



XiDeLang Holdings

(Bermuda Company No. 43136)
(Malaysian Foreign Company Registration No. 995210-W)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2021 RMB'000	Quarter ended 30.09.2020 RMB'000	Financial period ended 30.09.2021 RMB'000	Financial period ended 30.09.2020 RMB'000
Revenue	137,835	67,192	137,835	67,192
Cost of Sales	(110,750)	(50,473)	(110,750)	(50,473)
Gross Profit ("GP")	27,085	16,719	27,085	16,719
Other Income	818	845	818	845
Distribution Costs	(518)	(4,576)	(518)	(4,576)
Administrative and Other Expenses	(26,048)	(10,417)	(26,048)	(10,417)
Finance Costs	-	(160)	-	(160)
Profit before Tax ("PBT")	1,337	2,411	1,337	2,411
Tax Expense	(114)	(1,870)	(114)	(1,870)
Profit For The Period ("PAT")	1,223	541	1,223	541
Other Comprehensive Income:				
Foreign currency translations	-	-	-	-
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Income	1,223	541	1,223	541
Profit attributable to:				
Equity holders of the parent	1,223	541	1,223	541
Total Comprehensive Income attributable to:				
Equity holders of the parent	1,223	541	1,223	541
Earnings per share attributable to equity holders of the parent				
- Basic ⁽²⁾ (RMB cent)	0.06	0.03	0.06	0.03
- Diluted ⁽²⁾ (RMB cent)	0.06	0.03	0.06	0.03

Notes:

(1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) Refer Note B9 for further details.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	As at 30.09.2021 ⁽¹⁾ RMB'000	As at 30.06.2021 RMB'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	500,596	504,394
Land use rights	43,331	43,635
Deferred tax assets	5,715	5,715
	549,642	553,744
Current Assets		
Inventories	3,722	10,199
Trade and other receivables (Note @)	194,796	142,075
Cash and cash equivalents	849,589	833,829
	1,048,107	986,103
TOTAL ASSETS	1,597,749	1,539,847
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	13,437	13,437
Reserves	1,439,343	1,438,120
TOTAL EQUITY	1,452,780	1,451,557
Non-current Liabilities		
Deferred tax liabilities	23,148	23,034
Current Liabilities		
Trade and other payables (Note #)	121,681	65,116
Tax payable	140	140
	121,821	65,256
TOTAL LIABILITIES	144,969	88,290
TOTAL EQUITY AND LIABILITIES	1,597,749	1,539,847
Net assets per share (RMB)⁽²⁾	0.69	0.69

Notes:

(1) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.*

(2) *Calculated based on the number of ordinary shares outstanding (excluding treasury shares) as at the end of the financial period/year.*

Remark

(@) *Average credit terms granted to trade receivables by the Group are 120 to 150 days.*

(#) *Average credit terms granted by trade payables to the Group are 120 days.*



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Quarter and period ended 30 September 2020	Non-distributable							Distributable		Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory surplus reserve RMB'000	Merger deficit RMB'000	Exchange translation reserve RMB'000	Treasury shares RMB'000	ESOS reserve RMB'000	Retained earnings RMB'000	
Balance at 1 July 2020	452,534	2,290	417,225	49,277	(204,906)	33,401	(1)	-	693,629	1,443,449
Total comprehensive income	-	-	-	-	-	-	-	-	541	541
Transactions with owners										
Par value reduction	(441,221)	-	441,221	-	-	-	-	-	-	-
Grant of ESOS #	-	-	-	-	-	-	-	9,213	(9,213)	-
Issue of shares pursuant to exercise of ESOS	1,851	27,497	-	-	-	-	-	(9,213)	-	20,135
Transfer to statutory surplus reserve	-	-	-	446	-	-	-	-	(446)	-
	1,851	27,497	-	446	-	-	-	-	(9,659)	20,135
Balance at 30 September 2020	13,164	29,787	858,446	49,723	(204,906)	33,401	(1)	-	684,511	1,464,125

Remark

Additional employee benefit in relation to the granting of ESOS was expensed off in previous financial year, upon finalisation of the annual audited financial statements for the financial year ended 30 June 2021.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (cont'd)

Quarter and period ended 30 September 2021 ⁽¹⁾	Non-distributable						Distributable		Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory surplus reserve RMB'000	Merger deficit RMB'000	Exchange translation reserve RMB'000	Treasury shares RMB'000	Retained earnings RMB'000	
Balance at 1 July 2021	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	659,040	1,451,557
Total comprehensive income	-	-	-	-	-	-	-	1,223	1,223
Transactions with owners									
Transfer to statutory surplus reserve	-	-	-	526	-	-	-	(526)	-
	-	-	-	526	-	-	-	(526)	-
Balance at 30 September 2021	13,437	42,863	858,446	49,803	(204,906)	33,401	(1)	659,737	1,452,780

Note:

(1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Financial period ended	
	30.09.2021 ⁽¹⁾ RMB'000	30.09.2020 RMB'000
Profit before tax	1,337	2,411
Adjustments for non-operating cash flows:		
Non-cash items	12,677	3,479
Non-operating items	(818)	(685)
Operating profit before working capital changes	13,196	5,205
Changes in working capital		
Net change in current assets	(55,315)	10,447
Net change in current liabilities	57,070	(3,406)
Cash generated from operating activities	14,951	12,246
Income tax paid	-	(1,519)
Net cash from operating activities	14,951	10,727
Investing activities		
Interest received	818	845
Purchase of property, plant and equipment	(9)	-
Net cash from investing activities	809	845
Financing activities		
Interest paid	-	(160)
Proceeds from issuance of new ordinary shares	-	29,348
Net cash from financing activities	-	29,188
Net change in cash and cash equivalents	15,760	40,760
Cash and cash equivalents at beginning of financial period	833,829	862,064
Cash and cash equivalents at end of financial period	849,589	902,824
Cash and cash equivalents at end of financial period		
Cash and bank balances	849,589	902,824

Note:

- (1) *The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.*



A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements as contained in this interim financial report are unaudited and have been prepared under the historical cost convention except otherwise stated.

These unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“MMLR”) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

These unaudited interim financial statements should be read in conjunction with the annual report and audited consolidated financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2021.

The significant accounting policies and methods of computation applied in these unaudited interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 30 June 2021, save for the adoption of the following MFRS and Amendments to MFRSs during the current financial period as disclosed below:

Effective for annual periods commencing on or after 1 January 2021

Interest Rate Benchmark Reform – Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)

The adoption of the above MFRS, Amendments to MFRSs and IC Interpretation did not have any significant financial impact to the Group upon their initial application.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but have not been early adopted by the Group:

Effective for annual periods commencing on or after 1 January 2022

Amendments to MFRSs contained in the document entitled “*Annual Improvements to MFRS Standards 2018-2020*”

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*



A1. BASIS OF PREPARATION (cont'd)

Effective for annual periods commencing on or after 1 January 2023

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

Amendments to MFRS 101 *Disclosure of Accounting Policies*

Amendments to MFRS 108 *Definition of Accounting Estimates*

Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Deferred

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 30 June 2021 were not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF OPERATION

Save for the seasonality that is inherent in the sportswear industry, our Group's operations are not exposed to any anomalous cyclical fluctuation.

A4. UNUSUAL ITEMS

Save for the impact due to COVID-19 pandemic on the overall economic environment which our Group is inevitably exposed to, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

A5. MATERIAL CHANGES IN ESTIMATES

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the current quarter and financial period under review.

A6. DEBTS AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and financial period under review.



A7. DIVIDEND PAID

The Board of Directors did not recommend any payment of dividend during the current quarter and financial period under review (*Quarter and financial period ended 30 September 2020: Nil*).

A8. SEGMENT INFORMATION

The Group's activities are predominantly in designing, manufacturing and marketing of sports shoes as well as designing and marketing of sports apparel, accessories and equipment within the People's Republic of China ("PRC" or "China"). The Group's operations are concentrated in Jinjiang City, Fujian Province of the PRC, which represents its principal place of business and in which the assets and liabilities of the Group are located.

Due to the similarities in the business operations between the two operating subsidiaries in the PRC, the Group's chief operating decision maker, the Group's Chief Executive Officer in this context manages the operations within the Group as a whole in single segment and relies on internal reports which are similar to those currently disclosed externally to make decisions about allocation of resources.

The Group evaluates performance on the basis of revenue from the respective operations. The analysis is as follows:

	Own branding manufacturer RMB'000	Original design manufacturer ("ODM") RMB'000	Total RMB'000
Quarter and period ended 30 September 2021			
Revenue – footwear	33,182	104,653	137,835
Quarter and period ended 30 September 2020			
Revenue – footwear	21,357	45,835	67,192

Accordingly, no further segmental analysis is available for disclosure except for the following entity-wide disclosures as required by MFRS 8:



A8. SEGMENT INFORMATION (cont'd)

During the financial period under review, the Group derived all of its revenue from the PRC. In view of the vast geographical areas within the PRC, customers can be stratified on a regional basis within the PRC. The following is an analysis of the Group's revenue by region by location of customers, irrespective of the origin of the goods/services and based on the following regional groupings:

- Eastern region includes Jiangsu and Shandong.
- Southern region includes Fujian, Hubei, Hunan, Jiangxi and Anhui.
- Western region includes Sichuan, Guangxi, Guizhou, Yunnan, Chongqing, Gansu, Xinjiang and Shaanxi.
- Northern region includes Beijing, Henan, Heilongjiang, Liaoning, Shanxi and Jilin.

Revenue by region

	Quarter and period ended 30.09.2021 RMB'000	Quarter and period ended 30.09.2020 RMB'000
Within the PRC:		
- Eastern region	2,435	1,592
- Southern region	116,908	52,280
- Western region	14,062	7,139
- Northern region	4,430	6,181
	<hr/> <hr/>	<hr/> <hr/>
	137,835	67,192

A9. MATERIAL EVENTS

There was no material event subsequent to the end of the current quarter that have not been reflected in this interim financial report and/or announced to Bursa Securities.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current quarter and financial period under review.



A11. CHANGES IN CONTINGENT LIABILITIES

There are no material contingent liabilities as at the date of this report.

A12. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 30 September 2021 is as follows:

	As at 30.09.2021 RMB'000
Property, plant and equipment	
Approved but not contracted for	<u>31,142</u>

A13. RELATED PARTY TRANSACTIONS

There was no related party transaction entered into by the Group during the current quarter and financial period under review (*Quarter and financial period ended 30 September 2020: Nil*).

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B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. ANALYSIS OF PERFORMANCE

	Quarter and Financial period ended		Changes	
	30.09.2021 RMB'000	30.09.2020 RMB'000	RMB'000	%
Revenue	137,835	67,192	70,643	+ 105.1
Gross profit	27,085	16,719	10,366	+ 62.0
Profit before tax	1,337	2,411	(1,074)	- 44.5
Profit after tax / Profit attributable to equity holders of the parent	1,223	541	682	+ 126.1

Revenue

Our Group's total revenue stood at RMB137.8 million for the current quarter and financial period under review, increased by over 100% as compared to preceding year corresponding quarter and financial period. This was mainly due to gradual recovery of market activities during the current quarter and financial period under review, where our Group recorded improved sales from both the Own-branding and ODM divisions.

Profitability

Backed by the improvement in revenue, our Group's gross profit increased to RMB27.1 million for the current quarter and financial period under review, higher by approximately 62.0% as compared to preceding year corresponding quarter and financial period.

Our Group's profit after tax for the current quarter and financial period under review stood at RMB1.2 million, increased by more than 100% as compared to preceding year corresponding quarter and financial period. This was largely in line with the improved gross profit recorded for the current quarter and financial period under review; partially offset by an increase in administrative and other expenses due to additional credit loss allowance being recognised in relation to balances owing from our authorised distributors, as some of our authorised distributors experienced adverse impact and disruption to their operations caused by the ongoing COVID-19 pandemic.



B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Quarter ended	
	30.09.2021	30.06.2021
	RMB'000	RMB'000
Revenue	137,835	99,597
Gross profit	27,085	11,983
Profit/(Loss) before tax	1,337	(36,349)
Profit/(Loss) after tax / Profit/(Loss) attributable to equity holders of the parent	1,223	(30,421)

Revenue for the current quarter under review improved by approximately 38.4% as compared to preceding quarter, mainly due to gradual recovery of orders from ODM division in line with the seasonal changes. This was, however, partially mitigated by lower sales recorded from Own-branding division as some of our authorised distributors experienced adverse impact and disruption to their operations caused by the ongoing COVID-19 pandemic.

Backed by the improvement in revenue and gross profit, coupled with the non-recurrence of employee benefit expenses in relation to ESOS granted, our Group recorded profit after tax of approximately RMB1.2 million for the current quarter under review; as compared to a loss position in the preceding quarter.

ADDITIONAL INFORMATION – TRADE RECEIVABLES

	As at	
	30.09.2021	30.06.2021
	RMB'000	RMB'000
Trade receivables – third party	226,412	165,124
Allowance for expected credit loss	(31,615)	(23,049)
	<u>194,797</u>	<u>142,075</u>

The normal credit terms granted by our Group ranging from 120 to 150 days. Our Group will monitor closely the credit risk exposure amid the COVID-19 pandemic.



B3. TAX EXPENSES

	Quarter and financial period ended	
	30.09.2021	30.09.2020
	RMB'000	RMB'000
Tax expenses	114	1,870
Effective tax rate	8.5%	77.6%

As our Group's principal operations are carried out in China, the effective tax rate reported by our Group is generally correlated to the statutory tax rate applicable in China. During the current quarter and financial period under review, the effective tax rate stood at 8.5%, lower as compared to the prevailing statutory tax rate in the PRC. This was primarily due to lower provision of current tax expenses during the current quarter and financial period under review, in view of losses incurred in prior year.

B4. OUTLOOK AND PROSPECTS

The unresolved geopolitical tensions, coupled with the COVID-19 pandemic, continue to cast shadows over the global economy and create uncertainties over market activities.

The industry outlook for the near term is anticipated to experience higher degree of volatility, particularly with the resurgence of COVID-19 cases in recent months despite the increasing vaccination rate globally. Consumers are expected to remain prudent on spending, while market competitions are expected to intensify with industry players remain conservative in terms of operations and expansion.

Our Group will continue to closely monitor the development and is committed to take proactive and practical actions to safeguard the interests of our Group and our shareholders and stakeholders. Our Group is of the view that the demands for the sportswear within the domestic China market and global markets will recover gradually in the mid and long-term, upon stabilisation and containment of the COVID-19 pandemic.

Subject to the containment of the COVID-19 pandemic and gradual recovery of global economy, our Group will strive to achieve positive financial performance for the financial year ending 30 June 2022.

B5. Profit Forecast

Not applicable as no profit forecast was previously published.

B6. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS

Private placement and rights issue of warrants in 2012

The status of utilisation, as of 30 September 2021 is as follows:

(In RM)		Proposed	Actual	Deviation		
Purpose	Intended Timeframe	Utilisation RM'000	Utilisation RM'000	Amount RM'000	%	
i) Purchase machinery and equipment for new design and production centre	Before 31 December 2022	29,100	24,294	4,806	16.5 #	N1
ii) Estimated expenses in relation to the Proposals	Immediate	600	600	-	-	
		29,700	24,894	4,806		

(In RMB)		Proposed	Actual	Deviation		
Purpose	Intended Timeframe	Utilisation RMB'000	Utilisation RMB'000	Amount RMB'000	%	
i) Purchase machinery and equipment for new design and production centre	Before 31 December 2022	53,670	42,997	10,673	19.9 #	N1
ii) Estimated expenses in relation to the Proposals	Immediate	1,107	1,107	-	-	
		54,777	44,104	10,673		

N1 *In line with the Group's strategic re-positioning of business focus, the Group is making appropriate alteration to the types of machinery and equipment to be invested in. In view of that and taking into consideration the current market volatility and uncertainty caused by the COVID-19 pandemic, a longer period is required for the remaining funds to be fully utilised. Barring any unforeseen circumstances, the Group expects the remaining funds to be fully utilised before 31 December 2022.*

Differential rate of deviation between RMB and RM was due to fluctuations in exchange rate.

B6. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS (cont'd)

Rights Issue in 2014

The status of utilisation, as of 30 September 2021 is as follows:

(In RM)			Proposed	Actual	Deviation		
	Purpose	Intended Timeframe	Utilisation RM'000	Utilisation RM'000	Amount RM'000	%	
i)	Construction of the second stage of the new Design & Production Centre ("Stage 2 Construction")	Within 3 years	83,700	-	83,700	100	N2
ii)	Estimated expenses in relation to the Proposals	Immediate	1,000	1,000	-	-	
			84,700	1,000	83,700		

(In RMB)			Proposed	Actual	Deviation		
	Purpose	Intended Timeframe	Utilisation RMB'000	Utilisation RMB'000	Amount RMB'000	%	
i)	Construction of the second stage of the new Design & Production Centre ("Stage 2 Construction")	Within 3 years	151,246	-	151,246	100	N2
ii)	Estimated expenses in relation to the Proposals	Immediate	1,807	1,807	-	-	
			153,053	1,807	151,246		

N2 *The utilisation for the funds raised is expected to be within three (3) years from the commencement of Stage 2 Construction. At this juncture, taking into consideration the market volatility and uncertainty caused by the COVID-19 pandemic, this may take longer time to commence. All the funds are currently kept in the Group's banking account maintained with the Industrial and Commercial Bank of China.*

B7. BORROWINGS

There was no outstanding borrowings as at 30 September 2021.

B8. CHANGES IN 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.

B9. EARNINGS PER SHARE

(1) Basic Earnings per Share (“BEPS”)

The basic earnings per share (“BEPS”) is calculated as follows:

	Quarter ended		Financial period ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RMB'000	RMB'000	RMB'000	RMB'000
Basic earnings per share				
Profit attributable to equity holders of the parent	1,223	541	1,223	541
Weighted average number of ordinary shares in issue ('000)	2,116,226	1,863,738	2,116,226	1,863,738
	RMB cent	RMB cent	RMB cent	RMB cent
BEPS	0.06	0.03	0.06	0.03

(2) Diluted Earnings per Share (“DEPS”)

As of 30 September 2021, the Group has 902,441,557 Warrants D in issue, which entitles the holders the rights for conversion into 1 ordinary share for every 1 warrant at an exercise price of RM0.18 each (or RM equivalent of the par value of the ordinary share, whichever is higher) respectively.

The warrants in issue give rise to potential ordinary shares which, upon conversion, could result in dilution to earnings per share in future financial periods. In accordance with MFRS 133, options and warrants have a dilutive effect only when the average market price of ordinary shares during the period exceeds the exercise price of the options and warrants (i.e. they are ‘in-the-money’).

The diluted earnings per ordinary share is same as the basic earnings per share because the effect of the assumed conversion of warrants outstanding will be anti-dilutive and the Company has no other dilutive potential ordinary share in issue as at the period end. Relevant disclosure and information, where applicable, would be made in future interim financial reports and annual financial statements.

B10. FINANCIAL INSTRUMENTS

Derivatives

The Group does not have any derivative financial instruments.

Disclosures of Gains/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

B11. DISCLOSURE ON SELECTED EXPENSE/INCOME ITEMS AS REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Included in profit before tax comprised the following income/(expense) items:

	Quarter and Financial period ended	
	30.09.2021 RMB'000	30.09.2020 RMB'000
Interest income	818	845
Interest expense	-	(160)
Depreciation and amortisation expenses	(4,111)	(4,045)
(Provision)/Reversal of allowance for expected credit loss	(8,566)	566
Foreign exchange gain/(loss)	N/A	N/A
Other income including investment income	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain/Loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Gain/Loss on derivatives	N/A	N/A

"N/A" denotes not applicable.



APPENDICES – FINANCIAL STATEMENTS TRANSLATED INTO RINGGIT MALAYSIA (FOR ILLUSTRATIVE PURPOSE ONLY)

The Board of Directors wish to highlight that the presentation currency adopted by the Group in preparing the interim financial statements is Renminbi (“RMB”) as allowed under the MFRS Framework.

The following supplementary financial statements in Ringgit Malaysia (“RM”) (which include condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows) are shown for reference only and have been translated at single exchange rate of RMB1 to RM0.6479 at 30 September 2021. The translation should not be construed as a representation that the RMB amounts actually have been or could be converted into RM at this or any other rate.

In addition, due to the changes of presentation currency on adoption of MFRS Framework, the comparative financial information contained in the following supplementary financial statements translated into RM would not be consistent with previously announced interim and annual financial statements as those statements were prepared using RM as the presentation currency (which was a requirement under the previous FRS Framework).

List of supplementary financial statements in Ringgit Malaysia (“RM”):

Appendix A – Condensed Consolidated Statement of Comprehensive Income

Appendix B – Condensed Consolidated Statement of Financial Position

Appendix C – Condensed Consolidated Statement of Changes in Equity

Appendix D – Condensed Consolidated Statement of Cash Flows



**APPENDIX A –
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.09.2021 RM'000	Quarter ended 30.09.2020 RM'000	Financial period ended 30.09.2021 RM'000	Financial period ended 30.09.2020 RM'000
Revenue	89,303	43,534	89,303	43,534
Cost of Sales	<u>(71,755)</u>	<u>(32,701)</u>	<u>(71,755)</u>	<u>(32,701)</u>
Gross Profit ("GP")	17,548	10,833	17,548	10,833
Other Income	530	547	530	547
Distribution Costs	(336)	(2,965)	(336)	(2,965)
Administrative and Other Expenses	(16,876)	(6,749)	(16,876)	(6,749)
Finance Costs	<u>-</u>	<u>(104)</u>	<u>-</u>	<u>(104)</u>
Profit before Tax ("PBT")	866	1,562	866	1,562
Tax Expense	<u>(74)</u>	<u>(1,212)</u>	<u>(74)</u>	<u>(1,212)</u>
Profit For The Period ("PAT")	<u>792</u>	<u>350</u>	<u>792</u>	<u>350</u>
Other Comprehensive Income:				
Foreign currency translations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income	<u>792</u>	<u>350</u>	<u>792</u>	<u>350</u>
Profit attributable to:				
Equity holders of the parent	<u>792</u>	<u>350</u>	<u>792</u>	<u>350</u>
Total Comprehensive Income attributable to:				
Equity holders of the parent	<u>792</u>	<u>350</u>	<u>792</u>	<u>350</u>
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	0.04	0.02	0.04	0.02
- Diluted (sen)	0.04	0.02	0.04	0.02



**APPENDIX B –
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)**

	As at 30.09.2021 RM'000	As at 30.06.2021 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	324,336	326,797
Land use rights	28,074	28,271
Deferred tax assets	3,703	3,703
	356,113	358,771
Current Assets		
Inventories	2,411	6,608
Trade and other receivables	126,209	92,050
Cash and cash equivalents	550,449	540,238
	679,069	638,896
TOTAL ASSETS	1,035,182	997,667
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	8,706	8,706
Reserves	932,550	931,758
TOTAL EQUITY	941,256	940,464
Non-current Liabilities		
Deferred tax liabilities	14,998	14,924
Current Liabilities		
Trade and other payables	78,837	42,188
Tax payable	91	91
	78,928	42,279
TOTAL LIABILITIES	93,926	57,203
TOTAL EQUITY AND LIABILITIES	1,035,182	997,667
Net assets per share (RM)	0.45	0.45



**APPENDIX C –
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

Quarter and period ended 30 September 2021	Non-distributable						Distributable		Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Statutory surplus reserve RM'000	Merger deficit RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	
Balance at 1 July 2021	8,706	27,771	556,187	31,927	(132,759)	21,641	(1)	426,992	940,464
Total comprehensive income	-	-	-	-	-	-	-	792	792
Transactions with owners									
Transfer to statutory surplus reserve	-	-	-	341	-	-	-	(341)	-
	-	-	-	341	-	-	-	(341)	-
Balance at 30 September 2021	8,706	27,771	556,187	32,268	(132,759)	21,641	(1)	427,443	941,256



**APPENDIX D –
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)**

	Financial period ended	
	30.09.2021 RM'000	30.09.2020 RM'000
Profit before tax	866	1,562
Adjustments for non-operating cash flows:		
Non-cash items	8,213	2,254
Non-operating items	(530)	(444)
Operating profit before working capital changes	8,549	3,372
Changes in working capital		
Net change in current assets	(35,838)	6,769
Net change in current liabilities	36,976	(2,207)
Cash generated from operating activities	9,687	7,934
Income tax paid	-	(984)
Net cash from operating activities	9,687	6,950
Investing activities		
Interest received	530	547
Purchase of property, plant and equipment	(6)	-
Net cash from investing activities	524	547
Financing activities		
Interest paid	-	(104)
Proceeds from issuance of new ordinary shares	-	19,015
Net cash from financing activities	-	18,911
Net change in cash and cash equivalents	10,211	26,408
Cash and cash equivalents at beginning of financial period	540,238	558,531
Cash and cash equivalents at end of financial period	550,449	584,939
Cash and cash equivalents at end of financial period		
Cash and bank balances	550,449	584,939