

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH (4th) QUARTER ENDED 31 MARCH 2022**

	----- Individual Quarter -----		Cumulative
	31 March 2022 RM '000	31 March 2021 RM '000	Quarter 31 March 2022 RM '000
Revenue	99,100	1,098	222,721
Cost of sales	(96,280)	(1,887)	(216,637)
Gross profit/(loss)	2,820	(789)	6,084
Other operating income	11,319	49,399	70,178
Administrative expenses	(5,050)	(4,364)	(26,981)
Selling and distribution expenses	(9)	(241)	(647)
Other operating expenses	(38,534)	(58,322)	(206,324)
Finance costs	(1,565)	(2,538)	(5,330)
Loss before taxation	(31,019)	(16,365)	(163,018)
Taxation	(101)	(9)	(948)
Loss after taxation ("LAT")	(31,120)	(16,374)	(163,966)
Other comprehensive income: <i>Items that maybe reclassified subsequently to profit or loss</i>			
- Foreign exchange translation	13,001	10,032	17,988
Total comprehensive loss	(18,119)	(6,342)	(145,978)
<b>LAT ATTRIBUTABLE TO:</b>			
- Owners of the Company	(31,302)	(16,235)	(164,210)
- Non-controlling interest	182	(139)	244
	(31,120)	(16,374)	(163,966)
<b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>			
- Owners of the Company	(17,690)	(5,810)	(127,372)
- Non-controlling interests	(429)	(532)	(916)
	(18,119)	(6,342)	(145,978)
Weighted average no. of ordinary shares ('000)	440,289	1,661,327	440,289
Loss per share attributable to Owners of the Company (sen):			
- Basic	(7.11)	(0.98)	(37.30)
- 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 9 months made up from 1 April 2021 to 31 December 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 31 MARCH 2022**

	(Unaudited) As at 31 March 2022 RM '000	(Audited) As at 31 March 2021 RM '000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	13,550	77,168
Investment properties	71,435	185,138
Right-of-use assets	2,664	2,933
Intangible assets	-	10,973
Goodwill	90,829	-
Other investments	5,000	4,589
	<u>183,478</u>	<u>280,801</u>
<b>CURRENT ASSETS</b>		
Inventories	9,013	12,859
Trade and other receivables	130,170	39,148
Current tax assets	1,688	330
Cash and cash equivalents	2,396	81,715
	<u>143,267</u>	<u>134,052</u>
<b>TOTAL ASSETS</b>	<b><u>326,745</u></b>	<b><u>414,853</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	425,782	259,106
Reserves	(123,994)	952
<b>SHAREHOLDERS' EQUITY</b>	<b><u>301,788</u></b>	<b><u>260,058</u></b>
Non-controlling interests	4,385	12,401
<b>TOTAL EQUITY</b>	<b><u>306,173</u></b>	<b><u>272,459</u></b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	15,004	68,956
Bank borrowings	620	38,550
Lease liabilities	1,022	1,027
Current tax liabilities	-	37
	<u>16,646</u>	<u>108,570</u>
<b>NON-CURRENT LIABILITIES</b>		
Bank borrowings	1,939	24,319
Lease liabilities	1,987	2,116
Deferred taxation	-	7,389
	<u>3,926</u>	<u>33,824</u>
<b>TOTAL LIABILITIES</b>	<b><u>20,572</u></b>	<b><u>142,394</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>326,745</u></b>	<b><u>414,853</u></b>
<b>NET ASSETS PER SHARE (sen)</b>	<b><u>0.50</u></b>	<b><u>10.62</u></b>

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 FOURTH (4th) QUARTER ENDED 31 MARCH 2022

	←----- Attributable to Owners of the Company -----→						Shareholders' Equity RM '000	Non-controlling Interests RM '000	Total Equity RM '000
	←----- Non-distributable -----→								
	Share Capital RM '000	Merger Reserve RM '000	Warrant Reserve RM'000	Translation Reserve RM '000	Share Option Reserve RM '000	Accumulated losses RM '000			
<b>Balance as at 31March 2021 (Audited)</b>	259,106	(12,805)	-	15,596	-	(1,839)	260,058	12,401	272,459
Conversion of warrants	36	-	(11)	-	-	-	25	-	25
Issuance of shares granted under SIS	14,609	-	-	-	(2,110)	-	12,499	-	12,499
Issuance of shares under rights issue	109,242	-	38,930	-	-	-	148,172	-	148,172
Issuance of shares for 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	-	-	-	-	-	-	-	4,385	4,385
Disposal of subsidiary companies	-	3,899	-	(30,194)	-	4,987	(21,308)	(11,729)	(33,037)
LAT	-	-	-	-	-	(164,210)	(164,210)	244	(163,966)
Foreign currency translation	-	-	-	17,988	-	-	17,988	(916)	17,072
Total comprehensive income/(loss)	-	-	-	17,988	-	(164,210)	(146,222)	(672)	(146,894)
<b>Balance as at 31 March 2022</b>	<b>425,782</b>	<b>(8,906)</b>	<b>38,919</b>	<b>3,390</b>	<b>3,665</b>	<b>(161,062)</b>	<b>301,788</b>	<b>4,385</b>	<b>306,173</b>

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 FOURTH (4<sup>th</sup>) QUARTER ENDED 31 MARCH 2022**

	<b>Current period to date 31 March 2022 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>	
Loss before taxation	(163,018)
Adjustments for:	
Amortisation of intangible assets	751
Depreciation of property, plant and equipment and investment properties	1,899
Depreciation of right of use assets	726
Fair value loss on other investment	3,994
Fair value loss on investment properties	77,367
Gain on disposal of property, plant and equipment	(3,136)
Gain on disposal of subsidiary companies	(55,822)
Impairment loss on intangible assets	10,533
Impairment loss on inventories	15,469
Impairment loss on other investments	3,563
Impairment loss on property, plant and equipment	4,521
Impairment loss on trade and other receivables	64,760
Interest expenses	5,330
Loss on foreign exchange - unrealised	595,085
Property, plant and equipment written off	1,229
Share-based payment	5,775
Operating loss before working capital changes	(28,578)
Change in inventories	(4,000)
Change in trade and other receivables	(148,839)
Change in trade and other payables	67,014
<b>CASH USED IN OPERATIONS</b>	(114,404)
Tax paid	(3,242)
Tax refunded	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(117,646)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>	
Net cash inflow from disposal of subsidiary companies	29,565
Net cash outflow from acquisition of subsidiary company	(48,618)
Proceeds from acquisition of other investment	(5,000)
Purchase of property, plant and equipment and investment properties	(73,285)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(97,338)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>	
Interest paid	(5,330)
Net drawdown of bank borrowings	2,690
Net repayment of bank borrowing	(2,237)
Net repayment of lease liabilities	(3,510)
Proceeds from issuance of shares	160,697
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	152,310

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH (4<sup>th</sup>) QUARTER ENDED 31 MARCH 2022 (CONT'D)**

	<b>Current period to date 31 March 2022 RM'000</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(62,674)
<b>EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>	(16,645)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	81,715
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>2,396</u>
 Cash and cash equivalents at end of the financial period comprise the following:	
- Cash and bank balances	<u>2,396</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 FOURTH (4<sup>th</sup>) QUARTER ENDED 31 MARCH 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2022

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 were 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 was 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 23 April 2021, 92,438,528 new ordinary shares which were issued under Share Issuance Scheme amounting to RM5.0 million;
- (b) On 21 May 2021, 92,438,528 new ordinary shares which were issued under Share Issuance Scheme amounting to RM5.0 million;
- (c) On 2 July 2021, 46,209,193 new ordinary shares which were issued under Share Issuance Scheme amounting to approximately RM2.5 million;
- (d) On 29 September 2021, 2,469,524,758 new ordinary shares were issued under Rights Issue amounting to approximately RM148.2 million;
- (e) On 29 September 2021, 713,157,273 new ordinary shares were issued for acquisition of Sung Master Holdings Sdn. Bhd. amounting to approximately RM42.8 million;
- (f) On 27 October 2021, 500,000 new ordinary shares were issued arising from conversion of warrants amounting to RM25,000; and
- (g) On 10 February 2022, the Company has completed the shares consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share following the listing of and quotation for 597,931,208 consolidated shares and 169,951,156 consolidated warrants B of the Company in the ACE Market of Bursa Securities.

**A7. Segmental information**

The Group's operating activities were derived from three (3) main business segments as follows:

	---- Individual Quarter ----		Cumulative
	31 March 2022 RM '000	31 March 2021 RM '000	Quarter 31 March 2022 RM '000
<b>Revenue</b>			
• Manufacturing and trading of bamboo flooring and related products and construction materials	7,395	1,098	23,925
• Trading of medical and healthcare products	898	-	1,261
• Construction works	90,807	-	197,575
	<u>99,100</u>	<u>1,098</u>	<u>222,721</u>

	---- Individual Quarter ----		Cumulative
	31 March 2022 RM '000	31 March 2021 RM '000	Quarter 31 March 2022 RM '000
<b>Loss before tax</b>			
• Manufacturing and trading of bamboo flooring and related products and construction materials	(22,239)	(16,365)	(150,393)
• Trading of medical and healthcare products	(61)	-	(4,445)
• Construction works	(8,719)	-	(8,180)
	<u>(31,019)</u>	<u>(16,365)</u>	<u>(163,018)</u>

No other segmentThe 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
	31 March 2022 RM '000	31 March 2021 RM '000	Quarter 31 March 2022 RM '000
People's Republic of China	-	1,098	5,501
Malaysia	99,100	-	123,621
	<u>99,100</u>	<u>1,098</u>	<u>222,721</u>

**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**

The capital commitments of the Group as at 31 March 2022 are as follows:

	RM '000
Approved and contracted for:	
- Investment properties under construction	<u>61,059</u>

**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 into a 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.



**Disposal of 35,900,000 ordinary shares, representing 100% equity interest in Shenzhen Kanger Holding Co. Ltd. (“SZ Kanger”)**

On 16 December 2021, the Company’s wholly owned indirect subsidiary, namely Ganzhou Kanger Industrial Co. Ltd. (“**Ganzhou Kanger**”), had entered into a share sale agreement with Mr. Xue Yong Xing for the proposed disposal of 35,900,000 ordinary shares, representing 100% equity interest in SZ Kanger for a total purchase consideration of RM2.0 million. Following the completion of this disposal, SZ Kanger had ceased to become the wholly owned indirect subsidiary of the Company.

**Incorporation of new subsidiary namely KIB Global Resources Sdn. Bhd. (“KGR”)**

On 11 March 2022, the Company has incorporated a new subsidiary namely KGR with paid-up capital of RM2.

**Disposal of 100% equity interest in Ganzhou Kanger and Yanshan (County) Kanger Bamboo Industry Co. Ltd. (“Yanshan Kanger”)**

On 28 March 2022, the Company’s wholly owned subsidiary, namely Kanger Investment (HK) Ltd. (“**HK Kanger**”), had entered into a share sale agreement with Mr. Zeng QinHui for the proposed disposal of 100% equity interest in Ganzhou Kanger, which would also entail the disposal of 100% equity interest in Yanshan Kanger being the indirect subsidiary of HK Kanger for a total disposal consideration of RM20.0 million. Following the completion of this disposal, Ganzhou Kanger and Yanshan Kanger had ceased to become the wholly owned indirect subsidiaries 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 ----		Variance (Amount RM'000/%)
	31 March 2022 RM '000	31 March 2021 RM '000	
Revenue	99,100	1,098	98,002/>100%
Gross profit/(loss)	2,820	(789)	3,609/>100%
Loss before taxation	(31,019)	(16,365)	14,654/90%
LAT	(31,120)	(16,374)	14,746/90%
	Cumulative Quarter		
	31 March 2022 RM '000		Variance (Amount RM'000/%)
Revenue	222,721		N/A
Gross profit	6,084		N/A
Loss before taxation	(163,018)		N/A
LAT	(163,966)		N/A

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

Individual Quarter

Revenue increased significantly by RM98.0 million or more than 100% in the current financial quarter ended 31 March 2022 ("**Q42022**") as compared to the corresponding quarter ended 31 March 2021 ("**Q5 2021**") mainly due to:-

- (a) additional source of revenue from construction business segments amounting to RM90.8 million;
- (b) additional source of revenue from selling of building materials amounting to RM7.4 million; and
- (c) additional source of revenue from selling of medical and health care products of RM0.9 million.

The gross profit recorded in Q4 2022 increased by more than 100% as compared to gross loss recorded in Q5 2021 mainly due to absent of higher discount given previously to the customers to clear some old stocks in Q5 2021.

Cumulative Quarter

Overall, the Group recorded loss before taxation of RM31.0 million in Q4 2022 and RM163.0 million in the financial year-to-date respectively due to insufficient revenue generated to defray the expenses. The Group has 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 RM15.5 million, impairment loss on trade and other receivables amounting to RM64.8 million, impairment loss on property, plant and equipment amounting to RM4.5 million, impairment loss on other investments amounting to RM4.0 million, impairment loss on intangible assets amounting to RM10.5 million, fair value loss on investment properties amounting to RM77.4 million and property, plant and equipment written off amounting to RM1.2 million, although the loss was mitigated by gain on disposal of property, plant and equipment amounting to RM3.1 million and gain on disposal of subsidiary companies amounting to RM55.8 million in the financial year-to-date.

**B2. Comparison with immediate preceding quarter's results**

	Quarter ended		Variance (Amount RM'000/%)
	31 March 2022 RM '000	31 December 2021 RM '000	
Revenue	99,100	54,665	44,435/81%
Gross profit	2,820	1,321	1,499/>100%
Loss before taxation	(31,019)	(74,808)	(43,789)/-59%
LAT	(31,120)	(75,126)	(44,006)/-59%

The Group recorded an increase in revenue by RM44.4 million to RM99.1 million in Q4 2022 as compared to RM54.7 million in the preceding financial quarter ended 31 December 2021 ("**Q3 2022**"). The increase in revenue was mainly due to the increase in sales in Malaysia in as a result of the relaxation of movement control order in the current financial quarter.

Overall, the Group recorded loss before taxation of RM31.0 million in Q4 2022 as compared to loss before taxation of RM74.8 million in Q3 2022. The decrease in loss before taxation in Q4 2022 was mainly due to the Group has incurred non-recurring expenses such as impairment loss on inventories amounting to RM2.5 million, impairment loss on trade and other receivables amounting to RM31.1 million, impairment loss on other investments amounting to RM3.6 million and impairment loss on intangible assets amounting to RM10.5 million and fair value loss on investment properties amounting to RM77.4 million, although the loss was mitigated by gain on disposal of property, plant and equipment amounting to RM3.1 million and gain on disposal of subsidiary companies amounting to RM54.6 million in Q3 2022.

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

**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.

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) Seeking opportunities to be able to involve in distribution of medical related products such as gloves, vaccine for COVID-19 and mask; and
- (b) 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 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
	31 March 2022 RM '000	31 March 2021 RM '000	Quarter 31 March 2022 RM '000
Current tax expenses	101	9	101
Under provision in prior year	<u>318</u>	<u>-</u>	<u>847</u>
Effective tax rate	<u>N/A</u>	<u>-</u>	<u>N/A</u>

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 Kanger, which currently enjoys a preferential tax rate of 15%. In addition, HK Kanger 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.

**B7. Borrowings**

The Group's borrowings as at 31 March 2022 are as follows:

	As at 31 March 2022 RM '000	As at 31 March 2021 RM '000
<b>Secured – Short term borrowings</b>		
Term loans	-	36,951
Hire purchase	<u>620</u>	<u>1,599</u>
	<u>620</u>	<u>38,550</u>
<b>Secured – Long term borrowings</b>		
Term loans	-	21,026
Hire purchase	<u>1,939</u>	<u>3,293</u>
	<u>1,939</u>	<u>24,319</u>
<b>Total borrowings</b>	<u>2,559</u>	<u>62,869</u>

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

	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Secured – Short term and long term borrowings</b>		
Chinese Renminbi	-	60,977
Ringgit Malaysia	2,559	1,892
<b>Total borrowings</b>	<u>2,559</u>	<u>62,869</u>

The borrowings decreased by RM60.3 million or more than 100% as at 31 March 2022 as compared to 31 March 2021 mainly due to exclusion of borrowings in SZ Kanger, Ganzhou Kanger and Yanshan Kanger upon disposal of these subsidiary companies.

The weighted average effective interest rates of the Group's borrowings ranged from 3% to 9% as at 31 March 2022. The term loans are subjected to floating interest rate and hire purchase is subjected to fixed interest rate as at 31 March 2022.

**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:

	<b>---- Individual Quarter ----</b>		<b>Cumulative</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>Quarter 31 March 2022</b>
LAT attributable to Owners of the Company (RM '000)	(31,302)	(16,235)	(164,210)
Weighted average number of ordinary shares in issue ('000)	440,289	1,661,327	440,289
Basic loss per share (sen)	<u>(7.11)</u>	<u>(0.98)</u>	<u>(37.30)</u>

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

	---- Individual Quarter ----		Cumulative
	31 March 2022	31 March 2021	Quarter 31 March 2022
LAT attributable to Owners of the Company (RM '000)	(31,302)	(16,235)	(164,210)
Weighted average number of ordinary shares in issue ('000)	440,289	1,661,327	440,289
Assuming full exercise of warrants ('000)	169,951	-	169,951
Assuming full exercise of SIS ( '000)	6,581	-	6,581
Diluted loss 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
	31 March 2022	31 March 2021	31 March 2022
	RM '000	RM '000	RM '000
Amortisation of intangible assets	4	547	751
Bad debts written off	-	2,040	-
Depreciation of property, plant and equipment and investment properties	525	1,178	2,126
Depreciation of right-of-use assets	726	333	726
Dividend income	149	-	149
Fair value loss/(gain) on investment properties	-	(46,052)	77,367
Gain on disposal of other investment	-	(6)	-
Gain on disposal of property, plant and equipment	-	-	(3,136)
Gain on disposal of subsidiary companies	(1,181)	-	(55,822)
Gain on foreign exchange - unrealised	(35)	(1,029)	(35)
Impairment loss on intangible assets	58	-	10,535
Impairment loss on inventories	-	-	15,469
Impairment loss on other investments	431	-	3,994
Impairment loss on property, plant and equipment	-	-	4,496
Impairment loss on trade and other receivables	8,637	49,923	64,817
Intangible assets written off	-	1,494	-
Interest expenses	1,565	2,530	5,330
Interest income	(51)	(51)	(51)
Inventories written off	-	310	-
Property, plant and equipment written off	676	16	1,229
Share based payment	-	-	5,775

There were no other income, write off of receivables, write off of inventories, 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

31 May 2022