

Condensed Unaudited Consolidated Statement of Financial Position
As At 30 September 2023

	As at 30.09.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	406,800	431,747
Goodwill on consolidation	22	22
Right-of-use assets	12,948	13,250
Other investments	10,000	10,000
Investment properties	26,421	26,422
Total non-current assets	456,191	481,441
Current assets		
Inventories	75,557	109,684
Trade and other receivables	56,360	69,856
Prepayments	2,009	2,717
Tax Recoverable	95,552	89,651
Derivative financial assets	2	-
Other investment	105,422	102,673
Cash and cash equivalents	150,914	134,563
Total current assets	485,816	509,144
TOTAL ASSETS	942,007	990,585
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Treasury shares	(5,512)	(5,368)
Reserves	713,194	754,429
TOTAL EQUITY	850,667	892,046
Non-current liabilities		
Loans and borrowings	9,083	11,180
Deferred tax liabilities	4,490	2,750
Total non-current liabilities	13,573	13,930
Current liabilities		
Loans and borrowings	28,677	24,515
Trade and other payables	43,838	55,296
Contract liabilities	5,212	4,798
Derivative financial liabilities	40	-
Total current liabilities	77,767	84,609
TOTAL LIABILITIES	91,340	98,539
TOTAL EQUITY AND LIABILITIES	942,007	990,585
Net assets per share attributable to owners of the company (sen)	147	154

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022.

Condensed Unaudited Consolidated Statement of Comprehensive Income For the Third Quarter Ended 30 September 2023

	Current Quarter Ended <u>30.09.2023</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>30.09.2022</u> RM'000 (Unaudited)	Current YTD Ended <u>30.09.2023</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.09.2022</u> RM'000 (Unaudited)
Revenue	72,449	126,787	252,239	502,976
Cost of sales	(73,325)	(129,401)	(289,708)	(493,809)
Gross (loss) / profit	(876)	(2,614)	(37,469)	9,167
Other income	2,453	15,963	14,903	18,620
Selling and marketing expenses	(1,020)	(2,472)	(3,485)	(9,875)
Administrative expenses	(4,031)	(18,926)	(11,308)	(28,278)
Operating loss	(3,474)	(8,049)	(37,359)	(10,366)
Finance costs	(541)	(602)	(1,620)	(1,363)
Loss before tax	(4,015)	(8,651)	(38,979)	(11,729)
Income tax expense	(3,898)	(9,189)	(2,256)	(13,042)
Loss for the period	(7,913)	(17,840)	(41,235)	(24,771)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(7,913)	(17,840)	(41,235)	(24,771)
Loss attributable to:				
Owners of the Company	(7,913)	(17,840)	(41,235)	(24,771)
Total comprehensive loss attributable to:				
Owners of the Company	(7,913)	(17,840)	(41,235)	(24,771)
Loss per ordinary share attributable to owners of the Company (sen) (Note 27)				
- Basic	(1.37)	(3.08)	(7.14)	(4.27)
- Diluted	(1.37)	(3.08)	(7.14)	(4.27)

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 2022.

Condensed Unaudited Consolidated Statement of Changes in Equity For the Third Quarter Ended 30 September 2023

	← Attributable to Owners of the Company →					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
At 1 January 2023	142,985	(5,368)	11,319	17,922	725,188	892,046
Total comprehensive loss for the financial period						
Loss for the financial period	-	-	-	-	(41,235)	(41,235)
Realisation of revaluation reserve	-	-	-	(507)	507	-
Total comprehensive expense	-	-	-	(507)	(40,728)	(41,235)
Transactions with owners of the Company						
Shares repurchased	-	(144)	-	-	-	(144)
Dividends paid on shares	-	-	-	-	-	-
Total transactions with owners	-	(144)	-	-	-	(144)
At 30 September 2023	142,985	(5,512)	11,319	17,415	684,460	850,667
	Note 25	Note 26				

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 December 2022.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 30 September 2023**

	Current YTD Ended 30.09.2023 RM'000 (Unaudited)	Corresponding YTD Ended 30.09.2022 RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(38,979)	(11,729)
Adjustments for:		
Net fair value loss on derivatives	39	378
Property, plant and equipment		
- (Gain)/loss on disposal	(61)	75
- depreciation	33,864	33,232
- written off	-	302
Depreciation of right-of-use asset	301	301
Inventories written off	-	-
Written back of doubtful debts	(60)	(1,509)
Inventory provision on slow moving	3,922	3,501
(Reversal) / Provision of inventory written down	(13,129)	9,634
Fair value gain on investment	(1,157)	-
Interest expense	1,620	1,363
Interest income	(4,647)	(1,510)
Unrealised gain on foreign exchange	(9,785)	(3,642)
Operating (loss)/profit before changes in working capital	(28,072)	30,396
Changes in working capital:		
Inventories	43,334	52,958
Receivables	18,515	49,823
Payables	(11,610)	(24,511)
Net cash generated from operations	22,167	108,666
Income tax paid	(6,418)	(50,270)
Interest received	4,647	1,510
Net cash flow generated from operating activities	20,396	59,906
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,917)	(42,898)
Addition to other investments	(1,592)	-
Acquisition of subsidiary net of cash and cash equivalent	-	(25,923)
Proceeds from disposal of property, plant and equipment	61	300
Net cash flows used in investing activities	(10,448)	(68,521)
Cash flows from financing activities		
Repurchase of treasury shares	(144)	(597)
Net changes in bill payables	3,897	(16,334)
Net changes in term loan financing	(2,097)	(2,096)
Interest paid	(1,620)	(1,363)
Net cash flows generated from / (used in) financing activities	36	(20,390)
Net changes in cash and cash equivalents	9,984	(29,005)
Cash and cash equivalents at beginning of the financial year	134,564	334,239
	144,548	305,234
Effect of exchange rate changes on cash and cash equivalents	6,366	-
Cash and cash equivalents at end of the financial period	150,914	305,234
Cash and bank balances	150,914	193,709
Other investments	115,422	111,525

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2022.

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 2022. 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 2022 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023 which are applicable to Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material 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 December 2022 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 period report.

6. 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 2023.

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 for the current quarter and 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 9 months period ended 30 September 2023:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from				
external customers	252,239	-	-	252,239
Inter segment revenue	99,985	2,038	(102,023)	-
Total revenue	<u>352,224</u>	<u>2,038</u>	<u>(102,023)</u>	<u>252,239</u>
Results				
Segment (loss)/profit	(11,192)	3,290	-	(7,902)
Interest income				4,647
Interest expense				(1,620)
Property, plant and equipment				
- depreciation				(33,864)
- gain on disposal				61
Depreciation of right-of-use asset				<u>(301)</u>
Loss before tax				(38,979)
Taxation				<u>(2,256)</u>
Net loss for the period				<u><u>(41,235)</u></u>

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	1,971	-	22,034
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				(11,729)
Taxation				<u>(13,042)</u>
Net loss for the period				<u><u>(24,771)</u></u>

12. Review of performance

	3rd Quarter Ended		Year to Date Ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	(3QYE30SEP23)	(3QYE30SEP22)	(3QYE30SEPT23)	(3QYE30SEP22)
	RM'000	RM'000	RM'000	RM'000
Revenue	72,449	126,787	252,239	502,976
Gross (loss) / profit	(876)	(2,614)	(37,469)	9,167
Operating loss	(3,474)	(8,049)	(37,359)	(10,366)
Loss before tax	(4,015)	(8,651)	(38,979)	(11,729)
Loss after tax	(7,913)	(17,840)	(41,235)	(24,771)
Loss attributable to Owners of the Company	(7,913)	(17,840)	(41,235)	(24,771)
Net loss margin	-10.9%	-14.1%	-16.3%	-4.9%

The Group recorded revenue of RM72.4 million in the third quarter ended 30 September 2023 which is a significant decrease of 43% compared to the same quarter in 2022 when revenue was RM126.8 million. This decrease is attributed to a lower number of sales orders received from both local and overseas customers.

The company reported a loss after tax of RM7.9 million in the third quarter of 2023. This is an improvement compared to the loss after tax of RM17.8 million in the corresponding quarter of 2022. The decrease in loss is mainly attributed to margin improvement resulting from a decrease in the costs of both natural rubber and synthetic latex. The Group also put in efforts to continuously improve business operational efficiency to stay competitive.

The loss after tax was also improved by a reversal of written down on inventory, which amounted to RM13.1 million.

13. Variation of quarterly results against preceding quarter

	Quarter Ended		
	30.09.2023	30.06.2023	Changes
	(3QYE30SEP23)	(2QYE30JUN23)	%
	RM'000	RM'000	
Revenue	72,449	90,228	-20%
Gross loss	(876)	(8,627)	-90%
Operating loss	(3,474)	(1,605)	116%
Loss before tax	(4,015)	(2,214)	81%
Loss after tax	(7,913)	(4,178)	89%
Loss attributable to owners of the Company	(7,913)	(4,178)	89%
Net loss margin	-10.9%	-4.6%	

In the third quarter of the year ending 2023 (3QYE30SEP2023), the Group reported a sales revenue of RM72.4 million. The lower revenue in the current quarter (3QYE30SEP2023) was mainly contributed by lower sales quantity. However, despite the lower revenue, the Group's gross loss for the quarter of RM876 thousand was significantly lower than the gross loss recorded in previous quarter of RM8.6 million. This was mainly due to increase in average selling price and lower average production cost.

The Group experienced a loss after tax amounting to RM7.9 million during this period. This loss is higher (representing an increase of 89%) compared to the loss of RM4.2 million in the previous quarter, 2QYE30JUN2023. In the previous quarter, 2QYE30JUN2023, the Group made a net exchange gain of RM8.1 million. However, in 3QYE2023, this gain reduced to RM122 thousand. The significant decrease in exchange gain in 3QYE30SEP2023 compared to the previous quarter contributed to the higher loss.

14. Current year prospects

With the economies of most countries returning to pre-COVID levels, the Group's revenue continues to be affected by intense competition from other market players. Despite the challenges amid the difficult operating environment during the year in review, the Group is cautiously optimistic and expects to see sales trending higher in coming calendar year 2024, based upon the rationales that the pandemic increased customer emphasis on health, as well as the rise in adoption of health-and wellness.

We will continue to prioritise the need for us to be resilient and forward thinking to ensure that our business long-term success by adapting to market and consumer demand changes. The Group is confident that it will continue to benefit from the growing demand for its products in the gloves industry.

15. Profit forecast or profit guarantee

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

16. Loss before taxation

This was arrived at after crediting/(charging):

	3 months ended 30.09.2023 RM'000	3 months ended 30.09.2022 RM'000	YTD ended 30.09.2023 RM'000	YTD ended 30.09.2022 RM'000
Interest income	1,668	571	4,647	1,510
Interest expense	(541)	(602)	(1,620)	(1,363)
Depreciation on property, plant and equipment	(11,145)	(11,979)	(33,864)	(33,232)
Depreciation of right-of-use asset	(100)	(100)	(301)	(301)
Gain on Foreign Exchange:				
- realised	899	1,398	(781)	1,826
- unrealised	(777)	1,531	9,785	3,642
Fair value (loss) / gain on derivatives	(17)	95	(39)	(378)
Property, plant and equipment written off	-	-	-	(301)
Gain /(loss) on disposal of plant and equipment	55	-	61	(75)
Inventory provision on slow moving	(1,376)	(3,501)	(3,922)	(3,501)
Reversal / (provision) of Inventories written down	2,803	(9,634)	13,129	(9,634)
Written back of doubtful debts	-	42	60	1,509

17. Capital Commitments

As at 30 September 2023, the Group has the below capital commitments:

	YTD Ended 30.09.2023 RM'000
Property, plant and equipment	
- approved and contracted for	3,655
- approved but not contracted for	-
	<u>3,655</u>

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

18. Taxation

	YTD Ended 30.09.2023 RM'000	YTD Ended 31.12.2022 RM'000
Deferred taxation - current year	(3,640)	16,722
- over provision in prior year	-	11,421
Taxation - current year	1,101	(2,770)
- over /(under) provision in prior year	283	(7,517)
	<u>(2,256)</u>	<u>17,856</u>

19. Derivative financial Liabilities

	Year Ended 30.09.2023		Year Ended 31.12.2022	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
Non-hedging derivative:				
Forward exchange contracts	938	(38)	-	-

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 RM 39 thousand 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 period.

21. Status of corporate proposal announced

There was other corporate proposal announced and not completed as of 30 September 2023.

22. Borrowings

The Group have the following borrowings as at 30 September 2023:

	YTD Ended 30.09.2023 RM'000	YTD Ended 31.12.2022 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	8,095	10,192
- Lease liability	988	988
	<u>9,083</u>	<u>11,180</u>
Current:		
Secured		
- Bill payables (USD denominated)	15,089	-
- Bill payables (RM denominated)	10,777	21,704
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	15	15
	<u>28,677</u>	<u>24,515</u>
	<u>37,760</u>	<u>35,695</u>

23. Material litigation

The Group was not aware of any material litigation that may have significant impact to the Group's profit since the last audited annual financial statements date to the date of issue of the quarterly report.

24. Dividends

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

25. Share Capital

The Group's share capital as at 30 September 2023 is as follow:

	YTD Ended 30.09.2023	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2023 / 30 Sep 2023	582,949	142,985

26. Treasury Shares

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

For the period under review, the Company repurchased 349,900 shares from the open market at an average price of RM0.410 per share. The total consideration paid including transaction costs was RM143,574 which was financed by internally generated funds.

At 30 September 2023, the number of the Company's treasury shares held is 3,949,200 shares, at a carrying amount of RM5,511,616.

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

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 30.09.2023	YTD ended 30.09.2023
Loss attributable to owners of the Company (RM'000)	(7,913)	(41,235)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,942	579,942
Effect of treasury shares held	(350)	(2,401)
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,592	577,541
Basic loss per ordinary share (sen)	(1.37)	(7.14)

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 30.09.2023	YTD ended 30.09.2023
Loss attributable to owners of the Company (RM'000)	(7,913)	(41,235)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,592	577,541
Effect of dilution from: - Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>579,592</u>	<u>577,541</u>
Diluted loss per ordinary share (sen)	(1.37)	(7.14)