

Condensed Unaudited Consolidated Statement of Financial Position
As At 30 April 2020

	As at 30.04.2020 RM'000 (Unaudited)	As at 31.01.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	264,970	257,320
Goodwill on consolidation	22	22
Right-of-use asset	13,251	13,338
Total non-current assets	278,243	270,680
Current assets		
Inventories	66,972	64,480
Trade and other receivables	95,210	106,236
Prepayments	3,541	5,639
Tax recoverable	841	874
Derivative financial assets	338	289
Cash and cash equivalents	68,940	34,864
Total current assets	235,842	212,382
TOTAL ASSETS	514,085	483,062
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Reserves	184,048	167,709
TOTAL EQUITY	327,033	310,694
Non-current liabilities		
Loans and borrowings	26,925	27,494
Deferred tax liabilities	29,964	24,217
Total non-current liabilities	56,889	51,711
Current liabilities		
Loans and borrowings	68,652	56,942
Trade and other payables	60,520	62,724
Contract liabilities	991	991
Total current liabilities	130,163	120,657
TOTAL LIABILITIES	187,052	172,368
TOTAL EQUITY AND LIABILITIES	514,085	483,062
Net assets per share attributable to owners of the company (sen)	56	55

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 2020.

**Condensed Unaudited Consolidated Statement of Comprehensive Income
For the First Quarter Ended 30 April 2020**

	Current Quarter Ended <u>30.04.2020</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.04.2019</u> RM'000 (Unaudited)	Current YTD Ended <u>30.04.2020</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.04.2019</u> RM'000 (Unaudited)
Revenue	152,907	119,956	152,907	119,956
Cost of sales	(124,653)	(103,557)	(124,653)	(103,557)
Gross profit	28,254	16,399	28,254	16,399
Other income	769	828	769	828
Selling and marketing expenses	(2,110)	(1,789)	(2,110)	(1,789)
Administrative expenses	(3,613)	(3,830)	(3,613)	(3,830)
Operating profit	23,300	11,608	23,300	11,608
Finance costs	(1,058)	(1,053)	(1,058)	(1,053)
Profit before tax	22,242	10,555	22,242	10,555
Income tax expense	(5,903)	(2,144)	(5,903)	(2,144)
Profit for the period	16,339	8,411	16,339	8,411
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	16,339	8,411	16,339	8,411
Profit attributable to: Owners of the Company	16,339	8,411	16,339	8,411
Total comprehensive income attributable to: Owners of the Company	16,339	8,411	16,339	8,411
Earnings per ordinary share attributable to owners of the Company (sen) (Note 26)				
- Basic	2.80	1.50	2.80	1.50
- Diluted	2.80	1.44	2.80	1.44

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 2020.

Condensed Unaudited Consolidated Statement of Changes in Equity For the First Quarter Ended 30 April 2020

	← 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
<u>3 Months Ended 30 April 2020</u>						
At 1 February 2020	142,985	-	11,319	19,892	136,498	310,694
Profit net of tax and total comprehensive income for the financial period	-	-	-	-	16,339	16,339
Realisation of revaluation reserve	-	-	-	(169)	169	-
At 30 April 2020	142,985	-	11,319	19,723	153,006	327,033
	Note 26					
<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

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 2020.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 30 April 2020**

	Current YTD Ended 30.04.2020 RM'000 (Unaudited)	Corresponding YTD Ended 30.04.2019 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	22,242	10,555
Adjustments for:		
Net fair value (gain)/loss on derivatives	(49)	518
Property, plant and equipment - depreciation	6,308	4,789
Depreciation of right-of-use asset	86	-
Interest expense	1,058	1,053
Interest income	(92)	(33)
Operating profit before changes in working capital	29,553	16,882
Changes in working capital:		
Inventories	(2,492)	6,675
Receivables	13,124	(214)
Payables	(2,204)	(12,622)
Net cash generated from operations	37,981	10,721
Income tax paid	(123)	(610)
Interest received	92	33
Interest paid	(1,058)	(1,053)
Net cash flow generated from operating activities	36,892	9,091
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,957)	(15,185)
Net cash flows used in investing activities	(13,957)	(15,185)
Cash flows from financing activities		
Net changes in bill payables	11,939	(11,149)
Net changes in term loan financing	(798)	3,423
Net cash flows from/(used in) financing activities	11,141	(7,726)
Net changes in cash and cash equivalents	34,076	(13,820)
Cash and cash equivalents at beginning of the financial year	34,864	23,372
Cash and cash equivalents at end of the financial period	68,940	9,552
Cash and cash equivalents comprise:		
Cash and bank balances	66,976	8,652
Short-term investments	1,964	900
	68,940	9,552

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 2020.

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 Main Market Listing Requirements of Bursa Malaysia Securities Berthed.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2020. 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 2020.

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

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

Amendments to MFRS 3 Business Combinations

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Basis of preparation (Cont'd)

The Group have adopted the following new MFRSs, and amendments/improvements to MFRSs that are mandatory for the current financial year: (cont'd)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, and MFRS 7 Financial Instruments: Disclosures

The Malaysian Accounting Standards Board has issued *Interest Rate Benchmark Reform* (Amendments to MFRS 9, MFRS 139 and MFRS 7).

The *Interest Rate Benchmark Reform* amends some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interbank offered rates reform. In applying the amendments, companies would continue to apply those hedge accounting requirements assuming that the interest rate benchmark associated with the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Applying the amendments, entities are not required to apply the MFRS 139 retrospective assessment but continue to apply hedge accounting to a hedging relationship for which effectiveness is outside of the 80–125% range during the period of uncertainty arising from the reform.

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error

The amendments refine the definition by including 'obscuring information' in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

Basis of preparation (Cont'd)

The Group have adopted the following new MFRSs, and amendments/improvements to MFRSs that are mandatory for the current financial year: (cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The adoption of the above new MFRSs, and amendments/improvements to MFRSs did not have any significant impact on the financial statements of the Group.

2. Audit qualifications

The auditors' reports on the financial statements of the Group for the financial year ended 31 January 2020 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.

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 2020:

	Manufacturing	Investment	Others	Inter-	Total
	RM'000	RM'000	RM'000	Segment	RM'000
				RM'000	
Revenue					
Revenue from					
external customers	143,189	-	9,718	-	152,907
Inter segment revenue	9,034	300	-	(9,334)	-
Total revenue	<u>152,223</u>	<u>300</u>	<u>9,718</u>	<u>(9,334)</u>	<u>152,907</u>
Results					
Segment profit/(loss)	29,012	(17)	607	-	29,602
Interest income					92
Interest expense					(1,058)
Depreciation on property, plant and equipment					(6,308)
Depreciation of right-to-use asset					<u>(86)</u>
Profit before tax					22,242
Taxation					<u>(5,903)</u>
Net profit for the period					<u><u>16,339</u></u>

11. Operating segments (Cont'd)

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					<u>(4,789)</u>
Profit before tax					10,555
Taxation					<u>(2,144)</u>
Net profit for the period					<u><u>8,411</u></u>

12. Review of performance

	1st Quarter Ended			Year to Date Ended		
	30.04.2020 (1QYE21)	30.04.2019 (1QYE20)	Changes	30.04.2020 (1QYE21)	30.04.2019 (1QYE20)	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	152,907	119,956	27%	152,907	119,956	27%
Gross profit	28,254	16,399	72%	28,254	16,399	72%
Operating profit	23,300	11,608	101%	23,300	11,608	101%
Profit before tax	22,242	10,555	111%	22,242	10,555	111%
Profit after tax	16,339	8,411	94%	16,339	8,411	94%
Profit attributable to Owners of the Company	16,339	8,411	94%	16,339	8,411	94%
Net profit margin	11%	7%		11%	7%	

As compared to quarter 1QYE20, the current quarterly revenue was higher by RM33 million, or 27% mainly due to increase in sales volume. Profit after tax in 1QYE21 was higher by RM7.9 million, or 94% as compared to 1QYE20 mainly due to higher revenue generated and lower production cost contributed from the increase in productivity.

13. Variation of results against preceding quarter

	Quarter Ended		
	30.04.2020 (1QYE21) RM'000	31.01.2010 (4QYE20) RM'000	Changes %
Revenue	152,907	138,645	10%
Gross profit	28,254	19,535	45%
Operating profit	23,300	14,354	62%
Profit before tax	22,242	13,227	68%
Profit after tax	16,339	10,242	60%
Profit attributable to owners of the Company	16,339	10,242	60%
Net profit margin	11%	7%	

The sales revenue increased by 10% as compared to 4QYE20 mainly due to increase in sales volume. The profit after tax increased by RM6.1 million, or 60%. This was mainly contributed from strengthening of USD against RM and lower production cost due to the increase in productivity from existing and new production lines.

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 speciality gloves.

With the recent coronavirus pandemic, we expect gloves consumption to increase in the long run due to rising global health awareness. With supply shortages in global market, our marketing team is capitalising this opportunity to aggressively expanding our new customer base for continuous market expansion and future growth.

15. Disclosure of Covid-19 related impacts

Our operations are not significantly impacted by Covid-19 except that there were some disruptions on workforce and supply chain in the beginning period of MCO (Movement Control Order). The Group are complying with all the government's Standard Operating Procedures (SOP) to prevent the infection of Covid-19 among staff. We have sufficient resources and working capital to continue our operations during this RMCO (Recovery Movement Control Order) period.

Since the outbreak of conoravirus has become a pandemic, it results a sudden spike in demand. With the commissioning of new production lines, we manage to increase the productivity to keep up with a surge in orders in coming quarters. Besides, the higher productivity reduces the production costs and improves our margin.

16. Profit forecast or profit guarantee

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

17. 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 30.04.2020 RM'000	3 months ended 30.04.2019 RM'000	YTD ended 30.04.2020 RM'000	YTD ended 30.04.2019 RM'000
Interest income	92	33	92	33
Interest expense	(1,058)	(1,053)	(1,058)	(1,053)
Depreciation on property, plant and equipment	(6,308)	(4,789)	(6,308)	(4,789)
Depreciation of right-to-use asset	(86)	-	(86)	-
Gain/(loss) on Foreign Exchange:				
realised	392	744	392	744
unrealised	232	(43)	232	(43)
Fair value gain/(loss) on derivatives	49	(518)	49	(518)

18. Capital Commitments

As at 30 April 2020, 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 30.04.2020 RM'000
Property, plant and equipment	
- approved and contracted for	4,392
- approved but not contracted for	5,891
	<u>10,283</u>

The capital commitments were in relation to the construction of a water treatment plant and a production lines in addition to auxiliary and ancillary equipment.

19. Taxation

	YTD Ended 30.04.2020 RM'000	YTD Ended 31.01.2020 RM'000
Deferred taxation	(5,747)	(8,111)
Taxation	<u>(156)</u>	<u>(263)</u>
	<u>(5,903)</u>	<u>(8,374)</u>

20. Derivative financial assets

	Year Ended 30.04.2020		Year Ended 31.01.2020	
	Contract Amount RM'000	Assets RM'000	Contract Amount RM'000	Assets RM'000
Non-hedging derivative:				
Forward exchange contracts	<u>50,437</u>	<u>338</u>	<u>13,336</u>	<u>289</u>

The Group use forward exchange contracts to manage some of the foreign currency 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.

20. Derivative financial assets (Cont'd)

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 gain of RM49 thousand arising from fair value changes of derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

21. Quoted investment

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

22. Status of corporate proposal announced

During the last financial year, the Company issued a total of 21,000,000 new ordinary shares at a price of RM0.40 per ordinary share amounting to RM8,400,000, being the Second Tranche Subscription Shares pursuant to the Advance Capitalisation Agreement. The fund had been fully utilised for the working capital requirements of the Group.

23. Borrowings

The Group have the following borrowings as at 30 April 2020:

	YTD Ended 30.04.2020 RM'000	YTD Ended 31.01.2020 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	26,925	27,494
Current:		
Secured		
- Bill payables (USD denominated)	31,454	28,667
- Bill payables (RM denominated)	34,101	24,949
- Term Loan (RM denominated)	3,097	3,326
	<u>68,652</u>	<u>56,942</u>
	<u>95,577</u>	<u>84,436</u>

24. Material litigation

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

25. Dividend Payable

A single tier interim dividend of 1.5 sen per ordinary share, in respect of the financial year ended 31 January 2021 has been recommended by the Directors. The details of the dividend payment will be announced later once it is determined.

26. Share Capital

The Group's share capital as at 30 April 2020 is as follow:

	YTD Ended 30.04.2020	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Feb 2020/30 April 2020	582,949	142,985

27. Earnings Per Share

(a) Basic earnings per share

Basic 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 period or year, calculated as follows:

	3 months ended 30.04.2020	3 months ended 30.04.2019	YTD ended 30.04.2020	YTD ended 30.04.2019
Profit attributable to owners of the Company (RM'000)	16,339	8,411	16,339	8,411
Weighted average number of ordinary shares for basic earnings per share ('000)	582,949	561,949	582,949	561,949
Basic earnings per ordinary share (sen)	2.80	1.50	2.80	1.50

27. 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.

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.

Diluted earnings per share calculated as follows:

	3 months ended 30.04.2020	3 months ended 30.04.2019	YTD ended 30.04.2020	YTD ended 30.04.2019
Profit attributable to owners of the Company (RM'000)	16,339	8,411	16,339	8,411
Weighted average number of ordinary shares for basic earnings per share ('000)	582,949	561,949	582,949	561,949
Effect of dilution from:				
- Share options ('000)	-	21,000	-	21,000
Weighted average number of ordinary shares for diluted earnings per share ('000)	582,949	582,949	582,949	582,949
Diluted earnings per ordinary share (sen)	2.80	1.44	2.80	1.44