

Condensed Unaudited Consolidated Statement of Financial Position
As At 30 September 2022

	As at 30.09.2022 RM'000 (Unaudited)	As at 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	436,548	427,562
Goodwill on consolidation	22	22
Right-of-use assets	13,350	13,651
Investment properties	26,422	-
Total non-current assets	<u>476,342</u>	<u>441,235</u>
Current assets		
Inventories	132,112	198,205
Trade and other receivables	100,005	140,638
Prepayments	2,552	4,328
Tax Recoverable	75,181	60,556
Derivative financial assets	-	378
Cash and cash equivalents	305,234	334,239
Total current assets	<u>615,084</u>	<u>738,344</u>
TOTAL ASSETS	<u>1,091,426</u>	<u>1,179,579</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Treasury shares	(5,368)	(4,771)
Reserves	771,962	796,733
TOTAL EQUITY	<u>909,579</u>	<u>934,947</u>
Non-current liabilities		
Loans and borrowings	11,894	13,991
Deferred tax liabilities	34,833	30,396
Total non-current liabilities	<u>46,727</u>	<u>44,387</u>
Current liabilities		
Loans and borrowings	66,265	80,863
Trade and other payables	63,937	84,894
Contract liabilities	4,873	7,899
Derivative financial liabilities	-	-
Tax payable	45	26,589
Total current liabilities	<u>135,120</u>	<u>200,245</u>
TOTAL LIABILITIES	<u>181,847</u>	<u>244,632</u>
TOTAL EQUITY AND LIABILITIES	<u>1,091,426</u>	<u>1,179,579</u>
Net assets per share attributable to owners of the company (sen)	157	161

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2021.

Condensed Unaudited Consolidated Statement of Comprehensive Income

For the Third Quarter Ended 30 September 2022

	Current Quarter Ended <u>30.09.2022</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.09.2021</u> RM'000 (Unaudited)	Current YTD Ended <u>30.09.2022</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.09.2021</u> RM'000 (Unaudited)
Revenue	126,787	N/A	502,976	N/A
Cost of sales	(129,401)	N/A	(493,809)	N/A
Gross (loss) / profit	(2,614)	N/A	9,167	N/A
Other income	15,963	N/A	18,620	N/A
Selling and marketing expenses	(2,472)	N/A	(9,875)	N/A
Administrative expenses	(18,926)	N/A	(28,278)	N/A
Operating loss	(8,049)	N/A	(10,366)	N/A
Finance costs	(602)	N/A	(1,363)	N/A
Loss before tax	(8,651)	N/A	(11,729)	N/A
Income tax expense	(9,189)	N/A	(13,042)	N/A
Loss for the period	(17,840)	N/A	(24,771)	N/A
Other comprehensive income, net of tax	-	N/A	-	N/A
Total comprehensive loss for the period	(17,840)	N/A	(24,771)	N/A
Loss attributable to:				
Owners of the Company	(17,840)	N/A	(24,771)	N/A
Total comprehensive loss attributable to:				
Owners of the Company	(17,840)	N/A	(24,771)	N/A
Loss per ordinary share attributable to owners of the Company (sen) (Note 28)				
- Basic	(3.08)	N/A	(4.27)	N/A
- Diluted	(3.08)	N/A	(4.27)	N/A

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2021.

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence periods in the prior year are not presented.

Condensed Unaudited Consolidated Statement of Changes in Equity For the Third Quarter Ended 30 September 2022

	← Attributable to Owners of the Company →					
	Share Capital RM'000	Treasury Shares RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
9 Months Ended 30 September 2022						
At 1 January 2022	142,985	(4,771)	11,319	18,597	766,817	934,947
Total comprehensive loss for the financial period						
Loss for the financial period	-	-	-	-	(24,771)	(24,771)
Realisation of revaluation reserve	-	-	-	(507)	507	-
Total comprehensive income	-	-	-	(507)	(24,264)	(24,771)
Transactions with owners of the Company						
Shares repurchased	-	(597)	-	-	-	(597)
Dividends paid on shares	-	-	-	-	-	-
Total transactions with owners	-	(597)	-	-	-	(597)
At 30 September 2022	142,985	(5,368)	11,319	18,090	742,553	909,579
	Note 26	Note 27				

The Condensed Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2021.

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence periods in the prior year are not presented.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 30 September 2022**

	Current YTD Ended <u>30.09.2022</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.09.2021</u> RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(11,729)	N/A
Adjustments for:		
Net fair value (gain)/loss on derivatives	378	N/A
Property, plant and equipment		
- (Gain)/loss on disposal	75	N/A
- depreciation	33,232	N/A
- written off	302	N/A
Depreciation of right-of-use asset	301	N/A
Written back of doubtful debts	(1,509)	N/A
Inventory provision on slow moving	3,501	N/A
Inventory written down	9,634	N/A
Interest expense	1,363	N/A
Interest income	(1,510)	N/A
Unrealised (gain)/loss on foreign exchange	(3,642)	N/A
Operating profit before changes in working capital	<u>30,396</u>	<u>N/A</u>
Changes in working capital:		
Inventories	52,958	N/A
Receivables	49,823	N/A
Payables	(24,511)	N/A
Net cash generated from operations	<u>108,666</u>	<u>N/A</u>
Income tax paid	(50,270)	N/A
Interest received	1,510	N/A
Net cash flow generated from operating activities	<u>59,906</u>	<u>N/A</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,898)	N/A
Acquisition of subsidiary net of cash and cash equivalent	(25,923)	N/A
Proceeds from disposal of property, plant and equipment	300	N/A
Net cash flows used in investing activities	<u>(68,521)</u>	<u>N/A</u>
Cash flows from financing activities		
Repurchase of treasury shares	(597)	N/A
Net changes in bill payables	(16,334)	N/A
Net changes in term loan financing	(2,096)	N/A
Net changes in lease liability	-	N/A
Interest paid	(1,363)	N/A
Net cash flows used in financing activities	<u>(20,390)</u>	<u>N/A</u>
Net changes in cash and cash equivalents	(29,005)	N/A
Cash and cash equivalents at beginning of the financial year	334,239	N/A
Cash and cash equivalents at end of the financial period	<u>305,234</u>	<u>N/A</u>
	<u>305,234</u>	<u>N/A</u>
Cash and cash equivalents comprise:		
Cash and bank balances	193,709	N/A
Short-term investments	111,525	N/A
	<u>305,234</u>	<u>N/A</u>

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial period ended 31 December 2021.

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence periods in the prior year are not presented.

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 Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. 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 December 2021 except for the adoption of the following amendments to MFRSs:

Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate Benchmark Reform – Phase 2

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial statements of the Group.

2. Audit qualifications

The auditors’ reports on the financial statements of the Group for the financial period ended 31 December 2021 is not subject to any qualification.

3. Seasonal or cyclical factors

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

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and 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 financial years that would have material impact in the current financial year report.

6. Change of Financial Year End

On 26 November 2021, the Group had announced that it has changed its financial year end from 31 January to 31 December. Therefore, the Group's current financial reporting period is twelve (12) months commencing from 1 January 2022 to 31 December 2022.

7. Debts and equity securities

There were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the current quarter and financial period ended 30 September 2022.

8. Contingent assets and contingent liabilities

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

9. Property, plant and equipment

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

10. Material events

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

11. Changes in composition of the Group

On 10 June 2022, Goldhill Melody Sdn. Bhd. ("GMSB") became a wholly owned subsidiary of the Company following the completion in accordance with the terms of the Sales & Purchase Agreement on the said date.

Save for the above, there were no other changes in the composition of the Group during the current financial year to date.

12. Operating segments

The Group's operating segments for the 9 months period ended 30 September 2022:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	502,976	-	-	502,976
Inter segment revenue	215,671	2,334	(218,005)	-
Total revenue	<u>718,647</u>	<u>2,334</u>	<u>(218,005)</u>	<u>502,976</u>
Results				
Segment profit	20,063	1,972	-	22,035
Interest income				1,510
Interest expense				(1,363)
Property, plant and equipment				
- depreciation				(33,232)
- loss on disposal				(75)
- written off				(302)
Depreciation of right-of-use asset				<u>(301)</u>
Loss before tax				(11,728)
Taxation				<u>(13,042)</u>
Net loss for the period				<u><u>(24,770)</u></u>

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence periods in the prior year are not presented.

13. Review of performance

	3rd Quarter Ended		Year to Date Ended	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	(3QYE31Dec22)	(3QYE31Dec21)	(9MFYE31Dec22)	(9MFYE31DEC21)
	RM'000	RM'000	RM'000	RM'000
Revenue	126,787	N/A	502,976	N/A
Gross (loss) / profit	(2,614)	N/A	9,167	N/A
Operating loss	(8,049)	N/A	(10,366)	N/A
Loss before tax	(8,651)	N/A	(11,729)	N/A
Loss after tax	(17,840)	N/A	(24,771)	N/A
Loss attributable to Owners of the Company	(17,840)	N/A	(24,771)	N/A
Loss margin	-14.1%	N/A	-4.9%	N/A

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence periods in the prior year are not presented.

For the nine-month ended 30 September 2022, the Group achieved sales revenue of RM503 million with loss after tax of RM24.8 million.

The global demand of rubber gloves remained soft during the financial period and the average selling price was lower compared to previous financial year. However the operating costs were affected by increased in the natural gas price, adoption of minimum wages effective 1 May 2022. As such, the Group has made provisions to write down the inventory value net realisable value and slow moving provision by RM 9.6 million and RM3.5 million respectively. The Group has also made an additional tax provision of RM 7.5 million being under provision of taxation in prior year.

14. Variation of quarterly results against preceding quarter

	Quarter Ended		
	30.09.2022 (3QYE31Dec22) RM'000	30.06.2022 (2QYE31Dec22) RM'000	Changes %
	Revenue	126,787	199,771
Gross (loss) / profit	(2,614)	15,124	-117%
Operating (loss) / profit	(8,049)	5,783	-239%
(Loss)/ profit before tax	(8,651)	5,361	-261%
(Loss) / profit after tax	(17,840)	3,195	-658%
(Loss) /profit attributable to owners of the Company	(17,840)	3,195	-658%
Net (loss) / margin	-14.1%	1.6%	

For the current reporting quarter generated sales revenue of RM 126.8 million ended 30 September 2022 (3QYE31Dec22) as compared with RM 199.8 million in the preceding quarter, representing a 38% decreased or RM 75.9 million. This was mainly contributed by reduction in sales quantity.

The Group registered a net loss after tax of RM 17.8 million in 3QYE31Dec22 as compared to last quarter 2QYE31Dec22 of net profit after tax of RM 3.2 million. This was largely due to the provision of slow-moving stock totalling RM 3.5 million and write down of inventory to net realisable value of RM 9.6 million. During the current reporting quarter (3QYE31Dec22), the Group has made an additional tax expense for the under provision of taxation in prior year amounting to RM 7.5 million.

15. Current year prospects

Moving forward in the near term, barring unforeseen circumstances, the Group remains optimistic towards its sales trend will be higher in the coming quarter, based upon rationale and expectation the awareness of hygiene, cleanliness, and safety increases globally, the increase in the incidence of infectious and chronic diseases, and strict regulations in place about the use of personal protective equipment (PPE) are fuelling demand for gloves. With this phenomenon, glove demand is expected to grow steadily.

Strategic efforts will be implemented in tandem to generate more sales under post-pandemic, out of which one of the measures was that the Group will continue to participate in trade sales in the region and overseas to promote in house brand as well as strengthening customer relationships.

Notwithstanding the challenging environment, the Group is hopeful that recovery is on the horizon. The Group is optimistic that once the demand/supply mechanism is well into the consolidation phase, the global demand will rebalance itself and the market shall stabilize

16. Profit forecast or profit guarantee

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

17. Loss before taxation

This was arrived at after crediting/(charging):

	3 months ended 30.09.2022 RM'000	3 months ended 30.09.2021 RM'000	YTD ended 30.09.2022 RM'000	YTD ended 30.09.2021 RM'000
Interest income	571	N/A	1,510	N/A
Interest expense	(602)	N/A	(1,363)	N/A
Depreciation on property, plant and equipment	(11,979)	N/A	(33,232)	N/A
Depreciation of right-of-use asset	(100)	N/A	(301)	N/A
Gain on Foreign Exchange:				
- realised	1,398	N/A	1,826	N/A
- unrealised	1,531	N/A	3,642	N/A
Fair value gain / (loss) on derivatives	95	N/A	(378)	N/A
Property, plant and equipment written off	-	N/A	(302)	N/A
Loss on disposal of plant and equipment	-	N/A	(75)	N/A
Inventory provision on slow moving	(3,501)	N/A	(3,501)	N/A
Inventories written down	(9,634)	N/A	(9,634)	N/A
Written back of doubtful debts	42	N/A	1,509	N/A

Note: On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence periods in the prior year are not presented.

18. Capital Commitments

As at 30 September 2022, the Group has the below capital commitments:

	YTD Ended 30.09.2022 RM'000
Property, plant and equipment	
- approved and contracted for	5,558
- approved but not contracted for	-
	<u>5,558</u>

The capital commitments were mainly related to ancillary facilities for operation.

19. Taxation

	YTD Ended 30.09.2022 RM'000	YTD Ended 31.12.2021 RM'000
Deferred taxation	(3,940)	(2,111)
Taxation - current year	(1,585)	(121,791)
- under provision in prior year	(7,517)	6,253
	<u>(13,042)</u>	<u>(117,649)</u>

The effective tax rate of the Group is higher than the statutory tax rate due to the provision of taxation in subsidiaries.

20. Derivative financial assets

	Year Ended 30.09.2022		Year Ended 31.12.2021	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
Non-hedging derivative:				
Forward exchange contracts	<u>-</u>	<u>-</u>	<u>51,787</u>	<u>378</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.

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 RM378 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 period.

22. Status of corporate proposal announced

The Company, had on 9 March 2022, entered into a conditional share purchase agreement (“SPA”) with the following parties:-

- i. CN Lau & Sons. Sdn. Bhd.
- ii. HN Lau & Sons. Sdn. Bhd.
- iii. Lau Joo Yong
- iv. Puan Sri Goh Kim Kooi; and
- v. LTN Resources Sdn. Bhd.

(collectively, referred to as the “Vendors”)

for the acquisition of 100,000 ordinary shares in GMSB (“Sale Shares”) from the Vendors for a total cash consideration of RM25,750,000 (“Purchase Consideration”), subject to the terms and conditions of the SPA. The acquisition is completed on 10 June 2022.

There was no other corporate proposal announced and not completed as of 30 September 2022.

23. Borrowings

The Group have the following borrowings as at 30 September 2022:

	YTD Ended 30.09.2022 RM'000	YTD Ended 31.12.2021 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	10,891	12,988
- Lease liability	1,003	1,003
	<u>11,894</u>	<u>13,991</u>
Current:		
Secured		
- Bill payables (USD denominated)	39,352	54,215
- Bill payables (RM denominated)	24,103	23,838
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	14	14
	<u>66,265</u>	<u>80,863</u>
	<u>78,159</u>	<u>94,854</u>

24. Material litigation

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

25. Dividends

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

26. Share Capital

The Group's share capital as at 30 September 2022 is as follow:

	YTD Ended 30.09.2022	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2022 / 30 Sept 2022	582,949	142,985

27. Treasury Shares

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company.

For the year under review, the Company repurchased 1,093,200 shares from the open market at an average price of RM0.545 per share. The total consideration paid including transaction costs was RM 596,633 which was financed by internally generated funds.

At 30 September 2022, the number of the Company's treasury shares held is 3,599,300 shares, at a carrying amount of RM5,368,041.

There was no cancellation or distribution of treasury shares during the financial period.

28. 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	YTD ended
	30.09.2022	30.09.2022
Loss attributable to owners of the Company (RM'000)	(17,840)	(24,771)
Weighted average number of ordinary shares for basic earnings per share ('000)	580,443	580,443
Effect of treasury shares held	(562)	(303)
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,881	580,140
Basic loss per ordinary share (sen)	(3.08)	(4.27)

28. 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	YTD ended
	30.09.2022	30.09.2022
Loss attributable to owners of the Company (RM'000)	(17,840)	(24,771)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,881	580,140
Effect of dilution from: - Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	579,881	580,140
Diluted loss per ordinary share (sen)	(3.08)	(4.27)