

Condensed Unaudited Consolidated Statement of Financial Position

As At 30 April 2021

| | As at <u>30.04.2021</u> RM'000 (Unaudited) | As at <u>31.01.2021</u> RM'000 (Audited) |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 384,853 | 358,793 |
| Goodwill on consolidation | 22 | 22 |
| Right-of-use assets | 13,919 | 14,019 |
| Total non-current assets | <u>398,794</u> | <u>372,834</u> |
| Current assets | | |
| Inventories | 178,980 | 120,221 |
| Trade and other receivables | 247,033 | 159,777 |
| Prepayments | 14,517 | 9,202 |
| Derivative financial assets | 284 | 225 |
| Cash and cash equivalents | 255,222 | 124,566 |
| Total current assets | <u>696,036</u> | <u>413,991</u> |
| TOTAL ASSETS | <u>1,094,830</u> | <u>786,825</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 142,985 | 142,985 |
| Treasury shares | (4,771) | - |
| Reserves | 629,174 | 439,188 |
| TOTAL EQUITY | <u>767,388</u> | <u>582,173</u> |
| Non-current liabilities | | |
| Loans and borrowings | 15,868 | 16,567 |
| Deferred tax liabilities | 30,232 | 28,285 |
| Total non-current liabilities | <u>46,100</u> | <u>44,852</u> |
| Current liabilities | | |
| Loans and borrowings | 55,234 | 38,382 |
| Trade and other payables | 120,016 | 75,529 |
| Contract liabilities | 36,581 | 25,717 |
| Tax payable | 69,511 | 20,172 |
| Total current liabilities | <u>281,342</u> | <u>159,800</u> |
| TOTAL LIABILITIES | <u>327,442</u> | <u>204,652</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,094,830</u> | <u>786,825</u> |
| Net assets per share attributable to owners of the company (sen) | 132 | 100 |

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 2021.

Condensed Unaudited Consolidated Statement of Comprehensive Income For the First Quarter Ended 30 April 2021

| | Current Quarter Ended <u>30.04.2021</u> RM'000 (Unaudited) | Corresponding Quarter Ended <u>30.04.2020</u> RM'000 (Unaudited) | Current YTD Ended <u>30.04.2021</u> RM'000 (Unaudited) | Corresponding YTD Ended <u>30.04.2020</u> RM'000 (Unaudited) |
|--|--|--|--|--|
| Revenue | 541,242 | 152,907 | 541,242 | 152,907 |
| Cost of sales | (202,341) | (124,653) | (202,341) | (124,653) |
| Gross profit | 338,901 | 28,254 | 338,901 | 28,254 |
| Other income | 4,334 | 769 | 4,334 | 769 |
| Selling and marketing expenses | (6,290) | (2,110) | (6,290) | (2,110) |
| Administrative expenses | (43,112) | (3,613) | (43,112) | (3,613) |
| Operating profit | 293,833 | 23,300 | 293,833 | 23,300 |
| Finance costs | (308) | (1,058) | (308) | (1,058) |
| Profit before tax | 293,525 | 22,242 | 293,525 | 22,242 |
| Income tax expense | (74,391) | (5,903) | (74,391) | (5,903) |
| Profit for the period | 219,134 | 16,339 | 219,134 | 16,339 |
| Other comprehensive income, net of tax | 0 | 0 | 0 | 0 |
| Total comprehensive income for the period | 219,134 | 16,339 | 219,134 | 16,339 |
| Profit attributable to: | | | | |
| Owners of the Company | 219,134 | 16,339 | 219,134 | 16,339 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 219,134 | 16,339 | 219,134 | 16,339 |
| Earnings per ordinary share attributable to owners of the Company (sen) (Note 28) | | | | |
| - Basic | 37.75 | 2.80 | 37.75 | 2.80 |
| - Diluted | 37.75 | 2.80 | 37.75 | 2.80 |

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 2021.

Condensed Unaudited Consolidated Statement of Changes in Equity For the First Quarter Ended 30 April 2021

| | ← Attributable to Owners of the Company → | | | | | |
|--|---|------------------------------|----------------------------|----------------------------------|--------------------------------|---------------------------|
| | Share Capital RM'000 | Treasury Shares RM'000 | Other Reserve RM'000 | Revaluation Reserve RM'000 | Retained Earnings RM'000 | Total Equity RM'000 |
| 3 Months Ended 30 April 2021 | | | | | | |
| At 1 February 2021 | 142,985 | - | 11,319 | 19,217 | 408,652 | 582,173 |
| Total comprehensive income for the financial period | | | | | | |
| Profit for the financial period | - | - | - | - | 219,134 | 219,134 |
| Realisation of revaluation reserve | - | - | - | (169) | 169 | - |
| Total comprehensive income | - | - | - | (169) | 219,303 | 219,134 |
| Transactions with owners of the Company | | | | | | |
| Shares repurchased | - | (4,771) | - | - | - | (4,771) |
| Dividends paid on shares | - | - | - | - | (29,148) | (29,148) |
| Total transactions with owners | - | (4,771) | - | - | (29,148) | (33,919) |
| At 30 April 2021 | 142,985 | (4,771) | 11,319 | 19,048 | 598,807 | 767,388 |
| Note 26 | | | | | | |
| 3 Months Ended 30 April 2020 | | | | | | |
| At 1 February 2020 | 142,985 | - | 11,319 | 19,892 | 136,498 | 310,694 |
| Total comprehensive income for the financial period | | | | | | |
| Profit for the financial period | - | - | - | - | 16,339 | 16,339 |
| Realisation of revaluation reserve | - | - | - | (169) | 169 | - |
| Total comprehensive income | - | - | - | (169) | 16,508 | 16,339 |
| Transactions with owners of the Company | | | | | | |
| Shares repurchased | - | - | - | - | - | - |
| Dividends paid on shares | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - |
| At 30 April 2020 | 142,985 | - | 11,319 | 19,723 | 153,006 | 327,033 |

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 2021.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 30 April 2021**

| | Current YTD Ended 30.04.2021 RM'000 (Unaudited) | Corresponding YTD Ended 30.04.2020 RM'000 (Unaudited) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before taxation | 293,525 | 22,242 |
| Adjustments for: | | |
| Net fair value (gain)/loss on derivatives | (60) | (49) |
| Property, plant and equipment | | |
| - (Gain)/loss on disposal | (3) | - |
| - depreciation | 8,169 | 6,308 |
| Depreciation of right-of-use asset | 100 | 86 |
| Interest expense | 308 | 1,058 |
| Interest income | (303) | (92) |
| Unrealised (gain)/loss on foreign exchange | (2,324) | - |
| Operating profit before changes in working capital | 299,412 | 29,553 |
| Changes in working capital: | | |
| Inventories | (58,759) | (2,492) |
| Receivables | (89,653) | 13,124 |
| Payables | 55,352 | (2,204) |
| Net cash generated from operations | 206,352 | 37,981 |
| Income tax paid | (23,105) | (123) |
| Interest received | 303 | 92 |
| Interest paid | - | (1,058) |
| Net cash flow generated from operating activities | 183,550 | 36,892 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (34,230) | (13,957) |
| Proceeds from disposal of property, plant and equipment | 3 | - |
| Net cash flows used in investing activities | (34,227) | (13,957) |
| Cash flows from financing activities | | |
| Repurchase of treasury shares | (4,771) | - |
| Net changes in bill payables | 16,852 | 11,939 |
| Net changes in term loan financing | (699) | (798) |
| Interest paid | (308) | - |
| Dividend paid | (29,148) | - |
| Net cash flows (used in)/from financing activities | (18,074) | 11,141 |
| Net changes in cash and cash equivalents | 131,249 | 34,076 |
| Cash and cash equivalents at beginning of the financial year | 124,566 | 34,864 |
| Cash and cash equivalents at end of the financial period | 255,815 | 68,940 |
| Effect of exchange rate changes on cash and cash equivalents | (593) | - |
| | 255,222 | 68,940 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 125,444 | 66,976 |
| Short-term investments | 129,778 | 1,964 |
| | 255,222 | 68,940 |

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2021.

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2021. 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 2021.

The Group have adopted the following new MFRSs, and amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs

| | |
|----------|---|
| MFRS 3 | Business Combinations |
| MFRS 7 | Financial Instruments: Disclosures |
| MFRS 9 | Financial Instruments |
| MFRS 101 | Presentation of Financial Statements |
| MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| MFRS 139 | Financial Instruments: Recognition and Measurement |

Amendments to MFRS 3 Business Combinations

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Basis of preparation (Cont'd)

The Group have adopted the following new MFRSs, and amendments/improvements to MFRSs for the current financial year: (cont'd)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, and MFRS 7 Financial Instruments: Disclosures, and MFRS 16 Leases

The *Interest Rate Benchmark Reform—Phase 2* amends some specific requirements in MFRS 9, MFRS 139, MFRS 7 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

Amendments to MFRS 16 Leases

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications, applying to reduction in lease payments originally due on or before 30 June 2022 subject to fulfilment of other conditions.

Basis of preparation (Cont'd)

The Group have adopted the following new MFRSs, and amendments/improvements to MFRSs for the current financial year: (cont'd)

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Basis of preparation (Cont'd)

The Group have adopted the following new MFRSs, and amendments/improvements to MFRSs for the current financial year: (cont'd)

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

The Group and the Company are currently assessing the impact of initial application of the above applicable new MFRS, and amendments/improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

2. Audit qualifications

The auditors' reports on the financial statements of the Group for the financial year ended 31 January 2021 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. Debts and equity securities

During the current quarter, the Company repurchased 2,506,100 ordinary shares from the open market and are held as treasury shares as disclosed in Note 27.

Other than the above, there were no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in the current quarter and financial period ended 30 April 2021.

7. Contingent assets and contingent liabilities

There were no contingent assets and liabilities since the last financial year.

8. Property, plant and equipment

Property, plant and equipment are stated at valuation or cost less accumulated depreciation and impairment losses.

9. Material events

There were no material events that may materially impact the financial results of the current financial year to date.

10. Changes in composition of the Group

The Company has incorporated a new wholly-owned subsidiary, QMG Manufacturing Sdn Bhd (“QMG”) on 2 June 2021. The issued share capital of QMG is RM2.00 comprising of 2 ordinary shares. The intended principal activities of QMG is to carry out manufacturing and trading of gloves.

11. Operating segments

The Group's operating segments for the 3 months period ended 30 April 2021:

| | Manufacturing RM'000 | Investment Holding RM'000 | Trading RM'000 | Inter- Segment RM'000 | Total RM'000 |
|------------------------------------|-------------------------|---------------------------------|-------------------|-----------------------------|-----------------|
| Revenue | | | | | |
| Revenue from external customers | 351,278 | - | 189,964 | - | 541,242 |
| Inter segment revenue | 186,192 | 300 | - | (186,492) | - |
| Total revenue | 537,470 | 300 | 189,964 | (186,492) | 541,242 |
| Results | | | | | |
| Segment profit/(loss) | 300,103 | (1,702) | 3,395 | - | 301,796 |
| Interest income | | | | | 303 |
| Interest expense | | | | | (308) |
| Property, plant and equipment | | | | | |
| - depreciation | | | | | (8,169) |
| - gain on disposal | | | | | 3 |
| Depreciation of right-of-use asset | | | | | (100) |
| Profit before tax | | | | | 293,525 |
| Taxation | | | | | (74,391) |
| Net profit for the period | | | | | 219,134 |

The Group's operating segments for the 3 months period ended 30 April 2020:

| | Manufacturing RM'000 | Investment Holding RM'000 | Trading RM'000 | Inter- Segment RM'000 | Total RM'000 |
|------------------------------------|-------------------------|---------------------------------|-------------------|-----------------------------|-----------------|
| Revenue | | | | | |
| Revenue from external customers | 143,189 | - | 9,718 | - | 152,907 |
| Inter segment revenue | 9,034 | 300 | - | (9,334) | - |
| Total revenue | 152,223 | 300 | 9,718 | (9,334) | 152,907 |
| Results | | | | | |
| Segment profit | 29,012 | (17) | 607 | - | 29,602 |
| Interest income | | | | | 92 |
| Interest expense | | | | | (1,058) |
| Property, plant and equipment | | | | | |
| - depreciation | | | | | (6,308) |
| Depreciation of right-of-use asset | | | | | (86) |
| Profit before tax | | | | | 22,242 |
| Taxation | | | | | (5,903) |
| Net profit for the period | | | | | 16,339 |

12. Review of performance

| | 1st Quarter Ended | | | Year to Date Ended | | |
|---|------------------------|------------------------|---------|-------------------------|-------------------------|---------|
| | 30.04.2021 (1QYE22) | 30.04.2020 (1QYE21) | Changes | 30.04.2021 (1MFYE22) | 30.04.2020 (1MFYE21) | Changes |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 541,242 | 152,907 | 254% | 541,242 | 152,907 | 254% |
| Gross profit | 338,901 | 28,254 | 1099% | 338,901 | 28,254 | 1099% |
| Operating profit | 293,833 | 23,300 | 1161% | 293,833 | 23,300 | 1161% |
| Profit before tax | 293,525 | 22,242 | 1220% | 293,525 | 22,242 | 1220% |
| Profit after tax | 219,134 | 16,339 | 1241% | 219,134 | 16,339 | 1241% |
| Profit attributable to Owners of the Company | 219,134 | 16,339 | 1241% | 219,134 | 16,339 | 1241% |
| Net profit margin | 40% | 11% | | 40% | 11% | |

As compared to 1QYE21, the current quarter revenue was higher by RM388.3million, or 254%. The Group again achieved the highest ever quarterly profit after tax of RM219.1million, or 1,241% increase as compared to 1QYE21 mainly due to higher sales volume with significant higher average selling price and better economic of scales that has improved the margin from 11% to 40%.

13. Variation of results against preceding quarter

| | Quarter Ended | | |
|---|----------------------------------|----------------------------------|--------------|
| | 30.04.2021 (1QYE22) RM'000 | 31.01.2021 (4QYE21) RM'000 | Changes % |
| Revenue | 541,242 | 318,900 | 70% |
| Gross profit | 338,901 | 186,799 | 81% |
| Operating profit | 293,833 | 174,161 | 69% |
| Profit before tax | 293,525 | 173,778 | 69% |
| Profit after tax | 219,134 | 137,873 | 59% |
| Profit attributable to owners of the Company | 219,134 | 137,873 | 59% |
| Net profit margin | 40% | 43% | |

The sales revenue increased by 70% as compared to 4QYE21. The profit after tax increased by 59% to RM219.1million, from RM137.9million in 4QYE21, boosted by higher sales volume and average selling price. The drop in profit margin was mainly due to provision of incentive payable to all level of staff as a recognition of their contribution towards the Company.

14. Current year prospects

There are four double formers dipping lines completely commissioned in this quarter. We plan to commission additional seven double formers dipping lines which expected to be completed towards the end of financial year ended 31st January 2022. With all the completed production facility, the Group will be capable of producing up to 8.6 billion gloves per annum.

The Group has better competitive advantage as we differentiate ourselves by producing natural and synthetic premium specialty gloves. Our machine lines are designed in such a way that it can produce both latex and nitrile gloves, regardless of specialty or medical gloves. The interchangeability of the line enables us to switch production base upon demand dynamics especially there is shortage in supply of natural or synthetic latex. Hence, even without Covid-19, the flexibility of our manufacturing process and customer base outside the medical market has allowed us to effectively expand our market base for specialised industrial use.

CGB Group expects global gloves consumption to increase in the long run as a result of the continuing increase in usage of gloves as a protective barrier in the healthcare sector; and the increase in hygiene awareness in non-healthcare sectors such as hospitality, food services and personal care since the outbreak of COVID-19 pandemic. In view of the positive outlooks of the gloves industry as set out above, CGB Group intends to capitalise on this opportunity to develop a steady customer base.

Premised on the above, the Group believes that barring any unforeseen circumstances, its prospects should be positive moving forward.

15. Disclosure of COVID-19 related impacts

In this MCO (Movement Control Order) 3.0, the Group is complying with all the government's Standard Operating Procedures (SOP) on a stringent basis. Precautionary measures are in place to protect our employees from the infection of COVID-19 including the followings:

- Weekly random Covid test on 20% of overall staff & workers from various departments. This will continue until pandemic is over.
- Encourage more on the usage of double face-mask practice.
- Strong enforcement on the compliance of wearing of face-mask and maintaining social distancing.

16. Profit forecast or profit guarantee

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

17. Profit before taxation

This was arrived at after crediting/(charging):

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

| | 3 months ended 30.04.2021 RM'000 | 3 months ended 30.04.2020 RM'000 | YTD ended 30.04.2021 RM'000 | YTD ended 30.04.2020 RM'000 |
|---|---|---|--|--|
| Interest income | 303 | 92 | 303 | 92 |
| Interest expense | (308) | (1,058) | (308) | (1,058) |
| Depreciation on property, plant and equipment | (8,169) | (6,308) | (8,169) | (6,308) |
| Depreciation of right-of-use asset | (100) | (86) | (100) | (86) |
| Gain/(loss) on Foreign Exchange: realised | 1,642 | 392 | 1,642 | 392 |
| unrealised | 2,324 | 232 | 2,324 | 232 |
| Fair value gain/(loss) on derivatives | 60 | 49 | 60 | 49 |
| Gain/(Loss) on disposal of plant and equipment | 3 | - | 3 | - |

18. Capital Commitments

As at 30 April 2021, the Group has the below capital commitments:

| | YTD Ended 30.04.2021 RM'000 |
|-----------------------------------|--|
| Property, plant and equipment | |
| - approved and contracted for | 40,481 |
| - approved but not contracted for | - |
| | <u>40,481</u> |

The capital commitments were in relation to the construction of additional production lines in addition to auxiliary and ancillary equipment.

19. Taxation

| | YTD Ended 30.04.2021 RM'000 | YTD Ended 31.01.2021 RM'000 |
|-------------------|--|--|
| Deferred taxation | (1,962) | (4,068) |
| Taxation | <u>(72,429)</u> | <u>(79,026)</u> |
| | <u><u>(74,391)</u></u> | <u><u>(83,094)</u></u> |

20. Derivative financial assets

| | Year Ended 30.04.2021 | | Year Ended 31.01.2021 | |
|--------------------------------|---------------------------------------|--------------------------|---------------------------------------|--------------------------|
| | Contract Amount RM'000 | Assets RM'000 | Contract Amount RM'000 | Assets RM'000 |
| Non-hedging derivative: | | | | |
| Forward exchange contracts | <u>37,630</u> | <u>284</u> | <u>49,226</u> | <u>225</u> |

The Group use forward exchange contracts to manage some of the foreign currency exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's sales denominated in USD. The forward exchange contracts have maturities of not more than 6 months.

During the financial period, the Group recognised a gain of RM60 thousand arising from fair value changes of derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

21. Quoted investment

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

22. Status of corporate proposal announced

The Group is pleased to announce that the following four (4) resolutions were voted and accepted at the Extraordinary General Meeting held on 18 May 2021:

- Proposed bonus issue of new Warrants;
- Proposed establishment of an Employees' Share Scheme;
- Proposed allocation of awards to Group Chief Executive Officer; and
- Proposed allocation awards to Executive Director

On 10 June 2021, the Group announced the issuance of up to 174,132,912 free Warrants on the basis of 3 Warrants for every 10 existing Ordinary Shares held in the Company as follow:

- Exercise Price: RM 2.30
- Ex-Date: 23 June 2021
- Entitlement Date: 24 June 2021
- Exercise period: 5 years from Warrants issue date.

23. Borrowings

The Group have the following borrowings as at 30 April 2021:

| | YTD Ended 30.04.2021 RM'000 | YTD Ended 31.01.2021 RM'000 |
|-----------------------------------|--|--|
| Non current: | | |
| Secured | | |
| - Term Loan (RM denominated) | 14,852 | 15,551 |
| - Lease liability | 1,016 | 1,016 |
| | <u>15,868</u> | <u>16,567</u> |
| Current: | | |
| Secured | | |
| - Bill payables (USD denominated) | 43,091 | 23,194 |
| - Bill payables (RM denominated) | 9,333 | 12,378 |
| - Term Loan (RM denominated) | 2,796 | 2,796 |
| - Lease liability | 14 | 14 |
| | <u>55,234</u> | <u>38,382</u> |
| | <u>71,102</u> | <u>54,949</u> |

24. Material litigation

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

25. Dividends

Record of dividends :

| Financial Year | Net Dividend per share (sen) | Total Dividend (RM) |
|-----------------------|---|--------------------------------|
| Q1FY2022 | 4.00 | 23,217,722 |
| 2021 | 6.50 | 37,891,696 |
| 2019 | 1.50 | 8,744,238 |
| 2018 | 1.00 | 5,619,491 |

During the financial year, the Group had paid the following dividend for the financial year ended 31 January 2021:-

- A single tier interim dividend of 1.50 sen per ordinary share, amounting to RM8.74 million; and
- Special dividend of 3.50 sen per ordinary share, amounting to RM20.4 million.

The abovementioned dividends were declared on 15 Mar 2021 and subsequently paid on 13 Apr 2021.

A single tier interim dividend of 4.00 sen per ordinary share, in respect of the financial year ended 31 January 2022 has been recommended by the Directors. The proposed dividend is payable on 22 July 2021 to depositors who is registered in the Record of Depositors at the close of business on 9 July 2021.

26. Share Capital

The Group's share capital as at 30 April 2021 is as follow:

| | YTD Ended 30.04.2021 | |
|---|------------------------------------|---------------|
| | No. of shares Unit' 000 | RM'000 |
| Issued and fully paid: - At 1 Feb 2021 / 30 Apr 2021 | 582,949 | 142,985 |

27. Treasury Shares

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company.

For the financial period ended 30 April 2021, of the total 582,949,143 issued and fully paid ordinary shares, the Company repurchased 2,506,100 shares from the open market at an average price of RM1.90 per share. The total consideration paid including transaction costs was RM4.77 million, which was financed by internally generated funds.

At 30 April 2021, the Company's treasury shares are held at a carrying amount of RM4,771,408.

There was no cancellation or distribution of treasury shares during the financial period.

28. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share are based on the profit for the financial period or year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period or year, calculated as follows:

| | 3 months ended 30.04.2021 | 3 months ended 30.04.2020 | YTD ended 30.04.2021 | YTD ended 30.04.2020 |
|--|------------------------------|------------------------------|-------------------------|-------------------------|
| Profit attributable to owners of the Company (RM'000) | 219,134 | 16,339 | 219,134 | 16,339 |
| Weighted average number of ordinary shares for basic earnings per share ('000) | 580,443 | 582,949 | 580,443 | 582,949 |
| Basic earnings per ordinary share (sen) | 37.75 | 2.80 | 37.75 | 2.80 |

28. Earnings Per Share (Cont'd)**(b) Diluted earnings per share**

Diluted earnings per share are based on the profit for the financial period or year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares are treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share.

Diluted earnings per share calculated as follows:

| | 3 months ended 30.04.2021 | 3 months ended 30.04.2020 | YTD ended 30.04.2021 | YTD ended 30.04.2020 |
|---|---------------------------------|---------------------------------|----------------------------|----------------------------|
| Profit attributable to owners of the Company (RM'000) | 219,134 | 16,339 | 219,134 | 16,339 |
| Weighted average number of ordinary shares for basic earnings per share ('000) | 580,443 | 582,949 | 580,443 | 582,949 |
| Effect of dilution from: - Share options ('000) | - | - | - | - |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 580,443 | 582,949 | 580,443 | 582,949 |
| Diluted earnings per ordinary share (sen) | 37.75 | 2.80 | 37.75 | 2.80 |