

**Condensed Unaudited Consolidated Statement of Financial Position
 As at 30 April 2016**

	As at 30.4.2016 RM'000 (Unaudited)	As at 31.01.2016 RM'000 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	96,928	90,075
Current assets		
Inventories	19,569	23,848
Trade receivables	30,129	32,175
Other receivables, deposits and prepayments	6,426	5,155
Derivative financial assets	555	515
Tax recoverable	53	29
Cash and cash equivalents	39,467	47,888
	<u>96,199</u>	<u>109,610</u>
Total assets	<u><u>193,127</u></u>	<u><u>199,685</u></u>
Equity attributable to owners of the company		
Share capital	55,879	55,879
Reserves	115,422	124,864
	<u>171,301</u>	<u>180,743</u>
Non-current liabilities		
Deferred tax liabilities	1,337	1,394
Current liabilities		
Trade payables	12,894	11,014
Other payables and accruals	7,595	6,534
	<u>20,489</u>	<u>17,548</u>
Total liabilities	<u><u>21,826</u></u>	<u><u>18,942</u></u>
Total equity and liabilities	<u><u>193,127</u></u>	<u><u>199,685</u></u>
Net assets per share attributable to owners of the company (sen)	31	40

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2016.

**Condensed Unaudited Consolidated Statement of Comprehensive Income
For the First Quarter Ended 30 April 2016**

	Current Quarter Ended 30.4.2016 RM'000 (Unaudited)	Corresponding Quarter Ended 30.04.2015 RM'000 (Unaudited)	Current YTD Ended 30.4.2016 RM'000 (Unaudited)	Corresponding YTD Ended 30.04.2015 RM'000 (Unaudited)
Revenue	52,302	52,580	52,302	52,580
Cost of sales	(44,497)	(46,525)	(44,497)	(46,525)
Gross profit	7,805	6,055	7,805	6,055
Other items of income				
Interest income	264	3	264	3
Other income	737	495	737	495
Other items of expense				
Selling and marketing expenses	(935)	(488)	(935)	(488)
Administrative expenses	(17,363)	(1,982)	(17,363)	(1,982)
Operating (loss)/profit	(9,492)	4,083	(9,492)	4,083
Finance costs	(7)	(24)	(7)	(24)
(Loss)/profit before tax	(9,499)	4,059	(9,499)	4,059
Taxation	57	32	57	32
(Loss)/profit net of tax	(9,442)	4,091	(9,442)	4,091
Other comprehensive profit, net of tax	170	180	170	180
Total comprehensive (loss)/income	(9,272)	4,271	(9,272)	4,271
(Loss)/profit attributable to:				
Owners of the company	(9,442)	4,091	(9,442)	4,091
Total comprehensive (loss)/income attribute to:				
Owners of the company	(9,272)	4,271	(9,272)	4,271
(Loss)/earnings per ordinary share attributable to owners of the company (sen)				
- Basic	(1.69)	0.94	(1.69)	0.94
- Diluted	(1.69)	0.94	(1.69)	0.94

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2016.

**Condensed Unaudited Consolidated Statement of Changes in Equity
For the First Quarter Ended 30 April 2016**

	← Attributable to owners of the company →						Distributable	Total
	← Non-Distributable →							
	Share Capital RM'000	Share Premium RM'000	Share-based Option Reserve RM'000	Warrant Reserves RM'000	Revaluation Reserves RM'000	Other Reserves RM'000	Accumulated Profit/(Losses) RM'000	RM'000
<u>3 Months Ended 30 April 2016</u>								
At 1 February 2016	55,879	72,254	3,042	-	10,054	11,319	28,195	180,743
Loss net of tax	-	-	-	-	-	-	(9,442)	(9,442)
Realisation of revaluation reserve	-	-	-	-	(170)	-	170	-
Total comprehensive loss	-	-	-	-	(170)	-	(9,272)	(9,442)
At 30 April 2016	55,879	72,254	3,042	-	9,884	11,319	18,923	171,301
<u>3 Months Ended 30 April 2015</u>								
At 1 February 2015	43,301	11,121	4,490	10,609	10,776	11,319	3,753	95,369
Profit net of tax	-	-	-	-	-	-	4,091	4,091
Realisation of revaluation reserve	-	-	-	-	(180)	-	180	-
Total comprehensive income	-	-	-	-	(180)	-	4,271	4,091
At 30 April 2015	43,301	11,121	4,490	10,609	10,596	11,319	8,024	99,460

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 January 2016.

**Condensed Unaudited Consolidated Statement of Cash Flow
For The Period Ended 30 April 2016**

	Current YTD Ended <u>30.4.2016</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>30.04.2015</u> RM'000 (Unaudited)
Cash flows from operating activities		
(Loss)/Profit before taxation	(9,499)	4,059
Adjustments for:		
Non-cash items	1,742	1,183
Property, plant and equipment written off	5,094	-
Inventory written off	7,724	-
Interest expense	6	24
Interest income	(264)	(3)
Operating profit before working capital changes	<u>4,803</u>	<u>5,263</u>
Changes in working capital:		
Net change in current assets	(2,671)	(1,841)
Net change in current liabilities	2,941	959
Cash generated from operations	<u>5,073</u>	<u>4,381</u>
Interest paid	(6)	(23)
Tax (paid)/refund	(24)	4
Net cash generated from operating activities	<u>5,043</u>	<u>4,362</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,728)	(4,273)
Interest received	264	3
Net cash used in investing activities	<u>(13,464)</u>	<u>(4,270)</u>
Cash flows from financing activities		
Repayment of bank borrowings	-	(1,075)
Repayment of hire purchase	-	(5)
Interest paid	-	(1)
Net cash used in financing activities	<u>-</u>	<u>(1,081)</u>
Net changes in cash and cash equivalents	(8,421)	(989)
Cash and cash equivalents at beginning of the financial year	<u>47,888</u>	<u>10,070</u>
Cash and cash equivalents at end of the financial year	<u>39,467</u>	<u>9,081</u>
Cash and cash equivalents comprise:		
Cash and bank balances	20,585	9,081
Short term deposits placed with licensed banks	18,882	-
	<u>39,467</u>	<u>9,081</u>

The Condensed Unaudited Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2016.

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 Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2016. 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 January 2016. The Group have adopted the amendments/improvements to MFRSs that are mandatory for the current financial year. The abovementioned adoptions do not have any significant effect on the financial statements of the Group, and do not result in significant changes to the Group’s existing accounting policies.

2. Audit qualifications

The auditors’ reports on the financial statements of the Company for the financial year ended 31 January 2016 were not subject to any qualification.

3. Seasonal or cyclical factors

The Group’s operations were not affected by seasonal or cyclical factors.

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current 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 years that would materially affect the current year report.

6. Debt and equity securities

There were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellations, shares held as treasury shares and resale of treasury shares for the current financial year.

7. Operating segments

The Group's operating segments for the 3 months period ended 30 April 2016 are as follows:

	<u>Manufacturing</u>	<u>Investment Holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	51,776	-	6,548	58,324
Inter segment	(6,022)	-	-	(6,022)
External	45,754	-	-	52,302
Results				
Segment profit / (loss)	4,915	(168)	95	4,842
Interest Income				264
Finance costs				(6)
Depreciation				(1,781)
Inventory written off				(7,724)
Property, plant and equipment written off				(5,094)
Loss before tax				(9,499)
Taxation				57
Net loss for the period				(9,442)

The Group's operating segments for the 3 months period ended 30 April 2015 is as follows:

	<u>Manufacturing</u>	<u>Investment Holding</u>	<u>Others</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
Revenue				
Total	52,267	-	4,151	56,418
Inter segment	(3,838)	-	-	(3,838)
External	48,429	-	-	52,580
Results				
Segment profit / (loss)	5,546	(202)	198	5,542
Interest income				3
Interest expense				(24)
Depreciation				(1,462)
Profit before tax				4,059
Taxation				32
Net profit for the period				4,091

8. Property, plant and equipment

Property, plant and equipment are stated at valuation/cost less accumulated depreciation and impairment losses. During the current period, plant & machinery, factory buildings and lands are carried at valuation less impairment.

9. Material Events

A subsidiary, named Comfort Rubber Gloves Industries Sdn. Bhd. had temporarily ceased its business operations on 4th March 2016 due to a fire outbreak on the new constructed warehouse. Subsequently, the Company resumed its business operations on 7th March 2016. We suffered a total loss of RM 12.8 million, however, this is expected to be recovered through insurance claim. Hence, the Group does not foresee any material impact on the financial statement due to this incident.

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. Contingent assets and contingent liabilities

The Company does not have any material contingent assets and contingent liabilities for the current financial period.

12. Capital Commitments

As at 30 April 2016, the Company is not aware of any material commitments contracted or known to be contracted by the Group, which upon becoming enforceable may have a material impact on the profits or net assets of the Group:

Property, plant and equipment	RM'000
- approved and contracted for	2,842
- approved but not contracted for	929
	<u>3,771</u>

The approved and contracted for capital commitments are in relation to the construction of a 3-storey integrated examination glove manufacturing facility.

13. Review of performance

	1st Qtr Year Ended		Difference	
	30/04/16 RM'000	30/04/15 RM'000	RM'000	%
Revenue	52,302	52,580	(278)	-1%
Cost of sales	(44,497)	(46,525)	2,028	-5%
Gross profit	7,805	6,055	1,750	22%
Gross profit margin	15%	12%		
(Loss)/Profit before tax	(9,499)	4,091		
Loss suffered due to fire:				
Property, plant and equipment written off	5,094	-		
Inventory written off	7,724	-		
Revised profit before tax	3,319	4,091	(772)	-23%
Revised net profit margin	6%	8%		

The Group registered sales revenue of RM 52.3 million this quarter which was comparable to 1QYE16. Aggressive and continuous cost saving projects had contributed to lower cost of sales by 5%, hence, improved gross profit margin by 3%.

The quarterly loss of RM 9.5 million was mainly due to written off of inventory and property, plant and machinery amounted to RM 12.8 million as disclosed above. The operating net profit before tax should be RM 3.3 million if without taking into consideration of loss suffered due to fire outbreak. The fire loss is expected to be recovered through insurance claim. Hence, the resultant loss reported would be significantly reduced after taking in the compensation from insurance company.

As disclosed above, the revised net profit margin (after excluding the fire loss) was dropped from 8% to 6%. This was mainly due to the strengthening of RM against USD in this quarter resulted a loss in foreign currency and derivatives of RM 1.8 million as compared to lower loss of RM 0.07 million in 1QYE16.

14. Variation of results against preceding quarter

	Qtr Ended		Difference	
	30/04/16 RM'000	31/01/16 RM'000	RM'000	%
Revenue	52,302	58,638	(6,336)	-12%
Cost of sales	(44,497)	(47,681)	3,184	-7%
Gross profit	7,805	10,957	(3,152)	-40%
Gross profit margin	15%	19%		
Profit before taxation	(9,499)	7,119		
Excluding loss due to fire:				
Property, plant and equipment written off	5,094	-		
Inventory written off	7,724	-		
Revised Profit before taxation	3,319	7,119	(3,800)	-114%
Revised net profit margin	6%	12%		

The revenue decreased by 12% was mainly due to fire outbreak of the warehouse, some major customers' orders have to be delayed, pending for re-production and re-packing. In addition, the lower revenue also caused by the strengthening of RM against USD from RM4.3/USD in preceeding quarter to RM3.9/USD in this quarter.

Immediate gas hike in Jan 2016 by 17% impacted us in this quarter as the cost was unable to be passed to customers for orders placed in advanced. Besides, one of the production plants was forced to be stopped for few days in March 2016 for investigation purposes. It had affected the productivity and led to unavoidable wastage due to the sudden stoppage. Hence, resulted in higher production cost and narrower profit margin.

The lower net profit also caused by higher foreign currency and derivative loss of RM 1.8 million as compared to last quarter of RM 0.7 million.

15. Current year prospects

The construction of the destroyed building due to fire outbreak is in progress and expected to be completed by end of July 2016. While waiting for insurance compensation, the rebuilding costs were disbursed from internal generated fund. This warehouse and packing building are crucial to cater for foreseeable increasing productivity and orders after completion of all the new production lines.

Currently, 6 production lines were completed and operated. The remaining lines are expected to be completed by end of July 2016. These production lines have proved to be more efficient with higher productivity and better resources and energy savings that will further improve on the Group' profit margin.

Peeking further into the future, the Management has earlier expected the focus on speciality gloves able to differentiate us from other competitors and alleviate the pressure of price war in synthetic gloves market. Hence, the Management are confident that the Group able to gain more market share and maintain a sustainable growth in this financial year.

16. Profit forecast or profit guarantee

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

17. Taxation

	3 months Ended <u>30.04.16</u>	YTD Ended <u>30.04.16</u>
Deferred taxation	57	57

18. Profit before taxation

This is arrive at after crediting/(charging):

	3 months ended <u>30.04.16</u> (RM'000)	3 months ended <u>30.04.15</u> (RM'000)	YTD ended <u>30.04.16</u> (RM'000)	YTD ended <u>30.04.15</u> (RM'000)
Interest income	264	3	264	3
Interest expense	(7)	(24)	(7)	(24)
Depreciation	(1,781)	(1,462)	(1,781)	(1,462)
(Loss)/Gain on Foreign Exchange:			-	
- realised	(2,474)	185	(2,474)	185
- unrealised	619	(530)	619	(530)
Fair value gain on derivatives	40	279	40	279
Plant and equipment written off	(5,094)	-	(5,094)	-
Inventory written off	(7,724)	-	(7,724)	-

Save as above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

19. Landed properties

There was no disposal of any landed properties for the current financial year.

20. Quoted investment

There were no purchases or sales of quoted securities for the current financial year.

21. Status of corporate proposal announced

There were no corporate proposal announced since the last financial year.

22. Borrowings

The Group do not have any borrowing since the last financial year.

23. Material litigation

The Group is not aware of any material litigation that may have significant impact to the Group's profit.

24. Retained earnings

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings as at the end of the reporting year, into realised and unrealised profits or losses.

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	<u>30.04.16</u>	<u>31.01.16</u>
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	11,021	21,267
- Unrealised	659	(315)
Consolidated adjustments	<u>7,243</u>	<u>7,243</u>
Total accumulated gain as per statement of financial position	<u>18,923</u>	<u>28,195</u>

The determination of realised and unrealised profits / (losses) is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits / (losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for other purposes.

25. Dividend Payable

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

26. Earnings per share

	3 months ended <u>30.04.16</u>	3 months ended <u>30.04.15</u>	YTD ended <u>30.04.16</u>	YTD ended <u>30.04.15</u>
Net profit for the year (RM'000)	(9,442)	4,091	(9,442)	4,091
Weighted average no. of ordinary shares for basic earnings per share computation ('000)	558,790	433,013	558,790	433,013
Earnings per ordinary share attributable to owners of the parent (cent)				
- Basic	(1.69)	0.94	(1.69)	0.94
- Diluted	(1.69)	0.94	(1.69)	0.94