

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2019**

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30 September 2019 RM '000	30 September 2018 RM '000	30 September 2019 RM '000	30 September 2018 RM '000
Revenue	9,606	11,916	49,356	43,449
Cost of sales	(7,084)	(8,918)	(37,951)	(33,882)
Gross profit	2,522	2,998	11,405	9,567
Other operating income	13	-	13	62
Administrative expenses	(1,888)	(1,638)	(4,515)	(4,765)
Selling and distribution expenses	(446)	(419)	(1,570)	(1,311)
Other operating expenses	(8)	(3)	(135)	(3)
Finance costs	(859)	(239)	(1,334)	(626)
(Loss)/Profit before taxation	(666)	699	3,864	2,924
Taxation	(1)	(59)	95	(95)
(Loss after taxation) ("LAT")/Profit after taxation ("PAT")	(667)	640	3,959	2,829
Other comprehensive in (loss)/income: <i>Items that maybe reclassified subsequently to profit or loss</i>				
- Foreign exchange translation	(2,779)	1,935	(1,561)	(3,956)
Total comprehensive loss	(3,446)	(1,295)	2,398	(1,127)
(LAT)/PAT ATTRIBUTABLE TO:				
- Owners of the company	(649)	640	3,985	2,829
- Non-controlling interest	(18)	-	(26)	-
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:				
- Owners of the company	(2,761)	(1,295)	2,424	(1,127)
- Non-controlling interest	(18)	-	(26)	-
Weighted average no. of ordinary shares ('000)	893,442	856,546	893,442	822,675
(Loss)/Earnings per share attributable to owners of the Company (sen):				
- Basic	(0.07)	0.07	0.45	0.34
- Diluted	N/A	0.06	0.30	0.25

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

Note:

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 2018 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	(Unaudited) As at 30 September 2019 RM '000	(Audited) As at 31 December 2018 RM '000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	98,415	86,234
Intangible assets	16,639	17,515
	<u>115,054</u>	<u>103,749</u>
CURRENT ASSETS		
Inventories	18,184	19,816
Trade and other receivables	60,977	69,946
Tax recoverable	7	89
Cash and cash equivalents	25,188	10,917
	<u>104,356</u>	<u>100,768</u>
TOTAL ASSETS	<u>219,410</u>	<u>204,517</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	92,327	92,227
Reserves	35,963	33,539
Redeemable convertible notes	211	218
SHAREHOLDERS' EQUITY	<u>128,501</u>	<u>125,984</u>
Non-controlling interests	6,404	6,430
TOTAL EQUITY	<u>134,905</u>	<u>132,414</u>
CURRENT LIABILITIES		
Trade and other payables	10,852	6,873
Amount due to director	520	588
Bank borrowings	27,087	27,167
Tax payable	135	224
	<u>38,594</u>	<u>34,852</u>
NON-CURRENT LIABILITIES		
Bank borrowings	33,510	34,251
Redeemable convertible notes	12,122	2,713
Deferred taxation	279	287
	<u>45,911</u>	<u>37,251</u>
TOTAL LIABILITIES	<u>84,505</u>	<u>72,103</u>
TOTAL EQUITY AND LIABILITIES	<u>219,410</u>	<u>204,517</u>
NET ASSETS PER SHARE (sen)	<u>14.38</u>	<u>15.00</u>

Note:

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 2018 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2019**

	Attributable to Owners of the Company					Distributable		Non-controlling Interests RM '000	Total Equity RM '000
	Non-distributable					Retained Earnings RM '000	Shareholders' Equity RM '000		
	Share Capital RM '000	Merger Reserve RM '000	Revaluation Reserve RM '000	Translation Reserve RM '000	Redeemable Convertible Notes RM'000				
Balance as at 1 January 2019	92,227	(12,805)	1,227	3,917	218	41,200	125,984	6,430	132,414
Conversion of redeemable convertible notes	100	-	-	-	(7)	-	93	-	93
PAT/(LAT)	-	-	-	-	-	3,985	3,985	(26)	3,959
Foreign currency translation	-	-	-	(1,561)	-	-	(1,561)	-	(1,561)
Total comprehensive (loss)/income	-	-	-	(1,561)	-	3,985	2,424	(26)	2,398
Balance as at 30 September 2019	92,327	(12,805)	1,227	2,356	211	45,185	128,501	6,404	134,905

Preceding year corresponding period ended 30 September 2018

Balance as at 1 January 2018	84,227	(12,805)	1,227	6,835	-	42,914	122,398	-	122,398
Conversion of redeemable convertible notes	7,000	-	-	-	-	-	7,000	-	7,000
PAT	-	-	-	-	-	2,829	2,829	-	2,829
Foreign currency translation	-	-	-	(3,956)	-	-	(3,956)	-	(3,956)
Total comprehensive (loss)/income	-	-	-	(3,956)	-	2,829	(1,127)	-	(1,127)
Balance as at 30 September 2018	91,227	(12,805)	1,227	2,879	-	45,743	128,271	-	128,271

Note:

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 2018 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (3rd) QUARTER ENDED 30 SEPTEMBER 2019**

	Current period to date 30 September 2019 RM'000	Preceding period to date 30 September 2018 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	3,864	2,924
Adjustments for:		
Depreciation of property, plant and equipment	868	1,477
Amortisation of intangible assets	564	483
Interest expenses	1,334	626
Operating profit before working capital changes:	6,630	5,510
Change in inventories	1,632	(89)
Change in trade and other receivables	8,970	(13,911)
Change in trade and other payables	3,910	12,749
CASH GENERATED FROM OPERATIONS	21,142	4,259
Interest paid	(1,334)	(626)
Tax paid	-	(370)
Tax refunded	(17)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	19,791	3,263
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,893)	(13,883)
Additions to development expenditure	(46)	-
NET CASH USED IN INVESTING ACTIVITIES	(14,939)	(13,883)
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of redeemable convertible notes	9,500	11,000
Net drawdown of bank borrowings	473	7,655
Placement of fixed deposit pledged	-	506
NET CASH GENERATED FROM FINANCING ACTIVITIES	9,973	19,161
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,825	8,541
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	(565)	(2,835)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	3,256	1,861
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	17,516	7,567

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (3rd) QUARTER ENDED 30 SEPTEMBER 2019 (CONT'D)

	Current period to date 30 September 2019 RM'000	Preceding period to date 30 September 2018 RM'000
Cash and cash equivalents at end of the financial period comprise the following:		
- Cash and bank balances	17,516	7,567
- Fixed deposit placed with licensed banks	7,672	7,687
	<u>25,188</u>	<u>15,254</u>
Less: Fixed deposit pledged	(7,672)	(7,687)
	<u>17,516</u>	<u>7,567</u>

Note:

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 2018 and the accompanying explanatory notes attached to this interim financial report.

QUARTERLY REPORT FOR THE THIRD (3rd) QUARTER ENDED 30 SEPTEMBER 2019

A: EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2019

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 2018 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
Amendments to MFRS 2 Share based Payment	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendment to MFRS 14 Regulatory Deferral Accounts	1 January 2020
MFRS 17 – Insurance	1 January 2021
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – 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, 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 2018.

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 2018 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 in the current financial quarter ended 30 September 2019.

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 were no issuance, cancellation, repurchase, resale and repayment of debt or 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 ----	
	30 September 2019 RM '000	30 September 2018 RM '000	30 September 2019 RM '000	30 September 2018 RM '000
Horizontal and vertical bamboo and wood flooring	999	5,232	12,372	25,642
Strand woven bamboo flooring	8,521	6,519	36,715	11,415
Bamboo furniture and other strand woven bamboo products	86	165	269	6,392
Total	<u>9,606</u>	<u>11,916</u>	<u>49,356</u>	<u>31,533</u>

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

	---- Individual Quarter ----		---- Cumulative Quarter ----	
	30 September 2019 RM '000	30 September 2018 RM '000	30 September 2019 RM '000	30 September 2018 RM '000
PRC	2,608	5,668	17,482	16,838
Export:				
- Malaysia	1,176	1,791	11,059	7,465
- New Zealand	2,060	2,566	9,328	6,763
- Mexico	945	-	4,329	-
- United Arab Emirates	1,087	1,107	2,957	2,902
- Others*	1,730	784	4,201	9,481
	<u>9,606</u>	<u>18,888</u>	<u>49,356</u>	<u>43,449</u>

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

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

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 30 September 2019 are as follows:

	RM '000
Approved and contracted for:	
- Capital work-in-progress	<u>28,029</u>

A10. Changes in the composition of the Group

There were no 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 ----		Variance (Amount/%) RM'000
	30 September 2019	30 September 2018	
	RM '000	RM '000	
Revenue	9,606	11,916	(2,310) / (19.4%)
Gross profit	2,522	2,998	(476) / (15.9%)
(Loss)/Profit before taxation	(666)	699	(1,365) / > (100.0%)
(LAT)/PAT	(667)	640	(1,307) / > (100.0%)

	---- Cumulative Quarter ----		Variance (Amount/%) RM'000
	30 September 2019	30 September 2018	
	RM '000	RM '000	
Revenue	49,356	43,449	5,907 / 13.6%
Gross profit	11,405	9,567	1,838 / 19.2%
Profit before taxation	3,864	2,924	940 / 32.1%
PAT	3,959	2,829	1,130 / 39.9%

Individual Quarter

Revenue dropped by RM2.3 million or 19% in the current financial quarter ended 30 September 2019 ("Q3 2019") as compared to the corresponding quarter ended 30 September 2018 ("Q3 2018") mainly due to decrease in revenue generated by a subsidiary in Hong Kong namely Kanger Trading (HK) Co. Ltd. ("Kanger HK") as a result of the unstable political conditions in Q3 2019. Kanger HK recorded revenue of RM14.7 million in preceding quarter ended 30 June 2019 ("Q2 2019") but in Q3 2019, Kanger HK only recorded revenue of RM7.1 million, a reduction of more than 100.0% in revenue generated by Kanger HK as compared to Q2 2019.

The gross profit margin recorded in Q3 2019 was 26% as compared to 25% in Q3 2018 mainly due to the increase in sale of strand woven bamboo flooring which generally command higher gross profit margin.

Overall, the Group recorded loss before taxation of RM0.67 million in Q3 2019 as compared to profit before taxation of RM0.7 million in Q3 2018 mainly due to the recognition of a one-off administrative expense and finance cost of RM0.7 million and RM0.6 million respectively as a result of the corporate exercise which involved the issuance of redeemable convertible commercial papers and/or redeemable convertible medium term notes under a commercial paper/medium term note programme of up to RM100.0 million in nominal value undertaken by Kanger, which was approved by the shareholders of Kanger on 6 September 2019.

B2. Comparison with immediate preceding quarter's results

	Quarter ended		Variance (Amount/%) RM'000
	30 September 2019	30 June 2019	
	RM '000	RM '000	
Revenue	9,606	21,710	(12,104) / (55.8%)
Gross profit	2,522	5,174	(2,652) / (51.3%)
(Loss)/Profit before taxation	(666)	3,131	(3,797) / > (100.0%)
(LAT)/PAT	(667)	3,256	(3,923) / > (100.0%)

The Group recorded decrease in revenue by RM12.1 million to RM9.6 million in Q3 2019 as compared to RM21.7 million in the preceding quarter ended 30 June 2019 (“**Q2 2019**”). The decrease in revenue was mainly attributable to the decrease in revenue generated by Kanger HK as a result of the unstable political conditions in Q3 2019. Kanger HK recorded revenue of RM14.7 million in Q2 2019 but in Q3 2019, Kanger HK only recorded revenue of RM7.1 million, a reduction of more than 100.0% in revenue generated by Kanger HK as compared to Q2 2019.

Overall, the Group recorded loss before taxation of RM0.7 million in Q3 2019 as compared to profit before taxation of RM3.1 million in Q2 2019 mainly due to the recognition of a one-off administrative expense and finance cost of RM0.7 million and RM0.6 million respectively as a result of the corporate exercise which involved the issuance of redeemable convertible commercial papers and/or redeemable convertible medium term notes under a commercial paper/medium term note programme of up to RM100.0 million in nominal value undertaken by Kanger, which was approved by the shareholders of Kanger on 6 September 2019.

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

PRC’s strong economic growth has led to increasingly affluent consumers who now have the purchasing power as well as the willingness to pay to enhance individual lifestyles for greater comfort and pleasure. The modernisation and urbanisation of the country has also caused a growth in PRC’s property construction industry, an industry that the bamboo flooring market is dependent on for the consumption of its products. Under its 13th Five-Year Plan (2016 - 2020), PRC 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 into wood flooring products by promoting Classen’s products in PRC through the collaboration with Classen International GMBH as the Group is the exclusive distributor for Classen’s products in PRC;
- (e) Expansion of the Group’s presence by increasing the number of appointed dealers and number of sales and marketing channels, for both the products portfolio under KAR-ACE and Classen; and
- (f) 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 properties under construction are expected to be completed by the end of the FYE 2019.

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 ---	
	30 September 2019 RM '000	30 September 2018 RM '000	30 September 2019 RM '000	30 September 2018 RM '000
Current tax expenses	<u>1</u>	<u>59</u>	<u>(95)</u>	<u>95</u>
Effective tax rate	<u>N/A – (1)</u>	<u>8.4%</u>	<u>N/A – (2)</u>	<u>3.2%</u>

N/A:

- (1) As the Group's recorded loss before taxation in Q3 2019, the presentation of effective tax rate is not meaningful.
- (2) One of the Group's subsidiary namely Ganzhou Kanger Industrial Co., Ltd. ("**Ganzhou**") has obtained a refund on tax over paid in respect of the previous financial year.

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, 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

On 6 September 2019, the shareholders of the Company have approved the:-

- I. Ratifications for the allotment and issuance of:-
 - a) 47,396,196 ordinary shares in Kanger ("Kanger Shares") which exceeded Bursa Securities approved limit, arising from the conversion of the existing Redeemable Convertible Notes Programme comprising redeemable convertible commercial papers and/or redeemable convertible medium term notes ("Notes") ("Conversion Shares") with an aggregate principal amount of up to RM100.0 million; and
 - b) 253,255,104 Conversion Shares with the conversion price at and below RM0.10, being the then par value of Kanger Share;
- II. Amendment, modification, substitution, variation, alteration, replacement and deletion of the terms, conditions and provisions of the subscription agreement dated 2 January 2015, in relation to the existing Notes issue; and
- III. Issuance of up to 1,585,000,000 new Kanger Shares based on the minimum conversion price of RM0.04, arising from the conversion of the outstanding Notes of RM2.9 million and remaining Notes of RM60.5 million

at the Extraordinary General Meeting.

On 27 September 2019, the Company has issued 19 series of the Notes with RM500,000 for each series to raise up to RM9.5 million. The funds raised was used to settle the expenses and finance cost incurred for the Notes issued of approximately RM1.3 million with the remaining balance, which is earmarked to fund the construction of the properties under construction, was kept in the bank as at 30 September.

B7. Borrowings

The Group's borrowings as at 30 September 2019 are as follows:

	As at 30 September 2019 RM '000	As at 30 September 2018 RM '000
Secured – Short term borrowings		
Term loans	14,594	13,237
Bills payables	12,493	12,810
Secured – Long term borrowings		
Term loans	33,510	34,962
Total borrowings	<u>60,597</u>	<u>61,009</u>

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

	As at 30 September 2019 RM '000	As at 30 September 2018 RM '000
Secured – Short term and long term borrowings		
Chinese Renminbi	60,597	61,009
Total borrowings	<u>60,597</u>	<u>61,009</u>

Note:

The Group's borrowings in Renminbi ("RMB") are not hedged to Ringgit Malaysia and are translated into Ringgit Malaysia at the exchange rate of RMB1: RM0.5879 as at 30 September 2019.

The borrowings increased by RM0.4 million as at 30 September 2019 as compared to 30 September 2018 mainly due to the repayment of term loan by a subsidiary namely Shenzhen Kanger Bamboo Wood Co. Ltd.

The weighted average effective interest rates of the Group's borrowings ranged from 3.7% to 10.8% as at 30 September 2019 and the entire borrowings as at 30 September 2019 is subjected to floating interest rate.

No hedging are done on the borrowings on the Group as all 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 financial period ended 30 September 2019 (Financial period ended 30 September 2018: Nil).

B10. Earnings per share

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
(LAT)/PAT attributable to Shareholders of the Company (RM '000)	(649)	640	3,985	2,829
Weighted average number of ordinary shares in issue ('000)	893,442	856,546	893,442	822,675
Basic (loss)/earnings per share (sen)	(0.07)	0.07	0.45	0.34

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

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
(LAT)/PAT attributable to Shareholders of the Company (RM '000)	(649)	640	3,985	2,829
Weighted average number of ordinary shares in issue ('000)	893,442	856,546	893,442	822,675
Assuming full exercise of warrants ('000)	1,132,377	1,095,481	1,132,377	1,061,610
Assuming full conversion of Notes already issued ('000)	1,332,377	1,144,864	1,332,377	1,110,993
Diluted earnings per share (sen)	N/A	0.06	0.30	0.21

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)/profit before taxation are the following expense items:

	--- Individual Quarter ---		--- Cumulative Quarter ---	
	30	30	30	30
	September	September	September	September
	2019	2018	2019	2018
	RM '000	RM '000	RM '000	RM '000
Interest expenses	859	239	1,334	626
Depreciation	120	595	868	1,477
Amortisation of intangible assets	186	156	564	483

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 financial year ending 31 December 2019.

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)

Company Secretary

Kuala Lumpur

21 November 2019