



GIIB HOLDINGS BERHAD
(Company No: 618972-T)
(Incorporated in Malaysia)

Interim Financial Statements for the Period
Ended 31 December 2021
(4th Quarter)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year	Preceding Year	Current Year	Preceding Year
	3 months ended	Corresponding quarter	12 months ended	18 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	10,364	9,981	36,620	36,910
Cost of sales	(10,221)	(20,100)	(34,750)	(44,699)
Gross profit/(loss)	143	(10,119)	1,870	(7,789)
Other operating income	863	12,311	1,531	5,956
Operating expenses	(5,232)	(28,488)	(20,808)	(37,247)
Operating loss	(4,226)	(26,296)	(17,407)	(39,080)
Finance cost	(415)	(502)	(1,966)	(3,112)
Loss before tax	(4,641)	(26,798)	(19,373)	(42,192)
Taxation	-	-	-	2,335
Loss for the period	(4,641)	(26,798)	(19,373)	(39,857)
Loss attributable to:				
Equity holders of the Company	(4,613)	(27,527)	(21,203)	(40,676)
Non-controlling interest	(28)	729	1,830	819
	(4,641)	(26,798)	(19,373)	(39,857)
Loss per share attributable to equity holders of the Company (sen)				
- Basic loss per share	(1.05)	(16.71)	(4.83)	(24.70)
- Diluted loss per share	NA	N/A	NA	NA

The above Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes to the interim financial statements and the audited financial statements for the financial year ended 31 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended	Preceding Year Corresponding quarter	Current Year 12 months ended	Preceding Year 18 months ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Audited) RM'000
Loss for the period	(4,641)	(26,798)	(19,373)	(39,857)
Other comprehensive income/(loss):				
Revaluation surplus, net of deferred tax	-	33	-	33
Foreign currency translation	(213)	404	(213)	588
	(213)	437	(213)	621
Total comprehensive loss for the period	(4,854)	(26,361)	(19,586)	(39,236)
Total comprehensive loss attributable to:				
Equity holders of the Company	(4,826)	(27,090)	(21,416)	(40,055)
Non-controlling interest	(28)	729	1,830	819
	(4,854)	(26,361)	(19,586)	(39,236)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	(Unaudited) As at 31.12.2021	(Audited) As at 31.12.2020
	RM'000	RM'000
ASSETS		
Property, plant and equipment	54,748	47,482
Right -of-use asset	8,695	21,302
Land held for development	7,412	7,412
Total non current assets	70,855	76,196
Inventories	5,195	8,649
Receivables, deposit & prepayments	11,566	9,806
Tax recoverable	855	279
Asset held for sale	23,936	-
Cash and bank balances	2,643	2,315
Total current assets	44,195	21,049
TOTAL ASSETS:	115,050	97,245
EQUITY AND LIABILITIES		
Share capital	151,097	105,586
Reserves	26,134	21,620
Accumulated losses	(114,791)	(93,588)
Owners of the Company	62,440	33,618
Non-controlling interest	2,683	853
Total equity	65,123	34,471
Loans and borrowings	6,368	21,919
Deferred tax liabilities	7,491	8,565
Total non current liabilities	13,859	30,484
Payables and accruals	19,112	22,399
Loans and borrowings	16,956	9,891
Total current liabilities	36,068	32,290
Total liabilities	49,927	62,774
TOTAL EQUITY AND LIABILITIES	115,050	97,245
Net assets per share (RM)	0.1101	0.0950

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2020.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

Amounts in RM'000	Attributable to equity holders of the Company					Total	Non-controlling Interest	Total
	Non-distributable		Distributable					
	Share capital	Warrant reserves	Translation reserves	Revaluation reserves	Accumulated losses			
At 1 July 2019	58,011	-	59	24,597	(56,569)	26,098	(2,455)	23,643
Transfer of revaluation reserve upon disposal of held for sale asset	-	-	-	(3,657)	3,657	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	2,440	2,440
Loss for the period	-	-	-	-	(40,676)	(40,676)	819	(39,857)
Other Comprehensive Income for the period								
- Revaluation of leasehold land and buildings	-	-	-	33	-	33	-	33
- Exchange difference on translation of foreign operations	-	-	588	-	-	588	-	588
Total comprehensive (loss)/income for the financial year	-	-	588	33	(40,676)	(40,055)	819	(39,236)
Transaction with owners:								
Acquisition of non-controlling interest	-	-	-	-	-	-	49	49
Issuance of ordinary shares	47,575	-	-	-	-	47,575	-	47,575
At 31 December 2020	105,586	-	647	20,973	(93,588)	33,618	853	34,471
At 1 January 2021	105,586	-	647	20,973	(93,588)	33,618	853	34,471
Issuance of shares	45,511	4,727	-	-	-	50,238	-	50,238
Loss for the year	-	-	-	-	(21,203)	(21,203)	1,830	(19,373)
Other Comprehensive Income for the year								
- Exchange difference on translation of foreign operations	-	-	(213)	-	-	(213)	-	(213)
	-	-	(213)	-	(21,203)	(21,416)	1,830	(19,586)
At 31 December 2021	151,097	4,727	434	20,973	(114,791)	62,440	2,683	65,123

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited)

	(Unaudited) Period ended 31.12.2021 RM'000	(Audited) Period ended 31.12.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(19,373)	(42,192)
Adjustments for non-cash items:	20,884	15,725
Operating loss before working capital changes	1,511	(26,467)
Changes in working capital:		
Decrease in inventories	2,090	1,805
Increase in receivables, deposits and prepayments	(10,858)	(8,749)
Increase in payables and accruals	(3,287)	7,361
Cash generated from/(used in) operations	(10,544)	(26,050)
Interest paid	(392)	(3,112)
Tax (paid)/refunded	(574)	499
Net cash flow generated from/(used in) operating activities:	(11,510)	(28,663)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27,540)	(4,266)
Net outflow on disposal of subsidiaries	-	(24)
Acquisition of non-controlling interest	-	49
Proceeds from disposal of asset held for sale	-	6,800
Proceeds from disposal of property, plant and equipment	-	3,776
Proceeds from disposal of right-of-use assets	-	396
Interest received	-	18
Net cash flow (used in)/generated from investing activities	(27,540)	6,749
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net drawdown/(repayment) of loans and borrowings	(8,480)	(30,739)
Net drawdown/(repayment) of hire purchase	6	(695)
Proceed from issuance of shares	50,085	47,575
Net cash flow generated from financing activities	41,611	16,141
CASH AND CASH EQUIVALENTS		
Net changes in cash and cash equivalents	2,561	(5,773)
Effects of foreign exchange translation	53	588
Cash and cash equivalents at beginning of period	29	5,214
Cash and cash equivalents at end of period	2,643	29

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021 (CONT'D)
(The figures have not been audited)

	Period ended 31.12.2021 (Unaudited)	Period ended 31.12.2020 (Audited)
	RM'000	RM'000
Cash and cash equivalents comprises of:		
Cash and bank balances	2,643	2,315
Bank Overdraft	-	(2,286)
	2,643	29

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2020.

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

A1. Basis of Preparation

This interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” Rule 9.22 of Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and issuers communication No. 1/2017-Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia. These interim financial statements should be read in conjunction with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the audited financial statements.

A2. Summary of Significant Accounting Policies

The significant accounting policies and method of computation applied in the unaudited interim financial statements are consistent with those adopted and disclosed in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

A3. Audit Report of Preceding Year’s Annual Financial Statements

There were no audit qualifications in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

A4. Seasonal or Cyclical Factors

The Group’s performance during the financial period under review was not materially affected by seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review other than the impairment of receivables, inventories and property, plant and equipment.

A6. Changes in Estimates

There were no material changes in estimates that have been used in the preparation of the interim financial statements or changes in estimates of amounts reported in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial period under review.

A8. Dividend Paid

There was no dividend paid by the Company during the financial period under review.

A9. Segment Reporting

Segmental information for the financial period under review is as follows:-

<u>Amounts in RM'000</u>	Compounding	Retreading	Glove Business	Property and Consolidation		12 months ended	18 months ended
				Others	Adjustments	31.12.2021 (Unaudited)	31.12.2020 (Audited)
External Revenue	32,827	-	3,793	-	-	36,620	36,910
Inter-Segment Revenue	-	-	-	-	-	-	-
Total Revenue	32,827	-	3,793	-	-	36,620	36,910
Overseas Revenue	9,775	-	-	-	-	9,775	6,122
Local Revenue	23,052	-	3,793	-	-	26,845	30,788
Total Revenue	32,827	-	3,793	-	-	36,620	36,910
Segment Results	7,839	(6,686)	3,713	(817)	(18,108)	(14,059)	(31,396)
Interest Income	-	-	-	-	-	-	18
Depreciation and Amortisation	(2,177)	(1,284)	-	(6)	-	(3,467)	(7,968)
Finance Cost	(1,847)	-	-	-	-	(1,847)	(2,846)
Loss Before Taxation	3,815	(7,970)	3,713	(823)	(18,108)	(19,373)	(42,192)
Taxation	-	-	-	-	-	-	2,335
Non-controlling Interest	-	-	-	-	(1,830)	(1,830)	(819)
Loss for The Period Attributable to the equity holders of the Company	3,815	(7,970)	3,713	(823)	(19,938)	(21,203)	(40,676)

The loss of RM6.0 million in the retreading segment is primarily due to the impairment of property, plant and equipment

A10. Valuation of Property, Plant and Equipment

The freehold and leasehold land and buildings of the Group are stated at fair value based on valuation performed by independent professional valuer on the open market value basis conducted in year 2020.

A11. Significant Events During the Reporting Period

The following significant events are proposed during the financial period under review.

On 18 November 2021, the members of the Group has approved the proposed disposal of 3 pieces of leasehold industrial land for a total consideration of RM 25,000,000.

A12. Changes in the Composition of the Group

There were no other significant changes in the composition of the Group.

A13. Contingent Liabilities and Contingent Assets

	Company	
	As at 31.12.2021 (Unaudited) RM'000	As at 31.12.2020 (Audited) RM'000
Contingent liabilities		
Corporate guarantees for credit facilities granted to subsidiaries	10,054	49,844

A14. Capital Commitments

The Group has engaged Glomaxes Latex Glove Manufacturers Sdn Bhd to be a turnkey contractor to construct 5 lines of Dual Process Double Former Glove Dipping Line for a total consideration of RM 42,780,000.

As at 31 December 2021, the outstanding capital commitment of the Group is RM 21,390,000.

A15. Recurrent Related Party Transactions

The Group's recurrent related party transactions are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 31.12.2021 (Unaudited) RM'000	Preceding Year Corresponding quarter 31.12.2020 (Unaudited) RM'000	Current Year 12 months ended 31.12.2021 (Unaudited) RM'000	Preceding Year 18 months ended 31.12.2020 (Audited) RM'000
Transactions with a company connected to a Director				
- Supplying rubber compound and accessories	-	-	805	134

Related Party Transactions have been entered into in the ordinary course of business based on normal commercial terms and at arm's length. The total amount transacted for the period under review is within the Shareholders' mandate obtained on 18 November 2021.

B. BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 31.12.2021 (Unaudited) RM'000	Preceding Year 3 months ended 31.12.2020 (Unaudited) RM'000	Current Year 12 months ended 31.12.2021 (Unaudited) RM'000	Preceding Year 18 months ended 31.12.2020 (Audited) RM'000
Revenue	10,364	9,981	36,620	36,910
Loss before tax	(4,641)	(26,798)	(19,373)	(42,192)

The Group's total revenue for the current quarter under review is RM10.36 million, compared to RM9.98 million in the preceding year corresponding quarter, an increase of 4.3%.

The Group incurred a loss before tax of RM4.641 million during the current quarter under review compared to a loss before tax of RM26.798 million in the preceding year corresponding quarter. The significant reduction in loss before tax in the current quarter as compared to the previous quarter as well as in the current financial year is due to the increase in operating efficiency, cost cutting measures and reduction in impairment adjustments.

B2. Comparison with Preceding Quarter's Results

	Current Quarter ended 31.12.2021 (Unaudited) RM'000	Preceding Quarter ended 30.09.2021 (Unaudited) RM'000
Revenue	10,364	4,520
Loss before tax	<u>(4,641)</u>	<u>(9,295)</u>

Compared to the preceding quarter, the current quarter review recorded an increase in revenue of RM5.89 million.

The company registered a loss before tax of RM3.486 million, compared to the loss before tax of RM9.295 million in preceding quarter. As the country and economy relaxes COVID-19 restrictive measures, the company recovers its sales revenue. The impairment of property, plant and equipment resulted in the preceding quarter which explains the significant reduction in losses in the current quarter.

B3. Prospects for the Current Financial Year

While there are still challenges in the global supply chain, the Group is taking the approach to focus on high value products and customers for its rubber compound business in key markets that have relaxed its lockdown measures.

Although the new variants of the COVID-19 virus caused delays in the construction of a new glove production line, it is targeted to commence operations in the first half of 2022. Barring any unforeseen circumstances, the Group remains confident the glove business is able to contribute positively in the current financial year.

B4. Loss before Taxation

The loss before taxation is arrived at after charging the following items:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 31.12.2021 (Unaudited) RM'000	Preceding Year rresponding quarter 31.12.2020 (Unaudited) RM'000	Current Year 12 months ended 31.12.2021 (Unaudited) RM'000	Preceding Year 18 months ended 31.12.2020 (Audited) RM'000
Depreciation and amortisation	(1,971)	(1,132)	(3,635)	(7,968)
Impairment on property, plant and equipment	-	-	(5,760)	(8,340)
Impairment on receivables	(1,364)	-	(1,364)	(34)
Impairment on inventories	(2,573)	-	(6,130)	-
Gain / (loss) on foreign exchange	-	(190)	(286)	(151)
Gain/ (loss) on disposal of property, plant and equipment	-	320	-	312
Interest expenses	(296)	(340)	(1,847)	(3,112)

B5. Profit forecast or profit guarantee

This is not applicable to the Group.

B6. Taxation

Taxation comprises the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 3 months ended 31.12.2021 (Unaudited)	Preceding Year Preceding quarter 31.12.2020 (Unaudited)	Current Year 12 months ended 31.12.2021 (Unaudited)	Preceding Year 18 months ended 31.12.2020 (Audited)
	RM'000	RM'000	RM'000	RM'000
Current tax expense	-	-	-	-
Deferred taxation	-	-	-	-
Total taxation expense	-	-	-	-

B7. Group Loans and Borrowings

The Group loans and borrowings as at 30 September 2021 are as follows:-

	As at period ended 31 December 2021			Amount in '000
	Long Term Borrowings	Short Term Borrowings	Total Borrowings	
	RM	RM	RM	
Secured				
Trade Facilities	-	-	-	
Overdraft	-	-	-	
Finance lease	93	22	115	
Term loans/Islamic financing	6,275	16,934	23,209	
Total	6,368	16,956	23,324	
	As at period ended 31 December 2020			Amount in '000
	Long Term Borrowings	Short Term Borrowings	Total Borrowings	
	RM	RM	RM	
Secured				
Trade Facilities	-	5,386	5,386	
Overdraft	-	2,286	2,286	
Finance lease	-	39	39	
Term loans/Islamic financing	21,919	2,180	24,099	
Total	21,919	9,891	31,810	

As at 31 December 2021, the Company has settled RM 8,486,000 of borrowings on loan redemption.

B8. Financial Instruments

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

B9. Status of Corporate Proposals

On 7 September 2021 the Group completed the rights issue with warrants proposals and accordingly 228,355,514 Rights Shares and 228,355,514 Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

The status of the utilisation of rights issue proceeds are as follows :-

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000	Intended timeframe for utilisation	Deviation	Explanation
Set-off Arrangement	9,998	9,998	-	Upon completion	0%	
Installation and commissioning of production lines for Gloves Business	25,000	21,390	3,610	Within 24 months	14%	(1)
Partial repayment of bank borrowings	10,000	10,000	-	Within 3 months	0%	
General working capital	4,540	7,671	(3,131)	Within 12 months	-69%	(2)
Estimated expenses	700	193	507	Upon completion	72%	(3)
Total	50,238	49,252	986			

- (1) Full payment to the turnkey contractor for the installation and commissioning of production lines have not been made as the contract has not been completed.
- (2) Excess funds used for general working capital as it was more urgent.
- (3) Invoices from professionals involved in the corporate exercise have yet to be received, hence no payment was made.

B10. Material Litigation

There was no material litigation during the current financial period under review.

B11. Proposed Dividend

There was no dividend declared for the current financial period under review.

B12. Loss per ordinary share [LPS]

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.12.2021 (Unaudited) RM'000	31.12.2020 (Audited) RM'000	31.12.2021 (Unaudited) RM'000	31.12.2020 (Audited) RM'000
<u>Basic LPS</u>				
Net loss attributable to the Equity holders of the Company	(4,613)	(27,527)	(21,203)	(40,676)
Weighted average number of ordinary shares brought forward as at 31 December 2021	439,057	164,713	439,057	164,713
Basic loss per share (sen)	(1.05)	(16.71)	(4.83)	(24.70)

Diluted LPS

Not applicable as the Company does not have dilutive ordinary shares in issue.

By order of the Board
GIIB HOLDINGS BERHAD
Date: