

Condensed Unaudited Consolidated Statement of Financial Position

As at 31 October 2017

	As at 31.10.2017 RM'000 (Unaudited)	As at 31.01.2017 RM'000 (Audited)
ASSETS		
Non-current asset		
Property, plant and equipment	139,393	123,656
Total non-current asset	<u>139,393</u>	<u>123,656</u>
Current assets		
Inventories	39,361	43,950
Trade receivables	77,977	50,858
Other receivables, deposits and prepayments	6,033	5,795
Tax recoverable	66	52
Derivative financial assets	-	-
Cash and cash equivalents	24,119	23,408
Total current assets	<u>147,556</u>	<u>124,063</u>
TOTAL ASSETS	<u><u>286,949</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	97,764	66,650
Total equity attributable to owners of the company	<u>237,216</u>	<u>206,102</u>
Non-current liability		
Deferred tax liabilities	1,029	1,166
Total non-current liability	<u>1,029</u>	<u>1,166</u>
Current liabilities		
Trade payables	27,489	30,599
Other payables and accruals	13,649	9,560
Loan and borrowings	7,519	-
Derivatives financial liabilities	47	292
Total current liabilities	<u>48,704</u>	<u>40,451</u>
Total liabilities	<u>49,733</u>	<u>41,617</u>
TOTAL EQUITY AND LIABILITIES	<u><u>286,949</u></u>	<u><u>247,719</u></u>
Net assets per share attributable to owners of the company (sen)	42	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 Third Quarter Ended 31 October 2017

	Current Quarter Ended <u>31.10.2017</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>31.10.2016</u> RM'000 (Unaudited)	Current YTD Ended <u>31.10.2017</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.10.2016</u> RM'000 (Unaudited)
Revenue	106,521	74,039	314,818	190,243
Cost of sales	(90,781)	(62,962)	(270,961)	(163,153)
Gross profit	15,740	11,077	43,857	27,090
Other (expenses)/income	(74)	726	600	14,420
Selling and marketing expenses	(1,064)	(1,698)	(4,109)	(3,375)
Administrative expenses	(2,676)	(2,001)	(9,172)	(20,570)
Operating profit	11,926	8,104	31,176	17,565
Finance costs	(74)	(5)	(204)	(33)
Profit before tax	11,852	8,099	30,972	17,532
Taxation	49	188	141	159
Profit for the period	11,901	8,287	31,113	17,691
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	11,901	8,287	31,113	17,691
Profit attributable to:				
Owners of the company	11,901	8,287	31,113	17,691
Earnings per ordinary share attributable to owners of the company (sen)				
- Basic	2.13	1.48	5.57	3.17
- Diluted	2.05	1.43	5.37	3.05

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 Third Quarter Ended 31 October 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>9 Months Ended 31 October 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	-	-	-	-	-	31,113	31,113
Realisation of revaluation reserve	-	-	-	-	(420)	420	-
At 31 October 2017	139,452	-	3,042	-	8,953	85,769	237,216
<u>9 Months Ended 31 October 2016</u>							
At 1 February 2016	55,879	72,254	3,042	11,319	10,054	28,195	180,743
Prior year adjustment	-	-	-	-	-	(507)	(507)
Profit net of tax and total comprehensive income for the financial period	-	-	-	-	-	17,691	17,691
Realisation of revaluation reserve	-	-	-	-	(511)	511	-
At 31 October 2016	55,879	72,254	3,042	11,319	9,543	45,890	197,927
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 October 2017**

	Current YTD Ended <u>31.10.2017</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.10.2016</u> RM'000 (Unaudited)
Cash flows from operating activities		
Profit before taxation	30,972	17,532
Adjustments for:		
Non-cash items	8,830	6,708
Property, plant and equipment written off	503	5,033
Inventory written off	-	7,724
Interest expense	204	33
Interest income	(222)	(603)
Operating profit before changes in working capital	<u>40,287</u>	<u>36,427</u>
Changes in working capital:		
Inventories	4,591	(11,111)
Receivables	(27,359)	(25,356)
Payables	979	16,131
Bill payables	7,519	-
Net cash flows generated from operations	<u>26,017</u>	<u>16,091</u>
Income tax paid	(49)	(43)
Income tax refund	39	-
Interest received	222	603
Interest paid	(204)	(33)
Net cash flow generated from operating activities	<u>26,025</u>	<u>16,618</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,425)	(41,596)
Proceeds from disposal of property, plant and equipment	111	388
Net cash flows used in investing activities	<u>(25,314)</u>	<u>(41,208)</u>
Net cash flows from financing activities	-	-
Net changes in cash and cash equivalents	711	(24,590)
Cash and cash equivalents at beginning of the financial year	23,408	47,888
Cash and cash equivalents at end of the period	<u>24,119</u>	<u>23,298</u>
Cash and cash equivalents comprise:		
Cash and bank balances	8,859	5,686
Fixed and short term deposits placed with licensed banks	15,260	17,612
	<u>24,119</u>	<u>23,298</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 9 months period ended 31 October 2017 are as follows:

	Manufacturing	Investment	Others	Inter-	Total
	RM'000	Holding RM'000	RM'000	Segment RM'000	RM'000
Revenue					
Revenue from external customers	290,863	-	23,955	-	314,818
Inter segment sales	22,211	900	-	(23,111)	-
Total revenue	<u>313,074</u>	<u>900</u>	<u>23,955</u>	<u>(23,111)</u>	<u>314,818</u>
Results					
Segment profit/(loss)	40,492	527	(487)	-	40,532
Interest income					222
Interest expense					(204)
Depreciation					(9,004)
Loss on disposal of property, plant and equipment					(72)
Property, plant and equipment written off					<u>(502)</u>
Profit before tax					30,972
Taxation					<u>141</u>
Net profit for the period					<u><u>31,113</u></u>

7. Operating segments (Continued)

The Group's operating segments for the 9 months period ended 31 October 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	170,718	-	19,525	-	190,243
Inter segment sales	18,015	-	-	(18,015)	-
Total revenue	188,733	-	19,525	(18,015)	190,243
Results					
Segment profit /(loss)	23,903	(450)	27	-	23,480
Insurance claim receivable					12,143
Interest income					603
Interest expense					(33)
Depreciation					(5,904)
Inventory written off					(7,724)
Property, plant and equipment written off					(5,033)
Profit before tax					17,532
Taxation					159
Net profit for the period					17,691

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

	3rd Quarter Ended			Year to Date Ended		
	31.10.2017 (3QYE18)	31.10.2016 (3QYE17)	Changes	31.10.2017 (3QYE18)	31.10.2016 (3QYE17)	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	106,521	74,039	44%	314,818	190,243	65%
Operating profit	11,926	8,104	47%	31,176	17,565	77%
Profit before tax	11,852	8,099	46%	30,972	17,532	77%
Profit after tax	11,901	8,287	44%	31,113	17,691	76%
Profit attributable to Owners of the Company	11,901	8,287	44%	31,113	17,691	76%
Reconciliation:						
Profit after tax	11,901	8,287		31,113	17,691	
Add: Loss due to fire						
- Property, plant and equipment written off	-	-		-	5,033	
- Inventory written off	-	-		-	7,724	
Less: Recovery from insurance claim	-	-		-	(12,143)	
	11,901	8,287	44%	31,113	18,305	70%
Net profit margin	11%	11%		10%	10%	

As compared to 3QYE17, the sales revenue higher by 44% from RM74 million in 3QYE17 to RM 106.5 million in 3QYE18. The Group registered a net profit after tax of RM11.9 million compared to RM8 million in 3QYE17.

By referring to the above reconciliation, the preceding year to date net profit after tax was adjusted to exclude the impact due to fire outbreak. The Group maintained a year to date net profit margin of 10%. The third quarter cumulative profit after tax higher by 70% from RM18 million in FYE2017 to RM31 million in FYE2018. The improved performance was mainly due to continuous projects on cost savings and upgrading of production lines to mitigate the impact of increased labour and energy cost.

13. Variation of results against preceding quarter

	3rd Quarter Ended		
	31.10.2017 (3QYE18) RM'000	31.07.2017 (2QYE18) RM'000	Changes %
Revenue	106,521	114,595	-7%
Operating profit	11,926	9,113	31%
Profit before tax	11,852	9,020	31%
Profit after tax	11,901	9,066	31%
Profit attributable to owners of the Company	11,901	9,066	31%
Net profit margin	11%	8%	41%

The Group registered sales revenue of RM 106.5 million for 3QYE18, a decrease of 7% over 2QYE18. This decrease in revenue was mainly due to lower average selling price arising from lower raw latex price. However, the increase in demand led to an increase in sales volume by 6.3%.

The profit before tax increased by 31% from RM9 million to RM11.9 million. The higher net profit margin and better performance was attributed to aggressive cost saving projects and improved production efficiency.

14. Current year prospects

Prospects for the rubber glove manufacturing sector remain strong with increasing demand arising from switching trends towards nitrile glove. Nitrile glove now accounts for 61% of Malaysian rubber glove export. As overall demand for nitrile gloves increases, the market is seeing increase segmentation and differentiation leading to an increase demand for specialty gloves. Through dedication to process rationalization and improving operational agility, the Group is confident in capturing greater market share and strengthening margins. The Group is confident that meeting customer expectations and continuous innovation will strengthen our position as the bespoke specialty glove manufacturer.

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 31.10.2017 RM'000	3 months ended 31.10.2016 RM'000	YTD ended 31.10.2017 RM'000	YTD ended 31.10.2016 RM'000
Interest income	103	127	222	603
Interest expense	(74)	(5)	(204)	(33)
Depreciation	(3,173)	(2,136)	(9,004)	(5,904)
Gain/(Loss) on Foreign Exchange:				
- realised	242	2,397	81	811
- unrealised	(110)	(607)	(179)	821
Fair value (loss)/gain on derivatives	(270)	(327)	245	(740)
Plant and equipment written off	-	-	(502)	(5,033)
Loss on disposal of plant and equipment	(40)	-	(72)	-
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 October 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 31.10.2017 RM'000
Property, plant and equipment	
- approved and contracted for	5,317
- approved but not contracted for	30,349
	<u>35,666</u>

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

18. Taxation

	9 months Ended 31.10.2017 RM'000	YTD Ended 31.01.2017 RM'000
Deferred taxation	137	228
Taxation	4	(34)
	<u>141</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 October 2017:

	YTD Ended 31.10.2017 RM'000	YTD Ended 31.01.2017 RM'000
Unsecured short term borrowings - Bill payables (USD denominated)	<u>7,519</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 31.10.2017 RM'000	YTD Ended 31.01.2017 RM'000
Total retained earnings of the Group:		
- Realised	78,705	46,386
- Unrealised	(179)	607
	<u>78,526</u>	<u>46,993</u>
Consolidation adjustments	7,243	7,243
Total retained earnings	<u><u>85,769</u></u>	<u><u>54,236</u></u>

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.

	9 months ended 31.10.2017	9 months ended 31.10.2016	YTD ended 31.10.2017	YTD ended 31.10.2016
Profit attributable to owners of the Company (RM'000)	11,901	8,287	31,113	17,691
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)	2.13	1.48	5.57	3.17

(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:

	9 months ended 31.10.2017	9 months ended 31.10.2016	YTD ended 31.10.2017	YTD ended 31.10.2016
Profit attributable to owners of the company (RM'000)	11,901	8,287	31,113	17,691
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)	2.05	1.43	5.37	3.05