

Condensed Unaudited Consolidated Statement of Financial Position As At 31 March 2022

	As at 31.03.2022 RM'000 (Unaudited)	As at 31.12.2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	436,469	427,562
Goodwill on consolidation	22	22
Right-of-use assets	13,551	13,651
Total non-current assets	<u>450,042</u>	<u>441,235</u>
Current assets		
Inventories	163,387	198,205
Trade and other receivables	111,322	140,638
Prepayments	6,523	4,328
Tax Recoverable	68,518	60,556
Derivative financial assets	136	378
Cash and cash equivalents	338,167	334,239
Total current assets	<u>688,053</u>	<u>738,344</u>
TOTAL ASSETS	<u><u>1,138,095</u></u>	<u><u>1,179,579</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Treasury shares	(4,771)	(4,771)
Reserves	786,607	796,733
TOTAL EQUITY	<u>924,821</u>	<u>934,947</u>
Non-current liabilities		
Loans and borrowings	13,292	13,991
Deferred tax liabilities	31,543	30,396
Total non-current liabilities	<u>44,835</u>	<u>44,387</u>
Current liabilities		
Loans and borrowings	83,850	80,863
Trade and other payables	73,369	84,894
Contract liabilities	8,820	7,899
Tax payable	2,400	26,589
Total current liabilities	<u>168,439</u>	<u>200,245</u>
TOTAL LIABILITIES	<u>213,274</u>	<u>244,632</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,138,095</u></u>	<u><u>1,179,579</u></u>
Net assets per share attributable to owners of the company (sen)	159	161

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2021.

Condensed Unaudited Consolidated Statement of Comprehensive Income For the Third Quarter Ended 31 March 2022

	Current Quarter Ended <u>31.03.2022</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>31.03.2021</u> RM'000 (Unaudited)	Current YTD Ended <u>31.03.2022</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.03.2021</u> RM'000 (Unaudited)
Revenue	176,418	N/A	176,418	N/A
Cost of sales	(179,761)	N/A	(179,761)	N/A
Gross loss	(3,343)	N/A	(3,343)	N/A
Other income	391	N/A	391	N/A
Selling and marketing expenses	(3,102)	N/A	(3,102)	N/A
Administrative expenses	(2,046)	N/A	(2,046)	N/A
Operating loss	(8,100)	N/A	(8,100)	N/A
Finance costs	(339)	N/A	(339)	N/A
Loss before tax	(8,439)	N/A	(8,439)	N/A
Income tax expense	(1,687)	N/A	(1,687)	N/A
Loss for the period	(10,126)	N/A	(10,126)	N/A
Other comprehensive income, net of tax	-	N/A	-	N/A
Total comprehensive loss for the period	(10,126)	N/A	(10,126)	N/A
Loss attributable to: Owners of the Company	(10,126)	N/A	(10,126)	N/A
Total comprehensive loss attributable to: Owners of the Company	(10,126)	N/A	(10,126)	N/A
Loss per ordinary share attributable to owners of the Company (sen) (Note 27)				
- Basic	(1.74)	N/A	(1.74)	N/A
- Diluted	(1.74)	N/A	(1.74)	N/A

The Condensed Unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2021.

Note : On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up it financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence 3 months period in the prior year are not presented.

Condensed Unaudited Consolidated Statement of Changes in Equity For the Third Quarter Ended 31 March 2022

	← 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
<u>3 Months Ended 31 March 2022</u>						
At 1 January 2022	142,985	(4,771)	11,319	18,597	766,817	934,947
Total comprehensive income for the financial period						
Loss for the financial period	-	-	-	-	(10,126)	(10,126)
Realisation of revaluation reserve	-	-	-	(169)	169	-
Total comprehensive income	-	-	-	(169)	(9,957)	(10,126)
Transactions with owners of the Company						
Shares repurchased	-	-	-	-	-	-
Dividends paid on shares	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-
At 31 March 2022	142,985	(4,771)	11,319	18,428	756,860	924,821
	Note 25					

The Condensed Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 2021.

Note : On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence 3 months period in the prior year are not presented.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 31 March 2022**

	Current YTD Ended <u>31.03.2022</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.03.2021</u> RM'000 (Unaudited)
Cash flows from operating activities		
Loss before taxation	(8,439)	N/A
Adjustments for:		
Net fair value (gain)/loss on derivatives	242	N/A
Property, plant and equipment		
- (Gain)/loss on disposal	75	N/A
- depreciation	10,328	N/A
Depreciation of right-of-use asset	100	N/A
Interest expense	339	N/A
Interest income	(114)	N/A
Unrealised (gain)/loss on foreign exchange	(247)	N/A
Operating profit before changes in working capital	<u>2,284</u>	<u>N/A</u>
Changes in working capital:		
Inventories	34,818	N/A
Receivables	27,612	N/A
Payables	(10,707)	N/A
Net cash generated from operations	<u>54,007</u>	<u>N/A</u>
Income tax paid	(32,691)	N/A
Interest received	114	N/A
Net cash flow generated from operating activities	<u>21,430</u>	<u>N/A</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,610)	N/A
Proceeds from disposal of property, plant and equipment	300	N/A
Net cash flows used in investing activities	<u>(19,310)</u>	<u>N/A</u>
Cash flows from financing activities		
Net changes in bill payables	2,846	N/A
Net changes in term loan financing	(699)	N/A
Interest paid	(339)	N/A
Net cash flows generated from financing activities	<u>1,808</u>	<u>N/A</u>
Net changes in cash and cash equivalents	3,928	N/A
Cash and cash equivalents at beginning of the financial year	<u>334,239</u>	<u>N/A</u>
Cash and cash equivalents at end of the financial period	<u>338,167</u>	<u>N/A</u>
Cash and cash equivalents comprise :		
Cash and bank balances	225,251	N/A
Short-term investments	112,916	N/A
	<u>338,167</u>	<u>N/A</u>

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

Note : On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the result of correspondence 3 months period in the prior year are not presented.

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 December 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 December 2021 except for the adoption of the following amendments to MFRSs:

Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate Benchmark Reform – Phase 2

The adoption of these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial statements of the Group.

2. Audit qualifications

The auditors’ reports on the financial statements of the Group for the financial period ended 31 December 2021 is not subject to any qualification.

3. Seasonal or cyclical factors

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

4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and 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 financial years that would have material impact in the current financial year report.

6. Change of Financial Year End

On 26 November 2021, the Group had announced that it has changed its financial year end from 31 January to 31 December. Therefore, the Group's current financial reporting period is twelve (12) months commencing from 1 January 2022 to 31 December 2022.

7. Debts and equity securities

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 31 March 2022.

8. Contingent assets and contingent liabilities

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

9. Property, plant and equipment

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

10. Material events

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

11. Changes in composition of the Group

There were no changes in the composition of the Group during the current financial year to date.

12. Operating segments

The Group's operating segments for the 3 months period ended 31 March 2022:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from external customers	176,418	-	-	176,418
Inter segment revenue	45,532	1,049	(46,581)	-
Total revenue	<u>221,950</u>	<u>1,049</u>	<u>(46,581)</u>	<u>176,418</u>
Results				
Segment profit	1,335	954	-	2,289
Interest income				114
Interest expense				(339)
Property, plant and equipment				
- depreciation				(10,328)
- loss on disposal				(75)
Depreciation of right-of-use asset				<u>(100)</u>
Loss before tax				(8,439)
Taxation				<u>(1,687)</u>
Net loss for the period				<u><u>(10,126)</u></u>

Note : On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021. As such, the segmental result of correspondence 3 months period in the prior year are not presented.

13. Review of performance

	1st Quarter Ended		Year to Date Ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	(1QYE31Dec22)	(1QYE31Dec21)	(3MFYE31Dec22)	(2MFYE31DEC21)
	RM'000	RM'000	RM'000	RM'000
Revenue	176,418	N/A	176,418	N/A
Gross loss	(3,343)	N/A	(3,343)	N/A
Operating loss	(8,100)	N/A	(8,100)	N/A
Loss before tax	(8,439)	N/A	(8,439)	N/A
Loss after tax	(10,126)	N/A	(10,126)	N/A
Loss attributable to Owners of the Company	(10,126)	N/A	(10,126)	N/A
Net loss margin	-6%	N/A	-6%	N/A

Note : On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up it financial statement for the 11 months period ended 31 December 2021.
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For the current quarter ended 31 March 2022, the Group achieved sales revenue of RM176.4 million with loss before tax of RM8.4 million.

The deterioration in performance was mainly due to the reduction in average selling price (“ASP”) and market demand. The price of raw materials is generally on a downward trend, but the decline is less than the ASP fell, which resulted in profit compression. The decrease in market demand has led to under-utilisation of production capacity.

14. Current year prospects

As countries roll out massive Covid-19 vaccination programmes, the gloves market demand remains weak, and the current average selling prices of gloves appear to be stabilising. The rising glove supply from existing and new players further intensifies competition. In view of this, the Group has strategically slowed down the pace of expansion.

The rising of raw material prices in a hyper-inflationary environment, global logistics disruption, soaring shipping costs, and rising natural gas price are putting pressure on margins. The Group strives to remain resilient at this challenging time.

The Group continue to focus on developing new customers and more specialities gloves, improving production efficiency and automation to enhance overall profit margin. The group has played an active role in attracting and retaining local workers to minimise its foreign workforce, thereby reducing recruitment expenses. The anticipated savings in foreign workforce recruitment could make up for the impact of implementing the new minimum wage rate.

Since the onslaught of Covid-19, general hygiene pressures have led to increased public awareness of the importance of maintaining hygiene. With this phenomenon, glove demand is expected to grow steadily. The Group remains optimistic towards its long-term prospects and continues to build on and maintain a solid foundation to ensure that it is well positioned to seize market opportunities and continue to develop and succeed in the years ahead.

15. Profit forecast or profit guarantee

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

16. Loss before taxation

This was arrived at after crediting/(charging):

	3 months ended 31.03.2022 RM'000	2 months ended 31.03.2021 RM'000	YTD ended 31.03.2022 RM'000	YTD ended 31.03.2021 RM'000
Interest income	114	N/A	114	N/A
Interest expense	(339)	N/A	(339)	N/A
Depreciation on property, plant and equipment	(10,328)	N/A	(10,328)	N/A
Depreciation of right-of-use asset	(100)	N/A	(100)	N/A
Gain on Foreign Exchange:				
- realised	347	N/A	347	N/A
- unrealised	247	N/A	247	N/A
Fair value loss on derivatives	(242)	N/A	(242)	N/A
Loss on disposal of plant and equipment	(75)	N/A	(75)	N/A

Note : On 26 Nov 2021, the Company changed its financial year ended from 31 Jan 2022 to 31 December 2021 and made up its financial statement for the 11 months period ended 31 December 2021.

As such, the result of correspondence 3 months period in the prior year are not presented.

17. Capital Commitments

As at 31 March 2022, the Group has the below capital commitments:

	YTD Ended 31.03.2022 RM'000
Property, plant and equipment	
- approved and contracted for	16,542
- approved but not contracted for	-
	<u>16,542</u>

The capital commitments were mainly related to ancillary facilities for operation.

18. Taxation

	YTD Ended 31.03.2022 RM'000	YTD Ended 31.12.2021 RM'000
Deferred taxation	(1,147)	(2,111)
Taxation	<u>(540)</u>	<u>(115,538)</u>
	<u><u>(1,687)</u></u>	<u><u>(117,649)</u></u>

19. Derivative financial assets

	Year Ended 31.03.2022		Year Ended 31.12.2021	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
Non-hedging derivative:				
Forward exchange contracts	<u>50,304</u>	<u>136</u>	<u>51,787</u>	<u>378</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 loss of RM242 thousand arising from fair value changes of derivative. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

20. Quoted investment

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

21. Status of corporate proposal announced

The Company, had on 9 March 2022, entered into a conditional share purchase agreement (“SPA”) with the following parties:-

- i. CN Lau & Sons. Sdn. Bhd.
- ii. HN Lau & Sons. Sdn. Bhd.
- iii. Lau Joo Yong
- iv. Puan Sri Goh Kim Kooi; and
- v. LTN Resources Sdn. Bhd.

(collectively, referred to as the “Vendors”)

for the acquisition of 100,000 ordinary shares in GMSB (“Sale Shares”) from the Vendors for a total cash consideration of RM25,750,000 (“Purchase Consideration”), subject to the terms and conditions of the SPA. The proposed acquisition is pending for completion.

Saved as above, there was no other corporate proposal announced and not completed as at 31 March 2022.

22. Borrowings

The Group have the following borrowings as at 31 March 2022:

	YTD Ended 31.03.2022 RM'000	YTD Ended 31.12.2021 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	12,289	12,988
- Lease liability	1,003	1,003
	<u>13,292</u>	<u>13,991</u>
Current:		
Secured		
- Bill payables (USD denominated)	59,692	54,215
- Bill payables (RM denominated)	21,348	23,838
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	14	14
	<u>83,850</u>	<u>80,863</u>
	<u>97,142</u>	<u>94,854</u>

23. Material litigation

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

24. Dividends

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

25. Share Capital

The Group's share capital as at 31 March 2022 is as follow:

	YTD Ended 31.03.2022	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2022 / 31 Mar 2022	582,949	142,985

26. Treasury Shares

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

At 31 March 2022, the number of the Company's treasury shares held is 2,506,100 shares, at a carrying amount of RM4,771,408.

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

27. 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 31.03.2022	YTD ended 31.03.2022
Loss attributable to owners of the Company (RM'000)	(10,126)	(10,126)
Weighted average number of ordinary shares for basic earnings per share ('000)	580,443	580,443
Basic loss per ordinary share (sen)	(1.74)	(1.74)

27. 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 31.03.2022	YTD ended 31.03.2022
Loss attributable to owners of the Company (RM'000)	(10,126)	(10,126)
Weighted average number of ordinary shares for basic earnings per share ('000)	580,443	580,443
Effect of dilution from: - Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	580,443	580,443
Diluted loss per ordinary share (sen)	(1.74)	(1.74)