

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND (2ND) QUARTER ENDED 30 SEPTEMBER 2021**

	----- Individual Quarter -----		Cumulative
	30 September 2021 RM '000	30 September 2020 RM '000	Quarter 30 September 2021 RM '000
Revenue	64,815	4,845	68,956
Cost of sales	<u>(63,395)</u>	<u>(3,872)</u>	<u>(67,013)</u>
Gross profit	1,420	973	1,943
Other operating income	352	470	972
Administrative expenses	(50,423)	(5,557)	(58,818)
Selling and distribution expenses	(154)	(432)	(456)
Other operating expenses	-	(1)	(51)
Finance costs	<u>(320)</u>	<u>(355)</u>	<u>(781)</u>
Loss before taxation	(49,125)	(4,902)	(57,191)
Taxation	<u>(529)</u>	<u>-</u>	<u>(529)</u>
Loss after taxation (" LAT ")	(49,654)	(4,902)	(57,720)
Other comprehensive (loss)/income: <i>Items that maybe reclassified subsequently to profit or loss</i>			
- Foreign exchange translation	<u>(1,498)</u>	<u>(964)</u>	<u>4,601</u>
Total comprehensive loss	<u>(51,152)</u>	<u>(5,866)</u>	<u>(53,119)</u>
LAT ATTRIBUTABLE TO:			
- Owners of the Company	(49,987)	(4,727)	(57,530)
- Non-controlling interest	<u>333</u>	<u>(175)</u>	<u>(190)</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:			
- Owners of the Company	(51,932)	(6,049)	(53,067)
- Non-controlling interests	<u>780</u>	<u>183</u>	<u>(52)</u>
Weighted average no. of ordinary shares ('000)	4,402,677	1,443,367	4,402,677
Loss per share attributable to Owners of the Company (sen):			
- Basic	(1.14)	(0.33)	(1.31)
- 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 6 months made up from 1 April 2021 to 30 September 2021. As such, there are no comparative figures for the cumulative preceding periods 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 period ended ("**FPE**") 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	(Unaudited) As at 30 September 2021 RM '000	(Audited) As at 31 March 2021 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	77,650	77,168
Investment properties	193,102	185,138
Right-of-use assets	2,988	2,933
Intangible assets	10,721	10,973
Goodwill	86,928	-
Other investments	9,589	4,589
	<u>380,978</u>	<u>280,801</u>
CURRENT ASSETS		
Inventories	11,030	12,859
Trade and other receivables	109,337	39,148
Current tax assets	4,304	330
Cash and cash equivalents	106,263	81,715
	<u>230,934</u>	<u>134,052</u>
TOTAL ASSETS	<u>611,912</u>	<u>414,853</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	464,676	259,106
Reserves	(48,450)	952
SHAREHOLDERS' EQUITY	<u>416,226</u>	<u>260,058</u>
Non-controlling interests	19,903	12,401
TOTAL EQUITY	<u>436,129</u>	<u>272,459</u>
CURRENT LIABILITIES		
Trade and other payables	99,990	68,956
Bank borrowings	41,204	38,550
Lease liabilities	3,058	1,027
Current tax liabilities	100	37
	<u>144,352</u>	<u>108,570</u>
NON-CURRENT LIABILITIES		
Bank borrowings	23,389	24,319
Lease liabilities	-	2,116
Deferred taxation	8,042	7,389
	<u>31,431</u>	<u>33,824</u>
TOTAL LIABILITIES	<u>175,783</u>	<u>142,394</u>
TOTAL EQUITY AND LIABILITIES	<u>611,912</u>	<u>414,853</u>
NET ASSETS PER SHARE (sen)	<u>7.75</u>	<u>10.62</u>

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Kanger for the FPE 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND (2ND) QUARTER ENDED 30 SEPTEMBER 2021

	<----- Attributable to Owners of the Company ----->						Non- controlling Interests RM '000	Total Equity RM '000
	Share Capital RM '000	Merger Reserve RM '000	Translation Reserve RM '000	Share Option Reserve RM '000	Accumulated Losses RM '000	Shareholders' Equity RM '000		
Balance as at 31 March 2021 (Audited)	259,106	(12,805)	15,596	-	(1,839)	260,058	12,401	272,459
Issuance of shares granted under SIS	14,609	-	-	(2,110)	-	12,499	-	12,499
Issuance of shares under rights issue	148,172	-	-	-	-	148,172	-	148,172
Issuance of shares for pursuant to acquisition of subsidiary company	42,789	-	-	-	-	42,789	-	42,789
Share options granted under SIS	-	-	-	5,775	-	5,775	-	5,775
Acquisition of subsidiary company	-	-	-	-	-	-	7,554	7,554
LAT	-	-	-	-	(57,530)	(57,530)	(190)	(57,720)
Foreign currency translation	-	-	4,463	-	-	4,463	138	4,601
Total comprehensive income/(loss)	-	-	4,463	-	(57,530)	(53,067)	(52)	(53,119)
Balance as at 30 September 2021	464,676	(12,805)	20,059	3,665	(59,369)	416,226	19,903	436,129

Note:

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements of Kanger for the FPE 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 SEPTEMBER 2021

	Current period to date 30 September 2021 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES	
Loss before taxation	(57,191)
Adjustments for:	
Amortisation of intangible assets	495
Depreciation of property, plant and equipment	1,044
Impairment loss on inventories	13,282
Impairment loss on property, plant and equipment	4,741
Impairment loss on trade and other receivables	25,057
Interest expenses	781
Property, plant and equipment written off	336
Share-based payment	5,775
Operating loss before working capital changes	(5,680)
Change in inventories	(3,829)
Change in trade and other receivables	(86,073)
Change in trade and other payables	21,183
CASH USED IN OPERATIONS	(74,399)
Tax paid	(660)
Tax refunded	62
NET CASH USED IN OPERATING ACTIVITIES	(74,997)
CASH FLOWS FOR INVESTING ACTIVITIES	
Net cash outflow from acquisition of subsidiary company	(48,018)
Purchase of other investments	(5,000)
Purchase of property, plant and equipment and investment properties	(7,744)
NET CASH USED IN INVESTING ACTIVITIES	(60,762)
CASH FLOWS FOR FINANCING ACTIVITIES	
Interest paid	(781)
Net drawdown of bank borrowings	2,813
Net repayment of bank borrowing	(2,456)
Net repayment of lease liabilities	(144)
Proceeds from issuance of shares	160,671
NET CASH GENERATED FROM FINANCING ACTIVITIES	160,103

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 SEPTEMBER 2021 (CONT'D)

	Current period to date 30 September 2021 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,344
EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS	204
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	81,715
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>106,263</u>
 Cash and cash equivalents at end of the financial period comprise the following:	
- Cash and bank balances	<u>106,263</u>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Kanger for the FPE 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

QUARTERLY REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 SEPTEMBER 2021

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

A1. 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 (“Company”) for the FPE 31 March 2021 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 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 112: Income Taxes	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 FPE 31 March 2021.

A2. Auditors’ report on preceding annual financial statements

The auditors’ report on the audited consolidated financial statements of the Group for the FPE 31 March 2021 was not subject to any qualification.

A3. Seasonal or cyclical factors

The principal business of the Group was not significantly affected by seasonal or cyclical factors.

A4. Unusual items

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

A5. Material changes in estimates

There was no material changes in estimates used in reporting the current financial quarter and financial period-to-date as compared to the audited financial statements of the Group for the FPE 31 March 2021.

A6. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt or equity securities during the current financial quarter and financial period-to-date except for the following: -

- (a) On 26 April 2021, 92,438,528 new ordinary shares which were issued under Share Issuance Scheme amounting to RM5.0 million;
- (b) On 24 May 2021, 92,438,528 new ordinary shares which were issued under Share Issuance Scheme amounting to RM5.0 million;
- (c) On 5 July 2021, 46,209,193 new ordinary shares which were issued under Share Issuance Scheme amounting to approximately RM2.5 million;
- (d) On 30 September 2021, 2,469,524,758 new ordinary shares were issued under Rights Issue amounting to approximately RM148.2 million; and
- (e) On 30 September 2021, 713,157,273 new ordinary shares were issued for acquisition of Sung Master Holdings Sdn. Bhd. amounting to approximately RM42.8 million.

A7. Segmental information

The Group's operating activities were derived from two (2) main business segments as follows:

	---- Individual Quarter ----		Cumulative
	30 September 2021	30 September 2021	Quarter 30 September 2021
	RM '000	RM '000	RM '000
Revenue			
• Manufacturing and trading of bamboo flooring and their related products, as well as construction materials	4,002	4,845	8,143
• Construction works	60,813	-	60,813
	<u>64,815</u>	<u>4,845</u>	<u>68,956</u>
(Loss)/Profit before tax			
• Manufacturing and trading of bamboo flooring and their related products, as well as construction materials	(49,436)	(4,902)	(57,502)
• Construction works	311	-	311
	<u>(49,125)</u>	<u>(4,902)</u>	<u>(57,191)</u>

A7. Segmental information (Cont'd)

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.

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

	---- Individual Quarter ----		Cumulative Quarter
	30 September 2021 RM '000	30 September 2020 RM '000	30 September 2021 RM '000
People's Republic of China	4,002	3,078	8,143
Malaysia	60,813	-	60,813
New Zealand	-	16	-
Mexico	-	1,459	-
USA	-	3	-
Korea	-	2	-
Others*	-	287	-
	<u>64,815</u>	<u>4,845</u>	<u>68,956</u>

* Includes countries in Europe, Asia, North America and Africa.

A8. Valuation of property, plant and equipment and investment properties

The Group has not carried out any valuation of its property, plant and equipment and investment properties in the current financial quarter and financial period-to-date.

A9. Capital commitments

There are no outstanding capital commitments of the Group as at 30 September 2021.

A10. Changes in the composition of the Group

Acquisition of 1,020,000 ordinary shares, representing 51% equity interest in Sung Master Holdings Sdn. Bhd. ("SMH")

On 26 April 2021, the Company had entered share sale agreement with Mr. Sii Tung Nai, Mr. Sii Tung Aik and Ms. Lim Shwu Huey for the proposed acquisition of 1,020,000 ordinary shares, representing 51% equity interest in SMH for a total purchase consideration of RM94.8 million. This subscription would enable the Group to have an immediate expansion in respect of its market presence and operational capacities, and to capture larger market share in the trading of building materials industry in Malaysia. Following the completion of this subscription, SMH had become a 51% owned subsidiary of the Company.

Other than the above, there were no other changes in the composition of the Group for the current financial quarter and financial period-to-date.

A11. 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.

A12. 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.

A13. 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 ----			
	30 September			
	2021	30September 2020		Variance
	RM '000	RM '000		(Amount RM'000/%)
Revenue	64,815	4,845		59,970/>100%
Gross profit	1,420	973		447/46%
Loss before taxation	(49,125)	(4,902)		44,223/>100%
LAT	(49,654)	(4,902)		44,752/>100%
	Cumulative Quarter			
	30 September			
	2021			Variance
	RM '000			(Amount RM'000/%)
Revenue	68,956			N/A
Gross profit	1,943			N/A
Loss before taxation	(57,191)			N/A
LAT	(57,720)			N/A

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

Individual Quarter

Revenue increased significantly by RM60.0 million or 1,238% in the current financial quarter ended 30 September 2021 ("Q22022") as compared to the corresponding quarter ended 30 September 2020 ("Q3 2021") mainly due to the additional source of revenue from construction business segments amounting to RM60.8 million.

The gross profit recorded in Q2 2022 increased by46% as compared to gross profit recorded in Q3 2021 mainly due to the additional gross profit earn from construction business segments amounting to RM0.3 million.

Cumulative Quarter

Overall, the Group recorded loss before taxation of RM57.2 million in Q2 2022 due to insufficient revenue generated to defray the expenses. The Group has also incurred non-recurring expenses such as recognition of share-based payments amounting to RM5.8 million granted to the directors and employees of the Company, impairment loss on inventories amounting to RM13.3 million, impairment loss on trade and other receivables amounting to RM25.1 million and impairment loss on property, plant and equipment amounting to RM4.7 million in the current financial quarter and financial period-to-date.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		
	30 September	30 June 2021	Variance
	2021	2021	(Amount RM'000/%)
	RM '000	RM '000	
Revenue	64,815	4,141	60,674/>100%
Gross profit	1,420	523	897/>100%
Loss before taxation	(49,125)	(8,066)	41,059/>100%
LAT	(49,654)	(8,066)	41,588/>100%

The Group recorded an increase in revenue by RM60.7 million to RM64.8 million in Q2 2022 as compared to RM4.1 million in the preceding financial quarter ended 30 June 2021 ("Q1 2022"). The increase in revenue was mainly due to the additional source of revenue from construction business segments amounting to RM60.8 million in the current financial quarter.

Overall, the Group recorded loss before taxation of RM49.1 million in Q2 2022 as compared to loss before taxation of RM8.1 million in Q1 2022. The significant increase in loss before taxation in Q2 2022 was mainly due to the Group has incurred non-recurring expenses such as recognition of share-based payments amounting to RM3.7 million granted to the directors and employees of the Company, impairment loss on inventories amounting to RM13.3 million, impairment loss on trade and other receivables amounting to RM25.1 million and impairment loss on property, plant and equipment amounting to RM4.7 million in the current financial quarter.

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

Overview and outlook of the manufacturing and trading industries in PRC

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.

Overview and outlook of property development and construction industry in Malaysia

Property development industry

The most positive scenario for the overall Malaysian property market in 2021 would be a slightly better performance than last year due to the vaccination programme that would help in controlling the Covid-19 pandemic, according to Henry Butcher Real Estate.

In presenting Henry Butcher Malaysia's annual report on the review and outlook for the Malaysian property market in 2021 titled "HB Perspective 2021", the report also noted that the recent spike in Covid-19 cases and the subsequent moves by the government to curb the spread of the pandemic may delay the industry recovery to next year.

"Overall, the property market in 2021 is expected to be flat or record a slightly better performance than 2020 as the vaccination programme in the country would help in controlling the Covid-19 pandemic and start the economy on a recovery path. However, with the recent rise in infections and the implementation of the movement control order and the declaration of emergency, the hoped-for recovery may be delayed until 2022.

B3. Prospects for the financial year ending 31 March 2022 (“FYE 2022”) (Cont’d)

Construction industry

The construction sector is expected to rebound by 13.9% in 2021 on account of the acceleration and revival of major infrastructure projects, coupled with affordable housing projects. The civil engineering subsector will continue to be the main driver of the construction sector.

Main strategies to grow the Group’s businesses

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 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 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;
- (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;
- (i) Seeking opportunities to be able to involve in distribution of medical related products such as gloves, vaccine for COVID-19 and mask; and

B3. Prospects for the financial year ending 31 March 2022 (“FYE 2022”) (Cont’d)

- (j) The acquisition of SMH is a horizontal acquisition by the Group to acquire its peer with the intention to expand its existing business activities of manufacturing and trading business and widen its product offerings, which include, amongst others, timber flooring, tiles, bulk cement, concrete, which are expected to enhance the revenue and earnings of the Group moving forward. The proposed acquisition of SMH is expected to augur well and is complementary with the Group's existing business in the property related segment and the construction business segment.

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
	30 September 2021 RM '000	30 September 2020 RM '000	Quarter 30 September 2021 RM '000
Current tax expenses	-	-	-
Under provision in prior year	529	-	529
Effective tax rate	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

There were no other corporate proposals announced but not completed as of to date other than proposed share consolidation of every 10 ordinary shares in the Company into 1 share.

B7. Borrowings

The Group's borrowings as at 30 September 2021 are as follows:

	As at 30 September 2021 RM '000	As at 31 March 2021 RM '000
Secured – Short term borrowings		
Term loans	39,670	36,951
Hire purchase	1,534	1,599
Secured – Long term borrowings		
Term loans	19,069	21,026
Hire purchase	4,320	3,293
Total borrowings	<u>64,593</u>	<u>62,869</u>

B7. Borrowings (Cont'd)

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

	As at 30 September 2021 RM '000	As at 31 March 2021 RM '000
Secured – Short term and long term borrowings		
Chinese Renminbi	61,738	60,977
Ringgit Malaysia	2,855	1,892
Total borrowings	64,593	62,869

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: RM0.6479 as at 30 September 2021.

The borrowings increased by RM1.7 million or 3% as at 30 September 2021 as compared to 31 March 2021 mainly due to new drawdown of hire purchase facility amounting to RM1.25 million.

The weighted average effective interest rates of the Group's borrowings ranged from 3% to 9% as at 30 September 2021. The term loans are subjected to floating interest rate and hire purchase is subjected to fixed interest rate as at 30 September 2021.

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 current financial quarter and financial period-to-date.

B10. Loss per share

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

	---- Individual Quarter ----		Cumulative Quarter
	30 September 2021	30 September 2020	30 September 2021
LAT attributable to Owners of the Company (RM '000)	(49,987)	(4,727)	(57,530)
Weighted average number of ordinary shares in issue ('000)	4,402,677	1,443,367	4,402,677
Basic loss per share (sen)	(1.14)	(0.33)	(1.31)

B10. Loss per share (Cont'd)

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

	---- Individual Quarter ----		Cumulative Quarter 30 September 2021
	30 September 2021	30 September 2020	
LAT attributable to Owners of the Company (RM '000)	(49,987)	(4,727)	(57,530)
Weighted average number of ordinary shares in issue ('000)	4,402,677	1,443,367	4,402,677
Assuming full exercise of warrants ('000)	1,700,012	-	1,700,012
Assuming full exercise of SIS ('000)	65,806	1,533,367	65,806
Diluted earnings per share (sen)	N/A	N/A	N/A

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 Quarter 30 September 2021
	30 September 2021	30 September 2020	
	RM '000	RM '000	
Amortisation of intangible assets	231	189	495
Depreciation of property, plant and equipment	551	383	1,044
Impairment loss on inventories	13,282	-	13,282
Impairment loss on property, plant and equipment	4,741	-	4,741
Impairment loss on trade and other receivables	25,057	-	25,057
Interest expenses	320	355	781
Property, plant and equipment written off	336	-	336

There were no other income, write off of receivables, write off of inventories, gain or loss on disposal of property, plant and equipment, gain or loss on foreign exchange, gain or loss on derivatives and exceptional items for the current financial quarter and financial period-to-date.

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary
Kuala Lumpur
30 November 2021