	(3,283)/>-100%
Loss before taxation	(16,365)	(4,373)	(11,992)/>-100%
LAT	(16,374)	(4,385)	(11,989)/>-100%
	Cumulative Quarter		Variance (Amount RM'000/%)
	31 March 2021 RM '000		
Revenue	33,889		N/A
Gross profit	2,330		N/A
Loss before taxation	(47,445)		N/A
LAT	(47,454)		N/A

N/A: There are no comparative figures for the cumulative preceding year corresponding periods.

Individual Quarter

Revenue dropped by RM10.2 million or 90% in the current financial quarter ended 31 March 2021 (“**Q5 2021**”) as compared to the corresponding quarter ended 31 March 2020 (“**Q1 2020**”) mainly due to:-

- (a) minimal business operations were allowed in many countries as a result of government-mandated lock downs due to the novel coronavirus or COVID-19 outbreak which has turned into a global pandemic hence less revenue was generated, although some of the countries have slowly resumed business activities coupled with the festive season being The Chinese New Year where many business in the PRC were closed for the celebration of the festival; and
- (b) relocation of our bamboo processing and manufacturing operations from Ganzhou, PRC to Jingzhou, PRC is still ongoing hence lesser revenue was contributed from the subsidiary in Ganzhou.

The gross loss recorded in Q5 2021 as compared to gross profit recorded in Q1 2020 mainly due to effort by the management to clear some of the old stocks hence higher discount was given.

Overall, the Group recorded loss before taxation of RM16.4 million in Q5 2021 as compared to loss before taxation of RM4.4 million in Q1 2020 mainly due to insufficient revenue generated to defray the expenses, in particular the sale of strand woven bamboo flooring was largely affected by the relocation of our bamboo processing and manufacturing operations from Ganzhou, PRC to Jingzhou, PRC. Furthermore, the Group also incurred some non-recurring expenses such as bad debts written off of RM2.0 million, impairment loss on trade and other receivables of RM50.0 million, intangible assets written off of RM1.5 million, inventories written off of RM0.3 million and the share based payment of RM3.9 million in Q5 2021 although the impact of these expenses were mitigated by the recognition of the fair value gain on investment properties of RM46.0 million.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance (Amount RM'000/%)
	31 March 2021 RM '000	31 December 2020 RM '000	
Revenue	1,098	4,470	(3,372)/-75%
Gross loss	(789)	(2,919)	2,130/-73%
Loss before taxation	(16,365)	(21,755)	5,390/-25%
LAT	(16,374)	(21,755)	5,381/-25%

The Group recorded a decrease in revenue by RM3.4 million to RM1.1 million in Q5 2021 as compared to RM4.5 million in the preceding financial quarter ended 31 December 2020 ("Q4 2020"). The decrease in revenue was mainly due to lesser sales in PRC in Q5 2021 where the Group recorded sales of RM4.5 million in the previous quarter of Q4 2021 due to the break taken by many businesses in the PRC in conjunction with the celebration of the Chinese New Year which cover almost the entire month of February 2021.

Overall, the Group recorded loss before taxation of RM16.4 million in Q5 2021 as compared to loss before taxation of RM21.8 million in Q4 2021. The decrease in loss before taxation in Q5 2021 was mainly driven by the recognition of the fair value gain on investment properties of RM46 million although this was mitigated by the recognition of some non-recurring expenses in particular, bad debts written off of RM2.0 million, impairment loss on trade and other receivables of RM50.0 million, intangible assets written off of RM1.5 million, inventories written off of RM0.3 million and the share based payment of RM3.9 million in Q5 2021.

B3. Prospects for the financial year ending 31 March 2022 ("FYE 2022")

PRC's strong economic growth has led to increasingly affluent consumers who now have the purchasing power as well as the willingness to pay to enhance individual lifestyles for greater comfort and pleasure. The modernisation and urbanisation of the country has also caused a growth in PRC's property construction industry, an industry that the bamboo flooring market is dependent on for the consumption of its products. Under its 14th Five-Year Plan (2021 - 2025), PRC aims to double its 2010 GDP and the 2010 per capita income of both urban and rural residents by 2025 and will focus more on green and low-carbon industries. This is envisaged to positively affect the bamboo flooring market. In addition, bamboo flooring products are increasingly welcomed by the consumer due to merits like environmental friendliness and high price-to-performance ratio.

The Group has identified the following main strategies to continue to grow its businesses:-

- (a) Expansion into new bamboo concession and processing plant in Jingzhou, the PRC which has commenced operations in previous financial quarter, in order to better manage raw material costs, as the new plant is surrounded by an estimated 18,200 metric tonnes standing stock of ready-to-harvest raw bamboo (translating to an estimated 435,000 square metres of bamboo flooring). This will be a steady source of raw material supply and key factor in the re-upscaling of our own bamboo products segment. The expansion in Jingzhou will allow the Group to focus not only on manufacturing of bamboo products but also processing of bamboo related foodstuff and bamboo eco-tourism in the near future;
- (b) Expansion of the Group's flooring products with the launching of new series of bamboo flooring products;
- (c) Enhancing the Group's flooring products to focus more on 'green' strand woven products;
- (d) Expansion of the Group's product portfolio to include bamboo furniture marketed under the 'KAR-ACE' brand;

- (e) Expansion into wood flooring products by promoting Classen’s products in the PRC through the collaboration with Classen GmbH as the Group is the exclusive distributor for Classen’s products in the PRC. The COVID-19 pandemic and related lockdowns has had a significant impact on general business activity and there is always a risk of second and additional waves occurring in the future. As a result, the Group is currently in discussions with Classen on reducing the scope of the exclusivity from China-wide to perhaps focus on Guangdong province or the southern region where our main and sales offices are. The reason for this is to avoid incurring potential penalties in the future for not meeting minimum sales targets should the pandemic turn into a longer term problem;
- (f) Expansion of the Group’s presence by increasing the number of appointed dealers in its sales network and number of sales and marketing channels, for both its own and third party products;
- (g) Identifying candidates to be the Group’s master agents/distributors in countries such as Malaysia, Australia and New Zealand; and
- (h) Intensifying efforts in the adoption and building out of a comprehensive omni-channel marketing strategy which is designed to cover all points of contact with existing and potential new customers. The Group is also cooperating closely with its dealers in implementing effective Online-to-Offline marketing and delivery channels. The online platforms include JD.com, Alibaba’s Taobao and various mini-programs offered by social media networks like WeChat.

Premised on the above, the Board is cautiously optimistic on the prospects of the Group for FYE 2022.

B4. Profit forecast

The Group has not issued any profit forecast in any public documents.

B5. Taxation

	--- Individual Quarter ---		Cumulative
	31 March 2021 RM '000	31 March 2020 RM '000	Quarter 31 March 2021 RM '000
Current tax expenses	9	12	9
Effective tax rate	N/A	N/A	N/A

N/A: As the Group recorded loss before taxation, the analysis of effective tax rate is not meaningful.

The PRC income tax is computed in accordance with the relevant laws and regulations in the PRC. The applicable income tax rate is 25% for the current financial quarter and financial period-to-date, except for the Group’s subsidiary, Ganzhou, which currently enjoys a preferential tax rate of 15%. In addition, Kanger Trading (HK) Co. Limited currently enjoys 0% tax rate in Hong Kong as it is an export company and derives its income overseas.

B6. Status of corporate proposals

Share Issuance Scheme (“SIS”)

On 24 December 2019, the Company has undertaken a corporate exercise to establish the SIS for the directors and eligible employees of the Group, which was approved by the shareholders of the Company on the Extraordinary General Meeting.

The Company had on 13 January 2020, 20 February 2020 and 15 February 2021 granted 90 million, 40 million and 252 million share options respectively to some of its directors and employees under the SIS.

During the current financial quarter, approximately 302 million of ordinary shares were subscribed, in which approximate 30 million of ordinary shares were exercised at the exercise price of RM0.065 per ordinary share, 20 million of ordinary shares were exercised at the exercise price of RM0.07 per ordinary share and 252 million of ordinary shares were exercised at the exercise price of RM0.0992 per ordinary share respectively which resulted from the proceeds from the issuance of shares of RM28.4 million under the SIS.

B7. Borrowings

The Group's borrowings as at 31 March 2021 are as follows:

	As at 31 March 2021 RM '000	As at 31 December 2019 RM '000
Secured – Short term borrowings		
Term loans	42,528	15,935
Bills payables	-	1,541
Hire purchase	361	-
Secured – Long term borrowings		
Term loans	15,449	33,436
Hire purchase	1,531	-
Total borrowings	<u>59,869</u>	<u>50,912</u>

The currency exposure profile of the Group's borrowings is as follows:

	As at 31 March 2021 RM '000	As at 31 December 2019 RM '000
Secured – Short term and long term borrowings		
Chinese Renminbi	57,977	50,912
Ringgit Malaysia	1,892	-
Total borrowings	<u>59,869</u>	<u>50,912</u>

Note:

The Group's borrowings in Renminbi ("RMB") are not hedged to Ringgit Malaysia and are translated into Ringgit Malaysia at the exchange rate of RMB1: RM0.6337 as at 31 March 2021.

The borrowings increased by RM9 million or 17% as at 31 March 2021 as compared to 31 December 2019 mainly due to the drawdown of term loans to part finance the construction of the new bamboo processing and manufacturing plant in Jingzhou, the PRC.

The weighted average effective interest rates of the Group's borrowings ranged from 4% to 9% as at 31 March 2021. The term loans and bills payables are subjected to floating interest rate and hire purchase is subjected to fixed interest rate as at 31 March 2021.

No hedging is done on the borrowings on the Group as the borrowings from the PRC are used to finance the Group's operations in the PRC and the borrowings from Malaysia are used to finance the Group's motor vehicle.

B8. Material litigation

As at the date of this report, there is no litigation or arbitration which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B9. Dividends

There were no dividends paid or declared for the financial period ended 31 March 2021 (financial year ended 31 December 2019: Nil).

B10. Loss per share

The Group's basic loss per share is calculated as follows:

	---- Individual Quarter ----		Cumulative
	31 March 2021	31 March 2020	Quarter 31 March 2021
LAT attributable to Owners of the Company (RM '000)	(16,235)	(4,293)	(47,588)
Weighted average number of ordinary shares in issue ('000)	1,661,327	1,232,768	1,661,327
Basic loss per share (sen)	<u>(0.98)</u>	<u>(0.35)</u>	<u>(2.86)</u>

The Group's diluted loss per share is calculated as follows:

	---- Individual Quarter ----		Cumulative
	31 March 2021	31 March 2020	Quarter 31 March 2021
LAT attributable to Owners of the Company (RM '000)	(16,235)	(4,293)	(47,588)
Weighted average number of ordinary shares in issue ('000)	1,661,327	1,232,768	1,661,327
Assuming full exercise of SIS ('000)	-	1,362,768	-
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A: The effect is not shown as this is anti-dilutive.

B11. Disclosure on selected expense/income items as required by the Listing Requirements

Included in the loss before taxation are the following expense items:

	---- Individual Quarter ----		Cumulative
	31 March 2021 RM '000	31 March 2020 RM '000	Quarter 31 March 2021 RM '000
Amortisation of intangible assets	547	187	2,237
Bad debts written off	2,040	-	2,040
Depreciation of property, plant and equipment and investment properties	1,178	621	6,862
Depreciation of right-of-use assets	333	-	1,120
Fair value gain on investment properties	(46,052)	-	(46,052)
Gain on foreign exchange – unrealised	(1,029)	-	(1,029)
(Gain)/Loss on disposal of other investments	(6)	-	4,866
Impairment loss on trade and other receivables	49,923	-	49,923
Intangible assets written off	1,494	-	1,804
Interest expenses	2,530	235	4,022
Interest income	(51)	-	(106)
Inventories written off	310	-	6,895
Property, plant and equipment written off	16	-	16

There were no other income, provision for inventories, gain or loss on disposal of property, plant and equipment, impairment of assets, gain or loss on derivatives and exceptional items for the current financial quarter and FPE 2021.

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

30 June 2021