KANGER
INTERNATIONAL BERHAD
康尔国际

KANGER INTERNATIONAL BERHAD

Registration No.: 201201030306 (1014793-D)

ANNUAL REPORT
2022

CONTENTS

OUR **PRODUCTS**


ACHIEVE **PERFECTION,**
QUALITY FIRST

CORPORATE INFORMATION

BOARD OF DIRECTORS

Wu Wai Kong	*(Executive Director)*
Kuah Choon Ching	*(Executive Director)*
Low Poh Seong	*(Independent Non-Executive Director)*
Mazlan bin Mohamad	*(Independent Non-Executive Director)*
Dato' Azmil bin Mohd Zabidi	*(Independent Non-Executive Director)*
Datuk Nur Jazlan Bin Mohamed	*(Resigned on 10 January 2022)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Low Poh Seong
(Chairman/Independent Non-Executive Director)

Mazlan bin Mohamad
(Member/Independent Non-Executive Director)

Dato' Azmil bin Mohd Zabidi
(Member/Independent Non-Executive Director)

REMUNERATION COMMITTEE

Dato' Azmil bin Mohd Zabidi
(Chairman/Independent Non-Executive Director)

Low Poh Seong
(Member/Independent Non-Executive Director)

Mazlan bin Mohamad
(Member/Independent Non-Executive Director)

NOMINATION COMMITTEE

Dato' Azmil bin Mohd Zabidi
(Chairman/Independent Non-Executive Director)

Low Poh Seong
(Member/Independent Non-Executive Director)

Mazlan bin Mohamad
(Member/Independent Non-Executive Director)

SHARE ISSUANCE SCHEME COMMITTEE

Kuah Choon Ching
(Chairman/Executive Director)

Wu Wai Kong
(Member/Executive Director)

COMPANY SECRETARY

Thong Pui Yee
(MAICSA 7067416)
(SSM PC No. 202008000510)

PRINCIPAL PLACE OF BUSINESS/MANAGEMENT OFFICE

K-3-12 & K-3-13, Solaris Mont Kiara
No. 2, Jalan Solaris
Mont Kiara
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
Tel. : (603) 6413 0143
Fax. : (603) 6413 0143
Email : jw@kangergroup.com
Website : www.krbamboo.com

REGISTERED OFFICE

No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
Tel. : (603) 6201 1120
Fax. : (603) 6201 3121

AUDITORS

CAS Malaysia PLT (LLP0009918-LCA) (AF 1476)
Chartered Accountants
B-5-1, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong, Selangor Darul Ehsan
Malaysia
Tel. : (603) 8075 2300 / 80 / 81
Fax. : (603) 8600 5463

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
Tel. : (603) 6201 1120
Fax. : (603) 6201 3121

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: KANGER
Stock Code : 0170
Listed on 23 December 2013

GROUP CORPORATE STRUCTURE

KANGER INTERNATIONAL BERHAD
Incorporated in Malaysia
Investment Holding

100% KANGER VENTURES SDN. BHD.
(Incorporated in Malaysia)
Research and development of bamboo products, trading of bamboo flooring and related products, trading of construction products

100% KANGER GLOVE MANUFACTURING SDN. BHD.
(Incorporated in Malaysia)
Glove Manufacturing

100% KANGER MEDICAL INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)
Trading of medical and healthcare equipment, pharmaceutical medicinal, products and services

100% COMMONMASK SDN. BHD.
(Incorporated in Malaysia)
Trading of medical disposable items

100% KIB GLOBAL RESOURCES SDN. BHD.
(Incorporated in Malaysia)
(1) Trading of bamboo products for interior and exterior applications, research and development of bamboo products
(2) Trading of construction products and construction works
(3) Property development and project management

51% SUNG MASTER HOLDINGS SDN. BHD.
(Incorporated in Malaysia)
Trading on construction materials

100% KANGER TRADING (HK) CO., LIMITED
(Incorporated in Hong Kong)
Trading of bamboo flooring and related

100% KANGER INVESTMENT (HK) LIMITED
(Incorporated in Hong Kong)
Investment Holding

CORPORATE MILESTONES

2004

- Established Shenzhen Kanger Bamboo Wood Co., Ltd.
- Recognised as sole authorised bamboo flooring supplier of B&Q China, which is part of Kingfisher PLC Group.
- Launched environmentally friendly bamboo flooring products under 'Kanger' brand.

2007

- Invented interlocking system which enables easy installation for some bamboo flooring products.

2008

- Ventured upstream into the manufacturing of bamboo flooring by acquiring Ganzhou Kanger Industrial Co., Ltd.
- Commenced construction of manufacturing plant in Ganzhou city, People's Republic of China.
- Obtained Conformitè Europëene ("CE") marking in recognition of compliance with European Union legislation.

2009

- Obtained trademark registration for 'Kanger' brand from State Administration for Industry and Commerce of the People's Republic of China.

2010

- Expanded operations range to include the manufacturing of strand woven bamboo flooring and related products by acquiring Yanshan (County) Kanger Bamboo Industry Co., Ltd.

2011

- Entered into Research and Development Agreement with Malaysian Forestry Research and Development Board to collaborate on research and development.
- Launched 'KAR Masterpiece' brand for premium strand woven bamboo flooring and related products.
- Improved interlocking system to facilitate easier installation of flooring products and obtained a patent for this improved interlocking system.

2012

- Obtained trademark registration for 'KAR Masterpiece' brand.
- Established first 'KAR Masterpiece' retail store in Shenzhen, People's Republic of China.

2013

- Listed on the ACE Market of Bursa Malaysia Securities Berhad

2014

- Launched new series of high-end flooring products under its brand 'KAR ACE' and awarded 14 'KAR ACE' dealership in China in 2014.

2016

- Set up trading company in Hong Kong under Kanger Trading (HK) Co. Limited.
- Launched new series of bamboo furniture products.

2018

- Signed distributorship agreement with Classen International GmbH to act as exclusive distributor for CLASSEN's products in China.

2020

- Signing of two separate lease agreements with Ganzhou Jiache Automobile Trading Co. Ltd. and Ganzhou Fuying Kaili Hotel Management Co. Ltd. (collectively referred to as "Lessees") for the lease of a six-storey commercial building (AutoCity Building) and a nineteen-storey commercial building (Hotel Commercial Building) respectively, to these Lessees.

2021

- Diversified into new construction business aimed at deriving synergy with the property investment and management segment.
- Acquired 51% stake in building materials supplier, Sung Master Holdings Sdn. Bhd. for RM94.8 million. Acquired 126 units of service apartments at Antara @ Genting Highlands for RM142.87 million.
- One of the new subsidiaries, Kanger Medical International Sdn. Bhd. is making inroads into the healthcare industry by sourcing for face masks and Covid-19 vaccines.

2022

- Our new construction and project management as well as building material trading segments were progressing well as per plan with close to RM200 million revenue generated during the financial year.
- Our healthcare business segment especially the mask products were performing well too grossing RM1.3 million in revenue for the financial year.
- We have successfully divested all the non-performing entities of bamboo manufacturing and its related businesses in China except for the Classen bamboo trading business.

BOARD OF **DIRECTORS'** PROFILES

BOARD OF DIRECTORS' PROFILE

WU WAI KONG
Aged 38, Male, Malaysian

Qualification	• International Financial Manager Program from International Financial Management Association, Shanghai, China • BA (Honour) Degree in International Hospitality Management from Swiss Hotel Management School, Caux, Switzerland • Diploma in Hotel Management from Sunway University, Selangor Darul Ehsan, Malaysia • High School Diploma from Catholic High School, Selangor Darul Ehsan, Malaysia
Position on our Board	Executive Director
Date first appointed to our Board	25 October 2019
Membership of our Board Committees	Member of Share Issuance Scheme Committee
Working experience	From October 2006 to September 2007, he worked as Food and Beverage Management Trainee in Frenchmans Creek Golf and Country Club in Palm Beach, Florida. From October 2007 to October 2008, he worked as Room Division Management Trainee in Intercontinental Buckhead in Atlanta, Georgia. From January 2009 to December 2009 (Singapore), he worked as Operation Executive in Global Education Link Pte Ltd, Singapore. His job scopes include transport coordination, guest tour scheduling, tour destination booking, guest accommodation and guest communications. From February 2010 to March 2013, he was the Business Operation Manager with Excel Print & Pack Sdn. Bhd., in-charge of all operational areas such as purchasing, production, delivery and ensuring the smooth running of daily operations and resolving issues while supervising and monitoring 50 employees in the factory. From April 2013 to April 2016, he was the Managing Partner of Vittle Tree (M) Sdn. Bhd., managing the company's overall operations, sales, administration and accounts. He was also involved in french fries factory set-up and developed sales network and distribution to South East Asia.
Occupation	• Assistant General Manager, PBA (China) Co. Ltd. by PBA Group Singapore • Partner, China Economy Financial Holding Co. Ltd.
Any other directorships in public companies or listed corporation	Nil
Any family relationships with our Directors and/or major shareholders	Nil
Any conflict of interests with our Group	Nil
Interest in securities	Direct Interest: 674,530 ordinary shares Indirect Interest: 178,000 ordinary shares held through his direct family members

Board of Directors' Profile (cont'd)

WU WAI KONG (cont'd)

Aged 38, Male, Malaysian

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any	Nil
No. of Board meetings attended in the financial year	8 out of 9

Board of Directors' Profile (cont'd)

KUAH CHOON CHING

Aged 37, Male, Malaysian

Qualification	Degree in Mechanical Engineering from University of Sunderland, United Kingdom
Position on our Board	Executive Director
Date first appointed to our Board	24 Aug 2020
Membership of our Board Committees	Chairman of Share Issuance Scheme Committee
Working experience	Mr. Kuah is an experienced businessman and entrepreneur with a proven track record in the diverse sectors of consumer products, property development, and manufacturing for various packaging industries. Mr. Kuah started his career in the United Kingdom upon graduating from the University of Sunderland. He worked in a Group of Companies, which was involved in trading and distributing products within the downstream of Oil and Gas Industry. He resigned and founded CCK Petroleum Group in 2007 and is the Group Managing Director of CCK Group today. Under his leadership, the Group has seen significant growth and has expanded its operations to cover international marine oil bunkering, oil tanker carrier operation, marine lubricants and marine oil trading. Due to his diverse experience, he was later appointed as an Executive Director of Dnonce Technology Berhad on 2 May 2018 and was subsequently promoted to Chief Executive Officer ("**CEO**") on 1 September 2018. During his tenure in Dnonce Technology Berhad, he spearheaded corporate exercises such as fund raising, diversification and share buy-back exercises for the company. As the CEO, he played an active role in streamlining the diverse operations of the Group through an agile, focus-based strategy. Mr. Kuah is very well-versed in various industries, such as manufacturing and printing for the glove making, medical, electrical and electronics, automotive industries and more.
Occupation	Company Director
Any other directorships in public companies or listed corporation	Nil
Any family relationships with our Directors and/or major shareholders	Nil
Any conflict of interests with our Group	Nil
Interest in securities	74,051,317 ordinary shares 2,500,000 warrants
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any	Nil
No. of Board meetings attended in the financial year	9 out of 9

Board of Directors' Profile (cont'd)

LOW POH SEONG

Aged 45, Male, Malaysian

Qualification	Bachelor of Business (Honours) in Accounting and Law Statistics from Middlesex University Business School
Position on our Board	Independent and Non-Executive Director
Date first appointed to our Board	30 September 2020
Membership of our Board Committees	• Chairman of Audit and Risk Management Committee • Member of Remuneration Committee • Member of Nomination Committee
Working experience	Mr. Low has more than 19 years of experience in accounting and finance. He started his career as an Assistant Finance Manager, where his scope involved in preparation of forecast, budget, accounting, and tax computation. He then embarked in auditing field where he held the position as Executive Internal Auditor with Low Yat Group. In 2016, Mr Low rejoined the finance sector where he was appointed as Assistant Finance Manager and Senior Financial Management Advisory Manager in Nglobe Sdn. Bhd. and CMA Management Sdn. Bhd. respectively. In year 2017, he moved on to carried out freelance works.
Occupation	Company Director
Any other directorships in public companies or listed corporation	Anzo Holdings Berhad
Any family relationships with our Directors and/or major shareholders	Nil
Any conflict of interests with our Group	Nil
Interest in securities	Nil
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any	Nil
No. of Board meetings attended in the financial year	9 out of 9

Board of Directors' Profile (cont'd)

MAZLAN BIN MOHAMAD

Aged 58, Male, Malaysian

Qualification	Degree in Accounting, Northern University of Malaysia (UUM)
Position on our Board	Independent and Non-Executive Director
Date first appointed to our Board	4 January 2021
Membership of our Board Committees	• Member of Audit and Risk Management Committee • Member of Remuneration Committee • Member of Nomination Committee
Working experience	Encik Mazlan graduate with Degree in Accounting from Northern University of Malaysia (UUM) in 1988. After graduate (1988-1989), he holds a position for one year as a platoon commander REJ 105 AW in Ministry of Defence (MINDEF). On 1989 until 1994, he worked as a Senior Investigation Officer Prime Minister Department in Anti-Corruption Agencies (ACA). About 19 years (1994-2013), he held a position as a Senior Manager of Finance and Management Services in Ministry of Transports in Penang Port Commission. During this period, he oversaw and managed Port Tariff, Cruise Ship, Ferry Operation and Container/Cargo Statistic. In 2013, he appointed as Business Development Director with Harvest Court Industrial Berhad Company. At the same time, he is also a Managing Director in Kawalan Keselamatan Ikhlas Sdn. Bhd. From 2014 to 2017, he was the Executive Director in Anzo Holdings Berhad. He is also the Executive Director of Meditours Sdn. Bhd., Director of Business Development in Lagenda Erajuta Sdn. Bhd. and Director of Business Development of GE Properties Sdn. Bhd. and Tinta Anggun Sdn. Bhd. Currently, he is the Chairman for Zicron Sdn. Bhd. and Commanding Officer (CO) at REJ. 509(AW) ranked Leftenan Kolonel who actively involved in Reserve Army.
Occupation	Company Director
Any other directorships in public companies or listed corporation	Nil
Any family relationships with our Directors and/or major shareholders	Nil
Any conflict of interests with our Group	Nil
Interest in securities	Nil
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any	Nil
No. of Board meetings attended in the financial year	7 out of 9

Board of Directors' Profile (cont'd)

DATO' AZMIL BIN MOHD ZABIDI

Aged 60, Male, Malaysian

Qualification	• Master of Arts (English Literature), Iowa State University of Science & Technology, U.S.A. • Bachelor of Arts (English) degree, Wartburg College of Liberal Arts, U.S.A. • Post-Graduate Certificate in Diplomatic Studies (Chevening Scholar), Foreign Service Programme, University of Oxford, UK
Position on our Board	Independent Non-Executive Director
Date first appointed to our Board	8 April 2022
Membership of our Board Committees	• Member of Audit and Risk Management Committee • Chairman of Remuneration Committee • Chairman of Nomination Committee
Working experience	Dato' Azmil started his service as Administrative and Diplomatic Officer at the Ministry of Foreign Affairs in 1992. He previously served as Assistant Secretary (Southeast Asia) from 1993 until 1995 before serving as Second Secretary at the Embassy of Malaysia in Belgium from 1995 until 1998 and First Secretary at the High Commission of Malaysia in New Zealand. He later returned to serve as Assistant Secretary (Economy) from 1999 until 2002, and Principal Assistant Secretary (Regional Cooperation, Social and Cultural) from 2002 until 2003. Dato' Azmil had been appointed as Counsellor at the Embassy of Malaysia in China from 2003 until 2007 and Consul General of Malaysia to Shanghai, China from 2007 until 2010. He had also served as Undersecretary of Multilateral Economic Cooperation Directorate from 2010 until 2011, Ambassador of Malaysia to Vietnam from 2011 until 2016 and Undersecretary of Europe Division from 2016 until 2017. He was the Director-General at the Southeast Asia Regional Centre for Counter-Terrorism (SEARCCT) since 2017 prior to his appointment as the Ambassador of Malaysia to the United States in 2019. Dato' Azmil had served the Ministry of Foreign Affairs, Malaysia for almost 30 years and retired in August 2021.
Occupation	Company Director
Any other directorships in public companies or listed corporation	APM Automotive Holdings Berhad
Any family relationships with our Directors and/or major shareholders	Nil
Any conflict of interests with our Group	Nil
Interest in securities	Nil
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any	Nil
No. of Board meetings attended in the financial year	Nil

KEY SENIOR **MANAGEMENT'S** PROFILES

KEY SENIOR MANAGEMENT'S PROFILES

The profiles of Key Senior Management are as follows:

Wu Wai Kong, aged 38, Male, Malaysian

Mr. Wu Wai Kong is currently the Executive Director of the Group. He oversees overall business operation and development of the Group.

His details are set out in the Board of Directors' Profile on pages 8 of the Annual Report.

Kuah Choon Ching, aged 37, Male, Malaysian

Mr. Kuah Choon Ching is currently the Executive Director of the Group. He oversees overall business operation and development of the Group.

His details are set out in the Board of Directors' Profile on page 10 of the Annual Report.

GOH WOON HUA

Aged 56, Male, Malaysian

Qualification	• Professional Accounting Degree of Chartered Institute of Management Accountants, United Kingdom (UK) • Postgraduate Diploma in Marketing of Chartered Institute of Management, UK • Master of Business Administration from Portsmouth University, England
Position	Financial Controller
Date first appointed	1 December 2021
Working experience	Mr. Goh started his career as an auditor and he held various C-level positions prior to this engagement, where he obtained regional exposure in Hong Kong, Philippines, Indonesia, and Singapore. This brought with him over 30 years' worth of experience, multiple expertise and several leadership roles in the fields of financial, accounting, treasury operations, and investment management, both locally and regionally. To date, he has worked for local public listed companies and overseas multinational corporations such as DXN, Qi GROUP, HITACHI, and Regal Beloit (USA). His key industry experiences ranging from agroforestry, poultry farming, manufacturing, consulting, medical devices trading and direct multilevel marketing industry.
Any other directorships in public companies	Nil
Any family relationships with our Directors and/or major shareholders	Nil
Any conflict of interests with our Group	Nil
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

Kanger International Berhad and its subsidiaries ("**Kanger**" or "**the Group**") is principally involved in the following business activities: -

a) Construction and related activities

In June 2021, the Group expanded into the construction business to diversify its revenue stream. The business encompasses, amongst others, the following: -

(i) Building construction which consists of construction of structures and buildings for residential and non-residential purposes;

(ii) Civil engineering which consists of construction of infrastructure such as roads and highways, utility structures, bridges, stadiums and railways; and

(iii) Other construction related activities which consist of project management services, mechanical and electrical works, refrigeration and air-conditioning works, painting works, plumbing, sewerage and sanitary works, glass works, carpentry as well as tiling and flooring works

The Group has also recently expanded its service offering within the construction segment through the acquisition of a 51% stake in Sung Master Holdings Sdn. Bhd. ("**Sung Master**"), which is principally involved in the sales and trading of building materials such as timber flooring, tiles, bulk cement, concrete, locksets, and sanitary ware.

Kanger aims to establish itself as a formidable construction player, leveraging on its business network and actively tendering for new construction jobs. At present, the Group has a construction orderbook worth RM850 million.

b) Trading of medical and healthcare products

In August 2021, Kanger Medical International Sdn. Bhd. ("**KMI**"), a wholly-owned subsidiary of Kanger, has ventured into the distribution and sale of high-quality 4-ply surgical face masks under the brand, "CommonMask".

The venture into the distribution and sale of face masks is in line with the Group's aspiration to grow its new healthcare business. In line with the lifestyle aspect of wearing masks, the Group has launched its first range of premium 4-ply surgical face masks which are designed to provide superior comfort and protection with various colours.

With safety as our top priority, the masks have received certifications by the Medical Device Authority ("**MDA**"), the CE mark, and ISO 13485:2016. The masks are manufactured locally in Malaysia.

"CommonMask" are available for online purchase via its website, https://commonmask.co and at selected retail pharmacies and supermarkets since September 2021.

c) Bamboo manufacturing and trading

Kanger was previously focused on manufacturing and trading of bamboo flooring, furniture, and bamboo-related products for residential and commercial markets, in conjunction with an original equipment manufacturer ("**OEM**") to fulfill customers' demand.

As part of its long-term strategy, the Group is streamlining its businesses to focus mainly on the construction segment. To meet this objective, the Group has disposed its China subsidiaries, Ganzhou Kanger Industrial Co. Ltd ("**Ganzhou Kanger**"), which is involved in bamboo manufacturing and trading as well as property and investment management and Yanshan (County) Kanger Bamboo Industry Co. Ltd. ("**Yanshan Kanger**") which is involved in manufacturing and trading of bamboo flooring and related products.

Management Discussion and Analysis (cont'd)

d) Property and investment management

The Group's aim is to continuously seek for suitable and viable acquisition opportunities in strategic locations which may include, amongst others, acquisition of property projects to expand the contribution of the property and investment management segment.

As a start, Kanger has expanded its international portfolio of investment properties into Genting Highlands in January 2021 with the acquisition of 126 units of serviced apartments located on 30th to 45th floors of Tower A, Antara Genting Highlands Resort Suites ("**Antara @ Genting Highlands**"). It is located approximately 850 meters away from SkyAvenue, a prominent shopping mall of Genting Highlands.

OPERATIONAL HIGHLIGHTS

The financial year ended 31 March 2022 ("**FYE 2022**") was a transformative year for us at Kanger, with the objective of streamlining our business to focus on the construction segment, as well as to unlock the value and monetise Kanger's investment in Ganzhou Kanger, which is primarily involved in manufacturing and trading of bamboo flooring and related products along with property investment and management.

We are pleased to share with you the major developments taken to shape our Group into a more diversified and resilient listed entity.

CONSTRUCTION BUSINESS

Acquisition of Sung Master

Kanger diversified into the construction business with the purpose of expanding its sources of revenue. In our view, this new construction business may also generate synergies with the property investment and management segment, by leveraging on the segment's existing business network of property developers and owners to tender for new construction contracts.

In September 2021, Kanger acquired a 51% stake in building materials supplier, Sung Master, for RM94.8 million which was satisfied via a combination of cash and new share issuance. This acquisition would enable the Group to have an immediate expansion in respect of its market presence and operational capacities, and to capture larger market share in the trading of building materials industry in Malaysia.

It was an important action taken as part of the Group's strategic plans to develop new income streams that are complementary to Kanger's recent diversification into the property related and construction business segments.

Sung Master is primarily involved in the sales and trading of building materials, which include, timber flooring, tiles, bulk cement, concrete, locksets, and sanitary ware.

At present, Sung Master is solely serving the Malaysian market. Its customers are mainly property developers and construction companies as well as engineering consultants who are either main contractors or sub-contractors of development projects.

Since the diversification, the construction business has overtaken the bamboo manufacturing and trading segment as the main revenue contributor to the Group.

BAMBOO BUSINESS

Proposed Disposal of Ganzhou Kanger and Yanshan Kanger

In March 2022, Kanger has disposed 100% equity interest in Ganzhou Kanger and Yanshan Kanger for a cash consideration of RMB30.2 million (approximately RM20 million).

Ganzhou Kanger is a wholly-owned subsidiary of Kanger Investment (HK) Limited, which is in turn a wholly-owned subsidiary of Kanger while Yanshan Kanger is a wholly-owned subsidiary by Ganzhou Kanger.

Management Discussion and Analysis (cont'd)

The principal activities of Ganzhou Kanger are manufacturing and trading of bamboo flooring and related products, as well as property investment and management. Yanshan Kanger has ceased operations in 2019 and was formerly involved in the manufacturing and trading of bamboo flooring and related products.

The disposal is in line with Kanger's objective of restructuring its business to focus on growing its core construction segment moving forward. Earlier in December 2021, Kanger had also disposed its wholly-owned subsidiary, Shenzhen Kanger Holding Co. Ltd. for a consideration of RM3.0 million (approximately RM2.0 million).

REVIEW OF FINANCIAL PERFORMANCE

Revenue

There is no direct comparative figure to the preceding year's corresponding period following a change in the Group's financial year end from December to March. To recap, financial year end 2021 covered an extended 15-month reporting period between 1 January 2020 to 31 March 2021.

In FYE 2022, the Group recorded a total revenue of RM222.7 million. Our new construction and project management as well as building material trading segments delivered commendable progress and generated revenue of RM215.5 million. This segment is now the largest revenue contributor to the Group, representing 97% of total revenue.

RM6.3 million was derived from the manufacturing and trading of bamboo flooring segment. Moving forward, contribution from this division will be negligible as the Group has successfully divested the subsidiaries related to bamboo manufacturing and its related businesses in China except for the Classen bamboo trading business.

Being newly established, the healthcare business segment has started to gain traction. Sale of masks products contributed RM0.9 million to the healthcare business segment.

Loss before tax

During the year under review, the Group recorded a series of non-recurring expenses totaling RM25.2 million during the year.

These included:

- Share-based payments granted to employees of the Company of RM5.8 million;
- Impairment loss on trade receivables of RM19.3.million;
- Written off of intangible assets of RM10.5 million;
- Property, plant and equipment written off amounting to RM2.8 million.

As a result, the Group registered a loss before tax of RM150.8 million in FYE 2022.

Assets

As at 31 March 2022, the Group's total assets decreased to RM319.1 million, as compared to RM414.9 million as at 31 March 2021. The decrease was mainly due to a decline in non-current assets which stood at RM182.8 million from RM280.8 million earlier.

Property, plant and equipment decreased to RM13.4 million from RM77.2 million previously whilst investment properties declined to RM71.4 million as compared to RM185.1 million. This was mainly due to the disposal of Ganzhou Kanger and Yanshan Kanger involving the bamboo businesses and two investment properties in China.

Liabilities

Total liabilities decreased from RM142.4 million to RM15.0 million as at 31 March 2022. The decrease was mainly due to decline in trade and other payables to RM5.7 million from RM69.0 million and reduction in bank borrowings to RM2.6 million from RM62.9 million earlier. The decrease in bank borrowings was due to adjusted deconsolidation of the total borrowings of Ganzhou Kanger group of companies which amounted to RM63.4 million.

Shareholders' equity

During the financial year, the Group has increased its share capital from RM259.1 million to RM425.3 million through the following:

(a) issuance of 231,086,249 new ordinary shares at an exercise price of RM0.05409 – RM0.05410 per ordinary share for a total cash consideration of RM12,499,999 and fair value of RM2,109,587 pursuant to the Company's Shares Issuance Scheme ("**SIS**");

(b) issuance of 1,700,011,579 new ordinary shares for a total cash consideration of RM102,000,695 and fair value of (RM38,930) pursuant to the Company's renounceable rights issue of 1,700,011,579 new ordinary shares in the Company ("**Rights Shares**") on the basis of 1 Rights Shares for every 1 existing ordinary share held together with 1,700,011,579 free detachable warrants ("**Warrants B**") on the basis of 1 warrant for every 1 Rights Shares subscribed by the entitled shareholders;

(c) issuance of 769,513,179 new ordinary shares for a total cash consideration of RM46,170,791 pursuant to the Company's Share Subscription;

(d) issuance of 713,157,273 new ordinary shares for a total cash consideration of RM42,789,436 as part of the purchase consideration for 51% equity stake in Sung Master;

(e) issuance of 500,000 new ordinary shares for a total cash consideration of RM25,000 and fair value of RM11,450 pursuant to the conversion of Warrants B at an exercise price of RM0.05 per share; and

(f) an amount of RM470,844 was utilised out of the share capital for share issuance expenses.

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

OTHER CORPORATE DEVELOPMENTS

In addition to the various fund raising exercises undertaken by the Group to fund new expansion and for working capital requirements, in February 2022, Kanger completed the consolidation of shares of every 10 ordinary shares in Kanger into 1 Kanger share following the listing of and quotation for 597.9 million consolidated shares and 170.0 million consolidated warrants B.

RISKS

Supply Chain Disruptions and Inflation Risks

Inflation rates are increasing rapidly across many countries. Construction materials such as lumber, steel and other materials have also experienced a surge in prices. Earlier lockdowns due to Covid-19 around the world have caused supply chain disruptions.

Prolonged interruption in the supply of construction materials and volatile fluctuations in the cost of construction materials will materially affect the Group's business operations and profitability.

To mitigate the supply chain risk, we have implemented plans such as effective management on raw materials usage at project sites and established good and close relationships with our long-term suppliers.

Labour Issues

The construction industry is labour intensive. In April 2022, the Indonesian government has imposed another freeze on its workers entering Malaysia due to claims of a breach of a Memorandum of Understanding ("**MoU**") signed between both countries on the import of domestic workers from the republic. Earlier in December 2021, Indonesia has already enforced a freeze on its workers pending the signing of the MoU on the matter. If such a condition persists, it could potentially impact our operations and timely deliveries of projects.

Management Discussion and Analysis (cont'd)

Ability to Secure New Projects

As Kanger started to diversify into construction business, we are still aiming to secure the Grade G7 contractor license from the Construction Industry Development Board ("**CIDB**"). There are approximately more than 8,500 contractors were registered with Grade G7. With the high number of players in this industry, Kanger is operating in a fragmented construction industry.

Due to the nature of construction industry, projects are normally awarded on a project-to-project basis. There is no assurance of continuity from one project to the next project and there is intense competition. We are committed to ensure that we maintain our competitive advantage by focusing on quality and timely delivery of projects.

FUTURE PROSPECTS

The Malaysian economy registered a positive growth of 5.0% in the first quarter of 2022 following an improving domestic demand as economic activity continued to normalize following the easing of containment measures. In the meantime, the domestic economy is anticipated to improve further in 2022, with growth projected at 5.3% to 6.3% as announced in March 2022 (Source: Bank Negara Malaysia).

In Budget 2022, RM3.5 billion has been allocated for infrastructure projects on top of a RM2.9 billion allocation for small and medium projects. Thus, the prospect of the construction industry in 2022 is expected to improve with mega infrastructure projects such as the Pan Borneo Highway, East Coast Rail Link (ECRL) and Mass Rapid Transit Line 3 (MRT3) in the pipeline.

With the reopening of Malaysia's international borders on 1 April 2022, tourist arrivals have surpassed 2 million in the period of 1 April 2022 until 21 June 2022. In addition, according to the Ministry of Tourism, Arts and Culture, the target of foreign tourist arrivals has been further revised to 4.5 million. The recovery of the domestic and international tourism sector will augur well for the Group's property investment in Genting Highlands.

As part of our strategy to expand the construction segment, the Group has lined up several growth initiatives through organic and inorganic means with the long term objective of increasing the financial performance of the construction business going forward.

Furthermore, the Group is continuously looking for suitable and viable acquisition opportunities in strategic locations to expand the contribution of the property investment and management segment of our Group.

Given the recent rise in Covid-19 cases and uncertainties due to the geopolitical tensions and supply chain disruptions, we are cognisant on the challenges ahead and will exercise prudence in our business expansion strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Our Board of Directors ("**Board**") presents this Corporate Governance ("**CG**") Overview Statement ("**Statement**") to provide shareholders and investors with an overview of the CG practices of the Company under the leadership of the Board during the FYE 2022. This overview takes guidance from the key CG principles as set out in the Malaysian Code on Corporate Governance 2021 ("**MCCG**").

This Statement is prepared in compliance with ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and it is to be read together with the CG Report 2022 of the Company ("**CG Report**") which is available at the Company's website, http://www.krbamboo.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 – BOARD RESPONSIBILITIES

1.1 Strategic aims, values and standards

Our Board is responsible for the leadership, oversight and long-term success of our Group. Our Board has established a Board Charter to provide guidance and clarity for Directors and Management with regard to the functions reserved for Board and those to be delegated to Management.

Our Board has reserved a formal schedule of matters for its decision making to ensure that direction and control of our Group are firmly in its hands.

As part of its efforts to ensure the effective discharge of its duties, our Board has delegated certain functions to respective Board Committees with each operating within its clearly defined Terms of Reference ("**TOR**"). The Chairman of each Committee will report to our Board on the outcome of the Committee's meetings which also include the key issues deliberated at the Committee's meetings.

Our Board has put in place the following Board Committees to assist in carrying out its fiduciary duties:

a) Audit and Risk Management Committee ("**ARMC**");
b) Nomination Committee ("**NC**");
c) Remuneration Committee ("**RC**"); and
d) Share Issuance Scheme Committee ("**SISC**")

The ARMC, NC and RC have their written TOR clearly outlining their objectives, duties and powers. The final decisions on all matters are determined by our Board as a whole.

The SISC operates in accordance with the By-Laws. The number and proportion of the Company's shares to be issued shall be determined at the sole discretion of the SISC.

1.2 The Chairman of our Board

During the FYE 2022, Datuk Nur Jazlan bin Mohamed is our Independent Non-Executive Chairman and he had resigned on 10 January 2022.

Our Chairman's responsibilities include:

(a) leadership of our Board;
(b) leading the Board in the adoption and implementation of good corporate practices in the Company;
(c) overseeing the effective discharge of our Board's supervisory role;
(d) setting Board agenda and ensuring the Directors receive complete and accurate information in a timely manner;
(e) leading the Board meetings and discussions;
(f) encouraging active participation and allowing dissenting views to be freely expressed;
(g) promoting constructive and respectful relations between the Board members and the Management; and
(h) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1.3 Separation of the position of Chairman and Executive Directors

The Chairman holds a non-executive position and is primarily responsible for the leaderships, effectiveness, conduct and governance of the Board. The Executive Directors leads the Management of the Company and has overall responsibility for the day-to-day management of the Group's operations and business as well as the implementation of the Board's policies and decisions.

The roles and responsibilities of the Chairman and Executive Director are spelt out in our Board Charter which is available on our website at www.krbamboo.com.

1.4 The Company Secretary

The Board is assisted by an experienced, competent and knowledgeable Company Secretary who give clear and sound advice on regulatory and governance matters to the Board. The Board has unrestricted access to the advice and services of the Company Secretary.

The Company Secretary ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in our statutory records. The Company Secretary also keeps abreast of the evolving capital market environment, regulatory changes and developments in CG through continuous training, and updates our Board regularly on the latest regulatory updates.

1.5 Board meetings

Agendas and discussion papers are circulated at least seven (7) days prior to our Board and Board Committees meetings to allow the Directors and Board Committee Members to study, evaluate the matters to be discussed and subsequently make effective decisions. Procedures have been established concerning the content, presentation and timely delivery of the discussion papers for each meeting of our Board and Board Committee meetings as well as matters arising from such meetings. Actions or updates on all matters arising from any meetings are reported in the subsequent meetings.

Notices on the closed periods for trading in the Company's securities in accordance with Chapter 14 of the ACE LR of Bursa Securities are served to the Directors prior to the commencement of the closed periods.

In between Board meetings, approvals on matters requiring the sanction of our Board are sought by way of circular resolutions enclosing all the relevant information to enable our Board to make informed decisions. All circular resolutions approved by our Board are tabled for notation at the subsequent Board meeting. Our Board also perused the decisions deliberated by the Board Committees through minutes of these Board Committees meetings. The Chairman of the respective Board Committees is responsible for informing our Board at the Board meetings of any salient matters which may require our Board's discretion.

1.6 Board Charter

The Board Charter sets out the role, composition and responsibilities of our Board. It outlines processes and procedures for our Board and its Committees in discharging their stewardship effectively and efficiently.

The specific duties of our Board and a formal schedule of matters reserved for our Board and those delegated to the Management are spelt out in our Board Charter. It is the practice of our Board to deliberate on significant matters that concern the overall Group business strategy, acquisition or divestment, business expansion, major capital expenditures and significant financial matters as well review of the financial and operating performances of our Group.

The Board Charter is published on our website at www.krbamboo.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 – BOARD RESPONSIBILITIES (CONT'D)

1.7 Code of Business Conduct & Ethics

Our Group has in place codes of ethics for Directors and employees based on four elements which are sincerity, integrity, responsibility and corporate responsibility. The Code of Business Conduct & Ethics is disclosed on our website at www.krbamboo.com.

We recognise that any genuine commitment to detect and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conducts must include a mechanism whereby employees can report their concerns freely without fear of reprisal or intimidation. Any report received will be investigated and appropriate actions shall be taken by Human Resources Department.

1.8 Whistleblowing Policy and Procedure

Our Board has also established a Whistleblowing Policy and Procedure to provide an avenue for all employees of our Group and members of the public to disclose any improper conduct within our Group, and to provide protection for employees and members of the public who report such allegation. The Whistleblowing Policy and Procedure is disclosed on our website at www.krbamboo.com.

1.9 Anti-Bribery and Corruption Policy

Our Group has adopted an Anti-Bribery and Corruption Policy to prevent the occurrence of bribery and corruption practices in relation to the businesses of the Group. Our Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.

PART 2 – BOARD COMPOSITION

2.1 Board Composition

During FYE 2022, our Board comprises one (1) Independent Non-Executive Chairman, two (2) Executive Directors, and two (2) Independent Non-Executive Directors. This composition ensures that at least half (1/2) of the Board comprises of Independent Non-Executive Directors which fulfils the requirement of Rule 15.02 of the ACE LR of Bursa Securities and adopted the Practice 5.2 of MCCG.

The current composition of our Board has the right mix of industry specific knowledge, broad-based business and commercial experience together with independent judgement on matters of strategy, operations, resources and business conduct. The roles of the Independent Non-Executive Chairman, the Executive Directors and the Independent Non-Executive Directors are distinct and separate with a clear division of responsibilities to ensure a balance of power and authority.

The number of Independent Directors is adequate to provide the necessary check and balance to our Board's decision-making process. The Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in the Board deliberations and the exercise of unbiased and independent judgement.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 – BOARD COMPOSITION (CONT'D)

2.2 Tenure of independent director

The tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on our Board as a Non-Independent Director, unless the Board provides justification and shareholders' approval is sought through a two-tier voting process at an Annual General Meeting ("**AGM**") of the Company for the Director concerned to continue to serve as an Independent Director.

The independence of a Director is measured based on the criteria prescribed under the ACE LR of Bursa Securities in which such Director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in our best interests.

None of the Independent Non-Executive Directors of the Company has served more than nine (9) years on our Board as at the date of this Statement.

2.3 Diversity of the Board and Senior Management

The Company does not practice any form of gender, ethnicity and age group biasness as all candidates for either Board or Senior Management team shall be given fair and equal treatment.

The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at Senior Management would lead to better decision-making.

The Board has not set any target or establish any policy for diversity, but it is moving towards a more gender and ethnicity equality. The Board will focus on getting the participation of women and those of different ethnicity on its Board and within Senior Management and the person selected must be able to contribute positively to the development of the Group.

2.4 Appointment and re-election of Directors

Appointment of Directors

Our Board believes that individuals who are nominated to be a Director should have demonstrated notable or significant achievements in business, education or public service; should possess the requisite intelligence, education and experience to make a significant contribution to our Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations and should have the highest ethical standards, a strong sense of professionalism and intense dedication to serve the interests of the shareholders. In identifying candidates for appointment to our Board, our Board may rely on recommendations from existing Board members, major shareholders, the Management or independent sources.

The NC oversees the selection criteria and recruitment process and recommends to our Board, candidates for any directorships taking into consideration the candidates':

- age, gender and ethnicity;
- competencies, commitment, contribution and performance;
- professionalism;
- integrity; and
- expected contribution to our Group.

The candidate is then recommended to our Board for approval before his/her appointment.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 – BOARD COMPOSITION (CONT'D)

2.4 Appointment and re-election of Directors (Cont'd)

Re-election of Directors

In accordance with our Constitution, one-third of the Directors for the time being or if the number is not three (3) or multiple of three (3) then the number nearest to one-third shall retire from office at the AGM provided always that all Directors including a Managing Director or Deputy Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. The re-election of the retiring Directors who offered themselves for re-election are subject to the approval by shareholders at the AGM. In addition, any Director who is appointed either to fill a casual vacancy or as an additional Director, shall hold office only until the next AGM and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Mr. Kuah Choon Ching and Dato' Azmil bin Mohd Zabidi, who are retiring at the forthcoming Ninth (9th) AGM have offered themselves for re-election and recommended by the Board for shareholders' approval.

2.5 Nomination Committee

The NC comprises wholly of Independent Non-Executive Directors as follows:

Name	Position	No. of NC Meetings attended/held for the FYE 2022
Dato' Azmil bin Mohd Zabidi (Independent Non-Executive Director) *(Appointed on 8 April 2022)*	Chairman	Nil [1]
Datuk Nur Jazlan bin Mohamed (Independent Non-Executive Chairman) *(Resigned on 10 January 2022)*	Chairman	1/1
Low Poh Seong (Independent Non-Executive Director)	Member	2/2
Mazlan bin Mohamad (Independent Non-Executive Director)	Member	2/2

Notes:
[1] Dato' Azmil bin Mohd Zabidi was appointed as Chairman of NC after the FYE 2022.

The NC is empowered by our Board and its TOR to bring to our Board recommendations as to the appointment of new Directors. The NC reviews the required mix of skills, experience, diversity and other qualities of the Directors, including core competencies. The NC also makes assessment on the effectiveness of our Board and evaluation of individual Directors and Board Committees of our Board as a whole.

The NC had undertaken the following activities for the FYE 2022:

(i) Facilitated the self and peers' assessment on ARMC Members;
(ii) Reviewed the appointment of Dato' Azmil bin Mohd Zabidi as Independent Non-Executive Director;
(iii) Reviewed performance of our Board and Board Committees;
(iv) Reviewed performance of individual Directors and peer evaluation;
(v) Reviewed the effectiveness of the ARMC as a whole;
(vi) Assessed and evaluated the independence of the Independent Non-Executive Directors; and
(vii) Reviewed and recommended to our Board, the re-election of the Directors who retired at the Eighth (8th) AGM.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 – BOARD COMPOSITION (CONT'D)

2.6 Directors' Training

Our Directors are encouraged to attend continuing education programs and seminars to keep abreast with current developments in the market place and new statutory and regulatory requirements.

All members of our Board have attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

During the FYE 2022, all the Directors continuously received briefings and updates on the new regulations and statutory requirements, particularly on the changes or amendments made to the ACE LR, application and adoption of best practices as recommended under the MCCG, circulars/directives/guidelines/consultation papers issued by Bursa Securities, Securities Commission Malaysia and Companies Commission of Malaysia respectively.

In addition, the Directors had also attended the training programs and seminars as listed below:

Directors	List of Training/ Conference/ Seminar/ Workshop Attended/ Participated
Datuk Nur Jazlan bin Mohamed	Advocacy Sessions for Directors and Senior Management of Ace Market Listed Corporations
Wu Wai Kong	Executive Education Programme: Mergers and Acquisitions
Kuah Choon Ching	Executive Education Programme: Mergers and Acquisitions
Low Poh Seong	Introduction to HRD Corp, Roles and Functions
Mazlan bin Mohamad	Advocacy Sessions for Directors and Senior Management of Ace Market Listed Corporations
Dato' Azmil bin Mohd Zabidi	Mandatory Accreditation Program (MAP)

Our Directors will continue to undergo relevant training programs to further enhance their skills and knowledge in the discharge of their stewardship role.

2.7 Remuneration Policy

Our Board does not have any formal remuneration policy. Notwithstanding that, RC is guided by the TOR of RC to recommend to our Board a Remuneration Framework on the fee structure and level of remuneration for the Executive Directors as well as remuneration package for Non-Executive Directors. The determination of remuneration packages of Non-Executive Directors is a matter for our Board as a whole.

For the FYE 2022, the RC had reviewed the remuneration package of our Executive Directors and Non-Executive Directors.

The proposed remuneration of Non-Executive Directors is reviewed and recommended by the RC to the Board for deliberation which comprises the following:

Directors' Fees	These fees are payable to Non-Executive Directors and are recommended by our Board for the approval of the shareholders at AGM.
Meeting Allowance	This allowance is payable only to the Non-Executive Directors for attendance of our Board and Board Committees meetings. The meeting allowance, if any, will be recommended by our Board for shareholders' approval at the AGM.

The Directors' Fees recommended to the shareholders' approval for the financial years ending 31 March 2022, 31 March 2023 and 31 March 2024 are RM300,000 per financial year.

The interested Directors are abstained from deliberation and voting on their own respective remuneration.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 – BOARD COMPOSITION (CONT'D)

2.8 Remuneration Committee

The RC comprises the following members:

Name	Position	No. of RC Meetings attended/held for the FYE 2021
Dato' Azmil bin Mohd Zabidi (Independent Non-Executive Director) *(Appointed on 8 April 2022)*	Chairman	Nil [1]
Datuk Nur Jazlan bin Mohamed (Independent Non-Executive Chairman) *(Resigned on 10 January 2022)*	Chairman	1/1
Low Poh Seong (Independent Non-Executive Director)	Member	2/2
Mazlan bin Mohamad (Independent Non-Executive Director)	Member	2/2

Notes:
[1] Dato' Azmil bin Mohd Zabidi was appointed as Chairman of RC after FYE 2022.

2.9 Share Issuance Scheme Committee

The SISC was established by the Board on 20 November 2019 to administer and manage the Share Issuance Scheme comprising Share Option Scheme and Share Grant Scheme (collectively known as "**Share Option Scheme**") in accordance with the By-Laws.

The SISC composition is as follows:

Name	Position
Kuah Choon Ching (Executive Director)	Chairman
Wu Wai Kong (Executive Director)	Member
Datuk Nur Jazlan bin Mohamed (Independent Non-Executive Chairman) *(Resigned on 10 January 2022)*	Member

The Share Option Scheme will allow the Company to grant the share options to all the eligible persons of the Company and its subsidiaries ("**Group**") (excluding subsidiaries which are dormant) as a recognition of their performance and contribution to the Group.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 – BOARD COMPOSITION (CONT'D)

2.10 Details of the remuneration of Directors

The details of the remuneration of Directors on named basis for the FYE 2022 were as follows:

	Directors' fees (RM'000)	Salaries, other emoluments and benefits (RM'000)	Allowances (RM'000)	Total (RM'000)
Executive Directors				
(i) Wu Wai Kong	–	350	7.2	357.2
(ii) Kuah Choon Ching	–	365	7.2	372.2
Subtotal	–	715	14.4	729.4
Non-Executive Directors				
(i) Low Poh Seong	36	–	7.2	43.2
(ii) Mazlan bin Mohamad	36	–	5.6	41.6
(iii) Datuk Nur Jazlan bin Mohamed *(Resigned on 10 January 2022)*	93.3	–	6.4	99.7
Subtotal	165.3	–	19.2	184.5
Grand Total	**165.3**	**715**	**33.6**	**913.9**

2.11 Remuneration of Senior Management

The remuneration packages of the Senior Management are determined with the objective to attract, retain and reward the Senior Management who run the operations of our Group. The remuneration packages of the Senior Management of our Group consist of both fixed and performance-linked elements. The fixed components include salaries and ordinary contractual entitlements. The performance-linked component includes a discretionary bonus payment taking into consideration our Group and individual performances and never of a percentage of the Group's revenue. There are no other incentives or compensation for 'loss of employment' or termination benefits. It is commercially disadvantageous to disclose the remuneration of our Top Senior Management in this very competitive environment. The recruitment and retention of key technical/managerial personnel is challenging and is a key focus of our Human Resource policy. Remuneration remains an important consideration in this regard.

The remuneration of the Key Senior Management of the Company for the FYE 2022 is as follows:

Range of remuneration (RM)	No. of Key Senior Management	
	Directors	Managers
50,000 and below	–	–
50,001 – 100,000	–	1
100,001 – 150,000	–	–
150,000 – 200,000	–	–
250,001 – 300,000	–	–
300,001 – 350,000	2	–
350,001 and above	–	–

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT COMMITTEE

3.1 Audit and Risk Management Committee

The ARMC comprises solely of three (3) Independent Non-Executive Directors, which comply with the following prescribed requirements:

- Rule 15.09(1)(b) of the ACE LR which stipulates that "*all the audit committee members must be non-executive directors, with a majority of them being independent directors*"; and
- Step Up Practice 9.4 of the MCCG which recommends that the ARMC should comprise solely of Independent Directors.

During the FYE 2022, the Chairman of ARMC is Mr. Low Poh Seong while the Chairman of the Board is Datuk Nur Jazlan bin Mohamed. Datuk Nur Jazlan bin Mohamed resigned as member of ARMC on 10 January 2022 and subsequently, Dato' Azmil bin Mohd Zabidi was appointed as a member of ARMC on 8 April 2022.

3.2 Former audit partner

Practice 9.2 of the MCCG requires the ARMC to have a policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

As a matter of practice, the ARMC has recommended to the NC not to consider any former audit partner as a candidate for Board Directorship/Audit Committeeship to solidify the ARMC's stand on such Policy.

3.3 Suitability, objectivity and independence of the External Auditors

In accordance with the TOR of the ARMC, the ARMC would on an annual basis, reviews and monitors the suitability, objectivity and independence of the External Auditors. The ARMC sets policy and procedures on the provision of non-audit services by the External Auditors.

The ARMC will review, consider, and assess the suitability, objectivity, independence, credential and resources in performing the audit on the External Auditors annually before recommending to our Board for approval.

The Company had appointed CAS Malaysia PLT as the new External Auditors on 10 February 2021. Upon review the performance of the CAS Malaysia PLT in performing the audit for FYE 2022, the ARMC recommended to our Board for the re-appointment of CAS Malaysia PLT as our External Auditors for the financial year ending 31 March 2023. Our Board has in turn, recommended the same for shareholders' approval at our forthcoming Ninth (9th) AGM.

3.4 Qualification of the Audit and Risk Management Committee

Our Board ensures that the ARMC as a whole is financially literate and has sufficient understanding of our Group's business. The ARMC would also review and provide advice on the financial statements which give a true and fair view of our financial position, financial performance and cash flows position.

Our Board provides our shareholders with the Audited Consolidated Financial Statements and quarterly reports (interim reports) on a timely basis. The ARMC reviews the quarterly reports and Audited Consolidated Financial Statements, before the approval by our Board, focusing particularly on:

(1) financial performance and financial position of the Group;
(2) changes in or implementation of major accounting policy to the financial statements;
(3) key audit matters in the Auditors' Report;
(4) significant and unusual events; and
(5) compliance with accounting standards and other legal requirements.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART 2 – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

4.1 Risk Management and Internal Control Framework

The Board is committed to ensuring that the Group has a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Group has an ongoing framework for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

Further details of the risk management framework and internal control function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 1 – COMMUNICATION WITH STAKEHOLDERS

5.1 Effective, transparent and regular communication

Our Board is aware of our commitment to enhance long term shareholders' value through regular communication with all our shareholders, regardless of individual or institutional investors.

We have adopted a Corporate Disclosure Policy, which is applicable to our Board and all employees of our Group, in handling and disclosing material information to the shareholders and the investing public. The following communication channels are mainly used by us to disseminate information on a timely basis to the shareholders and the investing public:

a) General meeting which is an important forum for shareholders to engage with our Directors and Senior Management;
b) Annual Report communicates comprehensive information on the businesses, financial results, governance and key activities undertaken by our Group;
c) Company's announcements, quarterly financial results and other corporate disclosures to Bursa Securities are available on the website at www.bursamalaysia.com, as well as on our website at www.krbamboo.com; and
d) Press releases provide up-to-date information on our Group's key corporate initiatives and investments, if any.

Where possible and applicable, our Group provides additional disclosure of information on a voluntary basis. Our Board believes that an on-going communication with shareholders is vital to shareholders and investors in order for them to make informed investment decisions.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART 2: CONDUCT OF GENERAL MEETINGS

6.1 Notice of General Meetings

We had convened and held one (1) AGM and three (3) Extraordinary General Meetings ("**EGM**") during the FYE 2022 with sufficient notice served to the shareholders as detailed below:

Date of General Meeting	Type of General Meeting	Notice Date	Notice Period
28 June 2021	EGM	11 June 2021	16 clear days
27 July 2021	EGM	12 July 2021	14 clear days
30 September 2021	AGM	30 August 2021	29 clear days
12 January 2022	EGM	21 December 2021	21 clear days

6.2 Attendance in General Meetings

The attendances of Directors at the four general meetings held during the FYE 2022 are as follows:

Name of Directors	Attendance
Wu Wai Kong	4/4
Kuah Choon Ching	4/4
Low Poh Seong	4/4
Mazlan bin Mohamad	4/4
Datuk Nur Jazlan bin Mohamed *(Resigned on 10 January 2022)*	3/3

Our management team was also present at the general meetings to respond to the queries raised by shareholders, proxies and corporate representatives present. The Chairman of the general meetings provided sufficient time for the shareholders, proxies and corporate representatives present to ask questions for each agenda as set out in the notice before putting the resolutions to vote.

6.3 Voting

The Company had conducted the poll voting for all resolutions as set out in the notice of general meetings held during the FYE 2022 in accordance with Rule 8.31A of the ACE LR of Bursa Securities.

This Statement was approved by our Directors on 26 July 2022.

SUSTAINABILITY STATEMENT

At Kanger International Berhad and its subsidiaries, sustainability is our commitment to create long-term value for our shareholders, employees, customers, community and the environment.

To ensure long-term sustainability, Kanger made the decision to diversify into the construction and healthcare industries. Via the diversification, this enables us to expand our revenue streams and to capitalise on the favourable long-term prospects of both of these industries.

We are pleased to present our Sustainability Statement ("**Statement**") as we outline the Group's sustainability-related efforts undertaken throughout the reporting period. This Statement provides a narrative of Kanger's commitment in addressing the economic, environmental and social ("**EES**") impacts across the Group.

ABOUT THIS REPORT

Reporting Scope and Boundary

This statement covers the Group's 12 month operations from 1 April 2021 to 31 March 2022. Information presented in this Statement covers the Group's major operations in Malaysia, and excludes our bamboo processing business in the People's Republic of China ("**PRC**") as the related subsidiaries have been disposed.

As we grow our construction business, we aim to provide further insight and disclosure into our sustainability practices moving forward.

Reporting Guidelines

This Statement has been prepared in accordance with the ACE LR and in reference to Bursa Securities's Sustainability Reporting Guide and Toolkits (2nd Edition). We have also aligned our sustainability strategies presented in this report with 5 of the United Nations Sustainability Development Goals ("**UN SDGs**"), as shown below.

3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	15 LIFE ON LAND
Ensure healthy lives and promote well-being for all at all ages	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Ensure sustainable consumption and production patterns	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

ABOUT THIS REPORT (CONT'D)

Reporting Scope and Boundary (Cont'd)

Our Sustainability Policy defines our commitment as we strive to integrate sustainability-related practices into our daily operations.

OUR SUSTAINABILITY COMMITMENT

At Kanger, we look to promote health and well-being, sustainable economic growth and industrialisation, develop resilient infrastructure and innovation, practice responsible consumption and production while protecting our land and ecosystems. It is a consolidated effort to create long-term value for our stakeholders for the benefit of our organisation as well as the local and global communities we operate in and impact.

SUSTAINABILITY GOVERNANCE

The Board of Directors of Kanger has the ultimate responsibility to oversee the Group's sustainability strategies and performance. They are supported by members of the Senior Management from various relevant departments, who are responsible to implement sustainability strategies in the daily business operations.

Aside from the above-mentioned structure, sustainability governance is also driven through Kanger's formalised policies and procedures, and adherence to industry and regulatory standards and laws.

Code of Conduct and Ethics

- Emphasises on the strict adherence to ethical practices by employees across the Group.
- Outlines the Group's expectations of exemplary employee behaviour in daily dealings with stakeholders.
- All employees are expected to adhere to the code to ensure compliance with relevant laws, rules and regulations.

Whistleblowing Policy

- Upholds the protection and privacy of whistleblowers.
- To provide a platform for whistleblowers to raise suspected misconduct, if any, without fear of victimisation or discrimination.
- These may include suspected cases of fraud, corruption, unethical behaviour, malpractices or other irregularities occurring within Kanger.

STAKEHOLDER ENGAGEMENT

We endeavour to operate our business in a responsible manner that addresses stakeholder concerns. The stakeholders below have been identified as critical to our performance and long-term business strategy.

Key Stakeholder Group	Communication Channels	Areas of Interest
Shareholders/Investors	• Annual Report • Announcements to Bursa Malaysia • Press releases • Corporate website • Annual General Meeting	• Business continuity • Corporate governance • Capital appreciation and shareholders' returns • Economic performance
Customers	• Meetings • Regular engagements • Press releases • Showrooms	• Customer satisfaction • Quality assurance • Product safety • Timely delivery
Employees	• Annual performance reviews • Compensation and benefits • Office events • Training and development opportunities	• Safe and conducive working environment • Workplace satisfaction • Fair HR policy and practices

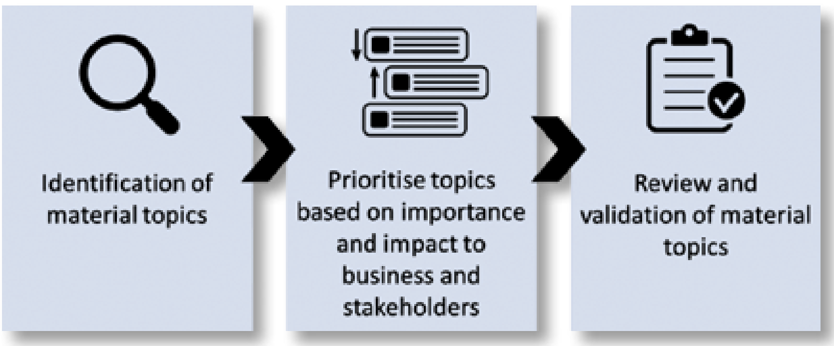
Sustainability Statement (cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholder Group	Communication Channels	Areas of Interest
Suppliers	• Meetings • Regular engagements • Business reviews • Procurement agreement	• Supply chain management • Ethical and transparent procurement practices
Regulatory agencies	• Consultation on regulatory matters • Periodic site visits and meetings	• Compliance with regulations
Local communities	• Charitable donations • Corporate Social Responsibility initiatives	• Contribution towards local economy and community • Local employment and procurement

MATERIALITY MATTERS

Our approach towards identifying the Group's material topics follows the following process:



For FYE 2022, we identified the following material sustainability matters that relate to our Group as follows:

ECONOMIC	ENVIRONMENTAL	SOCIAL
• Economic Performance • Customers • Quality Products and Services • Sustainable Procurement Practices	• Environmental Compliance • Waste and Pollution Management	• Inclusion and Diversity • Human Capital Development • Occupational Safety and Health

ECONOMIC IMPACT

Economic Performance

Our economic performance is vital to the Group's longevity and in maintaining business continuity. With our diversification into the construction and healthcare sectors, these sectors have successfully gained traction as we secure new customers and expand our market share. The construction segment is now the largest revenue contributor to the Group. To maximise economic returns, we strive to manage our costs effectively and are continuously on the lookout for opportunities that are complementary and synergistic to the Group's business activities that will bring long-term value to our shareholders.

ECONOMIC IMPACT (CONT'D)

Customers

Our customers are a key stakeholder group and play an important role in our business sustainability. The establishment of long-term customer relationships by delivering a high level of customer satisfaction is our top priority. Hence, we have regular engagements with customers to obtain feedback in relation to the level of satisfaction on our products and services.

Quality Products and Services

In our construction segment, we strive to deliver good quality building constructions with high emphasis on safety. Similarly in our healthcare segment, our medical products are compliant with the relevant internationally recognised accreditations and standards.

We are in the midst of obtaining the Grade G7 contractor license from the CIDB, which will permit Kanger to undertake civil engineering construction and building construction projects of any value.

Sustainable Procurement Practices

We select and evaluate our suppliers and subcontractors by assessing the reliability of the products and services, which include pricing, delivery, safety considerations and work ethics. A well-managed supply chain with suppliers and business partners are critical to our business success to ensure uninterrupted supply of raw materials.

ENVIRONMENTAL IMPACT

Environmental Compliance

We are committed to operate in adherence with the relevant environmental laws and regulations. Our environmental management system ("**EMS**") has been accredited with ISO 14001:2004 certification, an international standard for environmental administration system.

Waste and Pollution Management

Waste is generated from our construction sites and are disposed accordingly based on the respective approved methods. Where possible, some materials are reused while others are sent to approved recycling centres.

Kanger's Environmental Management Practices

- Preserve, conserve, minimise waste of resources and ensure that our work environment is free from pollution and recognised hazards
- Comply with relevant environmental, health and safety laws for controlling hazardous chemical substances in products and materials
- Conduct periodic management review of our policy, objectives and targets to ensure suitability and effective implementation of our environmental management program
- Communicate to all employees to ensure adequacy in environmental awareness, skill, knowledge and competency
- Communicate and promote awareness to customers and suppliers and making the environmental policy available to the public upon request

SOCIAL IMPACT

Our growth and achievements are a result of our people's commitment and dedication. We are committed to create a safe, inclusive and productive work culture that supports the development of our workforce.

Inclusion and Diversity

At Kanger, we recognise that diversity and inclusivity are critical for an organisation to function well. Our people are recruited on a fair and transparent basis, as we condemn all forms of discrimination based on, among others, nationality, gender, race or age. Our employment practices are communicated through the Group's Code of Conduct of Ethics.

SOCIAL IMPACT (CONT'D)

Human Capital Development

Our people are offered development and growth opportunities to realise their full potential. We aim to attract and nurture the right talent at all levels with a strong succession pipeline. As such, we offer a wide range of training prospect to support our employees' growth. These may include topics in relation to safety, technical training and soft skills development, to name a few.

As part of our human capital strategy to reward and retain talent, our employees receive a competitive compensation package with on-the-job benefits. Employee reviews are conducted annually based on meritocracy and work performance to compensate our employees fairly.

Furthermore, eligible employees are granted share options to subscribe to Kanger's shares through the Group's SIS. The scheme is offered in recognition of employees' contribution and to drive higher performance within the Group.

Occupational Safety and Health

The health and safety of our employees, especially those involved in the construction sites are integral to the Group. Our Group's Safety Policy outlines our commitment to minimise work-related incidents by identifying hazards and managing safety risks at the workplace. Guided by this policy, we ensure that our processes comply with internationally accepted standard of safety and code of conduct.

We recognise the importance of safety training and safety awareness with regular briefings held on these topics. We encourage and cultivate the culture of safe and healthy workplace to prevent accidental injuries and occupational-related illnesses from occurring.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Our Board is pleased to include a statement on our Group's risk management and internal control during the financial year under review. The Statement was prepared in accordance with Rule 15.26 (b) of ACE LR of Bursa Securities and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

Our Board is responsible for the adequacy and effectiveness of our Group's risk management and internal control systems. Our Board ensures that the systems managing the Group's key areas of risk are within an acceptable risk profile in order to increase the likelihood that our Group's policies and business objectives will be achieved. Due to the inherent limitations in the risk management and internal control systems, our Board will continue to review these systems to ensure that the risk management and internal control systems provide a reasonable but not level of absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

Our Board through the Audit and Risk Management Committee has established an ongoing process for identifying, evaluating and managing the significant risks faced by our Group and this process includes enhancing the risk management and internal control systems as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by our Board and is guided by the Statement of Risk Management & Internal Control: Guidelines for Directors of Listed Issuers. The Management assists our Board in the implementation of our Board's policies and procedures on risk and control by identifying and assessing the risks faced as well as designing, operating and monitoring the internal controls to mitigate and control these risks.

Our Board is of the view that the risk management and internal control systems in place for the financial year under review and up to the date of issuance of the financial statements are adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators, employees and our Group's assets.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is committed to ensuring that the Group has a sound system of risk management and internal control to safeguard shareholders' investments and Groups' assets.

The Group has an ongoing framework for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

Further details of the risk management framework and internal control function are set out as following.

RISK MANAGEMENT

The context within the risks that managed by our Group and the related key focus of accountability for this are as follows:-

(1) Strategic Risks – Our Board and Executive Directors

Strategic risks are the primary risks caused by events that are external to our Group, but have a significant impact on our Group's strategic decisions or activities.

The causes of these risks include national and global economies, government policies and regulations, interest rates and climatic conditions. Often, they cannot be predicted or monitored through a systematic operational procedure. The lack of advance warning and frequent immediate response required to manage strategic risks mean they are often well identified and monitored by senior management as part of their strategic planning and review mechanisms.

Accountability for managing strategic risks therefore rests with our Board and the Executive Directors. The benefit of effectively managing strategic risks is that our Group can forecast more accurately and quickly adapt to the changing demands that are placed upon our Group. It also means that our Group is less likely to be surprised by any external events that require significant change.

RISK MANAGEMENT (CONT'D)

(2) Operational Risks – Heads of Division/ Department

Operational risks are inherent in the ongoing activities of different business units or subsidiaries of our Group. These are the risks associated with such things as the day-to-day operational performance of staff, the risks caused by the Group and the Group's subsidiaries structure and the manner in which the subsidiaries report to corporate headquarter. Senior management needs ongoing assurance that operational risks are identified and well managed.

Accountability for managing operational risks rests particularly with the Heads of Business Division/Departments. The benefits of efficiently managing operational risks include maintaining superior quality standards, eliminating undesirable surprises, the early identification of problematic issues, being prepared for emergencies if they happen and being held in high regard by shareholders for the efficient and effective management of risk.

In compliance with the Bursa Securities requirements in relation to anti-corruption measures ("**Anti-Corruption Amendment**") effective on 1 June 2020, the management had came out with the Anti-Bribery and Corruption ("**ABAC**") Policy and Whistleblowing Policy & Procedures. These policies have been approved by the Board on 1 June 2020 and published on the Group website. Code of Ethics & Conduct of the Group and the Group's subsidiaries have been enhanced with the guideline of the policies.

INTERNAL CONTROL

The key processes that have been established in reviewing the adequacy and effectiveness of the internal control system include the following:-

Internal Audit

The Internal Audit function is outsourced to an independent professional firm to check on compliance with policies and procedures and the effectiveness of our Group's internal control system and to highlight significant findings in respect of any non-compliance. The Internal Auditors report directly to the Audit and Risk Management Committee. The internal audit will focus on compliance with ABAC of the group for financial year ended 2022 cycle. The proposed internal audit plan will be submitted to the Audit and Risk Management Committee for consideration and approval. The Audit and Risk Management Committee is responsible to review and discuss with the Management on the issues highlighted by the Internal Auditors, whenever necessary.

Audit and Risk Management Committee

The Audit and Risk Management Committee reviews and discusses internal control issues identified by the Internal Auditors, External Auditors and the Management, and evaluates the adequacy and effectiveness of our Group's risk management and internal control systems. The Audit and Risk Management Committee also reviews the internal audit functions with particular emphasis on the scope and frequency of audits and the adequacy of resources. The minutes of the Audit and Risk Management Committee meetings are tabled to the Boards on a periodical basis.

Share Issuance Scheme ("SIS") Committee

The SIS Committee administers options and / or shares under the SIS and regulates the securities transactions in accordance with established regulations and by-laws.

Organisational Structure

Our Group has in place the organizational structure with clearly defined lines of responsibilities and functionalities which promotes appropriate levels of accountability for risk management, control procedures and effectiveness of operations. All new employees are required to undergo an orientation programme to be acknowledged of the organisational structure and the job function is clearly written for transparency and better accountability.

INTERNAL CONTROL (CONT'D)

Limit of Authority

There are policy guidelines and authority limits imposed on the Executive Directors and the Management within our Group in respect of the day-to-day operations, signing of sales and supplier agreements, acquisitions and disposal of assets.

Control Environment

Our Board considers the integrity of staff at all levels to be of utmost importance, and this is pursued through comprehensive recruitment, appraisal and reward programmes. There is an effective group organizational structure on how the business activities are planned, controlled and monitored.

Our Group's culture and values, as well as the standard of conduct and discipline we expect from our employees have been communicated to them via the employee handbook or letters of appointment.

CONCLUSION

To the best knowledge of our Board, there were no material losses incurred during the year under review that caused by weaknesses in internal control. Our Board has received assurance from the Executive Directors and the Financial Controller that our Group's risk management and internal control systems are operating adequately and effectively, in all material aspects. The Management continues to take measures to improve and strengthen the internal control environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report of our Group for the financial year ended 31 March 2022 and have reported to our Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by our Board in reviewing the adequacy and effectiveness of the risk management and internal control systems.

This Statement was made in accordance with a resolution of our Board of Directors dated 26 July 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board is pleased to present the ARMC Report for the FYE 2022.

1. MEMBERS OF AUDIT AND RISK MANAGEMENT COMMITTEE AND MEETINGS

The ARMC met five (5) times during FYE 2022.

The composition of the ARMC and details of the attendance of the members at the meetings are set out as follows:

Name	Position	Total number of Meetings Attended
Low Poh Seong (Independent Non-Executive Director)	Chairman	5/5
Mazlan bin Mohamad (Independent Non-Executive Director)	Member	5/5
Datuk Nur Jazlan bin Mohamed (Independent Non-Executive Chairman) (Resigned on 10 January 2022)	Member	4/4

Following the resignation of Datuk Nur Jazlan bin Mohamed as ARMC member on 10 January 2022, the Board has appointed Dato' Azmil bin Mohd Zabidi as the new member is his place on 8 April 2022.

2. TERMS OF REFERENCE

The Terms of Reference of the ARMC are published in our website at www.krbamboo.com.

3. SUMMARY OF ACTIVITIES

The ARMC carried out the following activities during the FYE 2022:

(i) Reviewed unaudited quarterly financial results before recommending to our Board for consideration and approval. The ARMC invited the Executive Directors to brief it on any updates on the operations of our Group every quarter and on any material matters that require the ARMC's attention. The review is also to ensure that the unaudited quarterly financial results complied with the applicable accounting standards and ACE LR of Bursa Securities;

(ii) Reviewed our audited financial statements prior to submission to our Board for consideration and approval. The review ensures that the financial statements were drawn up in accordance with the applicable accounting standards and the provisions of the Companies Act 2016;

(iii) Reviewed the External Auditors' scope of work and audit plan for the FYE 2022;

(iv) Reviewed with the External Auditors, the results of the audit status reports;

(v) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control to be included in the Annual Report 2021 and submitted the said documents to our Board for consideration and approval;

(vi) Reviewed the Anti-Bribery and Corruption Policy and revised Whistleblowing Policy and recommended the same to the Board for approval;

(vii) Reviewed with the Internal Auditors, the internal audit reports and their evaluation of system of internal controls;

Audit and Risk Management Committee Report (cont'd)

3. SUMMARY OF ACTIVITIES (CONT'D)

The ARMC carried out the following activities during the FYE 2022: (cont'd)

(viii) Reviewed related party transactions within our Group;

(ix) Conducted private discussion with the External Auditors without the presence of the Management in relation to the financial statements of our Group;

(x) Recommended the re-appointment of CAS Malaysia PLT, Chartered Accountants as the External Auditors of the Company and Group after accessing their job scopes, engagement team, competency, objectivity and independence;

(xi) Assessed objectivity, suitability, independence and performance of the outsourced Internal Auditors;

(xii) Reviewed the offer, acceptance and exercise of options under the employees' share option scheme; and

(xiii) Reviewed the status of establishment of risk framework and register.

4. INTERNAL AUDIT FUNCTION

The ARMC is supported by the internal audit team whose primary responsibility is to evaluate and report on the adequacy, integrity and effectiveness of the overall system of internal control of our Group. The internal audit function of the Group is outsourced to GovernanceAdvisory.com Sdn. Bhd. who reports directly to the ARMC with its findings and recommendations. Any necessary corrective actions after reporting to our Board by the ARMC will be directed by our Board.

Our Group's internal audit activities are mainly carried out in accordance with the annual internal audit plan that has been tabled to the ARMC for its review and approval and selected ad-hoc audits on the Management's requests. The Internal Auditors adopt a risk-based audit approach in auditing objectively to provide the assurance that risks were mitigated to acceptable levels. This approach would draw the Internal Auditors' attention towards gaining an understanding of our Group's interaction with external forces, changes in the strength of the relationships during the period under audit, and the risk of potential future changes presented by the external forces. Their approach would entail understanding on how the business risks translate to audit risks, and communicating value added input to the Management through the audit process. Whenever required, the Internal Auditors would make reference to our Group's policies and procedures, established practices, Listing Requirements and recommended industry practices.

During the financial year ended 31 March 2022, the Internal Auditors carried out the internal audit on Anti-Bribery and Anti-Corruption Review of Kanger International Berhad.

The findings arising from the audit field work were highlighted together with suitable recommendations for improvement to the Management for review and further action where necessary.

The ARMC had reviewed and assessed our internal audit function and was of the view that the scope, functions (including independence), objectivity, competency, resources, authorities granted to the outsourced internal audit function as well as internal audit program and processes were adequate to provide the ARMC with reasonable assurance that governance, risk and control structures and processes of our Group is adequate and effective. The results of the internal audit program, processes or investigation undertaken was adequately communicated to the ARMC and appropriate actions are taken on the recommendations of the Internal Auditors.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2022 was approximately RM16,000.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

The shareholders of the Company had at the EGM held on 28 June 2021 approved the renounceable rights issue of up to 2,861,936,149 new Kanger shares ("**Rights Share**") at an issue price of RM0.06 per Rights Share on the basis of 1 Right Share for every 1 existing Kanger share held, together with up to 2,861,936,149 free detachable warrants in Kanger on the basis of 1 Warrant B for every 1 Rights share subscribed ("**Rights Issue with Warrants**").

The Company has issued 1,700,011,579 Rights Shares and 1,700,011,579 Warrants B pursuant to the Rights Issue with Warrants, which was completed on 30 September 2021.

A total amount of RM102,000,695 was raised from the Rights Issue with Warrants and the said amount has been fully utilised.

The shareholders of Kanger had at the Extraordinary General Meeting held on 27 July 2021 approved the following:

(i) Acquisition by Kanger of 1,020,000 ordinary shares of Sung Master, representing 51.0% equity interest in Sung Master, for a purchase consideration of RM94,789,436 to be satisfied via a combination of cash payment of RM52,000,000 and the remaining purchase consideration of RM42,789,436 to be satisfied via an issuance and allotment of 713,157,273 new ordinary shares of Kanger ("**Kanger share(s)**") at the issue price of RM0.06 per kanger share; and

(ii) Subscription of 769,513,179 new Kanger shares ("**Subscription Share(s)**") at the subscription price of RM0.06 per subscription share by Mr. Kuah Choon Ching ("**Proposed Subscription**").

The Company has raised a total of RM46,170,790.00 from the Subscription of Shares and the said amount has been fully utilised.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of directors, chief executive who is not a director or major shareholders either still subsisting at the end of the financial year ended 31 March 2022 or entered into since the end of the previous financial year.

AUDIT AND NON-AUDIT FEES

The statutory audit fees and non-audit fees paid or payable by the Group and the Company to the External Auditors for the financial year ended 31 March 2022 were as follows:

	2022	
Audit Services	**Group**	**Company**
Statutory audit fees	352,388	257,848
Non-audit fees	43,690	43,690
TOTAL	**396,078**	**301,538**

Additional Compliance Information Disclosures (cont'd)

SHARE ISSUANCE SCHEME ("SIS")

The SIS of the Company was approved by the shareholders at the EGM held on 24 December 2019 and is governed by the By-laws.

The Board had approved the existing SIS for a period of ten (10) years from 27 December 2019 to 26 December 2029, in accordance with the terms of the SIS By-Laws.

Date Offered	Total Number of Option or Shares Granted	Exercise Price	Total Number of Options Exercised	Exercised Date
13 January 2020	90,000,000	RM0.0650	28,000,000 12,000,000 20,000,000 30,000,000	26 August 2020 27 August 2020 18 November 2020 29 January 2021
20 February 2020	40,000,000	RM0.0700	20,000,000 20,000,000	18 November 2020 29 February 2021
11 December 2020*	548,908,342	RM0.1590	–	–
15 February 2021**	548,908,342	RM0.0992	100,806,451 50,403,225 50,403,225 50,403,225	26 February 2021 26 February 2021 1 March 2021 15 March 2021
8 April 2021***	296,892,216	RM0.05409	92,438,528 92,438,528 46,209,193	23 April 2021 21 May 2021 2 July 2021
28 April 2022	2,380,952	RM0.0630	2,380,952	29 April 2022
18 May 2022	2,752,293	RM0.0545	2,752,293	19 May 2022

* The outstanding of 548,908,342 options had been cancelled due to no options were accepted by employees.
** The outstanding of 296,892,216 options was lapsed on 16 March 2021.
*** The outstanding of 65,805,967 options was withdrawn on 11 January 2022.

The details of SIS are set out in Note 16 to the financial statements on page (XX) of this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("**Act**") to ensure that the financial statements for each financial year are prepared in accordance with the applicable approved accounting standards and the requirements of the Act, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 March 2022, the Directors ensured that the Management has:

(a) adopted appropriate accounting policies and applied them consistently;

(b) made appropriate judgements and estimates that are reasonable have been used; and

(c) the financial statements have been prepared on the going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have an overall responsibility for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

FINANCIAL REPORT

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the Company in each subsidiaries are as disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(151,845,678)	(140,291,914)
Attributable to:		
Owners of the Company	(151,529,421)	(140,291,914)
Non-controlling interests	(316,257)	–
	(151,845,678)	(140,291,914)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial period. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company increased its share capital from RM259,106,001 to RM425,311,850 through the following:

(a) issuance of 231,086,249 new ordinary shares within exercise price of RM0.05409 - RM0.05410 per ordinary share for a total cash consideration of RM12,499,999 and fair value of RM2,109,587 pursuant to the Company's Shares Issuance Scheme ("SIS");

(b) issuance of 1,700,011,579 new ordinary shares for a total cash consideration of RM102,000,695 and fair value of RM38,930,265 pursuant to the Company's renounceable rights issue of 1,700,011,579 new ordinary shares in the Company ("Rights Shares") on the basis of 1 Rights Shares for every 1 existing ordinary share held together with 1,700,011,579 free detachable warrants ("Warrants B") on the basis of 1 warrant for every 1 Rights Shares subscribed by the entitled shareholders;

(c) issuance of 769,513,179 new ordinary shares for a total cash consideration of RM46,170,791 pursuant to the Company's Shares Subscription;

(d) issuance of 713,157,273 new ordinary shares for a total cash consideration of RM42,789,436 as part of the purchase consideration for 51% equity stake in Sung Master Holdings Sdn. Bhd.;

(e) issuance of 500,000 new ordinary shares for a total cash consideration of RM25,000 and fair value of RM11,450 pursuant to the conversion of Warrants B at an exercise price of RM0.05 per share;

(f) an amount of RM470,844 was utilised out of the share capital for share issuance expenses; and

(g) the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and Warrants B.

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

There were no debentures issued during the financial year.

WARRANTS

WARRANTS B 2021/2026

The Warrants B are constituted under a Deed Poll to be executed by the Company and involved the issuance of 1,700,011,579 Warrants B on the basis of one (1) Warrant for every two (1) existing ordinary shares of the Company held by the shareholders of the Company on 30 August 2021.

The exercise price of the Warrant B has been fixed at RM0.05 each.

Each Warrant B entitles the Warrant holders to subscribe for one (1) new ordinary share of the Company at any time during the exercise period at the exercise price of RM0.05 each (subject to adjustments in accordance with the provisions of the Deed Poll).

The period commencing on, and including the first date of issue of the Warrants B and ending at the close of business at 5.00pm in Malaysia on the date which is five (5) years from the date of issue of the Warrants if such date is not a market day, then it shall be the market day immediately preceding the said non market day, but excluding those days during the period on which the Record of Depositors and/or the Warrants Register is or are closed.

On 09 February 2022, 1,529,560,423 Warrants B were consolidated arising from the adjustments to the exercise price and number of outstanding Warrants B pursuant to the share consolidation exercise ("Share Consolidation").

Directors' Report (cont'd)

WARRANTS (CONT'D)

WARRANTS B 2021/2026 (CONT'D)

On 10 February 2022, the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and warrants B of the Company.

The new exercise price of the Warrant B has been fixed at RM0.50 each.

There were total of 169,951,156 Warrants B remained unexercised during the financial year ended 31 March 2022.

The movements in the Warrants B 2021/2026 is as follows:

	Number of warrants				
	As at 01.04.2021	Issued	Conversion	Share Consolidation	As at 31.03.2022
Warrants B 2021/2026	–	1,700,011,579	(500,000)	(1,529,560,423)	169,951,156

OPTIONS GRANTED OVER UNISSUED SHARES

The Company's SIS is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 24 December 2019 and was effected on 27 December 2019. Under the SIS, the Company has implemented a SIS of up to 30% of the total number of issued shares of the Company, excluding treasury shares, at any period of time, comprising a Share Option Scheme ("SOS") and a Share Grant Scheme ("SGS"). The SIS is in force for a maximum period of ten (10) years from the effective date and is administered by the Share Issuance Scheme Committee ("SISC").

The salient features and other terms of the SIS are disclosed in Note 16 (ii) to the financial statements.

The following table illustrates the share options granted and exercised during the financial year:

		Number of options over ordinary shares				
Grant date	Exercise price RM	As at 01.04.2021	Granted	Exercised	Withdrawn	As at 31.03.2022
08.04.2021	0.05409	–	296,892,216	(231,086,249)	(65,805,967)	–
		–	296,892,216	(231,086,249)	(65,805,967)	–

DIRECTORS

The names of the directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Wu Wai Kong
Kuah Choon Ching
Low Poh Seong
Mazlan Bin Mohamad
Dato' Azmil Bin Mohd Zabidi (Appointed on 08 April 2022)
Datuk Nur Jazlan Bin Mohamed (Resigned on 10 January 2022)

DIRECTORS (CONT'D)

Other than as stated above, the names of the directors of the subsidiaries of the Company during the financial year and the period from the end of the financial year to the date of this report, not including those directors listed above are:

Tan Jyy Yeen	(Appointed on 05 November 2021)
Sii Tung Nai	(Acquisition of subsidiary on 30 September 2021)
Sii Tung Aik	(Acquisition of subsidiary on 30 September 2021, Resigned on 27 February 2022)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares and warrants of the Company during the financial year were as follows:

	Number of ordinary shares				
Shareholdings in the name of directors	**As at 01.04.2021**	**Acquired**	**Sold**	**Share Consolidation**	**As at 31.03.2022**
Direct interest					
Kuah Choon Ching	25,000,000	794,513,179	(7,900,000)	(737,561,862)	74,051,317
Wu Wai Kong	6,745,300	–	–	(6,070,770)	674,530
Indirect interest					
Wu Wai Kong*	1,780,000	–	–	(1,602,000)	178,000

* *Deemed interests by virtue of shares held by his direct family members.*

	Number of Warrants B			
Warrants B holding in the name of directors	**As at 01.04.2021**	**Acquired**	**Share Consolidation**	**As at 31.03.2022**
Direct interest				
Kuah Choon Ching	–	25,000,000	(22,500,000)	2,500,000

By virtue of their interests in the shares of the Company, all the above directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, none of the other directors in office at the end of the financial year have any interest in the shares and Warrants B of the Company during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors or past directors of the Group and of the Company during the financial year are disclosed in Note 30 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the directors or past directors of the Group and of the Company during the financial year are disclosed in Note 30 to the financial statements.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial year.

Directors' Report (cont'd)

INDEMNITY AND INSURANCE COSTS

The Group maintains directors' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company and of its subsidiary companies. The total amount of indemnity insurance coverage and insurance premium paid during the financial year were RM10,000,000 and RM19,090 respectively.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the auditor of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial period, none of the directors of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render it necessary to write off for any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year except as disclosed in Note 31 to the financial statements.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS AND SUBSEQUENT TO THE FINANCIAL YEAR

Significant events and subsequent to the financial year are disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 26 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 29 July 2022.

KUAH CHOON CHING
Director

WU WAI KONG
Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, KUAH CHOON CHING and WU WAI KONG, being two of the directors of KANGER INTERNATIONAL BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 60 to 153 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 29 July 2022.

KUAH CHOON CHING
Director

WU WAI KONG
Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, KUAH CHOON CHING, being the director primarily responsible for the accounting records and financial management of KANGER INTERNATIONAL BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 60 to 153 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	)	
KUAH CHOON CHING	)	
at Puchong in the state of Selangor Darul Ehsan	)	
on 29 July 2022.	)	**KUAH CHOON CHING**

Before me,

Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

To The Members of Kanger International Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of KANGER INTERNATIONAL BERHAD, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 153.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
1) Impairment of Goodwill *Refer to Note 3.4.3 - Significant Accounting Policies, Note 4.8 - Significant Accounting Judgements, Estimates and Assumptions and Note 6 - Intangible Assets.*	
As at 31 March 2022, the Group's carrying amount of goodwill is amounting to RM90.3 million, which represented 28% of the Group's total assets. The Group is required to perform an impairment test on the goodwill annually and where there is an indication of impairment, by comparing the carrying amount with its recoverable amount. We considered this as key audit matter due to the significance of the goodwill to the Group's financial statements as it involves significant management's judgement and assumption, for each Cash Generating Unit (CGU) in preparation of the cash flow projections. Key assumptions which required management's judgement and assumption includes: a) annual discount rate; b) terminal growth rate; and c) annual growth rates.	Our audit procedures include: i) obtained and reviewed the cash flow projections; ii) enquired the management on the basis of preparation and justification used in the cash flow projection; iii) assessed the reasonableness of the Group's key assumptions used in the cash flows projection such as growth rate, discount rates and profit margin; iv) reviewed management's sensitivity analysis on the key assumptions used in the cash flow projection; v) performed arithmetic check on the goodwill calculation; vi) discussed with the management of the probability of impairment losses on goodwill due to volatile business environment; and vii) reviewed the financial statements to ensure adequate and appropriate disclosures have been made.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
2) Impairment of trade receivables *Refer to Note 3.9 - Significant Accounting Policies, Note 4.6 - Significant Accounting Judgements, Estimates and Assumptions and Note 12 - Trade Receivables* As at 31 March 2022, the Group has recorded trade receivables, net of impairment, amounting to RM81.3 million which represented 25% of the Group's total assets. MFRS 9 required the impairment of trade receivable to be assessed using the expected credit losses (ECL) model. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows expected to receive, discounted at an approximation of the original effective interest rate. We considered this as key audit matter due to the significance of the trade receivables to the Group's financial statements as it involves significant management judgement and estimation.	Our audit procedures include: i) obtained and reviewed the receivables ageing report to ensure adequate impairment made for long outstanding receivables; ii) enquired the management on the determination of long outstanding receivables; iii) understood the process of assessing trade receivable ECL from the management; iv) evaluated the ECL calculation performed by the management to ensure its accuracy and completeness; v) recomputed the ECL calculation and compared against ECL assessment performed by the management; vi) enquired the management if there is any consideration of Covid-19 impact taken into consideration when performing ECL calculation; vii) performed subsequent collections check for trade receivables; and viii) reviewed the financial statements to ensure adequate and appropriate disclosures have been made.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
3) Valuation of investment properties *Refer to Note 3.3 - Significant Accounting Policies, Note 4.2 - Significant Accounting Judgements, Estimates and Assumptions and Note 8 - Investment Properties.* The Group holds properties classified as investment properties under construction which are disclosed in Note 8 to the financial statements. During the financial year, the Group has capitalised construction costs amounting to RM71.4 million which represented 22% of the Group's total assets. The Group has determined the usage of the properties is for rental and capital appreciation and has ensured compliance with the relevant accounting policies. We considered this as key audit matter due to the significance of the investment properties under construction to the Group's financial statements as it involves significant management judgement and estimation.	Our audit procedures include: i) obtained and reviewed the sales and purchase agreement; ii) enquired the management if there is any of the condition stated in the sales and purchase agreement breached; iii) checked the payment made to ensure it is in line with the timeline and conditions stated in the sales and purchase agreement; iv) obtained statement of account and balance confirmation from the developer to confirmed the amount paid; v) performed asset sighting to ensure the existence of the investment properties under construction; vi) enquired and assessed the impairment assessment performed by management; vii) reperformed impairment assessment and compared against impairment assessment done by the management; and viii) reviewed the financial statements to ensure adequate and appropriate disclosures have been done.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
4) Liquidity position of the Group and the Company *Refer to Note 2.6 Fundamental Accounting Concept, Note 34.3 - Liquidity and Cash Flow Risks.* During the financial year ended 31 March 2022, the Group and the Company incurred a net loss of RM151,845,678 and RM140,291,914 respectively. The Group and the Company incurred a negative cash flow from operating activities of RM132,464,565 and RM7,224,725 respectively during the financial year ended 31 March 2022. In assessing the liquidity position of the Group, the management has considered the repayment obligations for borrowings, other liabilities which includes the balance purchase price of the investment properties under construction and other overheads which are due in the next 12 months by taking into consideration the following: a) availability of cash flows over the next 12 months; b) funds received from disposal of subsidiaries; and c) ability of the Group to generate sufficient cash flows from its operations. We considered this as key audit matter due to the significant management judgement and estimation and key assumptions applied to future cash flow projections.	Our audit procedures include: i) obtained and reviewed the cash flow projections; ii) reviewed and assessed the reasonableness of the Group's key assumptions used in the cash flows projection and its' sensitivity analysis; iii) reviewed and assessed the reasonableness of the Group's key assumptions used in the cash flows projection and its' sensitivity analysis; iv) performed arithmetic check on the cash flow forecast calculation; and v) reviewed the financial statements to ensure adequate and appropriate disclosures have been made.

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CAS MALAYSIA PLT
[No. (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

KONG JUNE HON
[No. 03258/05/2024(J)]
Chartered Accountant

Date: 29 July 2022

Puchong

STATEMENTS OF FINANCIAL POSITION
As At 31 March 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	13,448,438	77,167,784	7,358,653	7,538,779
Intangible assets	6	90,286,357	10,972,949	–	–
Right-of-use assets	7	2,664,065	2,933,547	259,314	473,753
Investment properties	8	71,435,000	185,138,243	–	–
Investment in subsidiary companies	9	–	–	94,789,436	34,999,994
Other investment	10	5,000,000	4,588,767	5,000,000	4,588,767
		182,833,860	280,801,290	107,407,403	47,601,293
CURRENT ASSETS					
Inventories	11	9,013,116	12,858,680	–	–
Trade receivables	12	81,305,670	9,599,819	–	–
Other receivables	13	41,583,259	29,547,773	117,696	2,109,748
Amount owing from subsidiary companies	14	–	–	186,035,253	167,089,010
Tax recoverable		1,964,431	330,579	–	–
Cash and bank balances	15	2,397,893	81,714,956	425,792	8,472,624
		136,264,369	134,051,807	186,578,741	177,671,382
TOTAL ASSETS		319,098,229	414,853,097	293,986,144	225,272,675

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position (cont'd)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	425,311,850	259,106,001	425,311,850	259,106,001
Reserves	17	(125,469,420)	951,589	(132,624,103)	(34,916,396)
Total equity attributable to owners of the Company		299,842,430	260,057,590	292,687,747	224,189,605
Non-controlling interest	9	4,257,544	12,401,280	–	–
TOTAL EQUITY		304,099,974	272,458,870	292,687,747	224,189,605
NON-CURRENT LIABILITIES					
Lease liabilities	7	1,987,380	2,116,274	77,426	275,343
Loan and borrowings	18	1,938,793	24,319,194	191,216	258,386
Deferred tax liabilities	19	–	7,388,584	–	–
		3,926,173	33,824,052	268,642	533,729
CURRENT LIABILITIES					
Trade payables	20	4,790,139	4,947,245	–	–
Other payables	21	947,617	64,008,766	764,668	273,261
Amount owing to a director	22	3,422,103	–	–	–
Lease liabilities	7	1,022,421	1,026,916	197,917	212,733
Loan and borrowings	18	619,510	38,549,770	67,170	63,347
Provision for taxation		270,292	37,478	–	–
		11,072,082	108,570,175	1,029,755	549,341
TOTAL LIABILITIES		14,998,255	142,394,227	1,298,397	1,083,070
TOTAL EQUITY AND LIABILITIES		319,098,229	414,853,097	293,986,144	225,272,675

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 March 2022

	Note	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM	Company 01.04.2021 to 31.03.2022 RM	Company 01.01.2020 to 31.03.2021 RM
Revenue	23	222,742,000	33,889,450	–	–
Cost of sales		(216,867,902)	(31,559,681)	–	–
GROSS PROFIT		5,874,098	2,329,769	–	–
Other operating income	24	80,833,740	44,615,832	187,576	1,553,877
Administrative expenses		(24,540,444)	(25,318,503)	(12,699,604)	(13,399,341)
Sales and distribution costs		(646,628)	(1,299,448)	–	–
Other operating expenses		(207,185,062)	(67,229,948)	(127,729,595)	(6,157,450)
LOSS FROM OPERATIONS		(145,664,296)	(46,902,298)	(140,241,623)	(18,002,914)
Finance cost	25	(5,161,199)	(4,023,009)	(50,291)	(36,725)
LOSS BEFORE TAXATION	26	(150,825,495)	(50,925,307)	(140,291,914)	(18,039,639)
Taxation	27	(1,020,183)	(9,138)	–	–
LOSS AFTER TAXATION		(151,845,678)	(50,925,307)	(140,291,914)	(18,039,639)
OTHER COMPREHENSIVE INCOME					
Foreign currency translation		12,516,292	12,463,269	–	17,479,304
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR/PERIOD		(139,329,386)	(38,471,176)	(140,291,914)	(560,335)
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		(151,529,421)	(51,065,671)	(140,291,914)	(18,039,639)
Non-controlling interest		(316,257)	131,226	–	–
		(151,845,678)	(50,934,445)	(140,291,914)	(18,039,639)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income (cont'd)

	Note	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM	Company 01.04.2021 to 31.03.2022 RM	Company 01.01.2020 to 31.03.2021 RM
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:					
Owners of the Company		(138,587,984)	(37,751,041)	(140,291,914)	(560,335)
Non-controlling interest		(741,402)	(720,135)	–	–
		(139,329,386)	(38,471,176)	(140,291,914)	(560,335)
Basic loss per share attributable to owners of the Company (sen)	28	(34.42)	(3.07)		
Diluted loss per share attributable to owners of the Company (sen)	28	(34.42)	(3.07)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2022

Group	Share capital RM	Share option reserve RM	Merger deficit RM	Warrants reserve RM	Foreign currency translation reserve RM	Accumulated loss RM	Total RM	Non-controlling interest RM	Total RM
	Attributable to owners of the Company								
		Non-distributable							
Balance as at 1 April 2021	259,106,001	–	(12,805,422)	–	15,596,224	(1,839,213)	260,057,590	12,401,280	272,458,870
Transaction with owners:									
- Share option granted under SIS	–	5,774,979	–	–	–	–	5,774,979	–	5,774,979
- Exercise of SIS	14,609,586	(2,109,587)	–	–	–	–	12,499,999	–	12,499,999
- SIS withdrawn	–	(3,665,392)	–	–	–	3,665,392	–	–	–
- Issuance of rights issue with free Warrants B	63,070,430	–	–	38,930,265	–	–	102,000,695	–	102,000,695
- Exercise of Warrants B	36,450	–	–	(11,450)	–	–	25,000	–	25,000
- Issuance of shares pursuant to shares subscription	46,170,791	–	–	–	–	–	46,170,791	–	46,170,791
- Issuance of shares pursuant to acquisition of equity interest in a subsidiary	42,789,436	–	–	–	–	–	42,789,436	–	42,789,436
- Share issuance expenses	(470,844)	–	–	–	–	–	(470,844)	–	(470,844)
- Disposal of subsidiaries	–	–	3,899,194	–	(25,094,624)	(4,762,918)	(25,958,348)	(11,728,821)	(37,687,169)
- Acquisition of a subsidiary	–	–	–	–	–	–	–	4,326,487	4,326,487
- Transferred of shares among subsidiaries	–	–	(4,458,884)	–	–	–	(4,458,884)	–	(4,458,884)
Total transactions with owners	166,205,849	3,665,392	(559,690)	(559,690)	(25,094,624)	(1,097,526)	178,372,824	(7,402,334)	170,970,490
Loss for the financial year	–	–	–	–	–	(151,529,421)	(151,529,421)	(316,257)	(151,845,678)
Other comprehensive income/ (expense):									
Foreign currency translation reserve	–	–	–	–	12,941,437	–	12,941,437	(425,145)	12,516,292
Total comprehensive income/ (expense) for the financial year	–	–	–	–	12,941,437	(151,529,421)	(138,587,984)	(741,402)	(139,329,386)
Balance as at 31 March 2022	425,311,850	–	(13,365,112)	38,918,815	3,443,037	(154,466,160)	299,842,430	4,257,544	304,099,974

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity (cont'd)

Group	Share capital RM	Share option reserve RM	Merger deficit RM	Revaluation reserve RM	Foreign currency translation reserve RM	Redeemable convertible notes RM	Retained earnings/ (accumulated losses) RM	Total RM	Non-controlling interest RM	Total RM
	Attributable to owners of the Company									
	Non-distributable									
Balance as at 1 January 2020	104,326,460	–	(12,805,422)	1,226,554	2,281,594	590,833	47,999,904	143,619,923	9,484,315	153,104,238
Transaction with owners:										
- Issuance of shares pursuant to conversion of redeemable convertible notes	51,400,000	–	–	–	–	(590,833)	–	50,809,167	–	50,809,167
- Share option granted under SIS	–	7,908,248	–	–	–	–	–	7,908,248	–	7,908,248
- Exercise of SIS	41,558,248	(7,908,248)	–	–	–	–	–	33,650,000	–	33,650,000
- Issuance of shares pursuant to Private Placement	63,169,122	–	–	–	–	–	–	63,169,122	–	63,169,122
- Share issuance expenses	(1,347,829)	–	–	–	–	–	–	(1,347,829)	–	(1,347,829)
- Increase in share capital of a subsidiary	–	–	–	–	–	–	–	–	3,637,100	3,637,100
Total transactions with owners	154,779,541	–	–	–	–	(590,833)	–	154,188,708	3,637,100	157,825,808
(Loss)/profit for the financial period	–	–	–	–	–	–	(51,065,671)	(51,065,671)	131,226	(50,934,445)
Other comprehensive (expense)/ income:										
Revaluation reserve	–	–	–	(1,226,554)	–	–	1,226,554	–	–	–
Foreign currency translation reserve	–	–	–	–	13,314,630	–	–	13,314,630	(851,361)	12,463,269
Total comprehensive (expense)/ income for the financial period	–	–	–	(1,226,554)	13,314,630	–	(49,839,117)	(37,751,041)	(720,135)	(38,471,176)
Balance as at 31 March 2021	259,106,001	–	(12,805,422)	–	15,596,224	–	(1,839,213)	260,057,590	12,401,280	272,458,870

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity (cont'd)

Company	Attributable to owners of the Company					
	Non-distributable					
	Share capital RM	Share option reserve RM	Foreign currency translation reserve RM	Warrants reserve RM	Accumulated losses RM	Total RM
Balance as at 1 April 2021	259,106,001	–	–	–	(34,916,396)	224,189,605
Transaction with owners:						
- Share option granted under SIS	–	5,774,978	–	–	–	5,774,979
- Exercise of SIS	14,609,586	(2,109,587)	–	–	–	12,499,999
- SIS withdrawn	–	(3,665,392)	–	–	3,665,392	–
- Issuance of rights issue with free Warrants B	63,070,430	–	–	38,930,265	–	102,000,695
- Exercise of Warrants B	36,450	–	–	(11,450)	–	25,000
- Issuance of shares pursuant to shares subscription	46,170,791	–	–	–	–	46,170,791
- Issuance of shares pursuant to acquisition of equity interest in a subsidiary	42,789,436	–	–	–	–	42,789,436
- Share issuance expenses	(470,844)	–	–	–	–	(470,844)
Total transactions with owners	166,205,849	–	–	38,918,815	3,665,392	208,790,056
Total comprehensive expenses for the financial year	–	–	–	–	(140,291,914)	(140,291,914)
Balance as at 31 March 2022	425,311,850	–	–	38,918,815	(171,542,918)	292,687,747

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity (cont'd)

Company	Share capital RM	Share option reserve RM	Foreign currency translation reserve RM	Redeemable convertible notes RM	Accumulated losses RM	Total RM
	Attributable to owners of the Company					
		Non-distributable				
Balance as at 1 January 2020	104,326,460	–	(17,479,304)	590,833	(16,876,757)	70,561,232
Transaction with owners:						
- Issuance of shares pursuant to conversion of redeemable convertible notes	51,400,000	–	–	(590,833)	–	50,809,167
- Share option granted under SIS	–	7,908,248	–	–	–	7,908,248
- Exercise of SIS	41,558,248	(7,908,248)	–	–	–	33,650,000
- Issuance of shares pursuant to private placement	63,169,122	–	–	–	–	63,169,122
- Share issuance expenses	(1,347,829)	–	–	–	–	(1,347,829)
Total transactions with owners	154,779,541	–	–	(590,833)	–	154,188,708
Profit/(loss) after taxation	–	–	–	–	(18,039,639)	(18,039,639)
Other comprehensive income:						
Foreign currency translation reserve	–	–	17,479,304	–	–	17,479,304
Total comprehensive income/ (expenses) for the financial period	–	–	17,479,304	–	(18,039,639)	(560,335)
Balance as at 31 March 2021	259,106,001	–	–	–	(34,916,396)	224,189,605

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 31 March 2022

	Note	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM	Company 01.04.2021 to 31.03.2022 RM	Company 01.01.2020 to 31.03.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(150,825,495)	(50,925,307)	(140,291,914)	(18,039,639)
Adjustments for:					
Allowance for impairment losses of:					
- Amount owing from subsidiary subsidiary companies	14	–	–	86,008,354	–
- Investment in subsidiary companies	9	–	–	35,299,996	5
- Other receivables	13	4,899,842	31,881,072	–	403,678
- Trade receivables	12	19,277,249	15,044,880	–	–
Amortisation of intangible assets	6	750,858	2,237,321	–	–
Depreciation of property, plant and equipment	5	2,176,742	3,357,217	206,172	39,255
Amortisation of right-of-use assets	7	770,983	1,120,408	214,439	130,326
Fair value loss on quoted shares	10	–	415,702	–	415,702
Loss on disposal of quoted shares	26	3,993,683	4,865,505	3,993,683	4,865,505
SIS option expenses	29, 30	5,774,979	7,908,248	4,899,329	5,624,982
Written off property, plant and equipment	26	2,750,812	16,958	–	–
Written off intangible assets	26	10,533,341	1,803,540	–	–
Loss on fair value adjustment of investment properties	8	77,366,568	–	–	–
Slow moving and obsolete inventories written down	11	15,469,228	385,133	–	–
Interest expense	25	5,012,649	4,023,009	50,291	36,725
Gains on fair value adjustment of investment properties	24	–	(39,223,850)	–	–
Gains on disposal of subsidiary companies	24	(77,228,461)	–	–	–
Unrealised foreign exchange gains	24	–	–	-	(1,444,635)
Interest income	24	(38,243)	(106,466)	(38,243)	(80,321)
Operating loss before working capital changes		(79,315,265)	(17,196,630)	(9,657,893)	(8,048,417)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows (cont'd)

	Note	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM	Company 01.04.2021 to 31.03.2022 RM	Company 01.01.2020 to 31.03.2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
(Increase)/Decrease in inventories		(3,999,805)	6,459,477	–	–
(Increase)/Decrease in receivables		(84,541,703)	3,069,656	1,992,052	(1,886,138)
Decrease in amount owing to a director		(611,881)	–	–	–
Increase/(Decrease) in payables		34,118,125	46,726,747	491,407	(147,938)
Cash (used in)/generate from operations		(122,274,175)	39,059,250	(7,174,434)	(10,082,493)
Interest paid		(5,012,649)	(4,023,009)	(50,291)	(36,725)
Income tax paid		(5,177,741)	(379,874)	–	–
Net cash (used in)/generated from operating activities		(132,464,565)	34,656,367	(7,224,725)	(10,119,218)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of other investment	10	(5,000,000)	(54,604,972)	(5,000,000)	(54,604,972)
Acquisition of intangible assets	6	–	(24,155)	–	–
Acquisition of property, plant and equipment	5	(2,430,009)	(54,772,825)	(26,046)	(7,231,034)
Acquisition of investment properties	8	(71,435,000)	(46,063,227)	–	–
Acquisition of investment in subsidiary company	9	(48,017,704)	–	(95,089,438)	(3)
Advances to subsidiary companies		–	–	(104,078,949)	(101,556,229)
Proceeds from issuance of shares to non-controlling interest		–	3,637,100	–	–
Proceeds from disposal of other investments		595,085	44,734,998	595,085	44,734,998
Proceeds from disposal of subsidiaries		21,271,803	–	–	–
Interest received		38,243	106,466	38,243	80,321
Net cash used in investing activities		(104,639,905)	(106,986,615)	(203,561,105)	(118,576,919)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows (cont'd)

	Note	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM	Company 01.04.2021 to 31.03.2022 RM	Company 01.01.2020 to 31.03.2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans		2,468,040	24,359,428	–	–
Proceeds from issuance of RCN		–	41,500,000	–	41,500,000
Proceeds from issuance of Private Placement	16	–	63,169,122	–	63,169,122
Proceeds from issuance of share subscription	16	46,170,791	–	46,170,791	–
Proceeds from issuance of SIS	16	12,499,999	33,650,000	12,499,999	33,650,000
Proceeds from issuance of rights issue with free warrants	16	102,000,695	–	102,000,695	–
Proceeds from issuance of shares pursuant to acquisition of equity interest in a subsidiary	16	–	–	42,789,436	–
Proceeds from conversion of warrant	16	25,000	–	25,000	–
Share issuance expenses	16	(470,844)	(1,347,829)	(470,844)	(1,347,829)
Repayment of lease liabilities	7	(779,783)	(1,095,171)	(212,733)	(116,003)
Repayment of term loans		–	(15,753,404)	–	–
Repayment of hire purchase		(466,790)	(1,031,189)	(63,347)	(25,267)
Repayment of bill payables		–	(1,541,485)	–	–
Withdrawal of fixed deposits		–	1,541,485	–	–
Net cash generated from financing activities		161,447,108	143,450,957	202,738,997	136,830,023
Net (decrease)/increase in cash and cash equivalents		(75,995,039)	71,120,709	(8,046,832)	8,133,886
Effect of foreign exchange rate changes		(3,322,024)	1,872,180	–	–
Cash and cash equivalents as at beginning of the financial year/ period		81,714,956	8,722,067	8,472,624	338,738
Cash and cash equivalents as at end of the financial year/ period		2,397,893	81,714,956	425,792	8,472,624
Cash and cash equivalents comprise of:					
Cash and bank balances	15	2,397,893	81,714,956	425,792	8,472,624
		2,397,893	81,714,956	425,792	8,472,624

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For The Financial Year Ended 31 March 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal place of business of the Company is located at K-3-12 & K-3-13, Solaris Mont Kiara, No. 2, Jalan Solaris, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 31 March 2022 do not include other entities.

The Company is principally engaged in investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the Company in each subsidiaries are as disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 July 2022.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial period.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2021:

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases
Amendments to References to Conceptual Framework in IFRS Standards	

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

2.3 Standards issued but not yet effective

The Group and the Company has not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Effective date to be determined by Malaysian Accounting Standards Board

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

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the upon adoption above pronouncements.

2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency. All financial information are presented in RM, unless otherwise stated.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

2.6 Fundamental accounting concept

The financial statements of the Group and the Company have been prepared on the assumption that the Group and the Company will continue as a going concern. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

During the financial year ended 31 March 2022, the Group and the Company incurred a net loss of RM151,845,678 (2021: RM50,934,445) and RM140,291,914 (2021: RM18,039,639) respectively. The Group and the Company incurred a negative cash flow from operating activities of RM132,464,565 and RM7,224,725 respectively during the financial year ended 31 March 2022. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

The ability of the Group and the Company to operate as going concern is dependent on successful outcome and implementation of the current business plans to generate sufficient cash in the future to fulfil their obligations as and when they fall due. The financial statements of the Group and the Company do not include any adjustment relating to the amount and classification of assets and liabilities that might be necessary should the Group and the Company be unable to continue as a going concern.

In the event that these are not forthcoming, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern.

The directors of the Group and the Company are of the opinion that the preparation of the financial statements of the Group and the Company on a going concern basis remains appropriate as they believe, and accordingly, realise their assets and discharge their liabilities in the normal course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2022.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

3.1.1 Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

3.1.1 Subsidiaries and business combination (Cont'd)

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and OCI reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets at the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss or OCI.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate '. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

3.1.1 Subsidiaries and business combination (Cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other's.

All of the above will be accounted for from the date when control is lost.

3.1.2 Non-controlling interests

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and OCI and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

3.1.3 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price, any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs of dismantling and removing the items and restoring the site on which they are located. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in OCI as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Freehold land and buildings and leasehold land and buildings are stated at their revalued amount, being its fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent impairment losses, if any. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Leasehold land	Over the remaining year of lease term of 40 to 99 years
Buildings	20 years
Plant and machinery	3 - 10 years
Tools and equipment	3 - 5 years
Motor vehicles	5 years
Office equipment	3 - 10 years
Renovation	5 - 10 years
Computer software	2.5 - 5 years
Signboard	5 years

Capital work-in-progress consists of building under construction for intended yet as factory and office. The amount is stated at cost. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (Cont'd)

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.5 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

3.3 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction costs and subsequently at fair value, representing open market value determined annually by independent valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise.

Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost and not depreciation until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, commencing from the period when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

3.4.1 Intellectual property

Intellectual property is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged using the straight-line method over their estimated useful lives of twenty years. The amortisation method of intangible assets is reviewed at least at the end of the financial period. The effects of any revisions are recognised in profit or loss when the change arise.

Intellectual property is written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Intangible assets (Cont'd)

3.4.2 Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects relating to the design and testing of new or improved products or process are recognised as intangible assets if, and only if an entity can demonstrate all of the following:

(i) its ability to measure reliably the expenditure attributable to the assets under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the assets under development.

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.5 on impairment of non-financial assets.

3.4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill and property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year/period end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or CGUs.

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Costs of inventories are determined on a first-in-first-out basis and weighted average cost formula. Cost of finished goods and work-in-progress includes raw materials, direct labour and appropriate proportion of production overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets

3.8.1 Classification

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

3.8.2 Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3.8.3 Subsequent measurement

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.8.3.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade receivables, other receivables, amount owing from subsidiary companies and cash and bank balances.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (Cont'd)

3.8.3 Subsequent measurement (Cont'd)

3.8.3.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI at the current and previous financial year/period end.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocable elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company did not hold any equity instruments at FVOCI at the current and previous financial year/period end.

3.8.3.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial assets (Cont'd)

3.8.3 Subsequent measurement (Cont'd)

3.8.3.3 Financial assets at FVTPL (continued)

This category includes derivative instruments and listed equity investments which had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's and the Company's financial assets at FVTPL include investment in quoted shares and unquoted shares at the current and previous financial year/period end.

3.8.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:

(a) the rights to receive cash flows from the asset have expired; or

(b) the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

3.10 Share capital

3.10.1 Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

3.11.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

(c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL at the current and previous financial year/period end.

3.11.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases

3.12.1 Leases in which the Group and the Company are a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated amortisation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are amortized from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Amortisation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings	0.5 - 5 years

(b) Lease Liabilities

At the commencement date of the lease, the Group and the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Leases (Cont'd)

3.12.1 Leases in which the Group and the Company are a lessee (Cont'd)

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional two years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value are measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year/period end.

3.15 Income tax

3.15.1 Income tax expenses

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Income tax (Cont'd)

3.15.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Income tax (Cont'd)

3.15.2 Deferred tax (Cont'd)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.17 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the Statements of Financial Position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year/period end.

3.18 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an assets, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition and other income

The Group and the Company recognises revenue from contracts with customers for goods or services based on the five-step model as set out in MFRS 15:-

(i) Identify contracts with a customer.

(ii) Identify performance obligations in the contract.

(iii) Determine the transaction price.

(iv) Allocate the transaction price to the performance obligation in the contract.

(v) Recognise revenue when the Group and the Company satisfy a performance obligation.

The Group and the Company satisfies a performance obligation and recognises revenue over time if the Group's performance:-

(i) Do not create an asset with an alternative use to the Group and the Company have an enforceable right to payment for performance completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provided benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

3.19.1 Sale of goods

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3.19.2 Rendering of project management consultancy services

The Company offers its customers project management consultancy services. Revenue is allocated to the services obligations and recognised over the period of performance of services to customers. When consideration is collected from customers in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition and other income (Cont'd)

3.19.3 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

3.20 Employee benefits

3.20.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.20.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial year/period. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

3.21 Share-based payments

3.21.1 Equity-settled share-based payment

The cost of equity-settled share-based payment is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

The fair value of the employee share options is measured using the Trinomial Option Pricing Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non market performance conditions attached to the transactions are not taken into account in determining fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Share-based payments (Cont'd)

3.21.1 Equity-settled share-based payment (Cont'd)

Equity-settled share-based payments with parties other than employees are measured at the fair value of the goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted at the date the Company obtains the goods or the counterparty renders the service.

For cash-settled share-based payment, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in the fair value recognised in profit or loss for the financial year.

3.22 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

3.23 Foreign currency transactions and operations

3.23.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.23 Foreign currency transactions and operations (Cont'd)

3.23.2 Translation of foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.23.3 Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in OCI. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

3.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in the notes of the segment information, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.25 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and Employee Share Options into ordinary shares.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 2.5 to 99 years and right-of-use assets to be within a range of 0.5 to 5 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment and right-of-use assets at the reporting date are disclosed in Note 5 and Note 7 to the financial statements.

4.2 Classification between investment properties and owner-occupied properties

The Group determines whether a property qualified as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portion could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4.3 Determining the lease term of contracts with renewal options – the Group and the Company as lessee

The Group and the Company determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group and the Company has several lease contracts that include extension option. The Group and the Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group and the Company included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., one to two years). The Group and the Company typically exercises its option to renew for these leases because there will be a significant negative effect on profit if a replacement building for rent is not readily available.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

4.4 Leases - Estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4.5 Write-down of obsolete or slow moving inventories

The Group writes down their obsolete or slow moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write-down of obsolete or slow moving inventories. The economic uncertainties resulting from COVID-19 pandemic may continue to impact the saleability of inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

The carrying amounts of the Group's inventories are disclosed in Note 11.

4.6 Provision for expected credit losses ("ECL") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geographical region, products type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in the Note 12.

4.7 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

Notes to the Financial Statements (cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

4.8 Impairment of goodwill

The Group perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

4.9 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

4.10 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group are disclosed in Note 19.

4.11 Share-based payments

The Company grants share options to directors who have met the specified conditions. The share options granted are measured at fair value at grant date using a binomial option pricing model. The key assumptions or inputs used in the binomial option pricing model include: (a) the current price, (b) the exercise price, (c) the risk-free rate, (d) the volatility of the share price (e) the dividend yield and (f) the time period to maturity, and with an adjustment for an early exercise of option based on the Group's and the Company's past experience with earlier exercises. As the volatility of the share price is estimated based on past price movements, the actual volatility may not coincide with the estimates made. [The volatility of share price and cash flow uncertainty from COVID-19 pandemic may result in higher level of estimation uncertainty to the assumptions used in the measurement of fair value of share options.] Similarly, the actual early exercise of options granted may not coincide with the estimates made. These differences may affect the fair value measurement of the options granted but they are not adjusted retrospectively because the equity component of the options granted is not remeasured to fair value subsequent to their initial recognition.

The carrying amount of share option reserve and assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16.

5. PROPERTY, PLANT AND EQUIPMENT

Group

2022	Leasehold land RM	Buildings RM	Plant and machinery RM	Tools and equipment RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computer software RM	Signboard RM	Capital work-in-progress RM	Total RM
At cost, unless otherwise stated											
Balance as at beginning of the financial year	17,182,417	23,519,487	13,365,706	1,384,159	5,215,049	326,941	9,350,951	–	–	18,146,781	88,491,491
Acquisition of a subsidiary (Note 9 (b))	–	–	2,197	17,909	451,240	550,928	–	658,139	40,974	–	1,721,387
Additions	–	–	289,675	–	3,080,120	56,083	–	20,419	–	233,712	3,680,009
Disposal of subsidiaries (Note 9 (e))	(10,862,463)	(24,593,020)	(12,624,317)	–	(328,814)	–	–	–	–	(19,219,535)	(67,628,149)
Written off	–	(13,308)	(1,602,309)	(1,387,451)	(571,881)	(325,272)	(9,411,342)	–	–	–	(13,311,563)
Exchange differences	480,046	1,086,841	572,623	3,291	20,551	8,761	259,591	–	–	839,042	3,270,746
Balance as at end of the financial year	6,800,000	–	3,575	17,908	7,866,265	617,441	199,200	678,558	40,974	–	16,223,921
Less: Accumulated depreciation											
Balance as at beginning of the financial year	1,239	483,672	4,600,352	1,384,159	457,330	89,778	4,069,698	–	–	237,479	11,323,707
Acquisition of a subsidiary (Note 9 (b))	–	–	2,153	13,563	341,719	405,003	–	472,352	28,280	–	1,263,070
Charge for the financial year	108,754	–	116,005	2,090	1,059,496	80,071	734,079	71,934	4,313	–	2,176,742
Disposal of subsidiaries (Note 9 (e))	(1,296)	(496,985)	(788,990)	–	(56,011)	(8,201)	–	–	–	(248,459)	(1,599,942)
Written off	–	(8,651)	(3,959,912)	(1,387,450)	(249,712)	(69,868)	(4,885,158)	–	–	–	(10,560,751)
Exchange differences	57	21,964	32,586	3,291	10,249	(21,518)	115,048	–	–	10,980	172,657
Balance as at end of the financial year	108,754	–	2,194	15,653	1,563,071	475,265	33,667	544,286	32,593	–	2,775,483
Net carrying amount											
Balance as at end of the financial year	6,691,246	–	1,381	2,255	6,303,194	142,176	165,533	134,272	8,381	–	13,448,438

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group

2021	At valuation leasehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Tools and equipment RM	Motor vehicles RM	Office equipment RM	Renovation RM	Capital work-in-progress RM	Total RM
At cost, unless otherwise stated										
Balance as at beginning of the financial period, as previously stated	4,257,244	9,266,770	3,250,849	5,583,343	1,764,766	290,923	139,118	8,471,543	81,184,428	114,208,984
Prior year adjustment	–	–	–	–	–	–	–	–	(79,724,827)	(79,724,827)
Balance as at beginning of the financial period, as restated	4,257,244	9,266,770	3,250,849	5,583,343	1,764,766	290,923	139,118	8,471,543	1,459,601	34,484,157
Additions	–	7,171,589	23,533,720	8,072,243	–	4,900,767	248,263	199,200	16,569,983	60,695,765
Transferred to investment properties (Note 8)	(4,599,072)	–	(3,494,427)	–	–	–	–	–	–	(8,093,499)
Written off	–	–	(31,675)	(738,184)	(522,306)	–	(71,293)	–	–	(1,363,458)
Exchange differences	341,828	744,058	261,020	448,304	141,699	23,359	10,853	680,208	117,197	2,768,526
Balance as at end of the financial period	–	17,182,417	23,519,487	13,365,706	1,384,159	5,215,049	326,941	9,350,951	18,146,781	88,491,491
Less: Accumulated depreciation										
Balance as at beginning of the financial period	876,390	–	1,515,856	4,096,492	1,763,247	243,518	107,376	2,580,528	–	11,183,407
Charge for the financial period	74,579	1,198	690,979	884,024	920	192,122	31,574	1,252,204	229,617	3,357,217
Transferred to investment properties (Note 8)	(1,023,891)	–	(1,848,110)	–	–	–	–	–	–	(2,872,001)
Written off	–	–	(20,426)	(733,470)	(521,597)	–	(71,007)	–	–	(1,346,500)
Exchange differences	72,922	41	145,373	353,306	141,589	21,690	21,835	236,966	7,862	1,001,584
Balance as at end of the financial period	–	1,239	483,672	4,600,352	1,384,159	457,330	89,778	4,069,698	237,479	11,323,707
Net carrying amount										
Balance as at end of the financial period	–	17,181,178	23,035,815	8,765,354	–	4,757,719	237,163	5,281,253	17,909,302	77,167,784

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

2022	Computer software RM	Leasehold land RM	Motor vehicles RM	Office equipment RM	Renovation RM	Total RM
At cost, unless otherwise stated						
Balance as at beginning of the financial year	–	6,800,000	520,271	58,563	199,200	7,578,034
Additions	16,820	–	–	9,226	–	26,046
Balance as at end of the financial year	16,820	6,800,000	520,271	67,789	199,200	7,604,080
Less: Accumulated depreciation						
Balance as at beginning of the financial year	–	–	19,865	5,642	13,748	39,255
Charge for the financial year	3,163	108,754	68,016	6,319	19,920	206,172
Balance as at end of the financial year	3,163	108,754	87,881	11,961	33,668	245,427
Net carrying amount						
Balance as at end of the financial year	13,657	6,691,246	432,390	55,828	165,532	7,358,653
2021						
At cost, unless otherwise stated						
Balance as at beginning of the financial period	–	–	–	–	–	–
Additions	–	6,800,000	520,271	58,563	199,200	7,578,034
Balance as at end of the financial period	–	6,800,000	520,271	58,563	199,200	7,578,034
Less: Accumulated depreciation						
Balance as at beginning of the financial period	–	–	–	–	–	–
Charge for the financial period	–	–	19,865	5,642	13,748	39,255
Balance as at end of the financial period	–	–	19,865	5,642	13,748	39,255
Net carrying amount						
Balance as at end of the financial period	–	6,800,000	500,406	52,921	185,452	7,538,779

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The carrying amount of the property, plant and equipment under hire purchase are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Motor vehicles	5,981,043	4,558,879	432,390	500,406
Plant and machinery	–	3,840,644	–	–
	5,981,043	8,399,523	432,390	500,406

(b) During the financial year, the purchase of property, plant and equipment was financed as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase of property, plant and equipment	3,680,009	60,695,765	26,046	7,578,034
Less: Amount financed through hire purchase liabilities	(1,250,000)	(5,922,940)	–	(347,000)
Cash disbursement for purchase of property, plant and equipment	2,430,009	54,772,825	26,046	7,231,034

(c) The carrying amount of the land and building of the Group pledged as securities for term loans granted to a subsidiary company as disclosed in Note 18 are shown as below:

		Group	
		2022 RM	2021 RM
Leasehold land	- at cost	–	10,381,178
Buildings	- at cost	–	23,035,815
		–	33,416,993

Notes to the Financial Statements (cont'd)

6. INTANGIBLE ASSETS

Group

2022	**Goodwill RM**	**Development costs RM**	**Intellectual property rights RM**	**Total RM**
At cost				
Balance as at beginning of the financial year	–	1,500,000	14,513,283	16,013,283
Written off	–	(1,500,000)	(14,924,955)	(16,424,955)
Exchange differences	–	–	411,672	411,672
Acquisitions of a subsidiary (Note 9 (b))	90,286,357	–	–	90,286,357
Balance as at end of the financial year	90,286,357	–	–	90,286,357
Less: Accumulated amortisation				
Balance as at beginning of the financial year	–	1,499,999	3,540,335	5,040,334
Amortisation for the financial year	–	–	750,858	750,858
Written off	–	(1,499,999)	(4,391,615)	(5,891,614)
Exchange differences	–	–	100,422	100,422
Balance as at end of the financial year	–	–	–	–
Net carrying amount				
Balance as at end of the financial year	90,286,357	–	–	90,286,357

2021	**Goodwill RM**	**Development costs RM**	**Intellectual property rights RM**	**Total RM**
At cost				
Balance as at beginning of the financial period		8,785,037	10,852,100	19,637,137
Additions		15,995	8,160	24,155
Written off		(464,687)	(2,120,115)	(2,584,802)
Reclassification		(4,974,382)	4,974,382	–
Reclassification to inventory		(2,430,990)	–	(2,430,990)
Exchange differences		569,027	798,756	1,367,783
Balance as at end of the financial period		1,500,000	14,513,283	16,013,283
Less: Accumulated amortisation				
Balance as at beginning of the financial period		1,200,000	2,170,421	3,370,421
Amortisation for the financial period		299,999	1,937,322	2,237,321
Written off		–	(781,262)	(781,262)
Exchange differences		–	213,854	213,854
Balance as at end of the financial period		1,499,999	3,540,335	5,040,334
Net carrying amount				
Balance as at end of the financial period		1	10,972,948	10,972,949

6. INTANGIBLE ASSETS (CONT'D)

Goodwill

The Group considers each subsidiary company as a single CGU and the carrying amount of goodwill is allocated to the respective subsidiary companies.

The estimate of net cash flow for the disposal of the asset at the end of its useful life is the present value of the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated cost of disposal.

The recoverable amount of intangible asset has been determined based on value-in-use ("VIU") calculations using the profit and cash flow projections approved by the management covering a five (5) years period. The management has assessed the impairment of intangible assets based on five (5) years projected cash flow with the following assumptions:

	Group	
	CGU 1 Intellectual property rights and development costs %	**CGU 2 Goodwill %**
2022		
Gross profit margin	–	18
Growth rate	–	4
Discount rate	–	11
2021		
Gross profit margin	24 - 28	–
Growth rate	2 - 11	–
Discount rate	9	–

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

The management carried out an annual review of the recoverable amounts of its goodwill at each financial year. No impairment loss provided in current financial year.

Sensitivity to changes in assumptions

The Group believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

Notes to the Financial Statements (cont'd)

7. LEASES

The Group as lessee

(i) Right-of-use assets

2022	Buildings RM	Total RM
At cost		
Balance as at beginning of the financial year	4,700,147	4,700,147
Acquisition of a subsidiary (Note 9 (b))	291,933	291,933
Additions	2,774,970	2,774,970
Derecognition	(189,451)	(189,451)
Exchange differences	(496,808)	(496,808)
Disposal of subsidiaries (Note 9 (e))	(3,599,260)	(3,599,260)
Balance as at end of the financial year	3,481,531	3,481,531
Less: Accumulated amortisation		
Balance as at beginning of the financial year	1,766,600	1,766,600
Acquisition of a subsidiary (Note 9 (b))	105,608	105,608
Charge for the financial year	770,983	770,983
Derecognition	(189,451)	(189,451)
Exchange differences	(578,322)	(578,322)
Disposal of subsidiaries (Note 9 (e))	(1,057,952)	(1,057,952)
Balance as at end of the financial year	817,466	817,466
Net carrying amount		
Balance as at end of the financial year	2,664,065	2,664,065

2021	Buildings RM	Total RM
At cost		
Balance as at beginning of the financial period	7,373,422	7,373,422
Additions	604,079	604,079
Derecognition	(3,581,795)	(3,581,795)
Exchange differences	304,441	304,441
Balance as at end of the financial period	4,700,147	4,700,147
Less: Accumulated amortisation		
Balance as at beginning of the financial period	4,148,546	4,148,546
Charge for the financial period	1,120,408	1,120,408
Derecognition	(3,581,795)	(3,581,795)
Exchange differences	79,441	79,441
Balance as at end of the financial period	1,766,600	1,766,600
Net carrying amount		
Balance as at end of the financial period	2,933,547	2,933,547

7. LEASES (CONT'D)

The Group as lessee (Cont'd)

(ii) Lease liabilities

	Group 2022 RM	Group 2021 RM
At cost		
Balance as at beginning of the financial year/period	3,143,190	3,350,815
Acquisition of a subsidiary (Note 9 (b))	188,865	–
Additions	3,112,645	604,079
Interest expense (Note 25)	127,066	225,154
Less: Repayment	(906,849)	(1,320,325)
Disposal of subsidiaries (Note 9 (e))	(2,743,101)	–
Exchange differences	87,985	283,467
Balance as at end of the financial year/period	3,009,801	3,143,190
Analysed as:		
Current liability	1,022,421	1,026,916
Non-current liability	1,987,380	2,116,274
	3,009,801	3,143,190

Rates of interest charged per annum:

	Group 2022 %	Group 2021 %
Lease liabilities owing to non-financial institutions	5.40 - 8.79	5.22 - 8.79

Notes to the Financial Statements (cont'd)

7. LEASES (CONT'D)

The Company as lessee

(i) Right-of-use assets

2022	**Buildings RM**	**Total RM**
At cost		
Balance as at beginning of the financial year	604,079	604,079
Balance as at end of the financial year	604,079	604,079
Less: Accumulated amortisation		
Balance as at beginning of the financial year	130,326	130,326
Charge for the financial year	214,439	214,439
Balance as at end of the financial year	344,765	344,765
Net carrying amount		
Balance as at end of the financial year	259,314	259,314

2021		
At cost		
Balance as at beginning of the financial period	–	–
Additions	604,079	604,079
Balance as at end of the financial period	604,079	604,079
Less: Accumulated amortisation		
Balance as at beginning of the financial period	–	–
Charge for the financial period	130,326	130,326
Balance as at end of the financial period	130,326	130,326
Net carrying amount		
Balance as at end of the financial period	473,753	473,753

7. LEASES (CONT'D)

The Company as lessee (Cont'd)

(ii) Lease liabilities

	Company 2022 RM	Company 2021 RM
At cost		
Balance as at beginning of the financial year/period	488,076	–
Additions	–	604,079
Interest expense (Note 25)	34,467	29,027
Less: Repayment	(247,200)	(145,030)
Balance as at end of the financial year/period	275,343	488,076
Analysed as:		
Current liability	197,917	212,733
Non-current liability	77,426	275,343
	275,343	488,076

Rates of interest charged per annum:

	2022 %	2021 %
Lease liabilities owing to non-financial institutions	8.79	8.79

7. LEASES (CONT'D)

The Group and the Company as lessee

Lease liabilities

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Minimum lease payment				
- Not later than one year	1,168,400	1,181,278	217,700	247,200
- Later than one year and not later than five years	2,117,500	2,166,070	80,000	297,700
	3,285,900	3,347,348	297,700	544,900
Future finance charges on lease liabilities	(276,099)	(204,158)	(22,357)	(56,824)
Present value of lease liabilities	3,009,801	3,143,190	275,343	488,076

Present value of lease liabilities are analysed as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Current liabilities				
- Not later than one year	1,022,421	1,026,916	197,917	212,733
Non-current liabilities				
- Later than one year and not later than five years	1,987,380	2,116,274	77,426	275,343
	3,009,801	3,143,190	275,343	488,076

(a) The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Included in adminstrative expenses				
Amortisation of right-of-use asset	770,983	1,120,408	214,439	130,326
Included in finance costs				
Interest on lease liabilities	127,066	225,154	34,467	29,027
	898,049	1,345,562	248,906	159,353

(b) At the end of the financial year, the Group had total cash outflow for leases of RM779,783 (2021: RM1,095,171) and the Company had total cash outflow for leases of RM212,733 (2021: RM116,003).

8. INVESTMENT PROPERTIES

	At Cost		At valuation	
	Residential commercial condominium under construction RM	**Residential condominium RM**	**Commercial buildings RM**	**Total RM**
2022				
At cost, unless otherwise stated				
Balance as at beginning of the financial year	–	–	185,138,243	185,138,243
Loss on fair value adjustment of investment properties	–	–	(77,366,568)	(77,366,568)
Acquisition of a subsidiary (Note 9 (b))	–	682,018	–	682,018
Additions	71,435,000	–	–	71,435,000
Disposal	–	(682,018)	–	(682,018)
Disposal of subsidiaries (Note 9 (e))	–	–	(107,172,087)	(107,172,087)
Exchange differences	–	–	(599,588)	(599,588)
Balance as at end of the financial year	71,435,000	–	–	71,435,000
2021				
At cost, unless otherwise stated				
Balance as at beginning of the financial period as previously stated	–	–	–	–
Prior year adjustment	–	–	79,724,827	79,724,827
Balance as at beginning of the financial period, as restated	–	–	79,724,827	79,724,827
Additions	–	–	46,063,227	46,063,227
Exchange difference	–	–	6,401,363	6,401,363
Gain on fair value adjustment of investment properties	–	–	47,727,328	47,727,328
Transferred from property, plant and equipment (Note 5)	–	–	5,221,498	5,221,498
Balance as at end of the financial year	–	–	185,138,243	185,138,243

(a) Included in commercial buildings is an unit of 19 storey building and an unit of 6 storey building at Ganzhou City, China. The properties were owned by one of its former subsidiary, Ganzhou Kanger Industrial Co. Ltd.. The Group has pledged investment properties with carrying amount of Nil (2021: RM185,138,243) to licensed banks to secure term loan granted to the Group as referred to in Note 18.

(b) Included in residential commercial condominium is 126 parcel of units of condominium at Block A, Antara @ Genting Highland, Pahang. The properties is own by one of its subsidiary, Kanger Ventures Sdn. Bhd..

Notes to the Financial Statements (cont'd)

8. INVESTMENT PROPERTIES (CONT'D)

The Group's investment properties and fair value hierarchy as at 31 March 2022 is as follows:

	2022			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Investment properties	–	–	71,435,000	71,435,000
	–	–	71,435,000	71,435,000

	2021			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Investment properties	–	185,138,243	–	185,138,243
	–	185,138,243	–	185,138,243

<u>Policy on transfer between levels</u>

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

<u>Level 1 fair value</u>

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

<u>Level 2 fair value</u>

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

<u>Level 3 fair value</u>

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The Group do not have Level 1 fair value investment properties. There is also no transfer between level 1 and level 2 during the financial year and in prior period.

9. INVESTMENT IN SUBSIDIARY COMPANIES

Company

	2022 RM	2021 RM
Unquoted shares, at cost		
In Malaysia		
Balance as at beginning of the financial year/period	5	2
Addition	95,089,438	3
Balance as at end of the financial year/period	95,089,443	5
Outside Malaysia		
Balance as at beginning and end of the financial year/period	34,999,996	34,999,996
	130,089,439	35,000,001
Less: Accumulated impairment loss		
Balance as at beginning of the financial year/period	7	2
Impairment losses recognised during the financial year/period	35,299,996	5
Balance as at end of the financial year/period	35,300,003	7
Net carrying amount		
Balance as at end of the financial year/period	94,789,436	34,999,994

The details of subsidiary companies are as follows:-

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity interest 2022	Effective equity interest 2021	Principal activities
Direct holding				
Kanger Ventures Sdn. Bhd. ("Kanger Ventures")	Malaysia	100%	100%	Trading of bamboo products for interior and exterior applications, research and development of bamboo products, trading of construction products, construction works, property development and project management.
Kanger Glove Manufacturing Sdn. Bhd. ("Kanger Glove")	Malaysia	100%	100%	Glove manufacturing.
Kanger Medical International Sdn. Bhd. ("Kanger Medical International")	Malaysia	100%	100%	Trading of medical and healthcare equipment, pharmaceutical medicinal, products and services and manage all business in healthcare related products and services including E-commerce.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The details of subsidiary companies are as follows:- (Cont'd)

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity interest 2022	2021	Principal activities
Direct holding (Cont'd)				
KIB Global Resources Sdn. Bhd. # ("KIB Global Resources")	Malaysia	100%	–	Wholesale of construction materials and management of real estate on a fee or contract basis and wholesale of a variety of goods without any particular specialization n.e.c..
Sung Master Holdings Sdn. Bhd. ("Sung Master Holdings")	Malaysia	51%	–	Trading of building material
Kanger Investment (HK) Ltd. *+ ("HK Kanger")	Hong Kong	100%	100%	Investment holding company.
Kanger Trading (HK) Co. Ltd. *+@ ("HK Trading")	Hong Kong	100%	100%	Dormant
Indirect holding:				
Subsidiary company of Kanger Medical International:				
Commonmask Sdn. Bhd. # ("Commonmask")	Malaysia	100%	–	Trading in medical disposable items
Subsidiary company of HK Kanger:				
Ganzhou Kanger Industrial Co. Ltd. ("Ganzhou Kanger") *^	The People's Republic of China	–	100%	Manufacturing and trade of bamboo flooring and related products, as well as property investment and management.
Subsidiary companies of Ganzhou Kanger:				
Shenzhen Kanger Holding Co. Ltd. *^ ("Shenzhen Kanger")	The People's Republic of China	–	100%	Trading of bamboo flooring, bamboo furniture, and related products.
Yanshan (Country) Kanger Bamboo Industry Co. Ltd. *^ ("Yanshan Kanger")	The People's Republic of China	–	100%	Ceased operations on 2019.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The details of subsidiary companies are as follows:- (Cont'd)

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity interest 2022	Effective equity interest 2021	Principal activities
Indirect holding: (Cont'd)				
Subsidiary company of Shenzhen Kanger:				
Shenzhen Juner Development Co. Ltd. ("Shenzhen Juner") *^	The People's Republic of China	–	70%	Investment holding and consultancy.
Subsidiary company of Shenzhen Juner:				
Jingzhou Kanger Holdings Co. Ltd. ("Jingzhou Kanger") *^	The People's Republic of China	–	49%	Investment holding, manufacturing and trading of bamboo products and flooring, provides renovation business, investment property, and commercial services.
Subsidiary companies of Jingzhou Kanger:				
Jingzhou Kanger Bamboo Manufacturing Co. Ltd. ("Jingzhou Bamboo") *^	The People's Republic of of China	–	49%	Manufacturing and trading bamboo products and flooring, provides renovation business, investment property and commercial services.
Jingzhou Kanger Bamboo Development Co. Ltd. ("Jingzhou Developmen"t) *^	The People's Republic of China	–	49%	Bamboo forest planting, manufacturing and trading of bamboo products and flooring.

* Subsidiary companies not audited by CAS Malaysia PLT, Chartered Accountants.

^ Disposed during the financial year.

+ The auditors' report contained a qualified opinion as the auditor is unable to obtain direct confirmation from the Company's banker and to obtain the bank statements as at 31 March 2022 and hence unable to ascertain the accuracy and completeness of the balance and disclosures. However, the amount is immaterial to the Group's financial statements.

These subsidiaries were consolidated based on its unaudited management accounts as at 31 March 2022. The financial statements of this subsidiary used for consolidation purposes were reviewed by CAS Malaysia PLT.

@ Transferred of shares among subsidiaries.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Non-controlling interests

The non-controlling interests at the end of the reporting period comprise the followings:-

	Effective equity interest		Group	
	2022	2021	2022	2021
	%	%	RM	RM
Sung Master Holdings	49	–	4,257,544	–
Shenzhen Juner	–	30	–	484,743
Jingzhou Kanger	–	51	–	9,974,527
Jingzhou Bamboo	–	51	–	1,938,506
Jingzhou Development	–	51	–	3,504
			4,257,544	12,401,280

The summarised financial information of non-controlling interest is not presented as the non-controlling interest of the subsidiaries are not individually material to the Group.

(b) Acquisition of subsidiaries

(A) Acquisition 51% of Sung Master Holdings Sdn. Bhd. ("Sung Master Holdings")

On 30 September 2021, the Company acquired 51% controlling interest in the equity shares of Sung Master Holdings Sdn. Bhd.. Sung Master Holdings Sdn. Bhd. operates in the construction industry with trading of building materials as its main business.

Fair value of consideration transferred:

		RM
(a)	Cash consideration	52,000,000
(b)	713,157,273 ordinary shares of the Company (Note 16)	42,789,436
		94,789,436

The fair value of the 713,157,273 ordinary shares issued as part of the consideration paid for Sung Master Holdings Sdn. Bhd. was determined on the basis of the closing market price of the Company's ordinary shares of RM0.06 per share on the acquisition date.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiaries (Cont'd)

(A) Acquisition 51% of Sung Master Holdings Sdn. Bhd. ("Sung Master Holdings") (Cont'd)

(i) Fair value of the identifiable assets acquired and liabilities recognised:

	RM
Assets	
Plant and equipment (Note 5)	458,317
Right-of-use assets (Note 7)	186,325
Investment property (Note 8)	682,018
Trade and other receivables	8,790,955
Inventories	7,623,859
Cash and short term deposits	3,982,298
Total assets	21,723,772
Liabilities	
Trade and other payables	5,816,714
Lease liabilities (Note 7)	188,865
Amount owing to a director	4,033,984
Tax payables	2,854,643
Total liabilities	12,894,206
Total identifiable net assets acquired	8,829,566
Goodwill arising on acquisition (Note 6)	90,286,357
Share capital and pre-acquisition retained earnings	8,829,566
	99,115,923
Less: Non-controlling interest at net asset	(4,326,487)
Fair value of consideration transferred	94,789,436

(ii) Effect of acquisition on cash flow:

	RM
Fair value of consideration transferred	94,789,436
Less: Non-cash consideration	(42,789,436)
Consideration paid in cash	52,000,000
Less: Cash and cash equivalents of a subsidiary acquired	(3,982,298)
Net cash outflows on acquisition	48,017,702

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiaries (Cont'd)

(A) Acquisition 51% of Sung Master Holdings Sdn. Bhd. ("Sung Master Holdings") (Cont'd)

(ii) Effect of acquisition on cash flow: (Cont'd)

Goodwill

Goodwill comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised.

Non-identifiable intangible assets comprise a customer list and substantial non-contractual customer relationships with its overseas buyers. Due to the contractual terms imposed on acquisition, the customer list is not separable. Whilst, substantial non-contractual customer relationships with its overseas buyers was not identifiable at the acquisition date because it was neither separable from the business as a whole nor could it be controlled through legal or other contractual rights. Therefore, these assets did not meet the recognition criteria as an intangible asset under MFRS 138. Hence, these intangible assets were subsumed in the amount determined for goodwill. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs

Acquisition-related costs of the business combination amounted to RM73,499, of which RM73,499 relating to share issue was charged directly to equity.

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:

	RM
Revenue	9,156,741
Loss for the financial year	(71,757)

If the acquisition had occurred on 1 July 2021, the consolidated results for the financial year ended 31 March 2022 would have been as follows:

	RM
Revenue	11,758,784
Profit for the financial year	93,698

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiaries (Cont'd)

(B) Acquisition 100% of KIB Global Resources Sdn. Bhd. ("KIB Global Resources")

On 04 November 2021, the Company acquired 100% controlling interest in the equity shares of KIB Global Resources Sdn. Bhd.. KIB Global Resources Sdn. Bhd. operates in trading of bamboo products for interior and exterior applications, research and development of bamboo products, trading of construction products and construction works, property development and project management.

Fair value of consideration transferred:

		RM
(a)	Cash consideration	2
		2

(c) Incorporation of subsidiaries

(A) Incorporation of a wholly-owned subsidiary, Commonmask Sdn. Bhd. ("Commonmask")

On 05 November 2021, Kanger Medical International Sdn. Bhd. ("Kanger Medical International") incorporated a wholly-owned subsidiary, Commonmask Sdn. Bhd. ("Commonmask") by way of issuance of 2 ordinary shares of RM1.00 each, representing 100% equity interest in Commonmask for a total purchase consideration of RM2.00.

(d) Disposal of subsidiaries

(A) On 07 January 2022, Kanger Investment (HK) Ltd. ("HK Kanger") has transferred 100% equity interest in Kanger Trading (HK) Co. Ltd. ("HK Trading") to Kanger International Berhad.

(e) Disposal of subsidiaries

(A) Disposal 100% of Shenzhen Kanger Holding Co. Ltd. ("Shenzhen Kanger")

On 16 December 2021, the Company disposed of 35,900,000 ordinary shares representing 100% equity interest in Shenzhen Kanger Holding Co. Ltd. ("Shenzhen Kanger") for a total consideration of RMB3,000,000 (equivalent to RM1,993,500).

(B) Disposal 100% of Ganzhou Kanger Industrial Co. Ltd. ("Ganzhou Kanger")

On 28 March 2022, the Company disposed of 174,075,019 ordinary shares representing 100% equity interest in Ganzhou Kanger Industrial Co. Ltd. ("Ganzhou Kanger") for a total consideration of RMB30,220,610 (equivalent to RM20,000,000).

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Disposal of subsidiaries (Cont'd)

Summary of the effects of disposal:

	Shenzhen Kanger Holding Co. Ltd. RM	Ganzhou Kanger Industrial Co. Ltd. RM	Total RM
Recognised:			
Cash consideration received	1,993,500	20,000,000	21,993,500
Fair value of consideration received	1,993,500	20,000,000	21,993,500
Derecognised:			
Assets			
Property, plant and equipment (Note 5)	65,988,354	39,853	66,028,207
Investment properties (Note 8)	–	107,172,087	107,172,087
Right-of-use assets (Note 7)	2,541,308	–	2,541,308
Amount owing by a related company	–	1,993,500	1,993,500
Other receivables	–	234,357	234,357
Cash and bank balances	333,508	388,189	721,697
Total assets	68,863,170	109,827,986	178,691,156
Liabilities			
Bank borrowings	(21,111,344)	(42,333,582)	(63,444,926)
Lease liabilities (Note 7)	(2,743,101)	–	(2,743,101)
Trade payables	(34,956,368)	–	(34,956,368)
Other payables	(19,969,934)	(48,226,792)	(68,196,726)
Amount owing to related companies	(27,214,164)	(449,262)	(27,663,426)
Tax (payable)/recoverable	(98,794)	669	(98,125)
Total liabilities	(106,093,705)	(91,008,967)	(197,102,672)
Exchange translation reserve	(3,687,990)	(21,406,634)	(25,094,624)
Non-controlling interest	(11,728,821)	–	(11,728,821)
	(15,416,811)	(21,406,634)	(36,823,445)
Fair value of identifiable net liabilities at disposal date	(52,647,346)	(2,587,615)	(55,234,961)
Gain on disposal of subsidiaries	54,640,846	22,587,615	77,228,461

Effects of disposal on cash flows:

Fair value of consideration received	1,993,500	20,000,000	21,993,500
Consideration received in cash	1,993,500	20,000,000	21,993,500
Less: Cash and cash equivalents of subsidiary disposed	(333,508)	(388,189)	(721,697)
Net cash inflows on disposal	1,659,992	19,611,811	21,271,803

10. OTHER INVESTMENTS

	Group / Company	
	2022	2021
	RM	RM
Financial assets at fair value through profit or loss ("FVTPL")		
- Unquoted shares in Malaysia	5,000,000	–
- Quoted shares in Malaysia	–	4,588,767

The movement of the investment securities are as follows:

	Group / Company	
	2022	2021
	RM	RM
Balance as at beginning of the financial year/period	4,588,767	–
Additions	5,000,000	54,604,972
Disposal	(4,588,767)	(49,600,503)
Fair value loss on financial assets measured at fair value through profit or loss	–	(415,702)
Balance as at end of the financial year/period	5,000,000	4,588,767

11. INVENTORIES

	Group	
	2022	2021
	RM	RM
At cost		
Raw materials	–	184,074
Work-in-progress	–	1,221,498
Finished goods	9,013,116	11,453,108
	9,013,116	12,858,680
Recognised in profit or loss		
Inventories recognised as cost of sales	216,867,902	27,219,462
Slow moving and obsolete inventories written down	15,469,228	385,133

Notes to the Financial Statements (cont'd)

12. TRADE RECEIVABLES

	Group 2022 RM	Group 2021 RM
Trade receivables, gross		
- Third parties	107,029,085	24,644,699
Less: Accumulated impairment losses	(25,723,415)	(15,044,880)
Trade receivables, net	81,305,670	9,599,819

Movement in the accumulated impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The movement in the allowance for impairment losses of trade receivables during the financial year/period are as follows:

Group

	Lifetime ECL RM	Credit impaired RM	Total RM
2022			
Balance as at beginning of the financial year	–	15,044,880	15,044,880
Allowance for impairment losses	14,497	19,262,752	19,277,249
Disposal of subsidiaries	–	(8,598,714)	(8,598,714)
Balance as at end of the financial year	14,497	25,708,918	25,723,415
2021			
Balance as at beginning of the financial period	–	–	–
Allowance for impairment losses	–	15,044,880	15,044,880
Balance as at end of the financial period	–	15,044,880	15,044,880

Based on the Group's and the Company's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

12. TRADE RECEIVABLES (CONT'D)

The ageing of the receivables and provision for impairment losses provided for above are as follows:

Group

	Gross carrying amount RM	Allowance for impairment loss ECL (Collectively assessed) RM	Allowance for impairment loss ECL (Individually assessed) RM	Net balance RM
2022				
Neither past due nor impaired	76,586,982	(6,961)	–	76,580,021
Past due 1 - 30 days	2,271,612	(5,557)	–	2,266,055
Past due 31 - 60 days	2,410,712	(1,621)	–	2,409,091
Past due 61 - 90 days	35,751	(358)	–	35,393
Past due more than 90 days	14,425	–	–	14,425
	81,319,482	(14,497)	–	81,304,985
Credit Impaired				
Past due 1 - 30 days	4,822,823	–	(4,822,823)	–
Past due more than 90 days	20,886,780	–	(20,886,095)	685
	107,029,085	(14,497)	(25,708,918)	81,305,670
2021				
Neither past due nor impaired	39,940	–	–	39,940
Past due 1 - 30 days	512,683	–	–	512,683
Past due 31 - 60 days	–	–	–	–
Past due 61 - 90 days	201,694	–	–	201,694
	754,317	–	–	754,317
Credit Impaired				
Past due more than 90 days	23,890,382	–	(15,044,880)	8,845,502
	24,644,699	–	(15,044,880)	9,599,819

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 7 to 90 days (2021: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

13. OTHER RECEIVABLES

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Other receivables	(i)	10,042,019	41,479,227	–	2,406,015
Deposits	(ii), (iii)	36,316,951	16,331,422	68,670	68,830
Prepayments		124,131	3,958,298	49,026	38,581
Advances to suppliers		–	15,251	–	–
		46,483,101	61,784,198	117,696	2,513,426
Less: Accumulated impairment losses		(4,899,842)	(32,236,425)	–	(403,678)
		41,583,259	29,547,773	117,696	2,109,748

The amount owing by director is non-trade in nature, unsecured, interest-free and repayable on demand.

The movement in the accumulated impairment losses of other receivables during the financial year/period are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Balance as at beginning of the financial year/period	32,236,425	336,511	403,678	–
Allowance for impairment losses	4,899,842	31,881,072	–	403,678
Written off	(32,236,425)	–	(403,678)	–
Exchange difference	–	18,842	–	–
Balance as at end of the financial year/period	4,899,842	32,236,425	–	403,678

(i) Included in other receivables of the group is an amount of RM10,000,000 of the balance proceed from the disposal of Ganzhou Kanger Industrial Co. Ltd., which was subsequently collected after the financial year ended.

(ii) Included in deposits of the Group are 10% downpayment totalling RM24,676,696 (2021: Nil) paid to suppliers by one of its subsidiary, Kanger Ventures Sdn. Bhd. to purchase 184 parcel of units Block B of Antara @ Genting Highland.

In previous financial period, included in the deposits of the Group are 10% downpayment totalling RM14,287,000 paid to suppliers by one of its subsidiary, Kanger Ventures Sdn. Bhd. for purchase of 126 parcel of units in the proposed Block A of Antara @ Genting Highland. This balance has been reclassified to investment properties under construction during the financial year.

(iii) Included in deposits of the Group are RM9,508,427 (2021: Nil) paid to suppliers by one of its subsidiary, Kanger Medical International Sdn. Bhd. for purchase of inactivated SARS-COV-2 Vaccines (Vero Cell) vaccines and novel coronavirus 2019-nCoV Rapid Detention Kits (LAMP) with isothermal nucleic acid amplification analyzer.

14. AMOUNT OWING FROM SUBSIDIARY COMPANIES

	Company	
	2022 RM	2021 RM
Amount owing from subsidiary companies	275,891,160	170,936,563
Less: Accumulated impairment losses	(89,855,907)	(3,847,553)
	186,035,253	167,089,010

The amount owing from subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the accumulated impairment losses of amount owing from subsidiary companies during the financial year/period are as follows:

	Company	
	2022 RM	2021 RM
Balance as at beginning and end of the financial year/period	3,847,553	3,847,553
Impairment losses recognised during the financial year/period	86,008,354	–
Balance as at beginning and end of the financial year/period	89,855,907	3,847,553

15. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
China Renminbi	–	699,250	–	–
Ringgit Malaysia	2,392,821	81,009,430	425,792	8,472,624
US Dollar	5,072	6,276	–	–
	2,397,893	81,714,956	425,792	8,472,624

Notes to the Financial Statements (cont'd)

16. SHARE CAPITAL

	Group/Company			
	2022	2021	2022	2021
	Number of shares		RM	RM
Issued and fully paid:				
Balance at the beginning of the financial year/period	2,565,043,933	1,093,826,084	259,106,001	104,326,460
Conversion of redeemable convertible notes	–	702,231,039	–	51,400,000
Conversion of Warrants B	500,000	–	36,450	–
Shares subscription	769,513,179	–	46,170,791	–
Private Placement	–	386,970,684	–	63,169,122
Pursuant to acquisition of equity interest in a subsidiary	713,157,273		42,789,436	–
Pursuant to exercise of SIS	231,086,249	382,016,126	14,609,042	41,558,248
Rights issue with free Warrants B	1,700,011,579	–	63,070,430	–
Share issuance expenses	–	–	(470,844)	(1,347,829)
Share consolidation	(5,381,381,005)	–	–	–
Balance at the end of the the financial year/period	597,931,208	2,565,043,933	425,311,305	259,106,001

During the financial year, the Company increased its share capital from RM259,106,001 to RM425,311,850 through the following:

(a) issuance of 231,086,249 new ordinary shares within exercise price of RM0.05409 - RM0.05410 per ordinary share for a total cash consideration of RM12,499,999 and fair value of RM2,109,587 pursuant to the Company's Shares Issuance Scheme ("SIS");

(b) issuance of 1,700,011,579 new ordinary shares for a total cash consideration of RM102,000,695 and fair value of RM38,930,265 pursuant to the Company's renounceable rights issue of 1,700,011,579 new ordinary shares in the Company ("Rights Shares") on the basis of 1 Rights Shares for every 1 existing ordinary share held together with 1,700,011,579 free detachable warrants ("Warrants B") on the basis of 1 warrant for every 1 Rights Shares subscribed by the entitled shareholders;

(c) issuance of 769,513,179 new ordinary shares for a total cash consideration of RM46,170,791 pursuant to the Company's Shares Subscription;

(d) issuance of 713,157,273 new ordinary shares for a total cash consideration of RM42,789,436 as part of the purchase consideration for 51% equity stake in Sung Master Holdings Sdn. Bhd.;

(e) issuance of 500,000 new ordinary shares for a total cash consideration of RM25,000 and fair value of RM11,450 pursuant to the conversion of Warrants B at an exercise price of RM0.05 per share;

(f) an amount of RM470,844 was utilised out of the share capital for share issuance expenses; and

(g) the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and Warrants B.

The new ordinary shares issued during the financial period ranked pari passu in all respect of the distribution of dividends and repayment of capital with the existing ordinary shares.

16. SHARE CAPITAL (CONT'D)

(i) Warrants B

The Warrants B which are free were issued, registered and in the form of definitive warrant certificates and is constituted by the Deed Poll. The exercise price of the Warrant B has been fixed at RM0.05 each.

Each Warrant B entitles the Warrant holders to subscribe for one (1) new ordinary share of the Company at any time during the exercise period at the exercise price of RM0.05 each (subject to adjustments in accordance with the provisions of the Deed Poll).

The period commencing on, and including the first date of issue of the Warrants B and ending at the close of business at 5.00pm in Malaysia on the date which is five (5) years from the date of issue of the Warrants if such date is not a market day, then it shall be the market day immediately preceding the said non market day, but excluding those days during the period on which the Record of Depositors and/or the Warrants Register is or are closed.

On 09 February 2022, 1,529,560,423 Warrants B were consolidated arising from the adjustments to the exercise price and number of outstanding Warrants B pursuant to the share consolidation exercise ("Share Consolidation").

On 10 February 2022, the Company has completed the share consolidation exercise by consolidating ten (10) ordinary shares in the Company into one (1) ordinary share and warrants B of the Company.

The new exercise price of the Warrant B has been fixed at RM0.50 each.

The remaining unexercised 169,951,156 Warrants B expired on 22 September 2026 and ceased to be valid upon the expiry date.

The movement of Warrants B during the financial year is as follows:

			Number of warrants		
	As at 01.04.2021	**Issued**	**Conversion**	**Share Consolidation**	**As at 31.03.2022**
Warrants B 2021/2026	–	1,700,011,579	(500,000)	(1,529,560,423)	169,951,156

(ii) Share issuance scheme

The Company's SIS is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 24 December 2019 and was effected on 27 December 2019. Under the SIS, the Company has implemented a SIS of up to 30% of the total number of issued shares of the Company, excluding treasury shares, at any period of time, comprising a Share Option Scheme ("SOS") and a Share Grant Scheme ("SGS"). The SIS is in force for a maximum period of ten (10) years from the effective date and is administered by the Share Issuance Scheme Committee ("SISC").

16. SHARE CAPITAL (CONT'D)

(ii) Share issuance scheme (Cont'd)

The salient features of the SIS are as follows:

(a) any director of the Group shall be eligible if as at the date of offer, the director:

(i) must attain the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) the allocation of SOS or SGS by the Company to him in his capacity as a director of the Company under the SIS has been approved by the shareholders of the Company at a general meeting to be convened unless such approval is no longer required under the Constitution, the Bursa Malaysia Listing Requirements ("Listing Requirements") and any other prevailing guidelines issued by the authorities; and

(iii) must fulfil any other eligibility criteria as may be set by the SIS Committee at any time and from time to time at its absolute discretion.

(b) any employee of the Group shall be eligible if as at the date of offer, the employee:

(i) must attain the age of 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

(ii) must have entered into a full-time or fixed-term contract with, and is on the payroll of, the Group, and whose service has been confirmed and have not served a notice of resignation or received a notice of termination by the relevant company within the Group;

(iii) if he is an interested parties or a person connected with any of the interested parties, the allocation of SOS or SGS by the Company to him under the SIS has been approved by the shareholders of the Company at a general meeting to be convened unless such approval is no longer required under the Constitution, the Listing Requirements and any other prevailing guidelines issued by the authorities;

(iv) must have been in employment of the Group for a period of at least six (6) months prior to the award date; and

(v) must fulfil any other eligibility criteria as may be set by the SIS Committee at any time and from time to time at its absolute discretion.

(c) the maximum number of new shares to be issued pursuant to the exercise of the SIS options which may be granted under the SIS Shares shall not exceed thirty percent (30%) of the total number of issued shares of the Company, excluding treasury shares, at any period of time, comprising a SOS and a SGS at any point of time throughout the duration of the SIS;

(d) the options granted may be exercised any time upon the satisfaction of vesting conditions of each offer; and

(e) the SIS shall be in force for a period of ten (10) years and the last day to exercise SIS options is on 26 December 2029.

16. SHARE CAPITAL (CONT'D)

(ii) Share issuance scheme (Cont'd)

The following table illustrates the share options granted and exercised during the financial year:

		Number of options over ordinary shares				
Grant date	**Exercise price RM**	**As at 01.04.2021**	**Granted**	**Exercised**	**Withdrawn**	**As at 31.03.2022**
08.04.2021	0.05409	–	296,892,216	(231,086,249)	(65,805,967)	–
		–	296,892,216	(231,086,249)	(65,805,967)	–

The fair value of share options granted during the financial year was estimated by using the Trinomial option pricing model, taking into account the term and conditions upon which the options were granted. The risk-free rate is based on Malaysian Government Securities ("MGSs").

The fair value of share options measured at grant date and the assumptions are as follows:

	Grant date 08.04.2021
Fair value of share options and assumptions	
Weighted average fair value of share option at grant date (RM)	0.0195
Weighted average share price (RM)	0.0603
Option life (years)	5 years
Risk-free rate (%)	2.31
Expected dividends (%)	Nil
Expected volatility (%)	80.94

17. RESERVES

		Group		Company	
		2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Non-distributable:					
Merger deficit	(a)	(13,365,112)	(12,805,422)	–	–
Foreign currency translation reserve	(b)	3,443,037	15,596,224	–	–
SIS reserve	(c)	–	–	–	–
Warrants reserve	(d)	38,918,815	–	38,918,815	–
Distributable:					
Accumulated losses		(154,466,160)	(1,839,213)	(171,542,918)	(34,916,396)
		(125,469,420)	951,589	(132,624,103)	(34,916,396)

Notes to the Financial Statements (cont'd)

17. RESERVES (CONT'D)

(a) Merger deficit

This represents the difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) SIS reserve

The share options reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on the grant date of share options. Share options reserve in relation to the unexercised option at the expiry of the share option scheme will be transferred to retained earnings.

(d) Warrants reserve

The warrant reserve represents the reserve arising from the renounceable rights issue with free detachable free warrants which is determined based on the estimated fair value of the warrants immediately upon the listing and quotation thereof.

18. LOAN AND BORROWINGS

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Current liabilities				
Secured				
Hire purchase liabilities	619,510	1,598,723	67,170	63,347
Term loans	–	36,951,047	–	–
	619,510	38,549,770	67,170	63,347
Non-current liabilities				
Secured				
Hire purchase liabilities	1,938,793	3,293,028	191,216	258,386
Term loans	–	21,026,166	–	–
	1,938,793	24,319,194	191,216	258,386
Total loan and borrowings				
Secured				
Hire purchase liabilities	2,558,303	4,891,751	258,386	321,733
Term loans	–	57,977,213	–	–
	2,558,303	62,868,964	258,386	321,733

18. LOAN AND BORROWINGS (CONT'D)

Rates of interest charged per annum:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
Hire purchase liabilities	2.80	2.80	2.80	2.80
Term loans	–	4.00 - 9.00	–	–

(a) Hire purchase liabilities

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Minimum lease payment				
- Not later than one year	739,632	1,987,735	79,116	79,116
- Later than one year and not not later than five years	2,085,459	3,378,147	204,383	283,499
	2,825,091	5,365,882	283,499	362,615
Future finance charges on hire purchase	(266,788)	(474,131)	(25,113)	(40,882)
Present value of hire purchase liabilities	2,558,303	4,891,751	258,386	321,733

Present value of hire purchase is analysed as follows:

	Group		Company	
Current liabilities				
- Not later than one year	619,510	1,598,723	67,170	63,347
Non-current liabilities				
- Later than one year and not later than five years	1,938,793	3,293,028	191,216	258,386
	2,558,303	4,891,751	258,386	321,733

(b) Term loans

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
The term loans repayment due is as follows:				
Within one year	–	36,951,047	–	–
Between one to two years	–	15,449,606	–	–
Between two to five years	–	5,576,560	–	–
	–	57,977,213	–	–

Notes to the Financial Statements (cont'd)

18. LOAN AND BORROWINGS (CONT'D)

The term loans from licensed banks are denominated in RMB and are secured and guaranteed as follows:

a) Legal charge over certain leasehold land and building as disclosed in Note 5;

b) Legal charge over the investment properties as disclosed in Note 8; and

c) Jointly and severally guaranteed by a third party guarantor and a former director of the Company.

19. DEFERRED TAX LIABILITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Balance at the beginning of the financial year/period	7,388,584	399,007	–	186,579
Issuance of redeemable convertible notes	–	(186,579)	–	(186,579)
Revaluation (loss)/gains in investment properties	(7,633,432)	6,921,856	–	–
Exchange differences	244,848	254,300	–	–
Balance at the end of the financial year/period	–	7,388,584	–	–

Presented after appropriate offsetting as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax liabilities	–	7,388,584	–	–
Deferred tax assets	–	–	–	–
Balance at the end of the financial year/period	–	7,388,584	–	–

The deferred tax liabilities consist of the effect of the following items:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Accelerated capital allowances	–	212,428	–	–
Fair value adjustment in revaluation gains in investment properties	–	7,176,156	–	–
	–	7,388,584	–	–

19. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Unutilised tax losses	251,769	–	–	–
Deductible temporary difference	4,251,865	–	–	–
	4,503,634	–	–	–
Deferred tax asset not recognised at 24% (2021: 24%)	1,080,872	–	–	–

The unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Utilisation period				
Expired by YA 2031	251,769	–	–	–
	251,769	–	–	–

20. TRADE PAYABLES

	Group 2022 RM	Group 2021 RM
Denominated in		
Malaysia Ringgit	4,790,139	–
China Renminbi	–	4,947,245
	4,790,139	4,947,245

The trade payables are non-interest bearing and the normal trade credit terms received by the Group is 30 to 90 days (2021: 90 days).

Notes to the Financial Statements (cont'd)

21. OTHER PAYABLES

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Other payables	688,543	30,189,544	607,141	71,312
Accruals	259,037	30,865,962	157,527	201,949
Deposit received	37	2,953,260	–	–
	947,617	64,008,766	764,668	273,261

22. AMOUNT OWING TO A DIRECTOR

The amount owing to a director is non-trade in nature, unsecured, interest-free and repayable on demand.

23. REVENUE

	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM
Sale of goods	164,373,676	33,889,450
Project management consultancy services	58,368,324	–
	222,742,000	33,889,450
Timing and recognition		
- At a point in time	222,742,000	33,889,450

24. OTHER OPERATING INCOME

	Group 01.04.2021 to 31.03.2022 RM	Group 01.01.2020 to 31.03.2021 RM	Company 01.04.2021 to 31.03.2022 RM	Company 01.01.2020 to 31.03.2021 RM
Interest income	38,243	106,466	38,243	80,321
Dividend income	149,333	–	149,333	–
Rental income	–	308,538	–	–
Gains on fair value adjustment of investment properties	–	39,223,850	–	–
Grants received	483,543	2,703,871	–	–
Unrealised foreign exchange gains	–	–	–	1,444,635
Gain on disposal of subsidiaries (Note 9 (e))	77,228,461	–	–	–
Other income	2,934,160	2,273,107	–	28,921
	80,833,740	44,615,832	187,576	1,553,877

25. FINANCE COST

	Group		Company	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
Term loans interest	4,319,274	2,890,370	–	–
Hire purchase interest	155,859	31,514	15,769	7,698
Lease liabilities interest (Note 7)	127,066	225,154	34,467	29,027
Others	559,000	875,971	55	–
	5,161,199	4,023,009	50,290	36,725

26. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
(Loss)/Profit before taxation is arrived at after charging/(crediting):				
Allowance for impairment losses of:				
- Amount owing from subsidiary companies (Note 14)	–	–	86,008,354	–
- Investment in subsidiary companies (Note 9)	–	–	35,299,996	5
- Other receivables (Note 13)	4,899,842	31,881,072	–	403,678
- Trade receivables (Note 12)	19,277,249	15,044,880	–	–
Amortisation of intangible assets (Note 6)	750,858	2,237,321	–	–
Amortisation of right-of-use assets (Note 7)	770,983	1,120,408	214,439	130,326
Auditors' remuneration:				
- Statutory audit	223,540	208,825	129,000	170,000
- Statutory audit - for China subsidiaries	128,848	–	128,848	–
- Under provision in respect of prior year	–	2,000	–	–
- Other services	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment (Note 5)	2,176,742	3,357,217	206,172	39,255
Employee benefits expenses (Note 29)	3,038,497	2,514,449	1,165,072	379,216
Key management personnel compensation (Note 30)	1,330,546	1,715,089	1,004,360	1,671,101
Other key management personnel compensation (Note 30)	96,000	156,734	–	–
SIS option expenses				
- staff (Note 29)	5,774,979	3,881,048	4,899,329	1,597,782
- director (Note 30)	–	4,027,200	–	4,027,200

Notes to the Financial Statements (cont'd)

26. (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
Fair value loss on quoted shares (Note 10)	–	415,702	–	415,702
Loss on disposal of quoted share	3,993,683	4,865,505	3,993,683	4,865,505
Rental of premises	30,547	17,523	30,547	–
Written off of:				
- Property, plant and equipment (Note 5)	2,750,812	16,958	–	–
- Intangible assets (Note 6)	10,533,341	1,803,540	–	–
Loss on fair value adjustment of investment properties (Note 8)	77,366,568	–	–	–
Slow moving and obsolete inventories written down (Note 11)	15,469,228	385,133	–	–
Gains on fair value adjustment of investment properties	–	(39,223,850)	–	–
Gain on disposal of subsidiary companies (Note 9 (e))	(77,228,461)	–	–	–
Unrealised foreign exchange gains (Note 24)	–	–	–	(1,444,635)

27. TAXATION

	Group	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
Income tax:		
- current year's provision	914,883	9,138
- over provision in respect of prior year	105,300	–
Tax expenses for the current financial year/period	1,020,183	9,138

Domestic current income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the period/year.

The People's Republic of China ("PRC") income tax is computed in accordance with the relevant laws and regulations in the PRC. The applicable income tax rate is 25% (2021: 25%) for the financial year/period, except for the Group's subsidiary, Ganzhou Kanger, which currently enjoys a preferential tax rate of 15% (2021: 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.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

27. TAXATION (CONT'D)

The reconciliation of income tax expense applicable to the loss before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
Loss before taxation	(150,825,495)	(50,925,307)	(140,291,914)	(18,039,639)
Tax at the statutory tax rate of 24% (2021: 24%)	(36,198,119)	(12,222,074)	(33,670,059)	(4,329,513)
Adjustments for the following tax effects:				
Non-deductible expenses	35,691,737	21,647,774	33,670,059	4,676,225
Non-taxable income	(18,548,265)	(10,734,892)	–	(346,712)
Effect of different tax rates in other countries	18,888,658	973,703	–	–
Deferred tax assets not recognised	1,080,872	344,627	–	–
Over provision of taxation in the previous financial period	105,300	–	–	–
Tax expenses for the current financial year/period	1,020,183	9,138	–	–

28. EARNINGS PER SHARE

(a) Basic loss per share

The basic loss per ordinary share as at 31 March 2021 is arrived at by dividing the Group's (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	01.04.2021 to 31.03.2022	01.01.2020 to 31.03.2021
Loss attributable to owners of the Company (RM)	(151,529,421)	(51,065,671)
Weighted average number of ordinary shared on issue (units)	440,289,000	1,665,562,864
Basic (loss)/earnings per share (sen)	(34.42)	(3.07)

28. EARNINGS PER SHARE (CONT'D)

(b) Diluted loss per ordinary share

Diluted loss per share is calculated by dividing the (loss)/profit for the year/period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year/period plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants into ordinary shares. The Warrants are deemed to have been converted into ordinary shares at the date of the issue of the Warrants.

	Group	
	01.04.2021 to 31.03.2022	**01.01.2020 to 31.03.2021**
Loss attributable to owners of the Company (RM)	(151,529,421)	(51,065,671)
Weighted average number of ordinary shared on issue (units)	440,289,000	1,665,562,864
Effects of exercise of Warrants (units)	169,951,156	–
	610,240,156	1,665,562,864
Fully diluted loss per share (sen)	(34.42) *	(3.07) *

* The diluted loss per share for the current financial year is equal to the basic loss per share as the conversion of potential ordinary shares would decrease loss per share. Thus, the potential effect of the conversion of warrants would be anti-dilutive.

29. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Staff costs (excluding directors):				
Salaries, bonuses, incentives, overtime, commissions, allowances and others	2,847,418	2,399,572	1,127,790	365,036
Pension costs: defined				
- Employees' Provident Fund ("EPF") contribution	171,915	12,920	32,878	12,920
- Social Security Organisation ("SOCSO") contribution	17,473	101,828	3,952	1,131
- Employment Insurance System ("EIS") contribution	1,691	129	452	129
SIS option expenses	5,774,979	3,881,048	4,899,329	1,597,782
	8,813,476	6,395,497	6,064,401	1,976,998

Employees benefit expenses excluding the aggregate amount of emoluments received and receivable by the directors of the Group and of the Company during the financial year/period.

30. RELATED PARTY DISCLOSURES

(a) The key management personnel compensation are as follows:

	Group		Company	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
Directors of the Group and the Company				
Executive directors:				
Salaries and other benefits	1,020,448	1,190,038	745,103	1,150,063
Defined contribution plans				
- Employees' Provident Fund (EPF) contribution	123,410	44,205	73,800	40,500
- Social Security Organisation (SOCSO) contribution	1,934	760	829	483
- Employment Insurance System (EIS) contribution	221	86	95	55
SIS option expenses	–	4,027,200	–	4,027,200
Fees	–	190,000	165,333	190,000
	1,146,013	5,452,289	819,827	5,408,301
Non-executive directors:				
Fees	165,213	290,000	165,333	290,000
Other benefits	19,200	–	19,200	–
	1,330,546	5,742,289	1,004,359	5,698,301

	Group		Company	
	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM	01.04.2021 to 31.03.2022 RM	01.01.2020 to 31.03.2021 RM
Other key management personnel				
Salaries and other benefits	96,000	147,053	–	–
Defined contribution plans	–	9,681	–	–
	96,000	156,734	–	–

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Notes to the Financial Statements (cont'd)

31. CONTINGENT LIABILITIES

On 18 March 2022, the Company's wholly-owned subsidiary, Kanger Trading (HK) Co. Ltd. received a tax audit letter from Hong Kong's Inland Revenue Department in regards to 2016/17 and 2018/19 income tax. The Company is currently still in the process of discussion with Hong Kong's Inland Revenue Department to claim an exemption from payment of Hong Kong Profits Tax. If the claim is unsuccessful, the expected tax may amount to approximately USD1 million (equivalent RM4,206,000).

32. CAPITAL COMMITMENTS

	Group	
	2022	**2021**
	RM	**RM**
Approved and contracted for:-		
- Acquisition of property, plant and equipment	–	129,833,000
- Investment properties under construction	71,435,000	–
	71,435,000	129,833,000

	Group	
	2022	**2021**
	RM	**RM**
Approved but not contracted for:-		
- Investment properties	222,090,264	–

33. SEGMENT INFORMATION

General information

The information reported to the Group's chief operating decision maker to make decision about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transaction between reportable segments are measured on the basis that is similar to those external customers.

Segments statements of profit or loss and other comprehensive income are profit earned or loss incurred by each segments without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of profit or loss and other comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

33. SEGMENT INFORMATION (CONT'D)

Measurement of Reportable Segments (Cont'd)

(a) Geographical Segments

Revenue information based on geographical location of customers is as follows:

	Group Revenue	
	01.04.2021 to 31.03.2022 RM	**01.01.2020 to 31.03.2021 RM**
Based on location of customer		
Malaysia	216,469,615	–
People's Republic of China	6,272,385	18,105,640
Bangladesh	–	1,124,738
Iran	–	839,136
Korea	–	2,299,794
Mexico	–	4,681,735
New Zealand	–	5,590,279
United States of America	–	1,248,128
	222,742,000	33,889,450

(b) Business Segments

The reportable business segment of the Group comprise the following:

Investment holding	Investment holding.
Manufacturing, trading and project management services	Manufacturing and trading of bamboo flooring and healthcare products and project management consultancy services.
Research and development	Performing research and development work for the Group.

Other non-reportable segments comprise operations of subsidiary companies which are inactive and dormant.

34. SEGMENT INFORMATION (CONTINUED)

(b) Business segment

Group	Investment Holding 31.03.2022 RM	Investment Holding 31.03.2021 RM	Manufacturing, Trading and Project Management Services 31.03.2022 RM	Manufacturing, Trading and Project Management Services 31.03.2021 RM	Research and Development 31.03.2022 RM	Research and Development 31.03.2021 RM	Elimination 31.03.2022 RM	Elimination 31.03.2021 RM	Consolidated 31.03.2022 RM	Consolidated 31.03.2021 RM
Revenue										
External revenue	–	–	222,742,000	33,889,450	–	–	–	–	222,742,000	33,889,450
Inter-segment revenue	–	–	753,450	5,590,372	–	400,000	(753,450)	(5,990,372)	–	–
Total revenue	–	–	223,495,450	39,479,822	–	400,000	(753,450)	(5,990,372)	222,742,000	33,889,450
Results:										
Segment results	(367,125,281)	(33,892,548)	(344,211,101)	(30,400,083)	–	(2,545,372)	422,460,108	–	(288,876,273)	(66,838,003)
Dividend income	(149,333)	–	–	–	–	–	–	–	(149,333)	–
Interest income	(38,243)	(80,363)	(12,309)	(26,103)	–	–	–	–	(50,552)	(106,466)
Finance costs	50,291	7,804	5,110,908	4,008,993	–	6,212	–	–	5,161,199	4,023,009
Amortisation of intangible assets	–	–	750,858	1,937,322	–	299,999	–	–	750,858	2,237,321
Depreciation of property, plant and equipment	206,172	39,255	1,970,570	3,301,451	–	16,511	–	–	2,176,742	3,357,217
Amortisation of right-of-use assets	214,439	130,326	556,544	990,082	–	–	–	–	770,983	1,120,408
Allowance for impairment loss										
- intercompany	89,980,033	–	2,418,547	–	–	–	(92,398,580)	–	–	–
- investment in subsidiary	37,385,663	5	2	–	–	–	(37,385,665)	(5)	–	–
- trade receivables	–	–	19,277,249	–	–	–	–	–	19,277,249	–
Written off										
- property, plant and equipment	–	–	2,750,812	–	–	–	–	–	2,750,812	–
- intangible assets	–	–	10,533,341	–	–	–	–	–	10,533,341	–
Slow moving and obsolete inventories written down	–	–	15,469,228	–	–	–	–	–	15,469,228	–
Loss on fair value adjustment of investment properties	–	–	77,366,568	–	–	–	–	–	77,366,568	–
Fair value loss on quoted shares	–	415,702	–	–	–	–	–	–	–	415,702
Loss on disposal of quoted shares	3,993,683	4,865,505	–	–	–	–	–	–	3,993,683	4,865,505
Loss before taxation	(235,482,576)	(28,514,314)	(208,018,783)	(20,188,338)	–	(2,222,650)	292,675,863	(5)	(150,825,495)	(50,925,307)
Taxation	–	–	(1,020,183)	(9,138)	–	–	–	–	(1,020,183)	(9,138)
Loss after taxation	(235,482,576)	(28,514,314)	(209,038,966)	(20,197,476)	–	(2,222,650)	292,675,863	(5)	(151,845,678)	(50,934,445)
Segment assets	305,391,259	341,714,817	415,378,697	410,089,930	–	89,307,205	(401,671,727)	(426,258,855)	319,098,229	414,853,097
Total assets	305,391,259	341,714,817	415,378,697	410,089,930	–	89,307,205	(401,671,727)	(426,258,855)	319,098,229	414,853,097
Segment liabilities	85,351,290	98,946,124	424,326,261	181,484,142	–	93,323,547	(494,679,296)	(231,359,586)	14,998,255	142,394,227
Total liabilities	85,351,290	98,946,124	424,326,261	181,484,142	–	93,323,547	(494,679,296)	(231,359,586)	14,998,255	142,394,227

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The Group and the Company are exposed to financial risk arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk, equity price risk and market price risk.

The board of directors and management reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Finance and other heads of business units. The audit committee provides an independent oversight to the effectiveness of the risk management process.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

34.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

34.1.1 Collective approach

To measure the expected credit losses under the collective approach, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

34.1.2 Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL when takes into consideration as follows:

- PD - Probability of default
  The likelihood that the borrower cannot pay during the contractual period

- LGD - Loss given default
  Percentage of contractual cash flows that will not be collected if default happens

- EAD - Exposure at default
  Outstanding amount that is exposed to default risk

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.1 Credit risk (Cont'd)

34.1.2 Individual debtor assessment (Cont'd)

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing.

The maximum exposure to credit risk is disclosed in Note 12, representing the carrying amount of the trade receivables recognised on the statements of financial position.

(b) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the subsidiary companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 31 March 2022, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

(c) Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The maximum exposure to credit risk is disclosed in Note 13 to the financial statements, representing the carrying amount of the otther receivables recognised on the statement of financial position.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

34.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks. Interest-bearing liabilities includes term loans and hire purchase liabilities.

The finance lease liabilities at fixed rates expose the Group and the Company to fair value interest rate risk.

The interest rates per annum on the financial liabilities are disclosed in Note 7 and Note 18.

The Group adopts a strategy of mixing fixed and floating rates borrowing to minimise exposure to interest rate risk. The Group and the Company also review their debt portfolio to ensure favourable rates are obtained.

The Group and the Company do not account sensitivity analysis for any fixed rate financial liabilities as a change in interest rates at the end of the reporting period would not affect the profit or loss.

34.2.2 Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk is primarily China Renminbi ("RMB") and United States Dollar ("USD").

Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company have not entered into any derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets/(liabilities) of the Group and of the Company at the financial period/year end that are not denominated in Ringgit Malaysia are as follows:

Group

2022	**RMB** **RM**	**USD** **RM**	**Total** **RM**
Other receivables	–	10,023,891	10,023,891
Cash and bank balances	–	5,068	5,068
Other payables	–	(11,861)	(11,861)
	–	10,017,098	10,017,098

Notes to the Financial Statements (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.2 Market risk (Cont'd)

34.2.2 Foreign currency risk (Cont'd)

The net unhedged financial assets/(liabilities) of the Group and of the Company at the financial period/year end that are not denominated in Ringgit Malaysia are as follows: (Cont'd)

Group

2021	**RMB RM**	**USD RM**	**Total RM**
Trade receivables	9,599,819	–	9,599,819
Other receivables	11,202,441	–	11,202,441
Cash and bank balances	699,250	6,276	705,526
Trade payables	(4,947,245)	–	(4,947,245)
Other payables	(63,713,777)	(11,728)	(63,725,505)
Bill payables	(57,977,213)	–	(57,977,213)
	(105,136,725)	(5,452)	(105,142,177)

Company

2021	**RMB RM**	**USD RM**	**Total RM**
Amount owing from subsidiary companies	5,944,120	63,883,600	69,827,720
	5,944,120	63,883,600	69,827,720

<u>Sensitivity analysis for foreign currency risk</u>

The following table demonstrates the sensitivity analysis of the Group's and the Company's pre-tax (loss)/profit to a reasonably possible change in the RMB, USD and other exchange rates against the respective functional currencies of the Group and of the Company, with all other variables held constant.

	Group		**Company**	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
RMB/RM - strengthened 10%	–	(10,513,673)	–	594,412
- weakened 10%	–	10,513,673	–	(594,412)
USD/RM - strengthened 10%	1,001,710	(545)	–	6,388,360
- weakened 10%	1,001,710	545	–	(6,388,360)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.2 Market risk (Cont'd)

34.2.3 Equity price risk

Equity price risk is the risk that the fair value or the future cash flows of the Group and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets.

As at reporting date, if the quoted prices of the investment securities had been 5% higher/lower, with all other variables held constant, the Group's profit for the year would have been Nil (2021: RM229,438) higher/lower.

34.3 Liquidity and cash flow risks

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure they will have sufficient liquidity to meet their liabilities when they fall due.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates). The effective interest rates of these financial liabilities are disclosed in the respective notes to the financial statements.

Group	Carrying amount RM	Contractual interest rate/coupon %	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
2022						
Trade payables	4,790,139	–	4,790,139	4,790,139	–	–
Other payables	947,617	–	947,617	947,617	–	–
Amount owing to a director	3,422,103	–	3,422,103	3,422,103	–	–
Lease liabilities	3,009,801	5.40 - 8.79	3,285,900	1,168,400	2,117,500	–
Hire purchase liabilities	2,558,303	2.80	2,825,091	739,632	2,085,459	–
	14,727,963		15,270,850	11,067,891	4,202,959	–

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.3 Liquidity and cash flow risks (Cont'd)

Group	Carrying amount RM	Contractual interest rate/coupon %	Contractual cash flows RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
2021						
Trade payables	4,947,245	–	4,947,245	4,947,245	–	–
Other payables	64,008,766	–	64,008,766	64,008,766	–	–
Lease liabilities	3,143,190	5.22 - 8.79	3,347,348	1,181,278	2,166,070	–
Hire purchase liabilities	4,891,751	2.80	5,365,882	1,987,735	3,378,147	–
Term loans	57,977,213	4.00 - 9.00	57,977,213	36,951,047	21,026,166	–
	134,968,165		135,646,454	109,076,071	26,570,383	–
Company						
2022						
Other payables	764,668	–	764,668	764,668	–	–
Lease liabilities	275,343	8.79	297,700	217,700	80,000	–
Hire purchase liabilities	258,386	2.80	283,499	79,116	204,383	–
	1,298,397		1,345,867	1,061,484	284,383	–
2021						
Other payables	273,261	–	273,261	273,261	–	–
Lease liabilities	488,076	8.79	544,900	247,200	297,700	–
Hire purchase liabilities	321,733	2.80	362,615	79,116	283,499	–
	1,083,070		1,180,776	599,577	581,199	–

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.4 Classification of financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
At amortised cost				
Trade receivables	81,305,670	9,599,819	–	–
Other receivables	41,459,128	25,574,224	68,670	2,071,167
Amount owing from subsidiary companies	–	–	186,035,253	167,089,010
Cash and bank balances	2,397,893	81,714,956	425,792	8,472,624
	125,162,691	116,888,999	186,529,715	177,632,801
At fair value through profit or loss				
Investment in unquoted shares	5,000,000	–	5,000,000	–
Investment in quoted shares	–	4,588,767	–	4,588,767
	5,000,000	4,588,767	5,000,000	4,588,767
	130,162,691	121,477,766	191,529,715	182,221,568
Financial liabilities				
At amortised cost				
Trade payables	4,790,139	4,947,245	–	–
Other payables	688,580	33,142,804	607,141	71,312
Amount owing to a director	3,422,103	–	–	–
Lease liabilities	3,009,801	3,143,190	275,343	488,076
Hire purchase liabilities	2,558,303	4,891,751	258,386	321,733
Term loans	–	57,977,213	–	–
	14,468,926	104,102,203	1,140,870	881,121

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.5 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value and those not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Group	**Financial instruments that are carried at fair value**			
	Level 1	**Level 2**	**Level 3**	**Total**
2022	**RM**	**RM**	**RM**	**RM**
Financial asset				
Investment in quoted shares	–	–	5,000,000	5,000,000
	–	–	5,000,000	5,000,000
2021				
Financial asset				
Investment in quoted shares	4,588,767	–	–	4,588,767
	4,588,767	–	–	4,588,767

Group	**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**			
	Level 1	**Level 2**	**Level 3**	**Total**
2022	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Amount owing to a director	–	–	3,422,103	3,422,103
Hire purchase liabilities	–	–	2,558,303	2,558,303
Lease liabilities	–	–	3,009,801	3,009,801
	–	–	8,990,207	8,990,207
2021				
Financial liabilities				
Hire purchase liabilities	–	–	4,891,751	4,891,751
Term loans	–	–	57,977,213	57,977,213
Lease liabilities	–	–	3,143,190	3,143,190
	–	–	66,012,154	66,012,154

Notes to the Financial Statements (cont'd)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.5 Fair value of financial instruments (Cont'd)

Company	Financial instruments that are carried at fair value			
	Level 1	Level 2	Level 3	Total
2022	RM	RM	RM	RM
Financial asset				
Investment in quoted shares	–	–	5,000,000	5,000,000
	–	–	5,000,000	5,000,000
2021				
Financial asset				
Investment in quoted shares	4,588,767	–	–	4,588,767
	4,588,767	–	–	4,588,767

Company	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
2022	RM	RM	RM	RM
Financial assets				
Amount owing from subsidiary companies	–	–	186,035,253	186,035,253
	–	–	186,035,253	186,035,253
Financial liabilities				
Hire purchase liabilities	–	–	258,386	258,386
Lease liabilities	–	–	275,343	275,343
	–	–	533,729	533,729
2021				
Financial asset				
Amount owing from subsidiary companies	–	–	167,089,010	167,089,010
	–	–	167,089,010	167,089,010
Financial liability				
Hire purchase liabilities	–	–	321,733	321,733
Lease liabilities	–	–	488,076	488,076
	–	–	809,809	809,809

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

34.5 Fair value of financial instruments (Cont'd)

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

There has been no transfer between Level 1 and 2 fair values during the financial year and previous financial period.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period (2021: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount owing from subsidiary companies, loan and borrowings, lease liabilities and redeemable convertible notes

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested with the directors.

35. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their business and maximise shareholder value.

The Group and the Company manage the capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital. The Group's and the Company's net debts include total liabilities less deferred tax liabilities, provision for taxation and cash and cash equivalents. The Group and the Company are not subject to externally imposed capital requirements.

35. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total liabilities	14,727,963	134,968,165	1,298,397	1,083,070
Less: Cash and cash equivalents	(2,397,893)	(81,714,956)	(425,792)	(8,472,624)
Net debts / (cash)	12,330,070	53,253,209	872,605	(7,389,554)
Equity attributable to owners of the Company	299,842,430	260,057,590	292,687,747	224,189,605
Gearing ratio	4%	20%	0%	– *

* The Company is in a net cash position. Therefore, gearing ratio does not apply.
^ The amount is below 1%.

36. SIGNIFICANT EVENTS AND SUBSEQUENT TO THE FINANCIAL YEAR

(i) On 24 February 2021, the Company has announced its intention to undertake the following proposals:

(a) a renounceable rights issue of up to 2,861,936,149 new ordinary shares in the Company ("Kanger Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of 1 Rights Share for every 1 existing Kanger Share held, together with up to 2,861,936,149 free detachable warrants in Kanger ("Warrant(s) B") on the basis of 1 Warrant B for every 1 Rights Share subscribed for, on an entitlement date to be determined and announced later ("Proposed Rights Issue with Warrants")

The proposal has taken place and completed on 30 September 2021 with the relevant effect to the financial statements being reflected in the current financial year.

(b) an acquisition by Kanger Ventures Sdn. Bhd., a wholly-owned subsidiary of the Company, of 126 units of proposed serviced 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 (formerly HSD 18603), Lot 43031 (formerly PT 23923), Mukim and District of Bentong, Pahang Darul Makmur from the developer, namely Aset Kayamas Sdn Bhd for a total purchase consideration of RM142,870,000 to be satisfied entirely via cash ("Proposed Acquisition"); and

(c) a diversification of the existing principal activities of the Company and its subsidiaries to include construction and related activities ("Proposed Diversification").

The proposals have been approved through Extraordinary General Meeting ("EGM") on 28 June 2021 with the relevant effect to the financial statements being reflected in the current financial year.

36. SIGNIFICANT EVENTS AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

(ii) On 26 April 2021, the Company has announced its intention to undertake the following proposals:

(a) acquisition of 1,020,000 ordinary shares of Sung Master, representing 51.0% equity interest of Sung Master ("Sale Shares") for a purchase consideration of RM94,789,436 ("Purchase Consideration"). The Purchase Consideration shall be satisfied via a combination of cash payment of RM52,000,000 whilst the remaining purchase consideration of RM42,789,436 shall be satisfied via the issuance of 713,157,273 new ordinary shares of the Company ("Kanger Shares") at the issue price of RM0.06 per Kanger Share ("Proposed Acquisition"); and

(b) subscription of 769,513,179 Kanger Shares, representing 30.0% of the total issued Kanger Shares at the subscription price of RM0.06 per Kanger Share by Mr. Kuah Choon Ching ("Proposed Subscription").

The proposals have taken place and completed on 30 September 2021 with the relevant effect to the financial statements being reflected in the current financial year.

(iii) The Company has announced on the following in relation to the increase of its issued and full paid-up ordinary share capital pursuant to the exercise of SIS:

- On 29 April 2022, issuance of 2,380,952 new ordinary shares at an exercise price of RM0.0630 for cash; and

- On 19 May 2022, issuance of 2,752,293 new ordinary shares at an exercise price of RM0.0545 for cash

(iv) Successfully executed a two-prompts strategy of arresting the operating losses of the two non-performing subsidiaries in China and disposed it off that resulted in a net gain on disposal of RM 77millions.

(v) The Board of Director of the Company has announced on the following in relation to the offered share options to eligible employees under SIS:

- On 28 April 2022, the Company offered a total of 2,380,952 share options under the SIS at an exercise price of RM0.0630 per option.

- On 18 May 2022, the Company offered a total of 2,752,293 share options under the SIS at an exercise price of RM0.0545 per option.

37. SIGNIFICANT EVENTS AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

(vi) On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Malaysia and around the world. The Malaysia Government has imposed the Movement Control Order ("MCO"), followed by Conditional Movement Control Order ("RMCO") and Recovery Movement Control Order ("RMCO") in year 2021. Consequently, the COVID-19 outbreak had resulted in travel restrictions, lockdown and other precautionary measures which brought significant economic uncertainties in Malaysia and markets in which the Group operates. Hence, the Group's revenue, earnings, cash flow and financial condition maybe impacted by these economic uncertainties going forward.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken:

Impact from Covid-19 Pandemic

The Group's business operations have been slowed down due to the MCO and COVID-19 pandemic. As such, the Group's financial performance for the current financial year has been affected as there was lower revenue generated during the MCO period.

Despite headwinds from uncertain economic environment, the management and the Board will be prudent and cautious in drawing up the Group's business plans for the financial year ending 31 March 2023. Nevertheless, the Board shall closely monitor the Group's operations and take the necessary steps to navigate its post-pandemic recovery to improve the performance of its operations.

38. COMPARATIVE FIGURES

The comparative figures relate to the financial period 1 January 2020 to 31 March 2021 for a period of fifteen (15) months. Consequently, the comparative amounts to the financial statements and related notes may not be comparable.

LIST OF PROPERTIES
As At 31 March 2022

Location	Description/ Existing use	Existing Use	Tenure	(i) Land area (ii) Built-up area (square metres)	Approximate age of building (years)	Carrying amounts at 31 March 2022 RM '000	Date of Acquisition
Sungai Rambai, Batang Berjuntai, Pekan Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM51 Lot3518 Seksyen 2	Vacant Land	99 years ending on 27 January 2094	(i) 4,840	1	984 (land)	24 August 2020
Sungai Rambai, Batang Berjuntai, Pekan Bestari Jaya, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM52 Lot3517 Seksyen 2	Vacant Land	99 years ending on 9 April 2095	(i) 4,887	1	984 (land)	24 August 2020
Tempat Batu 28 Ijok, Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor	Leasehold Agriculture land held under Individual Title PM79 Lot1765 Batu 28 Ijok	Vacant Land	99 years ending on 8 februsry 2077	(i) 12,368	1	4,723 (land)	24 August 2020

ANALYSIS OF SHAREHOLDINGS
As At 30 June 2022

SHARE CAPITAL

Issued and Fully Paid-up Capital	:	603,064,453
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
912	Less than 100	32,419	0.01
5,420	100 to 1,000	3,457,930	0.57
10,707	1,001 to 10,000	47,861,751	7.94
4,214	10,001 to 100,000	136,506,309	22.64
638	100,001 to less than 5% of issued shares	364,622,141	60.46
1	5% and above of the issued shares	50,583,903	8.39
21,892	**TOTAL**	**603,064,453**	**100.00**

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	Sii Tung Nai	50,583,903	8.39
2.	Quah Seik Lee	29,375,890	4.87
3.	Merry Noel Robert	20,037,760	3.32
4.	M & A Nominee (Asing) Sdn Bhd - Exempt an for Sanston Financial Group Limited	20,010,000	3.32
5.	Choi Khai Chean	13,750,000	2.28
6.	CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Lee Chong Choon (MP0553)	11,500,000	1.91
7.	Kenanga Nominees (Asing) Sdn. Bhd. - Leng Xingmin	7,694,209	1.28
8.	Web City Sdn. Bhd.	7,499,960	1.24
9.	Ace Edible Oil Industries Sdn. Bhd.	6,000,000	0.99
10.	Choi Lai Yee	6,000,000	0.99
11.	Lee Chong Choon	5,218,100	0.87
12.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged securities account for Soh Choh Piau (M&A)	4,257,200	0.71
13.	Ong Chin Kang	4,200,000	0.70
14.	Ng Hon Kee	3,429,300	0.57
15.	Kenanga Nominees (Asing) Sdn. Bhd. - Hong Kong Huanshiqu Finance Investment Limited	3,403,703	0.56
16.	Kenangan Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Kenneth Hooi Chi-Kin	3,215,000	0.53
17.	Lim Poh Fong	3,001,800	0.50

Analysis of Shareholdings As At 30 June 2022 (cont'd)

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

	Name of Shareholders	No. of Shares Held	Percentage (%)
18.	CGS-CIMB Nominees (Asing) Sdn. Bhd. - Exempt an for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	3,000,000	0.50
19.	Kenanga Nominee (Asing) Sdn. Bhd. - Nie Hui	2,942,800	0.49
20.	Lay Sook Hwey	2,800,000	0.46
21.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Lian Hong	2,695,500	0.45
22.	Koh Soh Hong	2,325,000	0.39
23.	Teo Seow Wah	2,310,000	0.38
24.	Tan Lee Kock	2,090,000	0.35
25.	Chia Hooi Liang	2,000,000	0.33
26.	Koh Boon Poh	2,000,000	0.33
27.	Ong Yeng Tian @ Ong Weng Tian	2,000,000	0.33
28.	RHB Capital Nominees (Tempatan) Sdn Bhd - Yong Loy Huat	2,000,000	0.33
29.	Affin Hwang Nominees (Asing) Sdn Bhd -Exempt an for Phillip Securities (Hong Kong) Ltd	1,848,300	0.31
30.	Syed Sirajuddin Putra Jamalullail	1,805,007	0.30
	TOTAL	**228,993,432**	**37.97**

SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	NAME OF SUBSTANTIAL SHAREHOLDERS	NO. OF SHARES HELD			
		DIRECT	%	INDIRECT	%
1.	Mr. Kuah Choon Ching	74,051,317	12.2792	–	–
2.	Mr. Sii Tung Nai	50,583,903	8.3878	–	–

DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT	%	INDIRECT	%
1.	Mr. Wu Wai Kong	674,530	0.1118	178,000*	0.0295
2.	Mr. Kuah Choon Ching	74,051,317	12.2792	–	–
3.	Mr. Low Poh Seong	–	–	–	–
4.	Encik Mazlan bin Mohamad	–	–	–	–
5.	Dato' Azmil bin Mohd Zabidi	–	–	–	–

Notes:

* Indirect interest by virtue of the shares held by his direct family members.

ANALYSIS OF WARRANTS HOLDINGS
As At 30 June 2022

No. of Warrants B	:	169,944,456
Exercise Price of Warrants	:	RM0.500
Exercise Period of Warrants	:	23 September 2021 to 22 September 2026
Voting Rights in the Meeting of Warrant Holders	:	One vote per warrant holder on a show of hands
Number of Warrant Holders	:	2,989

WARRANT HOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	% of Shares
85	Less than 100	3,283	0.00*
383	100 to 1,000	258,349	0.15
1,128	1,001 to 10,000	6,285,180	3.70
1,080	10,001 to 100,000	43,775,184	25.76
313	100,001 to less than 5% of issued shares	119,622,460	70.39
0	5% and above of the issued shares	–	0.00
2,989	**TOTAL**	**169,944,456**	**100.00**

* Less than 0.01%

LIST OF 30 LARGEST WARRANT ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

	Name of Shareholders	No. of Shares Held	Percentage (%)
1.	M & A Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Soh Choh Piau	4,519,980	2.66
2.	Kuah Choon Ching	2,500,000	1.47
3.	Tan Hung Chew	2,500,000	1.47
4.	Goh Kim Loong	2,051,000	1.21
5.	Ong Chin Kang	2,000,000	1.18
6.	Feizal bin Mazlan	1,941,000	1.14
7.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tan Sun Ping	1,913,330	1.13
8.	Chan Huan Chai	1,800,000	1.06
9.	Kenangan Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kwong Ming Kwei	1,744,100	1.03
10.	SKT Supplies Sdn. Bhd.	1,720,000	1.01
11.	Chan Boon Yok	1,700,000	1.00
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Yong Loy Huat	1,500,000	0.88
13.	Lay Sook Hwey	1,500,000	0.88
14.	Rosmawati binti Mahmud	1,379,700	0.81
15.	Yee Wai Han	1,300,000	0.76

Analysis of Warrants Holdings As At 30 June 2022 (cont'd)

LIST OF 30 LARGEST WARRANT ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS) (CONT'D)

	Name of Shareholders	No. of Shares Held	Percentage (%)
16.	Lim Chee Beng	1,110,000	0.65
17.	Chen Fei Fung	1,080,000	0.64
18.	Chan Huan Joo	1,061,000	0.62
19.	Lim Keng Chuan	1,050,000	0.62
20.	Maybank Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Leong Siak Wing	1,003,000	0.59
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yong Swee Hong (E-Trade)	1,000,000	0.59
22.	Leong Kok Peng	1,000,000	0.59
23.	Tan Soon Lee	982,000	0.58
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn. Bhd. for Mastura binti Ahmad	914,700	0.54
25.	Chang Xuan Rou	900,000	0.53
26.	Ng Teck Chai	900,000	0.53
27.	SJ SEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Chan Huan Joo (SMT)	890,000	0.52
28.	Ang Soo Boon	815,700	0.48
29.	Hing Swee Nge	800,000	0.47
30.	Phun Chin Tung	800,000	0.47
	TOTAL	**44,375,510**	**26.11**

DIRECTORS' WARRANTS HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANT HOLDINGS)

		NO. OF SHARES HELD			
	NAME OF DIRECTORS	DIRECT	%	INDIRECT	%
1.	Mr. Wu Wai Kong	–	–	–	–
2.	Mr. Kuah Choon Ching	2,500,000	1.47	–	–
3.	Mr. Low Poh Seong	–	–	–	–
4.	Encik Mazlan bin Mohamad	–	–	–	–
5.	Dato' Azmil bin Mohd Zabidi	–	–	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting ("**9th AGM**" or "**Meeting**") of **KANGER INTERNATIONAL BERHAD** ("**Kanger**" or "**the Company**") will be held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at K-3-12 & K-3-13, Solaris Mont Kiara, No. 2, Jalan Solaris, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) on **Monday, 29 August 2022** at **9.00 a.m.** for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 10)**

2. To approve the payment of Directors' fees and benefits of up to RM300,000 for the financial year ended 31 March 2022. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' fees and benefits of up to RM300,000 for the financial year ending 31 March 2023 payable after each month of completed service. **(Ordinary Resolution 2)**

4. To approve the payment of Directors' fees and benefits of up to RM300,000 for the financial year ending 31 March 2024 payable after each month of completed service. **(Ordinary Resolution 3)**

5. To re-elect Mr. Kuah Choon Ching who retires pursuant to Clause 134 of the Company's Constitution. **(Ordinary Resolution 4)**

6. To re-elect Dato' Azmil bin Mohd Zabidi who retires pursuant to Clause 119 of the Company's Constitution. **(Ordinary Resolution 5)**

7. To re-appoint CAS Malaysia PLT as Auditors of the Company for the financial year ending 31 March 2023 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, pass with or without any modifications, the following resolution:

8. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016" or "the Act")** **(Ordinary Resolution 7) (Please refer to Explanatory Note 11)**

   "**THAT** pursuant to Sections 75 and 76 of the Act and the Constitution of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being to be utilised until 31 December 2022 as empowered by Bursa Malaysia Securities Berhad ("**Bursa Securities**") pursuant to Bursa Malaysia Berhad's letter dated 23 December 2021 on the extension of implementation period of the increased general mandate of twenty per centum (20%) for new issue of securities and provided further that the aggregate number of shares issued thereafter pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being as stipulated under Rule 6.04(1) of the ACE Market Listing Requirements;

Notice of Annual General Meeting (cont'd)

THAT the Directors of the Company be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued;

AND THAT such authority shall continue in force until the conclusion of the next annual general meeting of the Company after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is earlier unless revoked or varied by an ordinary resolution of the Company at a general meeting."

9. To transact any other business of the Company for which due notice shall have been given in accordance with the Act and the Company's Constitution.

By Order of the Board
KANGER INTERNATIONAL BERHAD

THONG PUI YEE (MAICSA 7067416) (SSM PC NO. 202008000510)
Company Secretary

Kuala Lumpur
Date: 29 July 2022

Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his/her/its proxy to exercise all or any of his/her/its rights to attend, participate (including pose questions to the Board of Director of the Company) and vote in his/her/its stead.

2. A member of the Company may appoint not more than two (2) proxies to attend the Meeting, provided that the member specifies the proportion of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or email to ir.kanger@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

6. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 August 2022, shall be eligible to attend, participate and vote at the Meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.

8. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

9. The members are encouraged to refer the Administrative Guide on registration, participation and voting process for the Meeting.

Explanatory Note on Ordinary Business

10. **Audited Financial Statements for the financial year ended 31 March 2022**

    The audited financial statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put forward for voting.

Explanatory Note on Special Business

11. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the CA 2016**

    As part of Bursa Securities' continuous support and assistance to listed issuers in these trying and challenging time amid the COVID-19 pandemic, Bursa Securities has via a Bursa Malaysia Berhad's letter dated 23 December 2021 granted an extension of implementation period of the increased general mandate of 20% for new issue of securities by way of private placement ("**20% General Mandate**"). This 20% General Mandate may be utilised by listed issuers to issue new securities until 31 December 2022 and thereafter, the general mandate of 10% for new issue of securities under Rule 6.04(1) of the Ace Market Listing Requirements will be reinstated.

    Ordinary Resolution 7 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The Ordinary Resolution 7, if passed, will give the Directors of the Company authority to allot and issue new ordinary shares from time to time provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being to be utilised until 31 December 2022, after that, the 10% limit under Rule 6.04(1) of ACE Market Listing Requirements of Bursa Securities will be reinstated (hereinafter referred to as the "**General Mandate**").

    The General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

    The Board, having considered the current economic climate, current and prospective financial position, future financial needs and capacity of the Group, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

    As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the general mandate granted to the Directors at the Eighth Annual General Meeting held on 30 September 2021 and it will lapse at the conclusion of the 9th AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF 9th AGM

Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Securities

No notice in writing has been received by the Company nominating any candidate for election as Director at the 9th AGM of the Company. The Directors who are due for retirement and seeking for re-election pursuant to the Company's Constitution is as set out in the Notice of 9th AGM and their profiles are set out in the Board of Directors' Profile of the Annual Report 2022.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 9th AGM, the Board through its Nomination Committee had assessed the retiring Directors, and considered the following:

(i) The Directors' performance and contribution;
(ii) The Directors' skills, experience and strength in qualities; and
(iii) The Directors' ability to act in the best interest of the Company in decision-making.

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康尔国际控股有限公司
KANGER INTERNATIONAL BERHAD [Registration No.: 201201030306 (1014793-D)]
(Incorporated in Malaysia)

CDS Account No.				-				-									
Number of Shares Held																	

FORM OF PROXY

I/We --
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Passport No./Company Registration No./ --)

of --
(FULL ADDRESS)

being a member/members of **KANGER INTERNATIONAL BERHAD**, hereby appoint

Name of Proxy	**NRIC No. / Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address		**Contact No.**

and/or failing him/her

Name of Proxy	**NRIC No. / Passport No.**	**% of Shareholding to be Represented**
Address		
Email Address		**Contact No.**

*or failing him/her, the **CHAIRMAN OF THE MEETING** as *my/our proxy to vote for *me/us on *my/our behalf at the Ninth Annual General Meeting of the Company to be held and conducted on a virtual basis through live streaming and online remote participation and voting from the broadcast venue at K-3-12 & K-3-13, Solaris Mont Kiara, No. 2, Jalan Solaris, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) on **Monday, 29 August 2022** at **9.00 a.m.** or at any adjournment thereof.

ORDINARY RESOLUTION		**FOR**	**AGAINST**
1.	Payment of Directors' fees for the financial year ended 31 March 2022		
2.	Payment of Directors' fees for the financial year ending 31 March 2023		
3.	Payment of Directors' fees for the financial year ending 31 March 2024		
4.	Re-election of Mr. Kuah Choon Ching		
5.	Re-election of Dato' Azmil bin Mohd Zabidi		
6.	Re-appointment of Auditors		
7.	Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		

* Delete if not applicable

(Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy(ies) to vote on any resolution, the proxy(ies) shall vote as he/she/they thinks fit, or at his/her/their discretion, abstain from voting.)

Dated this -------------- day of --------------------- 2022

Signature(s) of member(s)

Notes:-

1. *A member of the Company entitled to attend and vote is entitled to appoint another person as his/her/its proxy to exercise all or any of his/her/its rights to attend, participate (including pose questions to the Board of Director of the Company) and vote in his/her/its stead.*
2. *A member of the Company may appoint not more than two (2) proxies to attend the Meeting, provided that the member specifies the proportion of his/her/its shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.*
3. *A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.*
4. *Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company situated at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Wilayah Persekutuan (KL) or email to ir.kanger@shareworks.com.my not less than forty-eight (48) hours before the time for holding the Meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.*
6. *An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.*
7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 August 2022, shall be eligible to attend, participate and vote at the Meeting or appoint proxy(ies)/corporate representative(s)/attorney(s) to attend, participate and vote on his/her/its behalf.*
8. *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*
9. *The members are encouraged to refer the Administrative Guide on registration, participation and voting process for the Meeting.*

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STAMP

The Company Secretary

KANGER INTERNATIONAL BERHAD

Registration No. 201201030306 (1014793-D)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)

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Fold This Flap For Sealing

KANGER
INTERNATIONAL BERHAD
康尔国际

www.krbamboo.com