

Condensed Unaudited Consolidated Statement of Financial Position As At 30 April 2019

	As at 30.04.2019 RM'000 (Unaudited)	As at 31.01.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	246,720	236,324
Goodwill on consolidation	22	22
Total non-current assets	246,742	236,346
Current assets		
Inventories	76,515	83,191
Trade receivables	102,286	98,799
Other receivables, deposits and prepayments	9,514	12,787
Tax recoverable	537	251
Derivative financial assets	-	329
Cash and cash equivalents	9,552	23,372
Total current assets	198,404	218,729
TOTAL ASSETS	445,146	455,075
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	131,544	131,544
Reserves	154,723	146,312
Total equity attributable to owners of the Company	286,267	277,856
Non-current liability		
Loans and borrowings	29,345	25,922
Deferred tax liabilities	18,250	16,106
Total non-current liability	47,595	42,028
Current liabilities		
Loans and borrowings	53,087	64,236
Trade payables	40,906	54,252
Other payables and accruals	16,133	15,409
Contract liability	969	969
Provision for taxation	-	325
Derivative financial liabilities	189	-
Total current liabilities	111,284	135,191
Total LIABILITIES	158,879	177,219
TOTAL EQUITY AND LIABILITIES	445,146	455,075
Net assets per share attributable to owners of the company (sen)	51	49

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 2019.

Condensed Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income For the First Quarter Ended 30 April 2019

	Current Quarter Ended <u>30.04.2019</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.04.2018</u> RM'000 (Unaudited)	Current YTD Ended <u>30.04.2019</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.04.2018</u> RM'000 (Unaudited)
Revenue	119,956	106,583	119,956	106,583
Cost of sales	(103,557)	(92,726)	(103,557)	(92,726)
Gross profit	16,399	13,857	16,399	13,857
Other income	828	2,675	828	2,675
Selling and marketing expenses	(1,789)	(2,501)	(1,789)	(2,501)
Administrative expenses	(3,830)	(4,116)	(3,830)	(4,116)
Operating profit	11,608	9,915	11,608	9,915
Finance costs	(1,053)	(228)	(1,053)	(228)
Profit before tax	10,555	9,687	10,555	9,687
Income tax expense	(2,144)	(2,341)	(2,144)	(2,341)
Profit for the period	8,411	7,346	8,411	7,346
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	8,411	7,346	8,411	7,346
Profit attributable to:				
Owners of the company	8,411	7,346	8,411	7,346
Earnings per ordinary share attributable to owners of the company (sen)				
- Basic	1.50	1.31	1.50	1.31
- Diluted	1.44	1.20	1.44	1.20

The Condensed Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2019.

Condensed Unaudited Consolidated Statement of Changes in Equity For the First Quarter Ended 30 April 2019

	← Attributable to Owners of the Company →					Total Equity RM'000
	Share Capital RM'000	Share-based Option Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
<u>3 Months Ended 30 April 2019</u>						
At 1 February 2019	131,544	3,041	11,319	20,567	111,385	277,856
Profit net of tax and total comprehensive income for the financial period	-	-	-	-	8,411	8,411
Realisation of revaluation reserve	-	-	-	(169)	169	-
At 30 April 2019	131,544	3,041	11,319	20,398	119,965	286,267
<u>3 Months Ended 30 April 2018</u>						
At 1 February 2018	142,863	3,041	-	8,813	90,693	245,410
Profit net of tax and total comprehensive income for the financial period	-	-	-	-	7,346	7,346
Realisation of revaluation reserve	-	-	-	(76)	76	-
At 30 April 2018	142,863	3,041	-	8,737	98,115	252,756

Note 25

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 2019.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 30 April 2019**

	Current YTD Ended <u>30.04.2019</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.04.2018</u> RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	10,555	9,687
Adjustments for:		
Net fair value loss on derivatives	518	1,447
Property, plant and equipment - depreciation	4,789	3,535
Interest expense	1,053	228
Interest income	(33)	(171)
Operating profit before changes in working capital	<u>16,882</u>	<u>14,726</u>
Changes in working capital:		
Inventories	6,675	(9,081)
Receivables	(214)	(374)
Payables	(12,622)	5,518
Net cash generated from operations	<u>10,721</u>	<u>10,789</u>
Income tax paid	(610)	(86)
Interest received	33	171
Interest paid	(1,053)	(228)
Net cash flow generated from operating activities	<u>9,091</u>	<u>10,646</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,185)	(13,908)
Net cash flows used in investing activities	<u>(15,185)</u>	<u>(13,908)</u>
Cash flows from financing activities		
Net changes in bill payables	(11,149)	10,785
Term loan financing	3,423	-
Net cash flows (used in)/from financing activities	<u>(7,726)</u>	<u>10,785</u>
Net changes in cash and cash equivalents	(13,820)	7,523
Cash and cash equivalents at beginning of the financial year	<u>23,372</u>	<u>28,626</u>
Cash and cash equivalents at end of the financial period	<u>9,552</u>	<u>36,149</u>
Cash and cash equivalents comprise:		
Cash and bank balances	8,652	24,758
Fixed and short term deposits placed with licensed banks	900	11,391
	<u>9,552</u>	<u>36,149</u>

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2019.

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, 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 2019. 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 Group.

The significant accounting policies adopted are consistent with the audited financial statements for the financial year ended 31 January 2019.

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

New MFRSs

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs

MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 128	Investments in Associates and Joint Ventures
MFRS 140	Investment Property

New IC Int

IC Int 22	Foreign Currency Transactions and Advance Consideration
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MFRS 9 Financial Instruments

MFRS 9 replaced the guidance of MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liabilities, on impairment of financial assets, and on hedge accounting.

MFRS 9 introduces an approach for classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which an asset is held.

1. Basis of preparation (Cont'd)

MFRS 9 Financial Instruments (Cont'd)

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses which replaced the "incurred loss" model in MFRS 139. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised. Trade receivables and contract assets that do not contain a significant financing component shall always measure the loss allowance at an amount equal lifetime expected credit losses.

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- (i) identify the contracts with a customer;
- (ii) identify the performance obligation in the contract;
- (iii) determine the transaction price;
- (iv) allocate the transaction price to the performance obligations in the contract; and
- (v) recognise revenue when (or as) the entity satisfies a performance obligation.

1. Basis of preparation (Cont'd)

MFRS 15 Revenue from Contracts with Customers (Cont'd)

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

(i) Accounting for rights for refund

When the customer has a right to return the product within a given period, revenue was previously recognised in full and a provision was recorded for the expected return. Under MFRS 15, revenue is accounted for as a variable consideration and adjusted for the expected value of returns and revenue is adjusted for the value of the corresponding goods expected to be returned. Therefore, a contract liability (refund liabilities) for the expected refund to customer and a refund asset relating to the right to return product from the customer (right of return asset) when customer exercises the right of return are recognised.

(ii) Accounting for trade discounts

The Group provides trade discounts to the customers for the bulk volume purchases, quality dispute and defect of the products. The discounts are offset against amounts payable by the customer.

When the customer is entitled to the trade discounts, revenue was previously recognised in full and a provision was recorded for the expected future discounts. Under MFRS 15, revenue is accounted for as a variable consideration and adjusted for the expected value of discounts to be given and revenue is adjusted for the expected trade discount. Therefore, a refund liability for the expected future discounts are recognised.

1. Basis of preparation (Cont'd)

Amendments to MFRS 2 Share-Based Payment

Amendments to MFRS 2 provide specific guidance on the accounting for:

- (a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- (b) share-based payment transactions with a net settlement feature for withholding tax obligations; and
- (c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of the above new MFRSs, amendments/improvements to MFRSs and the abovementioned adoptions did not have any significant effect on the financial statements of the Group, and did not result in significant changes to the Group's existing accounting policies.

2. Audit qualifications

The auditors' reports on the financial statements of the Group for the financial year ended 31 January 2019 were not subject to any qualification.

3. Seasonal or cyclical factors

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

4. 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.

5. Changes in estimates

There were no significant changes in financial estimates reported in prior years that would materially affect the current year report except as disclosed in Note 1 due to adoption of new accounting standards.

6. Debts and equity securities

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

7. Contingent assets and contingent liabilities

There were no contingent assets and liabilities since the last financial year.

8. Property, plant and equipment

Property, plant and equipment are stated at valuation or cost less accumulated depreciation and impairment losses.

9. Material Events

There were no material events that may materially impact the financial results of the current financial year to date.

10. Changes in composition of the Group

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

11. Operating segments

The Group's operating segments for the 3 months period ended 30 April 2019:

	Manufacturing RM'000	Investment Holding RM'000	Others RM'000	Inter- Segment RM'000	Total RM'000
Revenue					
Revenue from external customers	109,874	-	9,782	-	119,656
Inter segment revenue	9,092	300	-	(9,392)	-
Total revenue	<u>118,966</u>	<u>300</u>	<u>9,782</u>	<u>(9,392)</u>	<u>119,656</u>
Results					
Segment profit/(loss)	17,569	(925)	(280)	-	16,364
Interest income					33
Interest expense					(1,053)
Depreciation					(4,789)
Profit before tax					<u>10,555</u>
Taxation					<u>(2,144)</u>
Net profit for the period					<u><u>8,411</u></u>

The Group's operating segments for the 3 months period ended 30 April 2018:

	Manufacturing RM'000	Investment Holding RM'000	Others RM'000	Inter- Segment RM'000	Total RM'000
Revenue					
Revenue from external customers	92,552	-	14,031	-	106,583
Inter segment revenue	13,016	300	-	(13,316)	-
Total revenue	<u>105,568</u>	<u>300</u>	<u>14,031</u>	<u>(13,316)</u>	<u>106,583</u>
Results					
Segment profit /(loss)	13,668	161	(550)	-	13,279
Interest income					171
Interest expense					(228)
Depreciation					(3,535)
Profit before tax					<u>9,687</u>
Taxation					<u>(2,341)</u>
Net profit for the period					<u><u>7,346</u></u>

12. Review of performance

	1st Quarter Ended			Year to Date Ended		
	30.04.2019 (1QYE20)	30.04.2018 (1QYE19)	Changes	30.04.2019 (1QYE20)	30.04.2018 (1QYE19)	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	119,956	106,583	13%	119,956	106,583	13%
Gross profit	16,399	13,857	18%	16,399	13,857	18%
Operating profit	11,608	9,915	17%	11,608	9,915	17%
Profit before tax	10,555	9,687	9%	10,555	9,687	9%
Profit after tax	8,411	7,346	14%	8,411	7,346	14%
Profit attributable to Owners of the Company	8,411	7,346	14%	8,411	7,346	14%
Net profit margin	7%	7%		7%	7%	

As compared to quarter 1QYE19, the quarterly sales revenue was higher by 13% from RM106.6million to RM120.0million in quarter 1QYE20. This was mainly due to increase in sales.

The profit after tax increased by RM1.1million, i.e. 14% due to higher revenue. The net profit margin was maintained at 7%.

13. Variation of results against preceding quarter

	Quarter Ended		
	30.04.2019 (1QYE20)	31.01.2019 (4QYE19)	Changes
	RM'000	RM'000	%
Revenue	119,956	130,550	-8%
Gross profit	16,399	14,141	16%
Operating profit	11,608	11,099	5%
Profit before tax	10,555	10,366	2%
Profit after tax	8,411	9,386	-10%
Profit attributable to owners of the Company	8,411	9,386	-10%
Net profit margin	7%	7%	

The sales revenue decreased by 8% as compared to 4QYE19. However, the profit before tax increased by 2% as higher profit generated from sales of speciality gloves. The profit after tax dropped by 10% due to higher tax provided in 1QYE20.

14. Current year prospects

Our emphasis on natural and synthetic premium speciality gloves will continue to provide us opportunities for growth and improvement. However, it will not mitigate us from volatility in raw materials or increased energy cost from subsidy rationalisation. The Group will continue to emphasise research and development as the key method to expand the market offerings and grow our sales.

Prospects for the rubber glove manufacturing sector remain strong with increasing demand arising from switching trends towards nitrile glove. As overall demand for nitrile gloves increases, the market is seeing increase segmentation and differentiation leading to an increase demand for specialty gloves. Through dedication to process rationalisation and improving operational agility, the Group is confident in capturing greater market share and strengthening margins. We believe that meeting customer expectations and continuous innovation will strengthen the Group position as the bespoke specialty glove manufacturer.

15. Profit forecast or profit guarantee

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

16. Profit before taxation

This was arrived at after crediting/(charging):

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

	3 months ended 30.04.2019 RM'000	3 months ended 30.04.2018 RM'000	YTD ended 30.04.2019 RM'000	YTD ended 30.04.2018 RM'000
Interest income	33	171	33	171
Interest expense	(1,053)	(228)	(1,053)	(228)
Depreciation	(4,789)	(3,535)	(4,789)	(3,535)
Gain/(Loss) on Foreign Exchange:				
realised	744	1,102	744	1,102
unrealised	(43)	1,405	(43)	1,405
Fair value gain/(loss) on derivatives	(518)	(1,447)	(518)	(1,447)

17. Capital Commitments

As at 30 April 2019, the Group was 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:

	YTD Ended 30.04.2019 RM'000
Property, plant and equipment	
- approved and contracted for	6,996
- approved but not contracted for	25,634
	<u>32,630</u>

The capital commitments were in relation to the construction of a water treatment plant, solar system, a warehouse and a production plant consisting of 6 production lines in addition to auxiliary and ancillary equipment.

18. Taxation

	YTD Ended 30.04.2019 RM'000	YTD Ended 31.01.2019 RM'000
Deferred taxation	(2,144)	(6,082)
Taxation	-	(1,458)
	<u>(2,144)</u>	<u>(7,540)</u>

19. Derivative financial assets

	Year Ended 30.04.2019		Year Ended 31.01.2019	
	Contract Amount RM'000	Liabilities RM'000	Contract Amount RM'000	Assets RM'000
Non-hedging derivative:				
Forward exchange contracts	<u>25,871</u>	<u>(189)</u>	<u>20,574</u>	<u>329</u>

The Group use forward exchange contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

19. Derivative financial assets (Cond't)

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's sales denominated in USD. The forward exchange contracts have maturities of not more than 6 months.

During the financial period, the Group recognised a loss of RM0.5million arising from fair value changes of derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

20. Quoted investment

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

21. Status of corporate proposal announced

There were no corporate proposal announced since the last financial year.

22. Borrowings

The Group have the following borrowings as at 30 April 2019:

	YTD Ended 30.04.2019 RM'000	YTD Ended 31.01.2019 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	29,345	25,922
Current:		
Secured		
- Bill payables (USD denominated)	26,144	34,413
- Bill payables (RM denominated)	25,685	28,565
- Term Loan (RM denominated)	1,258	1,258
	<u>53,087</u>	<u>64,236</u>
	<u>82,432</u>	<u>90,158</u>

23. Material litigation

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

24. Dividend Payable

A final single tier dividend of 1.5 sen per ordinary share, in respect of the financial year ended 31 January 2019 has been recommended by the Directors which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

25. Share Capital

The Group's share capital as at 30 April 2019 is as follow:

	YTD Ended 30.04.2019	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Feb 2019/30 April 2019	<u>561,949</u>	<u>131,544</u>

26. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit net of tax for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period or year.

Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share.

	3 months ended 30.04.2019	3 months ended 30.04.2018	YTD ended 30.04.2019	YTD ended 30.04.2018
Profit attributable to owners of the Company (RM'000)	8,411	7,346	8,411	7,346
Weighted average number of ordinary shares for basic earnings per share ('000)	561,949	561,949	561,949	561,949
Basic earnings per ordinary share (sen)	1.50	1.31	1.50	1.31

26. Earnings Per Share (Cont'd)**(b) Diluted earnings per share**

Diluted earnings per share are based on the profit for the financial period or year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, calculated as follows:

	3 months ended 30.04.2019	3 months ended 30.04.2018	YTD ended 30.04.2019	YTD ended 30.04.2018
Profit attributable to owners of the Company (RM'000)	8,411	7,346	8,411	7,346
Weighted average number of ordinary shares for basic earnings per share ('000)	561,949	561,949	561,949	561,949
Effect of dilution from: - Share options ('000)	<u>21,000</u>	<u>51,813</u>	<u>21,000</u>	<u>51,813</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>582,949</u>	<u>613,762</u>	<u>582,949</u>	<u>613,762</u>
Diluted earnings per per ordinary share (sen)	1.44	1.20	1.44	1.20