

Condensed Unaudited Consolidated Statement of Financial Position

As at 31 July 2017

	As at 31.07.2017 RM'000 (Unaudited)	As at 31.01.2017 RM'000 (Audited)
ASSETS		
Non-current asset		
Property, plant and equipment	132,922	123,656
Total non-current asset	<u>132,922</u>	<u>123,656</u>
Current assets		
Inventories	46,200	43,950
Trade receivables	82,536	50,858
Other receivables, deposits and prepayments	4,904	5,795
Tax recoverable	38	52
Derivative financial assets	224	-
Cash and cash equivalents	14,522	23,408
Total current assets	<u>148,424</u>	<u>124,063</u>
TOTAL ASSETS	<u><u>281,346</u></u>	<u><u>247,719</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	139,452	139,452
Reserves	85,863	66,650
Total equity attributable to owners of the company	<u>225,315</u>	<u>206,102</u>
Non-current liability		
Deferred tax liabilities	1,074	1,166
Total non-current liability	<u>1,074</u>	<u>1,166</u>
Current liabilities		
Trade payables	26,163	30,599
Other payables and accruals	14,778	9,560
Loan and borrowings	14,016	-
Derivatives financial liabilities	-	292
Total current liabilities	<u>54,957</u>	<u>40,451</u>
Total liabilities	<u>56,031</u>	<u>41,617</u>
TOTAL EQUITY AND LIABILITIES	<u><u>281,346</u></u>	<u><u>247,719</u></u>
Net assets per share attributable to owners of the company (sen)		
	40	37

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 2017.

**Condensed Unaudited Consolidated Statement of Profit or Loss and
Other Comprehensive Income For the Second Quarter Ended 31 July 2017**

	Current Quarter Ended <u>31.07.2017</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>31.07.2016</u> RM'000 (Unaudited)	Current YTD Ended <u>31.07.2017</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.07.2016</u> RM'000 (Unaudited)
Revenue	114,595	63,902	208,297	116,204
Cost of sales	(101,451)	(55,694)	(180,180)	(100,191)
Gross profit	13,144	8,208	28,117	16,013
Other (expenses)/income	(24)	12,693	674	13,694
Selling and marketing expenses	(1,311)	(742)	(3,045)	(1,677)
Administrative expenses	(2,696)	(1,206)	(6,496)	(18,569)
Operating profit	9,113	18,953	19,250	9,461
Finance costs	(93)	(21)	(130)	(28)
Profit before tax	9,020	18,932	19,120	9,433
Taxation	46	(86)	92	(29)
Profit for the period	9,066	18,846	19,212	9,404
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	9,066	18,846	19,212	9,404
Profit attributable to:				
Owners of the company	9,066	18,846	19,212	9,404
Earnings per ordinary share attributable to owners of the company (sen)				
- Basic	1.62	3.37	3.44	1.68
- Diluted	1.56	3.25	3.31	1.62

The Condensed Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 January 2017.

Condensed Unaudited Consolidated Statement of Changes in Equity For the Second Quarter Ended 31 July 2017

← Attributable to owners of the company →

	Share Capital RM'000	Share Premium RM'000	Share-based Option Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
<u>6 Months Ended 31 July 2017</u>							
At 1 February 2017	139,452	-	3,042	-	9,373	54,236	206,103
Profit net of tax and total comprehensive income for the financial period	-	-	-	-	-	19,212	19,212
Realisation of revaluation reserve	-	-	-	-	(280)	280	-
At 31 July 2017	<u>139,452</u>	<u>-</u>	<u>3,042</u>	<u>-</u>	<u>9,093</u>	<u>73,728</u>	<u>225,315</u>
<u>6 Months Ended 31 July 2016</u>							
At 1 February 2016	55,879	72,254	3,042	11,319	10,054	28,195	180,743
Profit net of tax and total comprehensive income for the financial period	-	-	-	-	-	9,404	9,404
Realisation of revaluation reserve	-	-	-	-	(341)	341	-
At 31 July 2016	<u>55,879</u>	<u>72,254</u>	<u>3,042</u>	<u>11,319</u>	<u>9,713</u>	<u>37,940</u>	<u>190,147</u>

Note 26

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 2017.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 31 July 2017**

	Current YTD Ended 31.07.2017 RM'000 (Unaudited)	Corresponding YTD Ended 31.07.2016 RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	19,120	9,433
Adjustments for:		
Non-cash items	5,349	4,165
Property, plant and equipment written off	503	5,033
Inventory written off	-	7,724
Interest expense	130	28
Interest income	(119)	(476)
Operating profit before changes in working capital	<u>24,983</u>	<u>25,907</u>
Changes in working capital:		
Inventories	(2,250)	(2,955)
Receivables	(30,788)	(29,016)
Payables	782	9,332
Bill payables	14,016	-
Net cash flows generated from operations	<u>6,743</u>	<u>3,268</u>
Income tax paid	(25)	(31)
Income tax refund	39	-
Interest received	119	476
Interest paid	(130)	(28)
Net cash flow generated from operating activities	<u>6,746</u>	<u>3,685</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,727)	(29,374)
Proceeds from disposal of property, plant and equipment	95	18
Net cash flows used in investing activities	<u>(15,632)</u>	<u>(29,356)</u>
Net cash flows from financing activities		
	-	-
Net changes in cash and cash equivalents	(8,886)	(25,671)
Cash and cash equivalents at beginning of the financial year	<u>23,408</u>	<u>47,888</u>
Cash and cash equivalents at end of the financial year	<u>14,522</u>	<u>22,217</u>
Cash and cash equivalents comprise :		
Cash and bank balances	8,827	4,605
Fixed and short term deposits placed with licensed banks	5,695	17,612
	<u>14,522</u>	<u>22,217</u>

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 2017.

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 2017. 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 2017. The Group have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year.

Amendments/Improvements to MFRSs

MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 138	Intangible Assets
MFRS 141	Agriculture

The abovementioned adoptions did not have any significant effect on the financial statements of the Group, and did not result in significant changes to the Group’s existing accounting policies.

2. Audit qualifications

The auditors’ reports on the financial statements of the Group for the financial year ended 31 January 2017 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

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 6 months period ended 31 July 2017 are as follows:

	Manufacturing RM'000	Investment Holding RM'000	Others RM'000	Inter- Segment RM'000	Total RM'000
Revenue					
Revenue from					
external customers	195,680	-	12,617	-	208,297
Inter segment sales	11,745	600	-	(12,345)	-
Total revenue	207,425	600	12,617	(12,345)	208,297
Results					
Segment profit/(loss)	25,782	315	(601)	-	25,496
Interest income					119
Interest expense					(130)
Depreciation					(5,831)
Loss on disposal of property, plant and equipment					(32)
Property, plant and equipment written off					(502)
Profit before tax					19,120
Taxation					92
Net profit for the period					19,212

7. Operating segments (Continued)

The Group's operating segments for the 6 months period ended 31 July 2016 are as follows:

	Manufacturing RM'000	Investment Holding RM'000	Others RM'000	Inter- Segment RM'000	Total RM'000
Revenue					
Revenue from external customers	104,368	-	11,836	-	116,204
Inter segment sales	10,914	-	-	(10,914)	-
Total revenue	115,282	-	11,836	(10,914)	116,204
Results					
Segment profit /(loss)	13,469	(217)	115	-	13,367
Insurance claim receivable					12,143
Interest income					476
Interest expense					(28)
Depreciation					(3,768)
Inventory written off					(7,724)
Property, plant and equipment written off					(5,033)
Profit before tax					9,433
Taxation					(29)
Net profit for the period					9,404

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

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

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

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

12. Review of performance

	2nd Quarter Ended			Year to Date Ended		
	31.07.2017 (2QYE18)	31.07.2016 (2QYE17)	Changes	31.07.2017 (2QYE18)	31.07.2016 (2QYE17)	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	114,595	63,902	79%	208,297	116,204	79%
Operating profit	9,113	18,953	-52%	19,250	9,461	103%
Profit before tax	9,020	18,932	-52%	19,120	9,433	103%
Profit after tax	9,066	18,846	-52%	19,212	9,404	104%
Profit attributable to Owners of the Company	9,066	18,846	-52%	19,212	9,404	104%
Reconciliation:						
Profit after tax	9,066	18,846		19,212	9,404	
Add: Loss due to fire						
- Property, plant and equipment written off	-	(61)		-	5,033	
- Inventory written off	-	-		-	7,724	
Less: Recovery from insurance claim	-	(12,143)		-	(12,143)	
	<u>9,066</u>	<u>6,642</u>	36%	<u>19,212</u>	<u>10,018</u>	92%
Net profit margin	8%	10%		9%	9%	

Following the increase in productivity, the sales revenue increased by 79% from RM63.9 million in 2QYE17 to RM 114.6 million this quarter.

The Group registered a net profit after tax of RM9 million compared to RM18.8 million in 2QYE17. An insurance settlement was received in 2QYE17 as compensation for losses incurred due to fire outbreak. Hence, it resulted in a higher other income of RM12.7 million in 2QYE17.

By referring to the above reconciliation, the net profit after tax was adjusted to exclude the impact on profit due to fire outbreak in 2QYE17. The Group maintained a net profit margin of 9%. The second quarter cumulative profit after tax doubled from RM9 million in FYE2017 to RM19 million in FYE2018.

13. Variation of results against preceding quarter

	2nd Quarter Ended		
	31.07.2017 (2QYE18) RM'000	31.04.2017 (1QYE18) RM'000	Changes %
Revenue	114,595	93,702	22%
Operating profit	9,113	10,137	-10%
Profit before tax	9,020	10,100	-11%
Profit after tax	9,066	10,146	-11%
Profit attributable to Owners of the Company	9,066	10,146	-11%

The Group registered sales revenue of RM 114.6 million for 2QYE18, an increase of 22% over 1QYE18. This increase was due to the increase in the sales volume of glove albeit at a lower selling price. The lower selling price was attributed to the gradual decline in the raw latex price since April this year.

The profit before tax decreased by 11% from RM10.1 million to RM9.1 million. The lower selling price together with the lag time in the absorption of the raw latex purchased previously at a higher cost contributed to the lower profit before tax for 2QYE18.

14. Current year prospects

The demand for speciality examination gloves remains robust going forward. To manage the volatility in the market the Company remains committed to rationalizing its operations through continuous efforts to reduce cost. This remains in line with the Company's plan to continue to grow organically in step with market demand.

15. Profit forecast or profit guarantee

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

16. Profit before taxation

This was arrive at after crediting/(charging):

	3 months ended 31.07.2017 RM'000	3 months ended 31.07.2016 RM'000	YTD ended 31.07.2017 RM'000	YTD ended 31.07.2016 RM'000
Interest income	57	212	119	476
Interest expense	(93)	(21)	(130)	(28)
Depreciation	(2,927)	(1,987)	(5,831)	(3,768)
(Loss)/Gain on Foreign Exchange:				
- realised	53	888	(161)	(1,586)
- unrealised	633	809	(69)	1,428
Fair value gain on derivatives	(121)	(453)	515	(413)
Plant and equipment written off	-	61	(502)	(5,033)
Loss on disposal of plant and equipment	(32)	-	(32)	-
Inventory written off	-	-	-	(7,724)

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

17. Capital Commitments

As at 31 July 2017, the Group was 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:

	YTD Ended 31.07.2017 RM'000
Property, plant and equipment	
- approved and contracted for	7,306
- approved but not contracted for	29,500
	<u>36,806</u>

The capital commitments were in relation to the construction of a warehouse and a production plant consisting of 8 production lines.

18. Taxation

	6 months Ended 31.07.2017 RM'000	YTD Ended 31.01.2017 RM'000
Deferred taxation	92	228
Taxation	-	(34)
	<u>92</u>	<u>194</u>

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 was no corporate proposal announced since the last financial year.

22. Borrowings

The Group have the following borrowings as at 31 July 2017:

	YTD Ended 31.07.2017 RM'000	YTD Ended 31.01.2017 RM'000
Unsecured short term borrowings - Bill payables (USD denominated)	<u>14,016</u>	<u>-</u>

23. Material litigation

The Group was 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 Berthed (“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 following analysis of realised and unrealised profits or losses included in the retained earnings of the Group is presented in accordance with the directive of Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on 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, as issued by the Malaysian Institute of Accountants.

	YTD Ended 31.07.2017 RM'000	YTD Ended 31.01.2017 RM'000
Total retained earnings of the Group:		
- Realised	66,554	46,386
- Unrealised	(69)	607
	66,485	46,993
Consolidation adjustments	7,243	7,243
Total retained earnings	73,728	54,236

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 Berthed and should not be applied for other purposes.

25. Dividend Payable

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

26. Share Capital

With the new Companies Act 2016 (the “Act”) which came into effect on 31 January 2017, the credit standing in the share premium account and other reserve of RM72,253,564 and RM11,319,230 respectively have been transferred to the share capital account.

There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

27. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit net of tax for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

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.

	6 months ended 31.07.2017	6 months ended 31.07.2016	YTD ended 31.07.2017	YTD ended 31.07.2016
Profit attributable to owners of the Company (RM'000)	9,066	18,846	19,212	9,404
Weighted average number of ordinary shares for basic earnings per share ('000)	558,790	558,790	558,790	558,790
Basic earnings per ordinary share (sen)	1.62	3.37	3.44	1.68

(b) Diluted earnings per share

Diluted earnings per share are based on the profit for the financial 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, calculated as follows:

	6 months ended 31.07.2017	6 months ended 31.07.2016	YTD ended 31.07.2017	YTD ended 31.07.2016
Profit attributable to owners of the company (RM'000)	9,066	18,846	19,212	9,404
Weighted average number of ordinary shares for basic earnings per share ('000)	558,790	558,790	558,790	558,790
Effect of dilution from:				
- Share options ('000)	21,000	21,000	21,000	21,000
	<u>579,790</u>	<u>579,790</u>	<u>579,790</u>	<u>579,790</u>
Diluted earnings per ordinary shares (sen)	1.56	3.25	3.31	1.62