Condensed Unaudited Consolidated Statement of Financial Position
As At 31 July 2019

	As at 31.07.2019 RM'000 (Unaudited)	As at 31.01.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	250,053	236,324
Goodwill on consolidation	22	22
Total non-current assets	250,075	236,346
Current assets		
Inventories	76,977	83,191
Trade receivables	98,312	98,799
Other receivables, deposits and prepayments	8,722	12,787
Tax recoverable	863	251
Derivative financial assets	162	329
Cash and cash equivalents	23,833	23,372
Total current assets	208,869	218,729
TOTAL ASSETS	458,944	455,075
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	131,544
Reserves	158,798	146,312
TOTAL EQUITY	301,783	277,856
Non-current liability		
Loans and borrowings	29,158	25,922
Deferred tax liabilities	19,547	16,106
Total non-current liability	48,705	42,028
Current liabilities		
Loans and borrowings	57,725	64,236
Trade payables	37,712	54,252
Other payables and accruals	12,836	15,409
Contract liability	183	969
Provision for taxation	-	325
Total current liabilities	108,456	135,191
TOTAL LIABILITIES	157,161	177,219
TOTAL EQUITY AND LIABILITIES	458,944	455,075
Net assets per share attributable to owners of the company (sen)	52	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 Second Quarter Ended 31 July 2019

	Current Quarter Ended 31.07.2019 RM'000 (Unaudited)	Corresponding Quarter Ended 31.07.2018 RM'000 (Unaudited)	Current YTD Ended 31.07.2019 RM'000 (Unaudited)	Corresponding YTD Ended 31.07.2018 RM'000 (Unaudited)
Revenue	117,636	109,811	237,592	216,394
Cost of sales	(103,778)	(95,673)	(207,335)	(188,399)
Gross profit	**13,858**	**14,138**	**30,257**	**27,995**
Other income	4	2,219	832	4,894
Selling and marketing expenses	(1,509)	(6,281)	(3,298)	(8,782)
Administrative expenses	(3,025)	(4,542)	(6,855)	(8,658)
Operating profit	**9,328**	**5,534**	**20,936**	**15,449**
Finance costs	(917)	(191)	(1,970)	(419)
Profit before tax	**8,411**	**5,343**	**18,966**	**15,030**
Income tax expense	(1,295)	(1,248)	(3,439)	(3,589)
Profit for the period	**7,116**	**4,095**	**15,527**	**11,441**
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**7,116**	**4,095**	**15,527**	**11,441**
Profit attributable to:				
Owners of the Company	**7,116**	**4,095**	**15,527**	**11,441**
Earnings per ordinary share attributable to owners of the Company (sen) (Note 26)				
- Basic	**1.26**	**0.73**	**2.74**	**2.04**
- Diluted	**1.26**	**0.67**	**2.74**	**1.86**

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 Second Quarter Ended 31 July 2019

	Attributable to Owners of the Company					
	Share Capital RM'000	**Share-based Option Reserve RM'000**	**Other Reserve RM'000**	**Revaluation Reserve RM'000**	**Retained Earnings RM'000**	**Total Equity RM'000**
6 Months Ended 31 July 2019						
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	-	-	-	-	15,527	15,527
Second tranche subscription shares pursuant to Advance Capitalisation	11,441	(3,041)	-	-	-	8,400
Realisation of revaluation reserve	-	-		(338)	338	-
At 31 July 2019	142,985	-	11,319	20,229	127,250	301,783
	Note 25					
6 Months Ended 31 July 2018						
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	-	-	-	-	11,441	11,441
Revaluation of property	-	-	-	12,860	-	12,860
Employees' share option	-	1,524	-	-	-	1,524
Realisation of revaluation reserve	-	-	-	(153)	153	-
At 31 July 2018	142,863	4,565	-	21,520	102,287	271,235

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 31 July 2019

	Current YTD Ended 31.07.2019 RM'000 (Unaudited)	Corresponding YTD Ended 31.07.2018 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	18,966	15,030
Adjustments for:		
Net fair value loss on derivatives	168	2,591
Property, plant and equipment		
- (gain)/ loss on disposal	(2)	(10)
- depreciation	10,309	7,212
Employees' share option	-	1,524
Interest expense	1,970	419
Interest income	(93)	(310)
Operating profit before changes in working capital	31,318	26,456
Changes in working capital:		
Inventories	6,215	(21,987)
Receivables	4,553	(11,600)
Payables	(19,113)	1,007
Contract liability	(786)	-
Net cash generated from/(used in) operations	**22,187**	**(6,124)**
Income tax paid	(963)	(138)
Income tax refund	26	-
Interest received	93	310
Interest paid	(1,970)	(419)
Net cash flow generated from/(used in) operating activities	**19,373**	**(6,371)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,039)	(38,158)
Proceeds from disposal of property, plant and equipment	2	10
Net cash flows used in investing activities	**(24,037)**	**(38,148)**
Cash flows from financing activities		
Proceed from issue of shares	8,400	-
Net changes in bill payables	(8,556)	25,635
Net changes in term loan financing	5,281	-
Net cash flows from financing activities	**5,125**	**25,635**
Net changes in cash and cash equivalents	461	(18,884)
Cash and cash equivalents at beginning of the financial year	23,372	28,626
Cash and cash equivalents at end of the financial period	**23,833**	**9,742**
Cash and cash equivalents comprise:		
Cash and bank balances	22,267	8,295
Fixed and short term deposits placed with licensed banks	1,566	1,447
	23,833	**9,742**

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 Berthed (" 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:

<u>New MFRSs</u>

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

<u>Amendments/Improvements to MFRSs</u>

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

<u>New IC Int</u>

IC Int 22	Foreign Currency Transactions and Advance Consideration

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 MRFSs, 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

On 14 May 2019 and 17 May 2019, the Company issued 13,000,000 and 8,000,000 new ordinary shares respectively at a price of RM0.40 per ordinary share, being the Second Tranche Subscription Shares pursuant to the Advance Capitalisation Agreement. The changes in share capital is disclosed in Note 25.

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 6 months period ended 31 July 2019:

	Manufacturing RM'000	Investment Holding RM'000	Others RM'000	Inter-Segment RM'000	Total RM'000
Revenue					
Revenue from external customers	219,505	-	18,087	-	237,592
Inter segment revenue	16,808	600	-	(17,408)	-
Total revenue	236,313	600	18,087	(17,408)	237,592
Results					
Segment profit/(loss)	30,139	867	144	-	31,150
Interest income					93
Interest expense					(1,970)
Depreciation					(10,309)
Gain on disposal of property, plant and equipment					2
Profit before tax					18,966
Taxation					(3,439)
Net profit for the period					15,527

The Group's operating segments for the 6 months period ended 31 July 2018:

	Manufacturing RM'000	Investment Holding RM'000	Others RM'000	Inter-Segment RM'000	Total RM'000
Revenue					
Revenue from external customers	151,966	-	64,428	-	216,394
Inter segment revenue	59,652	600	-	(60,252)	-
Total revenue	211,618	600	64,428	(60,252)	216,394
Results					
Segment profit /(loss)	18,016	(288)	4,623	-	22,351
Interest income					310
Interest expense					(419)
Depreciation					(7,212)
Profit before tax					15,030
Taxation					(3,589)
Net profit for the period					11,441

12. Review of performance

	2nd Quarter Ended			Year to Date Ended		
	31.07.2019 (2QYE20) RM'000	31.07.2018 (2QYE19) RM'000	Changes %	31.07.2019 (2QYE20) RM'000	31.07.2018 (2QYE19) RM'000	Changes %
Revenue	117,636	109,811	7%	237,592	216,394	10%
Gross profit	13,858	14,138	-2%	30,257	27,995	8%
Operating profit	9,328	5,534	69%	20,936	15,449	36%
Profit before tax	8,411	5,343	57%	18,966	15,030	26%
Profit after tax	7,116	4,095	74%	15,527	11,441	36%
Profit attributable to Owners of the Company	7,116	4,095	74%	15,527	11,441	36%
Net profit margin	6%	4%		7%	5%	

As compared to quarter 2QYE19, the quarterly sales revenue was higher by 7% from RM109.8million to RM117.6million in quarter 2QYE20. This was mainly due to increase in sales. Profit in 2QYE19 was lower due to higher logistic expenses incurred, and hence, profit after tax in 2QYE20 was higher by 74%.

13. Variation of results against preceding quarter

	Quarter Ended		
	31.07.2019 (2QYE20) RM'000	30.04.2019 (1QYE20) RM'000	Changes %
Revenue	117,636	119,956	-2%
Gross profit	13,858	16,399	-15%
Operating profit	9,328	11,608	-20%
Profit before tax	8,411	10,555	-20%
Profit after tax	7,116	8,411	-15%
Profit attributable to owners of the Company	7,116	8,411	-15%
Net profit margin	6%	7%	

The sales revenue decreased by 2% as compared to 1QYE20. The net profit margin was lower by 1% mainly due to gas hike and increase in raw materials costs due to weakening of RM. Hence, the profit after tax dropped by 15% accordingly.

To manage the volatility in the raw materials costs and foreign currency, the Group remains committed to rationalising its operation through continuous efforts to reduce cost.

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 31.07.2019 RM'000	**3 months ended 31.07.2018 RM'000**	**YTD ended 31.07.2019 RM'000**	**YTD ended 31.07.2018 RM'000**
Interest income	60	139	93	310
Interest expense	(917)	(191)	(1,970)	(419)
Depreciation	(5,520)	(3,677)	(10,309)	(7,212)
(Loss)/Gain on Foreign Exchange:				
realised	(56)	889	688	1,991
unrealised	(341)	1,180	(384)	2,582
Fair value gain/(loss) on derivatives	350	(1,144)	(168)	(2,591)
Employees' share option	-	(1,131)	-	(1,524)
Gain/(Loss) on disposal of plant and equipment	2	10	2	10

17. Capital Commitments

As at 31 July 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 31.07.2019 RM'000
Property, plant and equipment	
- approved and contracted for	2,622
- approved but not contracted for	25,836
	28,458

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 31.07.2019 RM'000	YTD Ended 31.01.2019 RM'000
Deferred taxation	(3,440)	(6,082)
Taxation	1	(1,458)
	(3,439)	(7,540)

19. Derivative financial assets

	Year Ended 31.07.2019		Year Ended 31.01.2019	
	Contract Amount RM'000	Assets RM'000	Contract Amount RM'000	Assets RM'000
Non-hedging derivative:				
Forward exchange contracts	21,675	162	20,574	329

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 RM0.17million 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 31 July 2019:

	YTD Ended 31.07.2019 RM'000	YTD Ended 31.01.2019 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	29,158	25,922
Current:		
Secured		
- Bill payables (USD denominated)	31,149	34,413
- Bill payables (RM denominated)	23,273	28,565
- Term Loan (RM denominated)	3,303	1,258
	57,725	64,236
	86,883	90,158

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 had been approved by shareholders at the Annual General Meeting held on 17 July 2019 and paid on 26 September 2019 to depositors who were registered in the Record of Depositors at the close of business on 12 September 2019.

25. Share Capital

On 14 May 2019 and 17 May 2019, the Company issued 13,000,000 and 8,000,000 new ordinary shares respectively at a price of RM0.40 per ordinary share, being the Second Tranche Subscription Shares pursuant to the Advance Capitalisation Agreement.

The Group's share capital as at 31 July 2019 is as follow:

	YTD Ended 31.07.2019	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Feb 2019/31 July 2019	561,949	131,544
Second tranche subscription shares pursuant to Advance Capitalisation	21,000	11,441
	582,949	142,985

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 31.07.2019	3 months ended 31.07.2018	YTD ended 31.07.2019	YTD ended 31.07.2018
Profit attributable to owners of the Company (RM'000)	7,116	4,095	15,527	11,441
Weighted average number of ordinary shares for basic earnings per share ('000)	566,371	561,949	566,371	561,949
Basic earnings per ordinary share (sen)	1.26	0.73	2.74	2.04

26. Earnings Per Share

(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 31.07.2019	3 months ended 31.07.2018	YTD ended 31.07.2019	YTD ended 31.07.2018
Profit attributable to owners of the Company (RM'000)	7,116	4,095	15,527	11,441
Weighted average number of ordinary shares for basic earnings per share ('000)	566,371	561,949	566,371	561,949
Effect of dilution from:				
- Share options ('000)	-	51,813	-	51,813
Weighted average number of ordinary shares for diluted earnings per share ('000)	566,371	613,762	566,371	613,762
Diluted earnings per per ordinary share (sen)	1.26	0.67	2.74	1.86