



Condensed Consolidated Statements of Comprehensive Income for the financial period ended 30 September 2020
These figures have not been audited

	2020 Current Quarter ended 30 September RM'000	2020 Year-to-Date ended 30 September RM'000	2019 Current Quarter ended 30 September RM'000	2019 Year-to-Date ended 30 September RM'000
CONTINUING OPERATIONS				
Revenue	109,028	263,559	62,233	168,330
Cost of sales	(56,211)	(167,958)	(55,920)	(149,590)
Gross profit	52,817	95,601	6,313	18,740
Other gains and losses	169	1,818	1,017	465
Operating expenses	(4,433)	(10,336)	(3,241)	(8,600)
Profit from operations	48,553	87,083	4,089	10,605
Finance costs	(22)	(237)	(426)	(1,649)
Profit before tax	48,531	86,846	3,663	8,956
Income tax expense	(9,016)	(15,108)	(549)	(1,486)
Profit for the period from continuing operations	39,515	71,738	3,114	7,470
DISCONTINUED OPERATIONS				
Profit for the period from discontinued operations	-	-	15,533	13,760
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	39,515	71,738	18,647	21,230
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	287	1,247	(30,106)	(30,536)
Total comprehensive income for the period attributable to Equity holders of the Company	39,802	72,985	(11,459)	(9,306)
Earnings per share:				
From continuing and discontinued operations				
Basic (sen)	14.88	27.02	7.39	8.42
From continuing operations				
Basic (sen)	14.88	27.02	1.23	2.96
Weighted average number of shares	265,472,895	265,472,895	252,195,617	252,195,617

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Financial Position as at 30 September 2020
These figures have not been audited

	As at 30 September 2020 RM'000	Year ended 31 December 2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	167,095	125,708
Prepaid lease payments	4,837	4,893
Right-of-use assets	434	906
Deferred tax asset	1,371	771
	<u>173,737</u>	<u>132,278</u>
Current Assets		
Inventories	49,068	42,958
Trade and other receivables	46,824	38,461
Cash and bank balances	73,240	56,130
	<u>169,132</u>	<u>137,549</u>
TOTAL ASSETS	<u>342,869</u>	<u>269,827</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	191,261	160,192
Treasury shares	(34,722)	(8)
Other reserves	7,771	6,524
Retained earnings	110,047	38,309
TOTAL EQUITY	<u>274,357</u>	<u>205,017</u>
Non-current Liabilities		
Borrowings	3,500	1,300
Lease liabilities	130	130
Deferred tax liabilities	351	351
	<u>3,981</u>	<u>1,781</u>
Current Liabilities		
Trade and other payables	62,736	51,536
Lease liabilities	305	777
Borrowings	1,490	10,716
	<u>64,531</u>	<u>63,029</u>
TOTAL LIABILITIES	68,512	64,810
TOTAL EQUITY AND LIABILITIES	<u>342,869</u>	<u>269,827</u>
Net assets per share (RM)	1.01	0.81

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Changes in Equity for the financial period ended 30 September 2020

These figures have not been audited

	Attributable to Equity Holders of the Company					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserves RM'000	Translation Reserves RM'000	Retained Earnings RM'000	
As at 01 January 2019	160,192	(8)	(2,342)	37,427	19,185	214,454
Total comprehensive income for the period	-	-	-	(2,840)	21,230	18,390
Transferred to/from retained earnings	-	-	2,342	-	(2,342)	-
Dividend paid	-	-	-	-	(2,522)	(2,522)
Disposal of subsidiary companies	-	-	-	(27,606)	-	(27,606)
Effects of foreign exchange differences	-	-	-	(90)	-	(90)
As at 30 September 2019	160,192	(8)	-	6,891	35,551	202,626
As at 01 January 2020	160,192	(8)	-	6,524	38,309	205,017
Total comprehensive income for the period	-	-	-	-	71,738	71,738
Issuance of new shares	31,020	-	-	-	-	31,020
Resale/(Purchase) of treasury shares	49	(34,714)	-	-	-	(34,665)
Effects of foreign exchange differences	-	-	-	1,247	-	1,247
As at 30 September 2020	191,261	(34,722)	-	7,771	110,047	274,357

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Cashflows for the financial period ended 30 September 2020
These figures have not been audited

	2020 Year-to-Date ended 30 September RM'000	2019 Year-to-Date ended 30 September RM'000
Net cash generated from/(used in) operating activities	74,194	25,168
Net cash used in investing activities	(79,901)	38,980
Net cash used in financing activities	20,813	(27,326)
Net increase/(decrease) in cash and cash equivalents	15,106	36,822
Effects of foreign exchange differences	1,304	25
Cash and cash equivalents at beginning of financial period	55,664	23,707
Cash and cash equivalents at end of financial period	72,074	60,554

Cash and cash equivalents at end of financial period comprise the following:

Cash and bank balances	73,240	63,366
Short term borrowings - bank overdrafts	(1,166)	(2,812)
	72,074	60,554

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation of the Financial Statements and Adoption of New and Revised Financial Reporting Standards (“FRSs”)

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

The accounting policies and methods of computation adopted for the interim financial statements were consistent with those adopted for the annual audited financial statements for the year ended 31 December 2019.

2. Auditor’s Report on Preceding Annual Financial Statements

The auditor’s report on the financial statements of the Group and the Company for the previous year ended 31 December 2019 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s products are not materially impacted by any seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting the Group’s assets, liabilities, equity, net income or cash flows in the interim financial statements ended 30 September 2020.

5. Changes in Material Estimates

There were no changes in the nature and amount of estimates reported in prior financial years that have a material effect in the interim financial statements ended 30 September 2020.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In the current quarter, the Company purchased 6,622,000 ordinary shares from Bursa Malaysia Securities Berhad, for a total consideration of RM34.7 million.

A total of 10,000 Treasury Shares were also re-sold on Bursa Malaysia Securities Berhad for a total consideration of RM56,563; the gain on this sale has been reflected in the issued capital of the Company

As at 30 September 2020, a total of 6,622,000 shares were held as Treasury Shares by the Company.



7. Dividends Paid

A second interim single-tiered dividend of 1.0 sen per ordinary share in respect of financial year 2019 was paid on 20 January 2020.

8. Segmental Information

Segmental information is presented in accordance to the Group's business and geographical segments by location of assets, which is the primary reporting format.

	Current Quarter ended 30 September 2020 RM'000	Cumulative year-to-date RM'000
Segment Revenue:		
Malaysia	107,558	243,087
Europe	41,906	119,794
	<hr/>	<hr/>
	149,464	362,881
Group adjustments	(40,436)	(99,322)
Total	<hr/> 109,028 <hr/>	<hr/> 263,559 <hr/>
Segment Results:		
Malaysia	49,183	81,367
Europe	5,330	14,426
	<hr/>	<hr/>
	54,513	95,793
Group adjustments	(5,960)	(8,710)
Total	<hr/> 48,553 <hr/>	<hr/> 87,083 <hr/>

9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment during the current quarter ended 30 September 2020.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2019.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial period ended 30 September 2020.

11. Changes in the Composition of the Group

There were no changes to the composition of the Group since the last financial year ended 31 December 2019.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or assets since the last annual balance sheet date as at 31 December 2019.



13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2020 is as follows: -

	RM'000
Capital expenditure approved and contracted for	20,893

B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group achieved a sales turnover of RM109.0 million in the current quarter compared to RM62.2 million in the corresponding quarter ended 30 September 2019, an increase of 75.2%. Group pretax profit recorded in the period was RM48.5 million, a significant increase by more than thirteen times from RM3.7 million in the corresponding quarter of the previous year. The improved profits were mainly due to an overall increase in demand of the Group's products namely household, industrial and nitrile disposable gloves due to the COVID-19 pandemic outbreak since early this year, higher average glove selling prices, favourable exchange rates and improved production efficiencies.

2. Material change in the profit before tax of the current quarter compared with preceding quarter

Pretax profit in the current quarter increased by RM20.7 million or 74.5% from RM27.8 million in the second quarter of the year to RM48.5 million in the current quarter ended 30 September 2020, on the back of strong market demand and an unprecedented increase in sales due to the pandemic. The most notable increase in revenue was derived from the Group's nitrile disposable glove division as these gloves were deemed critical essential products for use by the healthcare and medical sectors in the fight against the pandemic.

During the current quarter, factors such as better product mix, improved efficiencies achieved through higher capacity utilisation, favourable exchange rates as well as higher average glove selling prices particularly from the nitrile disposable glove division have contributed to the material increase in pretax profits.

3. Current Year Prospects

The Group remains focused on its nitrile disposable glove division, which is currently operating at full capacity. The improved performance in the current quarter was mainly driven by consistently strong demand and higher average selling prices of nitrile disposable gloves in the third quarter compared to the first half of the year.



Higher capacity utilization and improved operational efficiencies across the Group's disposable, household and industrial divisions also contributed to the improved revenue and profits.

The Group's favourable performance is expected to continue for the rest of 2020 as order books for the existing nitrile disposable glove lines have been filled up until the second half of 2021. The Group's next capacity expansion is on track and is expected to contribute to the Group's earnings in the fourth quarter of 2020 onwards.

4. Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee has been issued for the current quarter.

5. Taxation

	Current quarter ended 30 September 2020 RM'000	Cumulative year-to-date RM'000
Current year – Malaysian income tax	8,017	11,377
Current year – Foreign income tax	1,599	4,331
Provision for deferred tax asset	(600)	(600)
Total income tax expense	<u>9,016</u>	<u>15,108</u>

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 30 September 2020.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 September 2020.

8. Status of Corporate Proposals

The Company completed a private placement of shares, involving the issuance of 25,219,500 new shares, representing approximately 10% of the total number of issued shares of the Company (excluding treasury shares), at the issue price of RM1.23 each, on 18 May 2020 with the listing and quotation of the new shares on Bursa Malaysia Securities Berhad.

On 22 June 2020, the Company received a Notice of Unconditional Mandatory Take-over Offer by Hextar Rubber Sdn Bhd (formerly known as ERPStar Inc. Sdn Bhd) and Dato' Ong Choo Meng, collectively referred to as the "joint offerors", through M&A Securities Sdn Bhd, to acquire all the remaining ordinary shares in the Company not already owned by the joint offerors, for a cash offer price of RM1.80 per share. This exercise was completed on 04 August 2020, being the closing date of the offer, with a total of 2,669,000 shares offered and accepted by the joint offerors.



In the current quarter, the Company also undertook a Bonus Issue exercise involving the issuance of 554,850,234 new ordinary shares, on the basis of two bonus shares for each existing share held as at entitlement date of 20 October 2020. This exercise was

completed with the listing and quotation of the bonus shares on Bursa Malaysia Securities Berhad on 21 October 2020.

There were no other corporate proposals not announced or outstanding as at 30 September 2020.

9. Group Borrowings and Debt Securities

	As at 30 September 2020		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	1,001	489	1,490
Term Loans	3,500	-	3,500
	4,501	489	4,990

10. Financial Instruments Risks

As at 30 September 2020, the Group has the following foreign currency contracts outstanding: -

Currency	Contracted Amounts '000	Ringgit Equivalent RM'000	Fair Values RM'000	Expiry Periods
U.S. Dollar (USD)	1,320	5,504	5,496	Dec 2020 - Jan 2021
Euro (EUR)	1,734	8,542	8,452	Nov 2020 - Jan 2021
		14,046	13,948	

The above foreign currency contracts were entered into with local licensed banks to hedge the Group's receivables and payables in foreign currencies. The contracted rates will be used to translate the underlying foreign currencies into Ringgit Malaysia.

These foreign currency contracts are of a short-term nature. The accounting policy adopted with regards to off balance sheet financial instruments was consistent with those applied in the last audited financial statements as at 31 December 2019.

11. Changes in Material Litigation

There was no outstanding material litigation as at 30 September 2020.

12. Dividend Payable

No dividend is proposed for the current quarter ended 30 September 2020.



13. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 30 September 2020	Cumulative Year-to-Date ended 30 September 2019
Continuing Operations			
Profit for the period attributable to equity holders of the Company	RM’000	71,738	7,470
Weighted average number of ordinary shares in issue	Shares	265,472,895	252,195,617
Basic EPS	sen	27.02	2.96

14. Disclosure on COVID-19 related impacts

The Group is committed to complying with all current standard operating procedures (SOP) issued by the Malaysian government in relation to workplace safety and employees’ health. The COVID-19 pandemic had resulted in an unprecedented surge in demand for personal protective equipment (PPE) including gloves.

The Group’s production lines, workforce, supply chains, distribution networks and logistical services were not materially affected during the movement control orders (MCO) put in place by the Malaysian government. As a result of increased sales and demand for various types of gloves, in particular nitrile disposable gloves, the Group recorded significantly higher profits and hence, is in a strong positive cashflow position.

The next phase of nitrile disposable gloves expansion is progressing on schedule and is expected to contribute to the Group’s earnings from the fourth quarter of 2020 onwards.

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 20 November 2020.

Ipoh, Perak
20 November 2020