



Condensed Consolidated Statements of Comprehensive Income for the financial period ended 30 June 2021
These figures have not been audited

	2021 Current Quarter ended 30 June RM'000	2021 Year-to-Date ended 30 June RM'000	2020 Current Quarter ended 30 June RM'000	2020 Year-to-Date ended 30 June RM'000
Revenue	176,608	351,850	88,101	154,531
Cost of sales	(90,293)	(158,393)	(57,564)	(111,748)
Gross profit	86,315	193,457	30,537	42,783
Other gains and losses	1,399	9,363	660	1,649
Operating expenses	(3,814)	(6,963)	(3,287)	(5,902)
Profit from operations	83,900	195,857	27,910	38,530
Finance costs	(35)	(72)	(81)	(215)
Profit before tax	83,865	195,785	27,829	38,315
Income tax expense	(19,205)	(44,552)	(4,866)	(6,092)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	64,660	151,233	22,963	32,223
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	479	(44)	415	960
Total comprehensive income for the period attributable to Equity holders of the Company	65,139	151,189	23,378	33,183
Earnings per share:				
Basic (sen)	7.78	18.20	2.76	3.87
Weighted average number of shares ^	830,846,051	830,846,051	832,245,351	832,245,351

^ For comparative purposes, the weighted average number of shares for first quarter 2020 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Financial Position as at 30 June 2021
These figures have not been audited

	As at 30 June 2021 RM'000	As at 31 December 2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	197,917	182,896
Prepaid lease payments	16,680	4,690
Right-of-use assets	2,270	2,702
	<u>216,867</u>	<u>190,288</u>
Current Assets		
Inventories	88,574	56,470
Trade and other receivables	59,153	59,414
Cash and bank balances	240,947	165,276
	<u>388,674</u>	<u>281,160</u>
TOTAL ASSETS	<u>605,541</u>	<u>471,448</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	191,212	191,212
Treasury shares	-	(1,612)
Other reserves	2,324	8,318
Retained earnings	331,384	179,751
TOTAL EQUITY	<u>524,920</u>	<u>377,669</u>
Non-current Liabilities		
Borrowings	3,500	3,500
Lease liabilities	1,620	1,929
Deferred tax liabilities	6,954	6,084
	<u>12,074</u>	<u>11,513</u>
Current Liabilities		
Trade and other payables	66,929	80,970
Lease liabilities	735	858
Borrowings	883	438
	<u>68,547</u>	<u>82,266</u>
TOTAL LIABILITIES	80,621	93,779
TOTAL EQUITY AND LIABILITIES	<u>605,541</u>	<u>471,448</u>
Net asset per share (RM) ^	0.63	0.45

^ For comparative purposes, the total number of shares for financial year 2019 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Changes in Equity for the financial period ended 30 June 2021
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	Non-distributable Translation Reserves RM'000	Retained Earnings RM'000	
As at 01 January 2020	160,192	(8)	6,524	38,309	205,017
Issuance of new shares	31,020	-	-	-	31,020
Total comprehensive income for the period	-	-	-	32,223	32,223
Effects of foreign exchange differences	-	-	960	-	960
As at 30 June 2020	191,212	(8)	7,484	70,532	269,220
As at 01 January 2021	191,212	(1,612)	8,318	179,751	377,669
Total comprehensive income for the period	-	-	(5,950)	151,633	145,683
Resale/(Purchase) of treasury shares		1,612	-	-	1,612
Effects of foreign exchange differences	-	-	(44)	-	(44)
As at 30 June 2021	191,212	-	2,324	331,384	524,920

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Cashflows for the financial period ended 30 June 2021
These figures have not been audited

	2021 Year-to-Date ended 30 June RM'000	2020 Year ended 31 December RM'000
Net cash generated from operating activities	102,961	141,337
Net cash used in investing activities	(27,244)	(60,071)
Net cash used in financing activities	<u>(511)</u>	<u>27,923</u>
Net increase/(decrease) in cash and cash equivalents	75,206	109,189
Effects of foreign exchange differences	(213)	218
Cash and cash equivalents at beginning of financial period	<u>165,071</u>	<u>55,664</u>
Cash and cash equivalents at end of financial period	<u>240,064</u>	<u>165,071</u>

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

Cash and bank balances	240,947	165,276
Short term borrowings - bank overdrafts	<u>(883)</u>	<u>(205)</u>
	<u>240,064</u>	<u>165,071</u>

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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 2020.

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 2020.

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 2020 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 June 2021.

5. Changes in Material Estimates

There were no changes in the nature and amount of estimates reported in prior financial year(s) that have a material effect in the interim financial statements ended 30 June 2021.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

The Company did not carry out any Share Buy-back in the current quarter.

On 19 April 2021, a total of 2,798,600 treasury shares were resold on Bursa Malaysia Securities Berhad for a total consideration of RM4.3 million; the gain on this sale of RM0.4 million has been transferred to retained earnings of the Company.

As at 30 June 2021, the Company does not hold any Treasury Shares.



7. Dividends Paid

No dividends have been declared by the Company in respect of the current financial year.

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 June 2021 RM'000	Cumulative year-to-date RM'000
Segment Revenue:		
Malaysia	180,367	362,755
Europe	24,629	55,239
	<hr/>	<hr/>
	204,996	417,994
Group adjustments	(28,388)	(66,144)
Total	<hr/> 176,608 <hr/>	<hr/> 351,850 <hr/>
Segment Results:		
Malaysia	83,997	184,279
Europe	763	4,391
	<hr/>	<hr/>
	84,760	188,670
Group adjustments	(860)	7,187
Total	<hr/> 83,900 <hr/>	<hr/> 195,857 <hr/>

9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment in the current quarter ended 30 June 2021.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2020.

10. Subsequent Events

Other than as disclosed, there were no material events subsequent to the end of the current quarter that have not been reflected in the financial period ended 30 June 2021.

11. Changes in the Composition of the Group

Other than as disclosed, there were no changes to the composition of the Group since the last financial year ended 31 December 2020.

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 2020.



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 June 2021 is as follows: -

	RM'000
Capital expenditure approved and contracted for	5,340

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 RM176.6 million in the current quarter compared to RM88.1 million in the corresponding quarter ended 30 June 2020, a significant increase of 100.5%. Group pretax profit recorded in the period was RM83.9 million, and net of tax, was RM64.7 million, a significant increase by 181.3% from RM23.0 million in the corresponding quarter of the previous year.

Demand for the Group's products namely household, industrial and nitrile disposable gloves remain strong in the midst of this pandemic despite the gradual easing of glove selling prices. In the current quarter, the Group's operations were also impacted by labour restrictions and lower production efficiencies due to the various stages of Movement Control Orders (MCO) implemented by the Malaysian government.

2. Material change in profits of the current quarter compared with preceding quarter

Pretax profit in the current quarter decreased by RM28.0 million or 25.0% to RM83.9 million, from RM111.9 million in the first quarter. In the previous quarter, the reported profit had included an exceptional gain of RM5.9 million from the dissolution and de-registration of Rubberex (Hong Kong) Limited, a wholly-owned subsidiary of the Company, from the Companies Registry of Hong Kong in February 2021.

Net of tax, Group profits decreased to RM64.7 million in the current quarter, a reduction of 19.8% from RM80.7 million in the previous quarter (discounting the non-operational gain of RM5.9 million above) owing to easing of average glove selling prices and lower production efficiencies due to restrictions in workforce compelled by MCO 3.0 implemented by the Malaysian government in the current quarter.

3. Current Year Prospects

The Group remains focused on its nitrile disposable glove division as glove demand remains strong amidst heightened safety and hygiene awareness among the population. While the spread of COVID-19 remains pervasive notwithstanding improved vaccination rates globally, glove average selling prices (ASP) have been showing signs of easing since early this quarter.



The softening of ASP is expected to impact on the Group's performance for the second half of the financial year. In addition, the Management foresees persistent operational disruptions that would affect the Group's overall operating efficiencies as a result of the pandemic, for the remainder of the year.

Despite all these, the financial results of the Group are expected to be significantly better compared to previous financial year 2020.

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 June 2021 RM'000	Cumulative year-to-date RM'000
Current year – Malaysian income tax	19,014	43,454
Current year – Foreign income tax	191	1,098
Total income tax expense	19,205	44,552

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 30 June 2021.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 June 2021.

8. Status of Corporate Proposals

The Company completed a private placement of shares, involving the issuance of 83,227,500 new shares, representing approximately 10% of the total number of issued shares of the Company, at the issue price of RM0.80 per share, on 03 August 2021 with the listing and quotation of the new shares on Bursa Malaysia Securities Berhad

There were no corporate proposals not announced or outstanding as at 30 June 2021.

9. Group Borrowings and Debt Securities

As at 30 June 2021, the Group has an outstanding term loan amount of RM3.5 million. This facility was obtained from a licensed financial institution and secured by a charge over certain factory buildings and leasehold land of a subsidiary company.

There were no other short-term borrowings or trade facilities utilized by the Group as at 30 June 2021.



10. Financial Instruments Risks

As at 30 June 2021, 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)	790	3,282	3,281	July 2021
Euro (EUR)	551	2,773	2,725	July - Sept 2021
		6,055	6,006	

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 2020.

11. Changes in Material Litigation

There was no outstanding material litigation as at 30 June 2021.

12. Dividend Payable

No dividend is proposed for the current quarter ended 30 June 2021.

13. Earnings per Share ("EPS")

		Cumulative Year-to-Date ended 30 June 2021	Cumulative Year-to-Date ended 31 December 2020
Continuing Operations			
Profit for the period attributable to equity holders of the Company	RM'000	151,233	131,176
Weighted average number of ordinary shares in issue	Shares	830,846,051	802,583,259
Basic EPS	sen	18.20	16.34



14. Disclosure on COVID-19 related impacts

The demand for personal protective equipment including gloves remain robust as these items were deemed critical in defense against the pandemic and the Group has seen increased orders and deliveries since early 2020.

The Group's latest phase of expansion (which had been put in place pre-pandemic) was well-positioned to contribute to the increased market demand as 1.5 billion pieces of additional nitrile disposable gloves' capacity came on-stream in the fourth quarter of 2020. Moving forward, despite improved global vaccination rates, the consumption and demand for gloves are expected to remain higher than pre-pandemic levels owing to increased health, hygiene and safety awareness among medical professionals and the general population.

The Group is complying with all current standard operating procedures (SOP) issued by the Malaysian government in relation to workplace safety and employees' health. Sanitisation of common work areas, workers' accommodation as well as workers' transport vehicles are also carried out regularly to curb the spread of the virus.

The current worsening COVID-19 situation has caused continual disruptions to normal plant operations but the Group is committed to placing workplace safety and employees' health on an uncompromising top priority. In respect of the recent media release by the Ministry of International Trade and Industry (MITI) on 15 August 2021 mandating companies to conduct the RTK Antigen Testing as approved by the Ministry of Health through self-testing or at health facilities every two weeks, the Group is pleased to state that implementation has already commenced this month. In addition, through the state's SilverVax program (formerly known as Program Vaksin Perak), the Group has procured adequate vaccines for all its employees and expects the full workforce to be fully vaccinated by early October 2021.

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 27 August 2021.

Ipoh, Perak
27 August 2021