



GREEN OCEAN CORPORATION BERHAD

[Registration No: 200301029847 (632267-P)]

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

**Unaudited Condensed Consolidated Statements of Comprehensive Income
For the Period Ended 31 March 2022**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM '000	RM '000	RM '000	RM '000
Revenue	983	1,367	2,832	35,667
Cost of sales	(959)	(1,451)	(2,748)	(35,148)
Gross profit/(loss)	24	(84)	84	519
Other income	39	446	405	518
Administrative expenses	(785)	(549)	(2,287)	(2,217)
Selling and distribution expenses	-	-	-	(66)
Others	(3,299)	(2,232)	(14,810)	(2,232)
	(4,084)	(2,781)	(17,097)	(4,515)
Loss from operations	(4,021)	(2,419)	(16,608)	(3,478)
Finance costs	(3)	-	(10)	(281)
Share of result of joint venture	-	(6)	(2)	(8)
Loss before tax	(4,024)	(2,425)	(16,620)	(3,767)
Taxation	(9)	-	(9)	-
Net loss for the period	(4,033)	(2,425)	(16,629)	(3,767)
Net loss attributable to:-				
Owners of the Company	(4,033)	(2,425)	(16,629)	(3,767)
Total comprehensive loss attributable to:-				
Owners of the Company	(4,033)	(2,425)	(16,629)	(3,767)
Loss per share ("LPS")				
Company (sen)				
- Basic	(0.19)	(0.19)	(0.82)	(0.57)

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

**Unaudited Condensed Consolidated Statements of Financial Position
As At 31 March 2022**

	(Unaudited) As At 31.03.2022 RM '000	(Audited) As At 30.6.2021 RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	20,271	20,776
Investment in joint venture	39	41
	20,310	20,817
Current assets		
Inventories	741	81
Investment in quoted shares	19,215	-
Trade receivables	3,133	1,945
Other receivables, deposits and prepayments	32,261	23,942
Tax assets	5	5
Money market instruments	14,684	60,629
Cash and bank balances	32,844	26,058
	102,883	112,660
TOTAL ASSETS	123,193	133,477
EQUITY AND LIABILITIES		
Equity		
Share capital	143,485	135,494
Warrant reserve	31,113	31,113
Revaluation reserve	8,930	8,930
Accumulated losses	(61,668)	(45,039)
Total equity	121,860	130,498
Liabilities		
Non-current liabilities		
Lease liability	264	295
Deferred tax liabilities	609	609
	873	904
Current liabilities		
Trade payables	318	1,900
Other payables & accruals	101	130
Lease liability	41	45
	460	2,075
Total liabilities	1,333	2,979
TOTAL EQUITY AND LIABILITIES	123,193	133,477
Net assets per share (Sen)	5.77	7.42

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.

GREEN OCEAN CORPORATION BERHAD
 [Registration No: 200301029847 (632267-P)]

**Unaudited Condensed Consolidated Statements of Changes in Equity
 As At 31 March 2022**

	<----- Attributable to Owners of the Company ----->					Total Equity RM '000
	<----- Non-Distributable ----->			Distributable		
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000	
Unaudited						
At 1 July 2021	135,494	-	8,930	31,113	(45,039)	130,498
Comprehensive loss						
Loss for the period	-	-	-	-	(16,629)	(16,629)
Total comprehensive loss for the period	-	-	-	-	(16,629)	(16,629)
Transactions with owners						
Proceeds from private placement	8,129	-	-	-	-	8,129
Share issuance expense	(138)	-	-	-	-	(138)
Total transactions with owners	7,991	-	-	-	-	7,991
At 31 March 2022	143,485	-	8,930	31,113	(61,668)	121,860

GREEN OCEAN CORPORATION BERHAD

[Registration No: 200301029847 (632267-P)]

**Unaudited Condensed Consolidated Statements of Changes in Equity
As At 31 March 2022**

	<----- Attributable to Owners of the Company ----->					Total Equity RM '000
	<----- Non-Distributable ----->			Distributable		
	Share Capital RM '000	Share Option Reserve RM '000	Revaluation Reserve RM '000	Warrant Reserve RM '000	Accumulated Losses RM '000	
Audited						
At 1 July 2020	34,189	-	8,930	-	(32,557)	10,562
Comprehensive loss						
Loss for the financial year	-	-	-	-	(12,482)	(12,482)
Total comprehensive loss for the financial year	-	-	-	-	(12,482)	(12,482)
Transactions with owners						
Issuance of shares pursuant to:						
- Private placements	19,302	-	-	-	-	19,302
- Rights Issue with Warrants B	51,744	-	-	31,113	-	82,857
- Exercise of ESOS	28,081	-	-	-	-	28,081
Share options granted under ESOS	-	3,403	-	-	-	3,403
Transfer upon ESOS exercised	3,403	(3,403)	-	-	-	-
Share issuance expense	(1,225)	-	-	-	-	(1,225)
Total transactions with owners	101,305	-	-	31,113	-	132,418
At 30 June 2021	135,494	-	8,930	31,113	(45,039)	130,498

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

Unaudited Condensed Consolidated Statements of Cash Flows
For the Period Ended 31 March 2022

	Current Period To-Date 31.03.2022 (Unaudited) RM'000	Preceding Year Corresponding Period 31.03.2021 (Unaudited) RM'000
Cash flows from operating activities		
Loss before tax	(16,620)	(3,767)
Adjustments for :-		
Depreciation of property, plant & equipment	626	430
Distribution income from money market instruments	(326)	(445)
Mark-to-market loss on quoted shares	7,446	-
Share-based payment	-	2,232
Interest income	(77)	(1)
Interest expense	10	281
Loss on disposal of quoted shares	7,364	-
Share of results in joint venture	2	8
Operating loss before changes in working capital	(1,575)	(1,262)
Changes in inventories	(660)	3,213
Changes in receivables	(9,507)	(9,714)
Changes in payables	(1,611)	3,453
Cash used in operations	(13,353)	(4,310)
Interest income received	77	1
Net tax paid	(9)	-
Net cash used in operating activities	(13,285)	(4,309)
Cash flows from investing activities		
Distribution income from money market instruments	326	445
Distribution from Joint Venture	-	30
Net investment in quoted shares	(34,025)	-
Net investment in money market funds	45,945	(80,067)
Purchase of plant and equipment	(121)	(1,144)
Net cash from/ (used in) investing activities	12,125	(80,736)

Unaudited Condensed Consolidated Statements of Cash Flows
For the Period Ended 31 March 2022

	Current Period To-Date 31.03.2022 (Unaudited) RM'000	Preceding Year Corresponding Period 31.03.2021 (Unaudited) RM'000
Cash flows from financing activities		
Proceeds from ESOS Exercise	-	16,525
Proceeds from private placement	8,129	19,302
Proceeds from rights issue	-	82,857
Share issuances expenses paid	(138)	(1,225)
Interest paid	(10)	(281)
Repayment of finance lease payable	(35)	(4)
Net repayment of short term bank borrowing	-	(17,081)
Net cash from financing activities	7,946	100,093
Effects of exchange rate changes on cash and cash equivalents	-	-
Net increase in cash and cash equivalents	6,786	15,048
Cash and cash equivalents brought forward	26,058	(1,296)
Cash and cash equivalents carried forward	32,844	13,752
Represented by:-		
Cash and bank balances	32,844	13,752
Bank overdraft	-	-
	32,844	13,752

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial report.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

A1) Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with Malaysia Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”), Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

A2) Changes in Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2021, except for the adoption of the following amendments to MFRSs and IC Interpretation: -

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 3 “Business Combinations” – Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 7, 9 and 139 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16 Covid-19 – Related Rent Concessions Insurance	1 June 2020
Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020

The adoption of these standards, amendments and interpretations did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance or position of the Group.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

A2) Changes in Accounting Policies (Cont'd)

Standards in issue but not yet effective

As at the date of authorisation of this interim financial report, the following new Malaysian Financial Reporting Standards ("MFRS") and amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group: -

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 9, 139, 7, 4 and 16	Interest Rate Benchmark Reform – Phase 2 1 January 2021
Amendments to MFRS 16	Covid-19 – Related Rent Concessions Beyond 30 June 2021 1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework 1 January 2022
Amendments to MFRS 116	Proceeds Before Intended Use 1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract 1 January 2022
Amendments to MFRSs	Annual Improvements to MFRSs 2018 - 2020 Cycle 1 January 2022
MFRS 17 and amendments to MFRS 17	Insurance Contracts 1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies 1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates 1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction 1 January 2023
Amendments to MFRS 10 and 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture To be announced

The Group will adopt the above MFRS and amendments to MFRS when they become effective in the respective financial periods.

A3) Seasonal or Cyclical Factors

The Group's operations were not subject to any significant seasonal or cyclical factors.

A4) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

A5) Material Changes in Estimates

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the current quarter under review.

A6) Debt and Equity Securities

Saved as disclosed below, there was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the financial period under review:

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- 1) On 27 August 2021, the Company completed a private placement exercise following the listing and quotation of 351,932,000 new ordinary shares on the ACE Market of Bursa Securities. The Private Placement has raised gross proceeds of approximately RM8.13 million, at issue price of RM0.0231 each.

A7) Dividend Paid

There was no dividend paid in the current quarter under review.

A8) Valuation of Property, Plant and Equipment

There was no valuation exercise conducted on the property, plant and equipment of the Group during the quarter under review.

A9) Material Events During the Financial Period

There was no material event during the quarter under review.

A10) Material Events Subsequent to the end of the Financial Period

There was no material event subsequent to the end of the quarter under review.

A11) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date other than as stated below.

On 3 January 2022, the Group had incorporated a new wholly-owned subsidiary namely, Ace Distributions Sdn. Bhd (“ADSB”) with an issued share capital of 100 ordinary share at RM1 per share.

The intended principal activities of ADSB are to carry out trading, retails and distribution in all kind of food & beverages, and trading in healthcare products.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

A12) Contingent Liabilities or Contingent Assets

There are no contingent liabilities for the Group as of the date of this report.

A13) Capital Commitment

As of 31 March 2022, capital commitment is in respect of the acquisition of specialised machineries by subsidiaries of the Group: -

Approved and contracted for	RM'000 <u>50,180</u>
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A14) Related Party Transactions

There were no significant transactions with related parties during the current financial period.

A15) Fair Value Measurements

(a) Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows: -

- Level 1: Input are quoted prices (unadjusted) in active market for identical assets and or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset and liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event and change in circumstances that caused the transfer.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

A15) Fair Value Measurements (Cont'd)

- (b) The following table provides the fair value measurement hierarchy of the Group's financial instruments: -

<---- Fair value of financial instruments ----> carried at fair value					
	Level 1 RM'000	Level 2 RM'000	level 3 RM'000	Total RM'000	Carrying amount RM'000
Group - 31.03.2022					
Financial assets					
- Investment in quoted shares	19,215	-	-	19,215	19,215
- Investment in money market	14,684	-	-	14,684	14,684
	<u>33,899</u>	<u>-</u>	<u>-</u>	<u>33,899</u>	<u>33,899</u>
Group - 31.03.2021					
Financial assets					
- Investment in money market	80,067	-	-	80,067	80,067

A16) Revenue

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Sales of:				
(i) Production and trading of palm kernel oil and palm kernel expeller	-	33	-	13,201
(iii) Trading of refined, bleached and deodorised olein	-	-	-	21,122
(iii) Trading of biomass material	-	-	-	10
(iv) Gloves	861	1,334	2,710	1,334
(v) Others	122	-	122	-
	<u>983</u>	<u>1,367</u>	<u>2,832</u>	<u>35,667</u>
Goods or services transferred at a point in time	<u>983</u>	<u>1,367</u>	<u>2,832</u>	<u>35,667</u>

**Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 March 2022**

A17) Segmental Information

The segmental information of the Group is presented by operating segments as follows:

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- (a) **Palm oil products** - palm kernel crushing, refining of palm oil and palm kernel oil and trading of refined palm oil products;
- (b) **Gloves** - glove-manufacturing and trading;
- (c) **Others** - Investment holding; trading of biomass and alternative material, energy and fuels and services; trading in all kinds of foods and beverages and healthcare products, neither which are of a sufficient size to be reported separately.

Cumulative Period 9 Months Ended 31.03.2022

	Palm Oil Products RM'000	Gloves RM'000	Others RM'000	Adjustment & Elimination RM'000	Total RM'000
REVENUE					
External revenue	-	2,710	122	-	2,832
Inter-segment revenue	-	-	-	-	-
Total revenue	-	2,710	122	-	2,832
RESULTS					
Interest income	-	-	77	-	77
Finance cost	-	-	(10)	-	(10)
Share of loss of associate	-	-	-	(2)	(2)
Segment loss before tax	(16,011)	(25)	(582)	(2)	(16,620)
Taxation	-	(9)	-	-	(9)
Segment loss after tax	(16,011)	(34)	(582)	(2)	(16,629)
Other material non-cash items:-					
- Depreciation of property plant and equipmnet	(538)	(1)	(87)	-	(626)
- Loss from disposal of quoted shares	(7,364)	-	-	-	(7,364)
- Mark-to-market loss on quoted shares	(7,446)	-	-	-	(7,446)

**Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 March 2022**

A17) Segmental Information (Cont'd)

Cumulative Period 9 Months Ended 31.03.2021

	Palm Oil Products RM'000	Gloves RM'000	Others RM'000	Adjustment & Elimination RM'000	Total RM'000
REVENUE					
External revenue	34,323	1,334	10	-	35,667
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>34,323</u>	<u>1,334</u>	<u>10</u>	<u>-</u>	<u>35,667</u>
RESULTS					
Interest income	-	-	-	-	-
Finance cost	(281)	-	-	-	(281)
Share of loss of associate	-	-	-	(8)	(8)
Segment loss before tax	(1,914)	32	(1,877)	(8)	(3,767)
Taxation	-	-	-	-	-
Segment loss after tax	<u>(1,914)</u>	<u>32</u>	<u>(1,877)</u>	<u>(8)</u>	<u>(3,767)</u>
Other material non-cash items:-					
- Depreciation of property plant and equipmnet	<u>(417)</u>	<u></u>	<u>(13)</u>	<u>-</u>	<u>(430)</u>

**Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 March 2022**

B1) Review of Performance

Individual Period (Quarter 3)	Current Quarter 31.03.2022	Preceding year Corresponding Quarter 31.03.2021	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Palm oil products	-	33	(33)	(100.0)
Gloves	861	1,334	(473)	(35.5)
Others	122	-	122	100.0
	983	1,367	(384)	(28.1)
Loss before tax				
Palm oil products	(3,647)	(1,119)	(2,528)	225.9
Gloves	(50)	32	(82)	(256.3)
Others	(327)	(1,332)	1,005	(75.5)
Share of result of joint venture	-	(6)	6	(100.0)
	(4,024)	(2,425)	(1,599)	65.9

Current Quarter

The Group posted revenue of RM0.98 million for the current quarter ended 31 March 2022, 28.1% lower than RM1.37 million recorded in the corresponding quarter ended 31 March 2021. The decrease was mainly due to steep downtrend in selling price of gloves in the last few months, moving closer to “normal” prices in tandem with the pandemic transitioning to an endemic and lower demand in glove as compare to corresponding quarter.

The revenue in others segment mainly from a newly incorporated subsidiary, which principally engaged in trading of all kind of food & beverages. The subsidiary company recorded a gross sale of RM0.12 million during the quarter under review.

The Group registered pre-tax loss of RM4.02 million for the current quarter, RM1.60 million higher than RM2.43 million pre-tax loss in the correspondence quarter. Palm Oil segment reported higher pre-tax loss by RM3.65 million mainly due to loss from disposal of quoted shares of RM6.10 million, offset with mark-to-market gain on investment in quoted shares of RM2.80 million. Others segment reported pre-tax loss of RM0.33 million as compared to pre-tax loss of RM1.33 million mainly due to absence of fair value adjustment from the ESOS exercise in the holding company.

**Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 March 2022**

B1) Review of Performance (Cont'd)

Cumulative Period (Quarter 3)	Current Year to-date 31.03.2022 RM'000	Preceding year Corresponding Quarter 31.03.2021 RM'000	Changes	
			RM'000	%
Revenue				
Palm oil products	-	34,323	(34,323)	(100.0)
Gloves	2,710	1,334	1,376	103.2
Others	122	10	112	1,120.0
	2,832	35,667	(32,835)	(92.1)
Loss before tax				
Palm oil products	(16,011)	(1,914)	(14,097)	736.5
Gloves	(25)	32	(57)	(178.1)
Others	(582)	(1,877)	1,295	(69.0)
Share of result of joint venture	(2)	(8)	6	(75.0)
	(16,620)	(3,767)	(12,853)	341.2

Cumulative Period

The Group posted revenue of RM2.83 million for the cumulative quarter ended 31 March 2022, which was RM32.84 million or 92.1% lower as compared to RM35.67 million in the corresponding cumulative quarter. The decrease was mainly attributable to decrease in orders from the gloves segment, coupled with steep downtrend in selling price of gloves. Others segment recorded revenue of RM0.12 million mainly from the newly incorporation subsidiary which is trading actively in food and beverages products.

The Group recorded pre-tax loss of RM16.62 million for the cumulative quarter ended 31 March 2022, RM12.85 million higher than RM3.77 million pre-tax loss in the corresponding cumulative quarter. Higher pre-tax loss reported in Palm Oil segment mainly due to loss from disposal of quoted shares of RM7.36 million and mark-to-market loss on investment in quoted shares of RM7.45 million. Others segment reported lower pre-tax loss mainly due to absence of fair value adjustment from the ESOS exercise in the holding company.

**Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 March 2022**

B2) Variation of Results against Immediate Preceding Quarter

	Current Quarter 31.03.2022 RM'000	Immediate Preceding Quarter 31.12.2021 RM'000	Changes	
			RM'000	%
Revenue				
Palm oil products	-	-	-	-
Gloves	861	989	(128)	(12.9)
Others	122	-	122	100.0
	983	989	(6)	(0.6)
Loss before tax				
Palm oil products	(3,647)	(7,690)	4,043	(52.6)
Gloves	(50)	(1)	(49)	4,900.0
Others	(327)	(176)	(151)	85.8
Share of result of joint venture	-	(1)	1	(100.0)
	(4,024)	(7,868)	3,844	(48.9)

The Group posted revenue of RM0.98 million for the current quarter ended 31 March 2022, which was 6% lower compare to RM0.99 million recorded in the preceding quarter ended 31 December 2021. Gloves segment reported a slight decrease of RM0.13 million in the revenue. Others segment recorded revenue of RM0.12 million mainly from the newly incorporation subsidiary which is trading actively in food and beverages products.

The Group recorded pre-tax loss of RM4.02 million for the current quarter as compared to pre-tax loss of RM7.87 million recorded in the preceding quarter. Lower pre-tax loss from palm oil segment mainly due to loss from disposal of quoted shares of RM6.10 million, offset with mark-to-market gain on investment in quoted shares of RM2.80 million.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

B3) Prospects

The Group expects the coming financial year to be challenging due to uncertainties arising from the endemic stage of COVID-19. The Group remains focus on its core business in trading of gloves products.

For the trading of glove business, the Group's in the view that the demand of gloves would not be able to match levels seen during the pandemic stage of Covid-19. Glove average selling price (ASP) have been on a downtrend since mid-2021 and is expected to continue declining, following a mass rollout of vaccination programmes in major glove consuming countries, as the better vaccination coverage has greatly alleviated buyers' urgency to stock up on gloves. However, with glove prices slowly approaching pre-Covid levels, the Group foresee the demand of the gloves will slowly resume in year 2022.

On 3 January 2022, the Group had incorporated a new wholly-owned subsidiary namely, Ace Distributions Sdn. Bhd ("ADSB") to venture into food and beverages business, and is expected contribute to the future earnings of the Group as well as improve the Group's financial performance in the coming years.

B4) Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast.

B5) Qualification of Annual Financial Statements

The preceding year annual audited financial statements were not subject to any qualification.

**Explanatory Notes Pursuant to the Listing Requirements
 For 9 Months Ended 31 March 2022**

B6) Loss Before Tax

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Included in the loss before tax is after charging/(crediting): -				
Depreciation of property, plant & equipment	208	161	626	430
Mark-to-market (gain)/ loss on quoted shares	(2,796)	-	7,446	-
Distribution income from money market instruments	(14)	(408)	(326)	(445)
Interest expense	3	-	10	281
Interest income	(25)	(1)	(77)	(1)
Loss from disposal of quoted shares	6,095	-	7,364	-
Rental of premises	19	-	29	-
Rental of equipment	2	1	3	4
	<u>2</u>	<u>1</u>	<u>3</u>	<u>4</u>

B7) Taxation

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Corporate tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Underprovision in prior year Corporate tax expense	9	-	9	-
	<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

B8) Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced but not completed at the latest practicable date which is not earlier than seven (7) days from the date of issue of this interim financial report: -

- 1) On 4 January 2021, the Company completed a Rights Issue with Warrants exercise following the listing and quotation of 828,573,600 new ordinary shares of RM0.10 each together with 621,430,198 Warrants B. The Company raise cash proceeds of RM82.86 million and the summary of the utilisation of proceeds up to the date of this interim financial report are as follows: -

Purpose	Proposed utilisation RM'000	Amount utilised RM'000	Balance unutilised RM'000	Estimated timeframe for the utilisation of proceeds
Repayment of bank borrowings	7,300	(7,300)	-	Within 6 months
Refurbishment of existing factory building for the gloves business	15,000	(2,097)	12,903	By 3 July 2023
Capital expenditure for the gloves business	41,100	(15,000)	26,100	Within 36 months
Working capital for the gloves business	18,557	(16,901)	1,656	Within 24 months
Estimated expenses for the corporate exercise	900	(900)	-	Immediate
Total	82,857	(42,198)	40,659	

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

B8) Status of Corporate Proposals (Cont'd)

- 2) On 27 August 2021, the Company completed Private Placement Exercise III following the listing and quotation of 351,932,000 new ordinary shares at issue price of RM0.0231 each on the ACE Market of Bursa Securities. The Company raised cash proceeds of RM8.13 million and the summary of the utilisation of proceeds up to the date of this interim financial report are as follows: -

Purpose	Proposed utilisation RM'000	Amount utilised RM'000	Reallocation RM'000	Balance unutilised RM'000	Estimated time frame for the utilisation of proceeds
Capital expenditure for the Gloves Business	7,634	-	357	7,991	Within 36 months
Estimated expenses for the corporate exercise	495	(138)	(357)	-	Immediate
Total	8,129	(138)	-	7,991	

B9) Material Litigation

There were no material litigations against the Group as at the date of the interim financial report. The directors of the Group do not have any knowledge of any proceeding pending or threatened against the Group which might materially and adversely affect the financial position or business of the Group.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

B10) Borrowings and Debts Securities

	Non-Current RM'000	Current RM'000	Total RM'000
As at 31.03.2022			
<u>Secured</u>			
Finance lease payables	<u>264</u>	<u>41</u>	<u>305</u>
As at 31.03.2021			
<u>Secured</u>			
Finance lease payables	<u>311</u>	<u>45</u>	<u>356</u>
		31.03.2022	31.03.2021
		%	%
The weighted average interest rate are as follows:			
Finance lease payables		<u>2.28%</u>	<u>2.28%</u>
Proportion of borrowing between:			
Fixed interest rates		<u>100%</u>	<u>100%</u>

All the borrowings are denominated in Ringgit Malaysia

B11) Dividend

There was no dividend declared or paid for the current period under review.

**Explanatory Notes Pursuant to the Listing Requirements
For 9 Months Ended 31 March 2022**

B12) Loss per Share

The basic and diluted loss per share are computed as follows: -

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM '000	RM '000	RM '000	RM '000
Loss attributable to the owners of the Company	(4,033)	(2,425)	(16,629)	(3,767)
Weighted average number of Ordinary shares ('000)	2,111,592	1,306,987	2,030,674	659,718
Loss per share (sen):				
Basic and diluted	<u>(0.19)</u>	<u>(0.19)</u>	<u>(0.82)</u>	<u>(0.57)</u>

Note:

The diluted loss per share is equivalent to the basic loss per share as the Company's warrants and share options had an anti-dilutive effect on the basic loss per share.

By Order of the Board

WONG YUET CHYN (MAICSA 7047163)
Company Secretary
Kuala Lumpur
27 May 2022