

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4TH) QUARTER ENDED 30 SEPTEMBER 2024**

	---Individual Quarter---		Cumulative
	30	30	Quarter
	September	September	30
	2024	2023	September
	RM '000	RM '000	2024
			RM '000
Revenue	5,802	7,225	36,786
Cost of sales	(6,434)	(6,905)	(33,640)
Gross (loss)/profit	(632)	320	3,146
Other operating income	85	6	473
Administrative expenses	(2,294)	(1,936)	(5,349)
Other operating expenses	(11,365)	4,003	(14,089)
Finance costs	-	(33)	(264)
(Loss)/Profit before taxation	(14,206)	2,360	(16,083)
Taxation	(369)	(1,150)	(369)
(Loss)/Profit after taxation, representing total comprehensive (loss)/income	(14,575)	1,210	(16,452)
(LOSS)/PROFIT AFTER TAX ATTRIBUTABLE TO:			
- Owners of the Company	(14,575)	2,795	(18,218)
- Non-controlling interest	-	(1,585)	1,766
	(14,575)	1,210	(16,452)
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:			
- Owners of the Company	(14,575)	2,795	(18,218)
- Non-controlling interests	-	(1,585)	1,766
	(14,575)	1,210	(16,452)
Weighted average no. of ordinary shares ('000)	761,581	500,542	737,935
Loss per share attributable to Owners of the Company (sen):			
- Basic	(1.91)	0.58	(2.47)
- Diluted	N/A	N/A	N/A

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

Notes:

On 27 February 2023, Kanger International Berhad ("**Kanger**" or the "**Company**") announced the change of financial year end from 31 March 2023 to 30 September 2023. The current reporting financial period will be for a period of 12 months made up from 1 October 2023 to 30 September 2024. As such, there are no comparative figures for the cumulative preceding years' 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**") 30 September 2023 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024 (CONT'D)

	(Unaudited) As at 30 September 2024 RM '000	(Audited) As at 30 September 2023 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,747	12,522
Investment properties	92,902	99,197
Right-of-use assets	-	1,180
Land held for development	8,330	-
Intangible assets	90,286	90,286
Other investments	-	5,000
	<u>193,265</u>	<u>208,185</u>
CURRENT ASSETS		
Inventories	-	178
Trade and other receivables	31,662	104,947
Current tax assets	44	98
Cash and cash equivalents	3,274	2,539
	<u>34,980</u>	<u>107,762</u>
Non-current assets held for sale	-*	-
TOTAL ASSETS	<u>228,245</u>	<u>315,947</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	434,839	427,561
Reserves	(222,901)	(139,555)
SHAREHOLDERS' EQUITY	<u>211,938</u>	<u>288,006</u>
Non-controlling interests	-	5,106
TOTAL EQUITY	<u>211,938</u>	<u>293,112</u>
CURRENT LIABILITIES		
Trade and other payables	15,784	19,925
Bank borrowings	-	330
Amount owing to a director	-	265
Lease liabilities	-	721
Current tax liabilities	523	404
	<u>16,307</u>	<u>21,645</u>

*Amount less than RM1,000

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	(Unaudited) As at 30 September 2024 RM '000	(Audited) As at 30 September 2023 RM '000
NON-CURRENT LIABILITIES		
Bank borrowings	-	494
Lease liabilities	-	696
	<u>-</u>	<u>1,190</u>
TOTAL LIABILITIES	16,307	22,835
TOTAL EQUITY AND LIABILITIES	228,245	315,947
NET ASSETS PER SHARE (sen)	<u>27.83</u>	<u>45.10</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 30 September 2023 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 30 SEPTEMBER 2024

	Share Capital RM '000	Merger Reserve RM '000	Warrants Reserve RM '000	Accumulated losses RM '000	Total RM '000	Non- controlling Interests RM '000	Total Equity RM '000
Balance as at 30 September 2023 (Audited)	427,561	200	38,919	(178,674)	288,006	5,106	293,112
Transaction with Owners of the Company:							
- Issuance of shares granted under SIS	4,740	-	-	-	4,740	-	4,740
- Issuance of private placement	1,605	-	-	-	1,605	-	1,605
- Share issuance expenses	933	-	-	-	933	-	933
- Changes in equity shareholdings in subsidiary	-	-	-	(65,128)	(65,128)	(6,872)	(72,000)
Total transactions with Owners of the Company	7,278	-	-	(65,128)	(57,850)	(6,872)	(64,722)
(Loss)/Profit after tax	-	-	-	(18,218)	(18,218)	1,766	(16,452)
Total comprehensive (loss)/income	-	-	-	(18,218)	(18,218)	1,766	(16,452)
Balance as at 30 September 2024	434,839	200	38,919	(262,020)	211,938	-	211,938

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 30 September 2023 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 30 SEPTEMBER 2024**

	Period ended 30 September 2024 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES	
Loss before taxation	(16,083)
Adjustments for:	
Amortization of right-of-used assets	154
Depreciation of property, plant and equipment	240
Gain on lease termination	(214)
Loss on disposal of property, plant and equipment	1,144
Interest expenses	264
Impairment loss on other receivables	286
Impairment loss on trade receivables	4,868
Impairment loss on investment property	1,463
Impairment loss on other investment	5,000
Share based payment	933
Operating loss before working capital changes:	(1,945)
Change in inventories	178
Change in trade and other receivables	68,134
Change in trade and other payables	104
CASH FROM OPERATIONS	66,471
Interest paid	(27)
Income tax paid	(196)
NET CASH FROM OPERATING ACTIVITIES	66,248
CASH FLOWS FOR INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	539
Cash outflow from acquisition of non-controlling interest	(72,000)
NET CASH USED IN INVESTING ACTIVITIES	(71,461)
CASH FLOWS FOR FINANCING ACTIVITIES	
Net repayment of bank borrowing	(219)
Net repayment of lease liabilities	(177)
Proceeds for issuance of SIS	4,739
Proceeds from issuance of private placement	1,605
NET CASH FROM FINANCING ACTIVITIES	5,948
NET INCREASE IN CASH AND CASH EQUIVALENTS	735
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	2,539
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	3,274
Cash and cash equivalents at end of the financial period comprise the following:	
- Cash and bank balances	3,274

Note: The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Kanger for the FPE 30 September 2023 and the accompanying explanatory notes attached to this interim financial report.

QUARTERLY REPORT FOR THE FOURTH (4TH) QUARTER ENDED 30 SEPTEMBER 2024

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

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 30 September 2023 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 7: Financial Instruments Disclosures – <i>Supplier Financing Arrangement</i>	1 January 2024
Amendments to MFRS 16: Leases	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements – <i>Non-current liabilities with Covenants and Classification of Liabilities as Current and Non-Current</i>	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows – <i>Supplier Financing Arrangements</i>	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates – <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 30 September 2023.

A2. Auditors’ report on preceding annual financial statements

The auditors’ report on the audited consolidated financial statements of the Group for the FPE 30 September 2023 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.

A5. Material changes in estimates

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

A6. Debt and equity securities

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

During the previous financial quarter, the Company increased its share capital from RM427,561,384 to RM433,233,763 by way of issuance of 81,713,369 new ordinary shares within exercise price of RM0.058 per ordinary share for a total cash consideration of RM4,739,375 and fair value of ESOS Reserve RM933,004 pursuant to the Company's Share Issuance Scheme ("SIS").

On 1 July 2024, 30,000,000 new ordinary shares were issued, pursuant to the first tranche of the Private Placement, for a total cash consideration of RM1,605,000. The proceed were being utilised for Ijok development and general working capital purposes.

A7. Segmental information

The Group's revenue is derived from the products as follows:

	---Individual Quarter---		Cumulative
	30	30	Quarter
	September	September	September
	2024	2023	2024
	RM '000	RM '000	RM '000
Manufacturing, trading and project management services	5,802	7,221	36,786
Trading of medical and healthcare products	-	4	-
Total	<u>5,802</u>	<u>7,225</u>	<u>36,786</u>

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

	---Individual Quarter---		Cumulative
	30	30	Quarter
	September	September	September
	2024	2023	2024
	RM '000	RM '000	RM '000
Malaysia	5,802	7,255	36,786
Total	<u>5,802</u>	<u>7,255</u>	<u>36,786</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.

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.

A9. Capital commitments

Capital expenditures as at the date of this report but not recognised in the financial statements are as follows:

	---Individual Quarter---		Cumulative
	30	30	Quarter
	September	September	September
	2024	2023	2024
	RM '000	RM '000	RM '000
Approved and contracted	61,466	43,673	61,466
Approved but not contracted	-	222,090	-

A10. Changes in the composition of the Group

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

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 event subsequent to the end of the current financial quarter and financial period-to-date that have not been reflected in this interim financial report except for the following:

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 2024	30 September 2023	Variance (Amount RM'000 / %)
	RM '000	RM '000	
Revenue	5,802	7,225	(1,053)/15.3%
Gross (loss)/profit	(632)	320	(952)/>100%
(Loss)/profit before taxation	(14,206)	2,360	(16,566)/>100%
(Loss)/profit after taxation	(13,767)	1,210	(14,977)>100%
		Cumulative Quarter 30 September 2024	Variance (Amount RM'000/%)
		RM '000	
Revenue		36,786	N/A
Gross profit		3,146	N/A
Loss before taxation		(16,083)	N/A
Loss after taxation		(16,452)	N/A

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

Individual Quarter

Revenue decrease by RM1 million in current financial quarter ended 30 September 2024 (“**Q4 2024**”) as compared to the corresponding quarter ended 30 September 2023 (“**Q6 2023**”) which was mainly due to decrease in the sales generate from Sung Master Holdings Sdn Bhd on trading of building materials. Besides, higher losses incurred in current financial quarter due to impairment loss taken up on trade receivables of RM4.9mil, impairment loss on investment property of RM1.5mil and other investment of RM5mil.

B2. Comparison with immediate preceding quarter’s results

	Quarter ended		Variance (Amount RM'000 / %)
	30 September 2024	30 June 2024	
	RM '000	RM '000	
Revenue	5,802	323	5,479/>100%
Gross profit	(632)	(1,134)	502/44%
Loss before taxation	(14,206)	(1,797)	(12,409)/>100%
Loss after taxation	(13,767)	(1,797)	(11,970)/>100%

The Group recorded loss after taxation of RM13.8 million as compared to loss after taxation of RM1.7million in Q3 2024. The loss recorded in Q4 2024 was mainly due to non-recurring transaction on impairment loss on other receivable of RM0.2mil, impairment loss on trade receivable of RM4.9mil, impairment loss on investment property of RM1.5mil and impairment loss on other investment of RM5mil.

B3. Prospects for the financial year ending 30 September 2024 (“FYE 2024”)

As the economy normalises further, Bank Negara Malaysia (“BNM”) said Malaysian economy is expected to grow between 4% and 5% in 2024, underpinned by continued expansion in domestic demand and improvement in external demand.

The growth will be driven mainly by firm domestic demand, better-than-expected labour market conditions, stronger pick-up in tourism activity, as well as the implementation of projects including the recently re-tabled Budget 2023 would provide upside risks to the domestic growth outlook.

Meanwhile, private investment is projected to expand by 5.4% (2023: 3%), supported by the implementation of multi-year projects across all economic sectors with the ongoing efforts to embark on automation and digitalisation, and continued progress in large-scale transport and digital infrastructure projects.

BNM also quoted that downside risks emanate primarily from external factors mainly from weaker-than-expected global growth stemming from a sharp tightening in global financial markets amid tighter monetary policy or worsening sentiments. Nonetheless, BNM expecting that the risk to Malaysia’s growth projections is balanced.

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

- (a) The Group has lined up several growth initiatives through organic and inorganic means, here, organic means is a focus on short and medium-term financial performance whereas the inorganic means would rather be with a longer-term financial performance horizon focus.
- (b) In organic frontiers of construction segment, our focus would be on and ensuring that the current projects and order book in hand are effectively and efficiently expedite and complete within the short and mid-term timeline thus translated it into revenue stream.
- (c) Whereas for inorganic growth of construction segment, our focus would be to on a look out for a suitable and viable merger or acquisition opportunities of an existing substantive player/s as a key leverage to multiply its operational size and volume so as to achieve certain economies of scale advantages.
- (d) This inorganic growth strategy is also applicable to our property and investment management segment whereby we continuously seek for a suitable and viable acquisition in strategic locations as to expand this segment’s contribution to the Group.
- (e) On medical and healthcare segment, we continue to explore and to build up a wider range of products for the existing products, also to introduce new products into our existing distribution channel and core sales and marketing operations infrastructure, a leverage that would see a better profit margin with increase revenue.

Premised on the above, the Board is cautiously optimistic on the prospects of the Group for FYE 2024.

B4. Profit forecast

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

B5. Taxation

The Group do not incur any current tax expense during the quarter ended 30 June 2024.

B6. Status of corporate proposals

(a) Share Issuance Scheme (“SIS”)

On 24 December 2019, the Company undertook 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 26 December 2023 offered a total of 81,713,369 share options at the option price of RM0.058 to eligible employees and directors of the Company in accordance with the By-Laws of the SIS.

During the previous financial quarter, approximately 81.7 million of ordinary shares were subscribed as below:

- (a) On 11 January 2024, 31,213,369 new ordinary shares which were issued under Share Issuance Scheme amounting to RM1,810,375; and
- (b) On 15 January 2024, 50,500,000 new ordinary shares which were issued under Share Issuance Scheme amounting to RM2,929,000.

(b) Proposed acquisition of 980,000 ordinary shares of SMH

The Group had on 23 November 2023 entered into a share sale agreement with Wong Seen (“Vendor”) for the acquisition of 980,000 ordinary shares in SMH, representing the remaining 49% equity interest in SMH for a purchase consideration of RM72,000,110 to be fully satisfied via cash. The acquisition was completed on 21 February 2024.

(c) Proposed private placement

On 29 December 2023, the Company proposed to undertake a private placement of up to 20% of the total number of issued shares to third party investors.

On 25 June 2024, the Board had resolved to fix the issue price for the Private Placement @ RM0.0535 per Placement Shares.

On 1 July 2024, 30,000,000 new ordinary shares were issue pursuant to the first tranche of the Private Placement.

On 19 Aug 2024, Bursa Securities had resolved to grant the Company an extension of time of 6 months from 19 August 2024 to 18 February 2025 for the implementation of the Private Placement.

(d) Proposed capital reduction

On 9 August 2024, the company announced a reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act 2016.

On 27 Nov 2024, the proposed capital reduction was duly passed by the shareholders by way of poll at the EGM of the Company

B6. Status of corporate proposals (cont'd)

(e) Proposed variation to the terms of the sales and purchase agreement

On 9 August 2024, the company announced a proposed variation to the terms of the sales and purchase agreement dated 24 February 2021 entered into between Kanger Ventures Sdn Bhd and Aset Kayamas Development Sdn Bhd for the acquisition of 126 units of proposed service 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, Lot 43031, Mukim and District of Bentong, Pahang Darul Makmur.

On 27 Nov 2024, the proposed variation was duly passed by the shareholders by way of poll at the EGM of the Company

B7. Borrowings

The Group's borrowings are as follows:

	As at 30 September 2024 RM '000	As at 30 September 2023 RM '000
Secured – Short term borrowings		
Hire purchase	-	330
Secured – Long term borrowings		
Hire purchase	-	494
Total borrowings	<u>-</u>	<u>824</u>

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

	As at 30 September 2024 RM '000	As at 30 September 2023 RM '000
Secured – Short term and long term borrowings		
Ringgit Malaysia	-	824
Total borrowings	<u>-</u>	<u>824</u>

Note:

The borrowings decreased by RM0.8 million as at 30 September 2024 as compared to 30 September 2023 was mainly due to early settlement on hire purchase.

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 30 September 2024 (FPE 30 September 2023: Nil).

B10. Loss per share

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

	---Individual Quarter---		Cumulative
	30	30	Quarter
	September	September	30
	2024	2023	September
	RM '000	RM '000	2024
			RM '000
(Loss)/Profit attributable to Owners of the Company (RM '000)	(14,575)	2,795	(18,218)
Weighted average number of ordinary shares in issue ('000)	761,581	500,542	737,935
Basic loss per share (sen)	<u>(1.91)</u>	<u>0.58</u>	<u>(2.47)</u>

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

	---Individual Quarter---		Cumulative
	30	30	Quarter
	September	September	30
	2024	2023	September
	RM '000	RM '000	2024
			RM '000
(Loss)/Profit attributable to Owners of the Company (RM '000)	(14,575)	2,795	(18,218)
Weighted average number of ordinary shares in issue ('000)	761,581	500,542	737,935
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
	30 September 2024 RM '000	30 September 2023 RM '000	30 September 2024 RM '000
Amortisation of right-of-used assets	-	179	154
Depreciation of property, plant and equipment	33	154	240
Gain on lease termination	-	-	(214)
Loss on disposal of property, plant and equipment	-	-	1,144
Interest expenses	80	33	264
Impairment loss on other receivables	-	-	286
Impairment loss on trade receivables	4,868	5,997	4,868
Impairment loss on investment property	1,463	-	1,463
Impairment loss on other investment	5,000	-	5,000

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.

By Order of the Board

THONG PUI YEE (MAICSA 7067416)

Company Secretary
Kuala Lumpur
29 November 2024