

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
Revenue	15,704	15,705	59,153	73,500
Cost of sales	<u>(16,780)</u>	<u>(11,817)</u>	<u>(50,662)</u>	<u>(57,275)</u>
Gross (loss)/ profit	(1,076)	3,888	8,491	16,225
Other operating income	505	139	567	174
Administrative expenses	(2,998)	(1,268)	(7,763)	(5,420)
Selling and distribution expenses	(870)	(592)	(2,181)	(2,194)
Other operating expenses	(3)	(195)	(6)	(196)
Finance costs	<u>(308)</u>	<u>(297)</u>	<u>(934)</u>	<u>(917)</u>
(Loss)/ Profit before taxation	(4,750)	1,675	(1,826)	7,672
Taxation	208	(14)	113	(372)
(Loss) ("LAT")/ Profit after taxation ("PAT")	<u>(4,542)</u>	<u>1,661</u>	<u>(1,713)</u>	<u>7,300</u>
Other comprehensive (loss)/ income after tax:				
- Foreign exchange translation	<u>1,037</u>	<u>(3,051)</u>	<u>(2,919)</u>	<u>(6,319)</u>
Total comprehensive (loss)/ income	<u>(3,505)</u>	<u>(1,390)</u>	<u>(4,632)</u>	<u>981</u>
(LOSS)/ PROFIT ATTRIBUTABLE TO:				
- Owners of the company	<u>(4,542)</u>	<u>1,661</u>	<u>(1,713)</u>	<u>7,300</u>
TOTAL COMPREHENSIVE (LOSS)/ INCOME ATTRIBUTABLE TO:				
- Owners of the company	<u>(3,505)</u>	<u>(1,390)</u>	<u>(4,632)</u>	<u>981</u>
Weighted average no. of ordinary shares ('000)	890,789	798,461	839,843	798,461
(Loss)/ Earnings per share attributable to owners of the company (sen):				
- Basic	(0.51)	0.21	(0.20)	0.91
- Diluted	(0.38)	0.16	(0.15)	0.70

Notes:

N/A Not applicable

(1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Kanger International Berhad ("Kanger" or the "Company") for the financial year ended ("FYE") 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	(Unaudited) As at 31 December 2018 RM '000	(Audited) As at 31 December 2017 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	86,234	75,717
Intangible assets	17,515	17,686
	103,749	93,403
CURRENT ASSETS		
Inventories	19,816	27,543
Trade and other receivables	69,946	53,133
Tax recoverable	89	-
Cash and cash equivalents	10,917	10,052
	100,768	90,728
TOTAL ASSETS	204,517	184,131
EQUITY AND LIABILITIES		
EQUITY		
Share capital	92,227	84,227
Reserves	33,539	38,171
Redeemable convertible notes	265	-
SHAREHOLDERS' EQUITY	126,031	122,398
Non-controlling interests	6,430	-
TOTAL EQUITY	132,461	122,398
CURRENT LIABILITIES		
Trade and other payables	6,873	5,637
Amount due to director	588	394
Bank borrowings	27,167	27,138
Tax payable	224	473
	34,852	33,642
LONG TERM LIABILITIES		
Bank borrowings	34,251	27,866
Redeemable convertible notes	2,672	-
Deferred taxation	281	225
	37,204	28,091
TOTAL LIABILITIES	72,056	61,733
TOTAL EQUITY AND LIABILITIES	204,517	184,131
NET ASSETS PER SHARE (sen)	14.14	15.33

Note:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD (3rd) QUARTER ENDED 31 DECEMBER 2018

	----- Non-Distributable -----				Distributable				
	Share Capital RM '000	Merger Reserve RM '000	Revaluation Reserve RM '000	Translation Reserve RM '000	Redeemable Convertible Notes RM'000	Retained Earnings RM '000	Shareholders' Equity RM '000	Non-Controlling Interests RM '000	Total Equity RM '000
Balance as at 1 January 2018	84,227	(12,805)	1,227	6,836	-	42,913	122,398	-	122,398
Incorporation of new subsidiaries	-	-	-	-	-	-	-	6,430	6,430
Conversion of redeemable convertible notes	8,000	-	-	-	-	-	8,000	-	8,000
Drawdown of redeemable convertible notes	-	-	-	-	265	-	265	-	265
LAT	-	-	-	-	-	(1,713)	(1,713)	-	(1,713)
Foreign currency translation	-	-	-	(2,919)	-	-	(2,919)	-	(2,919)
Total comprehensive loss	-	-	-	(2,919)	-	(1,713)	(4,632)	-	(4,632)
Balance as at 31 December 2018	92,227	(12,805)	1,227	3,917	265	41,200	126,031	6,430	132,461
Preceding year corresponding year ended 31 December 2017									
Balance as at 1 January 2017	84,227	(12,805)	1,227	13,155	-	35,613	121,417	-	121,417
PAT	-	-	-	-	-	7,300	7300	-	7300
Foreign currency translation	-	-	-	(6,319)	-	-	(6,319)	-	(6,319)
Total comprehensive income	-	-	-	(6,319)	-	7,300	981	-	981
Balance as at 31 December 2017	84,227	(12,805)	1,227	6,836	-	42,913	122,398	-	122,398

Note:

- (1) *The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

	Current Year to date 31 December 2018 RM'000	Preceding Year to date 31 December 2017 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/ Profit before taxation	(1,826)	7,672
Adjustments for:		
Depreciation of property, plant and equipment	1,657	1,916
Amortisation of intangible assets	924	824
Impairment on other receivables	-	191
Property, plant and equipment written off	1,136	-
Bad debts written off	126	-
Interest expenses	934	857
Interest income	-	(140)
Operating profit before working capital changes:	2,951	11,320
Change in inventories	7,726	2,545
Change in trade and other receivables	(16,939)	1,947
Change in trade and other payables	1,430	(1,699)
CASH (USED IN)/ GENERATED FROM OPERATIONS	(4,832)	14,113
Tax paid	(212)	(157)
NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	(5,044)	13,956
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,057)	(34,420)
Proceeds from issuance of shares to non-controlling interests	6,430	-
Development expenditure	(1,333)	(1,235)
Interest received	-	140
NET CASH USED IN INVESTING ACTIVITIES	(10,960)	(35,515)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of redeemable convertible notes	11,000	-
Net drawdown of bank borrowings	8,649	22,782
Interest paid	(934)	(857)
NET CASH GENERATED FROM FINANCING ACTIVITIES	18,715	21,925
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,711	366
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(1,316)	(5,357)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,861	6,852
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3,256	1,861

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	Current Year to date 31 December 2018 RM'000	Preceding Year to date 31 December 2017 RM'000
Cash and cash equivalents at end of the financial period comprise the following:		
- Cash and bank balances	3,256	2,122
- Bank overdraft	-	(261)
- Fixed deposit placed with licensed banks	7,661	7,931
	<u>10,917</u>	<u>9,792</u>
Less: Fixed deposit pledged	<u>(7,661)</u>	<u>(7,931)</u>
	<u><u>3,256</u></u>	<u><u>1,861</u></u>

Note:

(1) *The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.*

QUARTERLY REPORT FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2018

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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 (“**MFRS**”) 134: Interim Financial Reporting, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of Kanger for the FYE 31 December 2017 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 and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
MFRS 2 – Amendments to MFRS 2 Share based Payment	1 January 2020
MFRS 3 – Amendments to MFRS 3 (Annual improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
MFRS 3 – Definition of a Business (Amendments to MFRS 3)	1 January 2020
MFRS 6 – Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
MFRS 9 – Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced
MFRS 11 – Amendments to MFRS 11 (Annual Improvements to MFRS Standards 2015–2017 Cycle)	1 January 2019
MFRS 14 – Amendment to MFRS 14 Regulatory Deferral Accounts	1 January 2020
MFRS 16 – Leases	1 January 2019
MFRS 17 – Insurance	1 January 2021
MFRS 101 – Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
MFRS 108 – Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 112 – Amendments to MFRS 112 (Annual improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
MFRS 119 – Amendments to MFRS 119 (Plan Amendment, Curtailment or Settlement)	1 January 2019
MFRS 123 – Amendments to MFRS 123 (Annual improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
MFRS 128 – Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
MFRS 134 – Amendments to MFRS 134 Interim Financial Reporting	1 January 2020

MFRS 137 – Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
MFRS 138 – Amendment to MFRS 138 Intangible Assets	1 January 2020

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

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group. The accounting policies and methods of computation adopted by the Group in these unaudited condensed interim financial statements are consistent with those adopted in the Audited Financial Statements of Kanger for the FYE 31 December 2017.

A2. Auditors' report on preceding annual financial statements

The auditors' report on the audited consolidated financial statements of the Company for the FYE 31 December 2017 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 save for long Chinese New Year holidays in the People's Republic of China ("**PRC**") in the financial quarter ended 31 March 2018.

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

Kanger had, during the current financial quarter, issued a total of 13,071,895 new ordinary shares in Kanger arising from the conversion of RM1,000,000 in nominal value of redeemable convertible notes ("**Notes**") at a conversion price of RM0.0765, which were listed on the ACE Market of Bursa Securities on 8 October 2018.

Save as disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

A7. Segmental information

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

	---- Individual Quarter ----		---- Cumulative Quarter ----	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
Horizontal and vertical bamboo flooring	722	4,617	26,364	51,399
Strand woven bamboo flooring	14,371	9,515	25,786	14,693
Bamboo furniture and other strand woven bamboo products	611	1,573	7,003	7,408
Total	<u>15,704</u>	<u>15,705</u>	<u>59,153</u>	<u>73,500</u>

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

	---- Individual Quarter ----		---- Cumulative Quarter ----	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
PRC	13,798	8,359	30,636	33,616
Export:				
- Malaysia	942	982	8,407	8,613
- New Zealand	253	595	7,016	4,980
- Mexico	-	707	1,769	4,586
- United Arab Emirates	-	170	2,856	4,369
- Bangladesh	-	11	801	3,357
- Canada	-	2,112	149	2,646
- Others*	711	2,769	7,519	11,333
	<u>15,704</u>	<u>15,705</u>	<u>59,153</u>	<u>73,500</u>

* Includes countries in Europe, Asia and South America.

No other segmental information such as segment assets, liabilities and results are presented as the Group is principally engaged in one industry, that is, the bamboo industry in the PRC.

A8. Valuation of property, plant and equipment

The Group has not carried out any valuation of its property, plant and equipment in the current financial quarter.

A9. Capital commitments

The capital commitments of the Group as at 31 December 2018 are as follows:

	RM '000
Approved and contracted for:	
- Capital work-in-progress	<u>13,743</u>

A10. Changes in the composition of the Group

On 29 November 2018, the Board of Directors of Kanger (“**Board**”) announced that Shenzhen Kanger Bamboo Wood Co., Ltd (“**Shenzhen Kanger**”), a wholly-owned subsidiary of Kanger, had incorporated a 70%-owned subsidiary in the PRC, namely Shenzhen Juner Development Co., Ltd (“**SZ Juner**”). The intended registered capital of SZ Juner is RMB80,000,000.

In addition, SZ Juner had separately incorporated a 70%-owned subsidiary in the PRC, namely Jingzhou Kanger Bamboo Industry Co., Ltd., which has subsequently changed its name to Jingzhou Kanger Holdings Co., Ltd (“**JZ Kanger**”). The intended registered capital of JZ Kanger is RMB100,000,000.

Save as disclosed above, 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 events subsequent to the end of the current 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 year-to-date.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Analysis of performance

	---- Individual Quarter ----		
	31 December 2018 RM '000	31 December 2017 RM '000	Variance (Amount/%) RM'000
Revenue	15,704	15,705	-1 / 0.0%
Gross (loss)/ profit	(1,076)	3,888	-4,964 / >100.0%
(Loss)/ Profit before taxation	(4,750)	1,675	-6,425 / >100.0%
(Loss)/ Profit after taxation	(4,542)	1,661	-6,203 / >100.0%

	---- Cumulative Quarter ----		
	31 December 2018 RM '000	31 December 2017 RM '000	Variance (Amount/%) RM'000
Revenue	59,153	73,500	-14,347 / -19.5%
Gross profit	8,491	16,225	-7,734 / -47.7%
(Loss)/ Profit before taxation	(1,826)	7,672	-9,498 / >100.0%
(Loss)/ Profit after taxation	(1,713)	7,300	-9,013 / >100.0%

Individual Quarter

Revenue remained consistent in the current financial quarter ended 31 December 2018 (“**Q4 2018**”) as compared to the corresponding quarter ended 31 December 2017 (“**Q4 2017**”).

However, the Group recorded a gross loss position in Q4 2018 mainly due to the temporary shutdown of the Group’s plant in Yanshan following directives issued by the local authorities in PRC recently to industrial plants so as to cut emissions that would affect air quality.

In addition, the Group recorded loss before taxation and loss after taxation in Q4 2018 mainly due to the reason stated above, as well as property, plant and equipment written off of Yanshan factory of RM1.01 million in Q4 2018.

Cumulative Quarter

The decrease in revenue by 19.5% for the financial year ended 31 December 2018 (“**FYE 31 December 2018**”) as compared to the corresponding year ended 31 December 2017 (“**FYE 31 December 2017**”) was mainly due to the temporary closure of the Yanshan factory.

Overall, the Group recorded loss before taxation and loss after taxation for FYE 31 December 2018 mainly due to the decrease in revenue, expenses incurred in relation to the drawdown of Notes in 2018 and property, plant and equipment written off of Yanshan factory of RM1.01 million in Q4 2018.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance (Amount/%) RM'000
	31 December 2018 RM '000	30 September 2018 RM '000	
Revenue	15,704	11,916	3,788 / 31.8%
Gross (loss)/ profit	(1,076)	2,998	-4,074 / >100%
(Loss)/ Profit before taxation	(4,750)	699	-5,449 / >100%
(Loss)/ Profit after taxation	(4,542)	640	-5,182 / >100%

The Group recorded an increase in revenue by RM3.79 million to RM15.60 million in Q4 2018 as compared to RM11.92 million in the preceding financial quarter ended 30 September 2018 ("Q3 2018"). The increase in revenue was mainly due to the increase in sales to the domestic PRC market in Q4 2018.

Overall, the Group recorded loss before taxation and loss after taxation in Q4 2018 mainly due to the temporary shutdown of the Group's plant in Yanshan as well as property, plant and equipment written off of Yanshan factory of RM1.01 million in Q4 2018.

B3. Prospects for the financial year ending 31 December 2019 ("FYE 2019")

China'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 China's property construction industry, an industry that the bamboo flooring market is dependent on for the consumption of its products. Under its 13th Five-Year Plan (2016-2020), China aims to double its 2010 GDP and the 2010 per capita income of both urban and rural residents by 2020 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.

In line with the outlook of the bamboo industry, the Group has identified the following main strategies to continue to grow its businesses:-

- (a) Expansion of the Group's flooring products with the launching of new series of bamboo flooring products;
- (b) Enhancing the Group's flooring products to focus more on 'green' strand woven products;
- (c) Expansion of the Group's product portfolio to include bamboo furniture marketed under the 'KAR-ACE' brand;
- (d) Expansion of the Group's presence by increasing the number of appointed dealers and number of sales and marketing channels; and
- (e) Diversification of the Group's principal activities to include property investment and management which will provide the Group with additional income and cash flows. The property under construction is expected to be completed within FYE 2018.

Premised on the above, the Board is cautiously optimistic on the prospects of the Group for FYE 2019.

B4. Profit forecast

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

B5. Taxation

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
Current tax expenses	144	14	239	372
Overprovision in prior years	(352)	-	(352)	-
	<u>(208)</u>	<u>14</u>	<u>(113)</u>	<u>372</u>
Effective tax rate	<u>N/A</u>	<u>0.84%</u>	<u>N/A</u>	<u>4.85%</u>

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 year-to-date, except for the Group's subsidiary, Ganzhou Kanger Industrial Co., Ltd, 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 is no corporate proposal announced but not completed as at the date of this report.

B7. Borrowings

The Group's borrowings as at 31 December 2018 are as follows:

	As at 31 December 2018 RM '000	As at 31 December 2017 RM '000
Secured – Short term borrowings		
Bank overdraft	-	261
Term loans	14,398	13,659
Bills payables	12,769	13,218
Secured – Long term borrowings		
Term loans	34,251	27,866
Total borrowings	<u>61,418</u>	<u>55,004</u>

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

	As at 31 December 2018 RM '000	As at 31 December 2017 RM '000
Secured – Short term borrowings		
Ringgit Malaysia	-	261
Chinese Renminbi	61,418	54,743
Total borrowings	61,418	55,004

Note:

- (1) *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: RM0.6009 as at 31 December 2018.*

The borrowings increased by RM6.41 million or 11.7% as at 31 December 2018 as compared to 31 December 2017 mainly due to the drawdown of term loan by Ganzhou Kanger Industrial Co., Ltd for the construction of a commercial building in Ganzhou, Jiangxi Province, PRC.

The weighted average interest rate of the Group's borrowings is 6.38% as at 31 December 2018 and the entire borrowings as at 30 September 2018 is subjected to floating interest rate.

No hedging are done on the borrowings on the Group as majority of the borrowings are from the PRC and are used to finance the Group's operations in the PRC.

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 FYE 31 December 2018 (FYE 31 December 2017: Nil).

B10. Earnings per share

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
(Loss)/ Profit attributable to ordinary equity holders of the company (RM '000)	(4,542)	1,661	(1,713)	7,300
Weighted average number of ordinary shares in issue ('000)	890,789	798,461	839,843	798,461
Basic (loss)/ earnings per share (sen)	(0.51)	0.21	(0.20)	0.91

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
(Loss)/ Profit attributable to ordinary equity holders of the company (RM '000)	(4,542)	1,661	(1,713)	7,300
Weighted average number of ordinary shares in issue ('000)	890,789	798,461	839,843	798,461
Assuming full exercise of warrants ('000)	1,129,724	1,037,396	1,078,778	1,037,396
Assuming full conversion of Notes already issued ('000)	1,203,798	1,037,396	1,152,852	1,037,396
Diluted (loss)/ earnings per share (sen)	(0.38)	0.16	(0.15)	0.70

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

Included in the profit before taxation are the following expense/(income) items:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	31 December 2018 RM '000	31 December 2017 RM '000	31 December 2018 RM '000	31 December 2017 RM '000
Interest expenses	308	237	934	857
Depreciation	109	785	1,586	1,916
Amortisation of intangible assets	441	335	924	824
Property, plant and equipment written off	1,099	-	1,099	-
Bad debts written off	126	-	126	-
Impairment on other receivables	-	191	-	191
Interest income	-	(1)	-	(140)

There were no other income, provision for and write off of receivables and inventories, gain or loss on disposal of property, plant and equipment, gain or loss on derivatives, gain or loss on foreign exchange and exceptional items for the current FYE ended 31 December 2018.

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary
Kuala Lumpur
27 February 2019