



Condensed Consolidated Statements of Comprehensive Income for the financial period ended 30 September 2021

These figures have not been audited

	2021 Current Quarter ended 30 September RM'000	2021 Year-to-Date ended 30 September RM'000	2020 Current Quarter ended 30 September RM'000	2020 Year-to-Date ended 30 September RM'000
Revenue	94,901	446,752	109,028	263,559
Cost of sales	(61,351)	(219,745)	(56,211)	(167,958)
<b>Gross profit</b>	<b>33,550</b>	<b>227,007</b>	<b>52,817</b>	<b>95,601</b>
Other gains and losses	1,889	11,252	169	1,818
Operating expenses	(4,050)	(11,013)	(4,433)	(10,336)
<b>Profit from operations</b>	<b>31,389</b>	<b>227,246</b>	<b>48,553</b>	<b>87,083</b>
Finance costs	(38)	(110)	(22)	(237)
<b>Profit before tax</b>	<b>31,351</b>	<b>227,136</b>	<b>48,531</b>	<b>86,846</b>
Income tax expense	(6,135)	(50,687)	(9,016)	(15,108)
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>25,216</b>	<b>176,449</b>	<b>39,515</b>	<b>71,738</b>
<b>Other comprehensive income, net of tax:</b>				
Foreign currency translation differences for foreign operations	(610)	(654)	287	1,247
<b>Total comprehensive income for the period attributable to Equity holders of the Company</b>	<b>24,606</b>	<b>175,795</b>	<b>39,802</b>	<b>72,985</b>
<b>Earnings per share:</b>				
Basic (sen)	2.98	20.86	4.71	8.54
Weighted average number of shares ^	845,719,762	845,719,762	839,814,351	839,814,351

^ 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 September 2021  
These figures have not been audited

	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	203,185	182,896
Prepaid lease payments	16,661	4,690
Right-of-use assets	2,024	2,702
	<u>221,870</u>	<u>190,288</u>
<b>Current Assets</b>		
Inventories	90,357	56,470
Trade and other receivables	39,077	59,414
Cash and bank balances	307,680	165,276
	<u>437,114</u>	<u>281,160</u>
<b>TOTAL ASSETS</b>	<b><u>658,984</u></b>	<b><u>471,448</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	257,794	191,212
Treasury shares	(21,921)	(1,612)
Other reserves	1,714	8,318
Retained earnings	356,600	179,751
<b>TOTAL EQUITY</b>	<b><u>594,187</u></b>	<b><u>377,669</u></b>
<b>Non-current Liabilities</b>		
Borrowings	-	3,500
Lease liabilities	1,446	1,929
Deferred tax liabilities	7,702	6,084
	<u>9,148</u>	<u>11,513</u>
<b>Current Liabilities</b>		
Trade and other payables	54,987	80,970
Lease liabilities	662	858
Borrowings	-	438
	<u>55,649</u>	<u>82,266</u>
<b>TOTAL LIABILITIES</b>	<b>64,797</b>	<b>93,779</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>658,984</u></b>	<b><u>471,448</u></b>
Net asset per share (RM) ^	0.68	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 September 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	
<b>As at 01 January 2020</b>	160,192	(8)	6,524	38,309	205,017
Issuance of new shares	31,020	-	-	-	31,020
Total comprehensive income for the period	-	-	-	71,738	71,738
Resale/(Purchase) of treasury shares	49	(34,714)	-	-	(34,665)
Effects of foreign exchange differences	-	-	1,247	-	1,247
<b>As at 30 September 2020</b>	<b>191,261</b>	<b>(34,722)</b>	<b>7,771</b>	<b>110,047</b>	<b>274,357</b>
<b>As at 01 January 2021</b>	191,212	(1,612)	8,318	179,751	377,669
Issuance of new shares	66,582	-	-	-	66,582
Total comprehensive income for the period	-	-	(5,950)	176,849	170,899
Resale/(Purchase) of treasury shares	-	(20,309)	-	-	(20,309)
Effects of foreign exchange differences	-	-	(654)	-	(654)
<b>As at 30 September 2021</b>	<b>257,794</b>	<b>(21,921)</b>	<b>1,714</b>	<b>356,600</b>	<b>594,187</b>

*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 September 2021  
These figures have not been audited

	2021 Year-to-Date ended 30 September RM'000	2020 Year ended 31 December RM'000
Net cash generated from operating activities	130,955	141,337
Net cash used in investing activities	10,569	(60,071)
Net cash used in financing activities	(4,702)	27,923
Net increase/(decrease) in cash and cash equivalents	136,822	109,189
Effects of foreign exchange differences	(213)	218
Cash and cash equivalents at beginning of financial period	165,071	55,664
Cash and cash equivalents at end of financial period	<b>301,680</b>	<b>165,071</b>

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

Cash and bank balances	301,680	165,276
Short term borrowings - bank overdrafts	-	(205)
	<b>301,680</b>	<b>165,071</b>

*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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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**

In the current quarter, Company purchased 36,789,500 ordinary shares from Bursa Malaysia Securities Berhad, for a total consideration of RM21.9 million.

As at 30 September 2021, a total of 36,789,500 shares were held as Treasury Shares by the Company.

#### **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 September 2021 RM'000	Cumulative year-to-date RM'000
<b>Segment Revenue:</b>		
Malaysia	100,617	463,373
Europe	25,363	80,602
	<hr/>	<hr/>
	125,980	543,975
Group adjustments	(31,079)	(97,223)
Total	<hr/> <b>94,901</b> <hr/>	<hr/> <b>446,752</b> <hr/>
<b>Segment Results:</b>		
Malaysia	27,652	211,931
Europe	1,186	5,577
	<hr/>	<hr/>
	28,838	217,508
Group adjustments	2,551	9,738
Total	<hr/> <b>31,389</b> <hr/>	<hr/> <b>227,246</b> <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 September 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 September 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 September 2021 is as follows: -

	RM'000
Capital expenditure approved and contracted for	4,365

## 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 RM94.9 million in the current quarter compared to RM109.0 million in the corresponding quarter ended 30 September 2020, a decrease of 12.9%. Group pretax profit recorded in the period was RM31.4 million, and net of tax, was RM25.2 million, a decrease by 36.2% from RM39.5 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 continuing 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 slower order uptakes by customers.

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

Pretax profit in the current quarter decreased by RM52.5 million or 62.6% to RM31.4 million, from RM83.9 million in the second quarter. Net of tax, Group profits decreased to RM25.2 million in the current quarter, a reduction of 61.0% from RM64.6 million in the previous quarter owing to easing of average selling prices (ASP) and lower production efficiencies due to the pandemic and restrictions in workforce as well as slower order uptakes in the current quarter.

### 3. Current Year Prospects

The Group remains focused on its nitrile disposable glove division as glove demand should persist amidst heightened safety and hygiene awareness among the global population post-pandemic.

The Management foresees further softening of glove ASP, especially in the nitrile disposable glove division, to be present for the remainder part of the year. Slower order uptakes from customers are also expected to adversely impact on the Group's fourth quarter results. 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 September 2021 RM'000	Cumulative year-to-date RM'000
Current year – Malaysian income tax	5,839	49,293
Current year – Foreign income tax	296	1,394
Total income tax expense	<u>6,135</u>	<u>50,687</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 2021.

#### 7. Purchase/disposal of Quoted Securities

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

On 04 October 2021, the Company announced that it proposed to undertake a joint collaboration with Alliance Premier Sdn Bhd, Exsim Holdings Sdn Bhd and JT Momentum Sdn Bhd in respect of the development and operation of Empire City Mall in Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor measuring approximately 9.536 hectares through a joint venture company, namely Alliance Empire Sdn Bhd. In conjunction with this collaboration, the Company also proposed to undertake diversification of the business activities of the Group to include property investment. An Extraordinary General Meeting of the Company shall be called to seek shareholders' approval pursuant to these proposals.

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

#### 9. Group Borrowings and Debt Securities

In the current quarter, the Group repaid its outstanding term loan amount of RM3.5 million which was previously obtained from a licensed financial institution and secured by a charge over certain factory buildings and leasehold land of a subsidiary company.

As at 30 September 2021, the Group does not have any bank loans outstanding or utilized any short-term bank facilities with any financial institutions.





## 10. Financial Instruments Risks

As at 30 September 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)	831	3,464	3,483	Nov – Dec 2021
Euro (EUR)	509	2,504	2,476	Oct - Dec 2021
		<b>5,968</b>	<b>5,959</b>	

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 September 2021.

## 12. Dividend Payable

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

## 13. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 30 September 2021	Cumulative Year-to-Date ended 31 December 2020
<b>Continuing Operations</b>			
Profit for the period attributable to equity holders of the Company	RM'000	176,449	131,176
Weighted average number of ordinary shares in issue	Shares	845,719,762	802,583,259
<b>Basic EPS</b>	<b>sen</b>	<b>20.86</b>	<b>16.34</b>

## 14. Disclosure on COVID-19 related impacts

The demand for personal protective equipment including gloves remain prevalent as these items were deemed critical in defense COVID-19 and the Group documented increased orders and deliveries since early 2020, up till earlier this year.



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 post-pandemic 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.

Sporadic positive COVID-19 cases in the third quarter have caused disruptions to normal plant operations but the Group is committed to placing workplace safety and employees' health on an uncompromising top priority. The Group has also complied to the Ministry of International Trade and Industry (MITI)'s media release mandating companies to conduct the RTK Antigen Testing on its employees every two weeks since mid-August 2021 and is also pleased to state that its current workforce has been fully vaccinated.

#### **15. Authorisation for Issue**

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 26 November 2021.