

## Condensed Unaudited Consolidated Statement of Financial Position As at 31 January 2016

	As at <u>31.01.2016</u> RM'000 (Unaudited)	As at <u>31.01.2015</u> RM'000 (Audited)
<b>Assets</b>		
Property, plant and equipment	90,075	64,057
<b>Total non-current assets</b>	<u>90,075</u>	<u>64,057</u>
Inventories	23,848	22,063
Trade and other receivables	37,330	26,463
Tax recoverable	29	44
Derivative assets	515	-
Fixed deposits	35,040	-
Cash and bank balances	12,848	10,070
<b>Total current assets</b>	<u>109,610</u>	<u>58,640</u>
<b>Total assets</b>	<u>199,685</u>	<u>122,697</u>
<b>Equity</b>		
Share capital	55,879	43,301
Reserves	124,864	52,068
<b>Total equity attributable to owners of the parent</b>	<u>180,743</u>	<u>95,369</u>
<b>Liabilities</b>		
Loans and borrowings	-	24
Deferred tax liabilities	1,394	1,622
<b>Total non-current liabilities</b>	<u>1,394</u>	<u>1,646</u>
Trade and other payables	17,548	22,303
Derivatives liabilities	-	174
Amount owing to a director	-	36
Loans and borrowings	-	3,169
<b>Total current liabilities</b>	<u>17,548</u>	<u>25,682</u>
<b>Total liabilities</b>	<u>18,942</u>	<u>27,328</u>
<b>Total equity and liabilities</b>	<u>199,685</u>	<u>122,697</u>
Net assets per share attributable to owners of the parent (sen)	32	22

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2015.

**Condensed Unaudited Consolidated Statement of Comprehensive Income**  
**Quarterly report on unaudited consolidated results**  
**For the financial period ended 31 January 2016**

	<b>3 months quarter ended <u>31.01.2016</u> RM'000 (Unaudited)</b>	<b>3 months quarter ended <u>31.01.2015</u> RM'000 (Unaudited)</b>	<b>Cumulative 12 months <u>31.01.2016</u> RM'000 (Unaudited)</b>	<b>Cumulative 12 months <u>31.01.2015</u> RM'000 (Unaudited)</b>
Revenue	58,638	41,998	229,838	155,217
Cost of sales	<u>(47,681)</u>	<u>(39,213)</u>	<u>(195,967)</u>	<u>(145,375)</u>
Gross profit	10,957	2,785	33,871	9,842
Other operating income	896	2,435	1,969	3,035
Selling expenses	(986)	(680)	(2,933)	(2,067)
Administrative expenses	(3,666)	(1,946)	(9,462)	(6,740)
Finance costs	(82)	(6)	(158)	(37)
Profit before taxation	<u>7,119</u>	<u>2,588</u>	<u>23,287</u>	<u>4,033</u>
Taxation	<u>103</u>	<u>80</u>	<u>198</u>	<u>224</u>
Net profit for the financial period	7,222	2,668	23,485	4,257
Other comprehensive profit for the financial period, net of tax	<u>416</u>	<u>722</u>	<u>957</u>	<u>722</u>
Total comprehensive profit for the financial period	<u>7,638</u>	<u>3,390</u>	<u>24,442</u>	<u>4,979</u>
Profit attributable to: Owners of the parent	<u>7,222</u>	<u>2,668</u>	<u>23,485</u>	<u>4,257</u>
Total comprehensive profit attribute to: Owners of the parent	<u>7,638</u>	<u>3,390</u>	<u>24,442</u>	<u>4,979</u>
Profit per ordinary share attributable to owners of the parent (cent)				
- Basic	1.29	0.62	4.20	0.98
- Diluted	1.29	0.62	4.20	0.98

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2015.

**Condensed Unaudited Consolidated Statement of Changes in Equity  
For the financial period ended 31 January 2016**

	Attributable to owners of the parent						Distributable Accumulated Profit/(Losses) RM'000	Total RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Share-based Option Reserve RM'000	Share Premium RM'000	Warrant Reserves RM'000	Other Reserves RM'000		
At 1 February 2015	43,301	10,776	4,489	11,121	10,609	11,319	3,754	95,369
Profit net of tax	-	-	-	-	-	-	23,485	23,485
Transferred to accumulated profit upon expiry of Warrants 2010/2015	-	-	-	-	(235)	-	235	-
Realisation of revaluation reserve	-	(721)	-	-	-	-	721	-
Total comprehensive income for the financial year	-	(721)	-	-	(235)	-	24,441	23,485
Exercise of Warrants 2010/2015	11,578	-	-	56,685	(10,374)	-	-	57,889
Second tranche subscription shares pursuant to Advanced Capitalisation	1,000	-	(1,448)	4,448	-	-	-	4,000
At 31 Jan 2016	55,879	10,055	3,041	72,254	-	11,319	28,195	180,743
At 1 February 2014	118,405	11,498	-	-	10,609	11,319	(115,520)	36,311
Profit net of tax	-	-	-	-	-	-	4,258	4,258
Realisation of revaluation reserve	-	(722)	-	-	-	-	722	-
Total comprehensive income for the financial year	-	(722)	-	-	-	-	4,980	4,258
First tranche subscription shares pursuant to Advanced Capitalisation	44,800	-	8,110	-	-	-	(8,110)	44,800
Par value reduction and consolidation of shares	(122,404)	-	-	-	-	-	122,404	-
Second tranche subscription shares pursuant to Advanced Capitalisation	2,500	-	(3,621)	11,121	-	-	-	10,000
At 31 January 2015	43,301	10,776	4,489	11,121	10,609	11,319	3,754	95,369

The Condensed Unaudited Consolidated Statement Of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2015.

**Condensed Unaudited Consolidated Statement of Cash Flow**  
**For the financial period ended 31 January 2016**

	<b>12 months ended 31.01.2016 RM'000 (Unaudited)</b>	<b>12 months ended 31.01.2015 RM'000 (Unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	23,287	4,033
Adjustments for:		
Non-cash items	5,710	5,328
Interest expense	158	37
Interest income	(416)	(100)
Operating profit before working capital changes	<u>28,739</u>	<u>9,298</u>
Changes in working capital:		
Net change in current assets	(12,867)	(9,941)
Net change in current liabilities	(7,905)	(516)
Cash generated from/(used in) operations	7,967	(1,159)
Interest paid	(148)	(33)
Interest received	416	100
Tax refund	40	13
Tax paid	(54)	(12)
<b>Net cash generated from/(used in) operating activities</b>	<b><u>8,221</u></b>	<b><u>(1,091)</u></b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(32,214)	(17,948)
Proceeds from disposal of property, plant and equipment	11	72
<b>Net cash used in investing activities</b>	<b><u>(32,203)</u></b>	<b><u>(17,876)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from second tranche subscription shares	4,000	10,000
Exercise of Warrants 2010/2015	57,889	-
Repayment to a director	(36)	-
Repayment of hire purchase	(43)	(19)
Interest paid	(10)	(4)
<b>Net cash generated from financing activities</b>	<b><u>61,800</u></b>	<b><u>9,977</u></b>
Net changes in cash and cash equivalents	37,818	(8,990)
Cash and cash equivalents at beginning of the financial year	<u>10,070</u>	<u>19,060</u>
<b>Cash and cash equivalents at end of the financial year</b>	<b><u>47,888</u></b>	<b><u>10,070</u></b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	12,848	10,070
Fixed deposits	35,040	-
	<b><u>47,888</u></b>	<b><u>10,070</u></b>

The Condensed Unaudited Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2015.

## Notes to the unaudited interim financial report

### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2015. These interim financial statements contain selected explanatory notes which provide explanations of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Company.

### 2. Summary of Significant accounting Policies

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 January 2015.

#### 2.1 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations (“IC Int”)

##### (a) Adoption of New, Amendments/Improvements to MFRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:-

##### Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

##### New IC Int

IC Int 21	Levies
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The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

## 2. Summary of Significant accounting Policies (Continued)

### ***Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements***

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

### ***Amendments to MFRS 132 Financial Instruments: Presentation***

Amendments to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’, that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. This Amendments only impacts the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

### ***Amendments to MFRS 136 Impairment of Assets***

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

### ***Amendments to MFRS 139 Financial Instruments: Recognition and Measurement***

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are

consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

**2. Summary of Significant accounting Policies (Continued)**

*IC Int 21 Levies*

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached. The adoption of IC Int 21 has no significant impact to the financial statements of the Group and of the Company.

**3. Audit qualifications**

The auditors' reports on the financial statements of the Company for the financial year ended 31 January 2015 were not subject to any qualification.

**4. Seasonal or cyclical factors**

The Group's operations were not affected by seasonal or cyclical factors.

**5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial year to date because of their nature, size, or incidence.

**6. Changes in estimates**

There were no significant changes in financial estimates reported in prior years that would materially affect the current year report.

## 7. Debt and equity securities

	Number of shares	
	Units	RM
Ordinary shares of RM 0.10 each		
Issued and fully paid:		
At 1st February 2015	433,013,080	43,301,308
Exercise of Warrants 2010/2015	115,777,363	11,577,736
2nd Tranche Subscription shares	10,000,000	1,000,000
At 31st January 2016	<u>558,790,443</u>	<u>55,879,044</u>

There were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellations, shares held as treasury shares and resale of treasury shares for the current financial year.

During the financial year, the following transactions were completed:

- (i) On 22nd December 2015, the Company increased its issued and paid-up capital by the allotment of 5,000,000 ordinary shares of RM 0.10 per share at RM 0.40 per share, being the Second Tranche Subscription Shares pursuant to the Advance Capitalisation Agreement.
- (ii) On 23rd December 2015, the Company increased its issued and paid-up capital by the allotment of 5,000,000 ordinary shares of RM 0.10 per share at RM 0.40 per share, being the Second Tranche Subscription Shares pursuant to the Advance Capitalisation Agreement.
- (iii) As at 30th December 2015, 115.8 million of warrants were exercised and converted into ordinary shares of RM 0.10 per shares, which contributed to 97.8% of the total warrants granted.

The new ordinary shares issued during the financial year ranked pari passu with the existing shares of the Company.

During the financial year, the Company did not issue any debentures.

## 8. Operating segments

The Group's operating segments for the 12 months period ended 31 January 2016 are as follows:

	<u>Manufacturing</u>	<u>Investment holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Total	228,062	-	23,863	251,925
Inter segment	(22,087)	-	-	(22,087)
External	<u>205,975</u>	<u>-</u>	<u>23,863</u>	<u>229,838</u>
<b>Results</b>				
Segment profit / (loss)	29,301	(765)	688	29,224
Interest Income				416
Finance costs				(158)
Depreciation				(6,189)
Property, plant and equipment written off				(6)
Profit before taxation				<u>23,287</u>
Taxation				198
Net profit for the period				<u><u>23,485</u></u>

The Group's operating segments for the 12 months period ended 31 January 2015 is as follows:

	<u>Manufacturing</u>	<u>Investment Holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Total	155,052	-	7,273	162,325
Inter segment	(7,108)	-	-	(7,108)
External	<u>147,944</u>	<u>-</u>	<u>-</u>	<u>155,217</u>
<b>Results</b>				
Segment profit / (loss)	11,377	(926)	(233)	10,218
Interest Income				100
Finance costs				(37)
Depreciation				(5,267)
Property, plant and equipment written off				(981)
Profit before taxation				<u>4,033</u>
Taxation				224
Net profit for the period				<u><u>4,257</u></u>

## 9. Property, plant and equipment

Property, plant and equipment are stated at valuation/cost less accumulated depreciation and impairment losses. During the current period, plant & machinery, factory buildings and lands are carried at valuation less impairment.

## 10. Material Events

A subsidiary, named Comfort Rubber Gloves Industries Sdn. Bhd. has temporarily ceased its business operations on 4th March 2016 due to a fire outbreak on the new constructed warehouse. Subsequently, the Company resumed its business operations on 7th March 2016. The expected loss for this incident is RM 14.4 million, which would be recovered from insurance claim. Hence, the Group does not foresee any material impact on the financial statement due to this incident.

## 11. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial year to-date.

## 12. Contingent assets and contingent liabilities

The Company does not have any material contingent assets and contingent liabilities for the current financial period.

## 13. Capital Commitments

As at 31 January 2016, the Company is not aware of any material commitments contracted or known to be contracted by the Group, which upon becoming enforceable may have a material impact on the profits or net assets of the Group:

	RM' 000
Property, plant and equipment	
- approved and contracted for	1,240
- approved but not contracted for	21,318
	<u>22,558</u>

The approved and contracted for capital commitments are in relation to the construction of a 3-storey integrated examination glove manufacturing facility.

#### **14. Review of performance**

The Group registered sales revenue of RM 58.6 million this quarter, a 40% increase compared to 4<sup>th</sup> Quarter in the FYE 2015, leading to a net profit rise of 171%.

Current financial year's revenue increased by 48% as compared to last financial year. The Group have significantly increased the gross profit by 8.4% from 6.3% to 14.7%, leading to a higher net profit of RM 23.5 million, which is a 450% increase compared to last financial year. The contribution was mainly from stronger marketing strategy and improved product mix that maximised profit generation.

#### **15. Variation of results against preceding quarter**

The Group's revenue dropped by 4.3% as compared to the preceding quarter mainly due to seasonal slowdown in western countries. The Group has aggressively reduced the cost of sales by better negotiation of raw material price and enforcement of cost saving programme. Hence, the lower cost of production enabling the Group to maintain a favourable net profit.

#### **16. Current year prospects**

The Group foresees rationalisation of the overall rubber gloves industry. However, the Group sees increasing customers' demand on speciality gloves. The Group has built up a strong reputation in diversifying gloves into different colours, sizes and textures to suit the usages and preferences of diverse range of industry.

The new expansion plan of 10 gloves manufacturing lines are in progress and it is expected to be completed in end of December 2016. The Group plan to run 4 of the production lines by mid of April 2016. The new lines will bring up the total production lines to 39, which lead to at least 35% increase in production.

#### **17. Profit forecast or profit guarantee**

The Group did not publish any profit forecast or issue any profit guarantee during the reporting year.

## 18. Taxation

	3 months ended <u>31.01.16</u>	Cumulative 12 months ended <u>31.01.16</u>
Deferred taxation	133	198
Taxation expenses	<u>(30)</u>	<u>-</u>
	<u>103</u>	<u>198</u>

## 19. Profit before taxation

This is arrive at after crediting/(charging):

	3 months ended <u>31.01.16</u> (RM'000)	3 months ended <u>31.01.15</u> (RM'000)	Cumulative 12 months ended <u>31.01.16</u> (RM'000)	Cumulative 12 months ended <u>31.01.15</u> (RM'000)
Interest income	275	21	416	100
Interest expense	(82)	(6)	(158)	(37)
Depreciation	(1,683)	(1,267)	(6,189)	(5,267)
Gain/ (Loss) on Foreign Exchange:				
- realised	304	914	289	1,114
- unrealised	(1,981)	1,354	(1,037)	1,354
Fair value gain/(loss) on derivatives	991	(174)	690	(174)
Plant and equipment written off	(6)	(951)	(6)	(981)
Gain on disposal of non-current assets	-	-	10	72
Allowance for doubtful debts	(215)	-	(215)	-

Save as above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

## 20. Landed properties

There was no disposal of any landed properties for the current financial year.

## 21. Quoted investment

There were no purchases or sales of quoted securities for the current financial year.

## 22. Status of corporate proposal announced

There were no corporate proposal announced after the upliftment from being classified as a PN17 company since the second quarter of the financial year.

## 23. Borrowings

The Group have the following borrowings as at 31 January 2016.

	<u>31.01.16</u>	<u>31.01.15</u>
	RM'000	RM'000
Secured:		
Short term borrowings	-	3,169
Long term borrowings	-	24
	<u>-</u>	<u>3,193</u>

## 24. Material litigation

The Group is not aware of any material litigation that may have significant impact to the Group's profit.

## 25. Retained earnings

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings as at the end of the reporting year, into realised and unrealised profits or losses.

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<u>31.01.16</u>	<u>31.01.15</u>
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	20,636	70,751
- Unrealised	316	2,076
Consolidated adjustments	<u>7,243</u>	<u>(69,074)</u>
Total accumulated gain as per statement of financial position	<u>28,195</u>	<u>3,753</u>

The determination of realised and unrealised profits / (losses) is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits / (losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for other purposes.

## 26. Dividend Payable

The Directors do not recommend any payment of dividend for the current financial year to-date.

## 27. Earnings per share

	3 months ended <u>31.01.16</u>	3 months ended <u>31.01.15</u>	Cumulative 12 months ended <u>31.01.16</u>	Cumulative 12 months ended <u>31.01.15</u>
Net profit for the year (RM'000)	7,222	2,668	23,485	4,257
Weighted average no. of ordinary shares for basic earnings per share computation ('000)	558,790	433,013	558,790	433,013
Earnings per ordinary share attributable to owners of the parent (cent)				
- Basic	1.29	0.62	4.20	0.98
- Diluted	1.29	0.62	4.20	0.98

The diluted earnings per share is the same as basic earnings per share as the exercise price of warrants is above the average market price of the ordinary shares during the financial period.