

**Condensed Unaudited Consolidated Statement of Financial Position
As At 31 December 2023**

	As at 31.12.2023 RM'000 (Unaudited)	As at 31.12.2022 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	418,044	431,747
Goodwill on consolidation	22	22
Right-of-use assets	15,294	13,250
Other investments	10,000	10,000
Deferred tax assets	4,610	-
Investment properties	26,420	26,422
Total non-current assets	<u>474,390</u>	<u>481,441</u>
Current assets		
Inventories	85,294	109,684
Trade and other receivables	57,310	69,856
Prepayments	1,767	2,717
Tax Recoverable	95,184	89,651
Other investment	105,547	102,673
Cash and cash equivalents	141,182	134,563
Total current assets	<u>486,284</u>	<u>509,144</u>
TOTAL ASSETS	<u>960,674</u>	<u>990,585</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	142,985	142,985
Treasury shares	(5,512)	(5,368)
Reserves	732,217	754,429
TOTAL EQUITY	<u>869,690</u>	<u>892,046</u>
Non-current liabilities		
Loans and borrowings	9,028	11,180
Provision for restoration	2,588	-
Deferred tax liabilities	-	2,750
Total non-current liabilities	<u>11,616</u>	<u>13,930</u>
Current liabilities		
Loans and borrowings	33,338	24,515
Trade and other payables	43,321	55,296
Contract liabilities	2,709	4,798
Total current liabilities	<u>79,368</u>	<u>84,609</u>
TOTAL LIABILITIES	<u>90,984</u>	<u>98,539</u>
TOTAL EQUITY AND LIABILITIES	<u>960,674</u>	<u>990,585</u>
Net assets per share attributable to owners of the company (sen)	150	154

The Condensed Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2022.

Condensed Unaudited Consolidated Statement of Comprehensive Income For the Fourth Quarter Ended 31 December 2023

	Current Quarter Ended <u>31.12.2023</u> RM'000 (Unaudited)	Corresponding Quarter Ended <u>31.12.2022</u> RM'000 (Unaudited)	Current YTD Ended <u>31.12.2023</u> RM'000 (Unaudited)	Corresponding YTD Ended <u>31.12.2022</u> RM'000 (Audited)
Revenue	73,643	103,703	325,882	606,680
Cost of sales	(67,197)	(130,885)	(356,905)	(624,562)
Gross profit / (loss)	6,446	(27,182)	(31,023)	(17,882)
Other income	(373)	(8,509)	14,530	11,002
Selling and marketing expenses	(1,058)	(2,738)	(4,543)	(12,612)
Administrative expenses	(13,514)	(9,538)	(24,822)	(38,796)
Operating loss	(8,499)	(47,967)	(45,858)	(58,288)
Finance costs	(511)	(475)	(2,131)	(1,872)
Loss before tax	(9,010)	(48,442)	(47,989)	(60,160)
Income tax expense	13,418	30,898	11,162	17,856
Profit / (Loss) for the period	4,408	(17,544)	(36,827)	(42,304)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit / (loss) for the period	4,408	(17,544)	(36,827)	(42,304)
Profit / (Loss) attributable to:				
Owners of the Company	4,408	(17,544)	(36,827)	(42,304)
Total comprehensive profit / (loss) attributable to:				
Owners of the Company	4,408	(17,544)	(36,827)	(42,304)
Profit/ (Loss) per ordinary share attributable to owners of the Company (sen) (Note 27)				
- Basic	0.76	(3.03)	(6.37)	(7.29)
- Diluted	0.76	(3.03)	(6.37)	(7.29)

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 2022.

Condensed Unaudited Consolidated Statement of Changes in Equity For the Fourth Quarter Ended 31 December 2023

	← Attributable to Owners of the Company →					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
	At 1 January 2023	142,985	(5,368)	11,319	17,922	
Total comprehensive loss for the financial period						
Loss for the financial period	-	-	-	-	(36,827)	(36,827)
Revaluation surplus	-	-	-	14,615	-	14,615
Realisation of revaluation reserve	-	-	-	(675)	675	-
Total comprehensive expense	-	-	-	13,940	(36,152)	(22,212)
Transactions with owners of the Company						
Shares repurchased	-	(144)	-	-	-	(144)
Dividends paid on shares	-	-	-	-	-	-
Total transactions with owners	-	(144)	-	-	-	(144)
At 31 December 2023	142,985	(5,512)	11,319	31,862	689,036	869,690
	Note 25	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 December 2022.

**Condensed Unaudited Consolidated Statement of Cash Flows
For The Period Ended 31 December 2023**

	Current YTD Ended 31.12.2023 RM'000 (Unaudited)	Corresponding YTD Ended 31.12.2022 RM'000 (Audited)
Cash flows from operating activities		
Loss before taxation	(47,989)	(60,160)
Adjustments for:		
Net fair value loss on derivatives	-	378
Property, plant and equipment		
- (Gain)/loss on disposal	(25)	75
- depreciation	44,798	44,754
- written off	-	322
Depreciation of right-of-use asset	401	401
Allowance for doubtful debts	5,814	-
Written back of doubtful debts	(245)	(2,801)
Inventory provision on slow moving	5,683	4,678
(Reversal) / Provision of inventory written down	(12,725)	5,807
Fair value loss on investment	(900)	1,053
Impairment loss	446	-
Interest expense	2,131	1,872
Interest income	(7,091)	(3,086)
Unrealised gain on foreign exchange	(6,272)	(5,049)
Operating loss before changes in working capital	(15,974)	(11,756)
Changes in working capital:		
Inventories	31,432	78,036
Receivables	9,744	72,122
Payables	(14,354)	(35,634)
Net cash generated from operations	10,848	102,768
Income tax paid	(6,418)	(65,970)
Interest received	7,091	1,501
Net cash flow generated from operating activities	11,521	38,299
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,410)	(50,189)
Interest income from other investments	2,724	1,584
Addition to other investments	(4,698)	(834)
Acquisition of subsidiary net of cash and cash equivalent	-	(25,630)
Proceeds from disposal of property, plant and equipment	25	852
Net cash flows used in investing activities	(13,359)	(74,217)
Cash flows from financing activities		
Repurchase of treasury shares	(144)	(597)
Net changes in bill payables	9,286	(53,307)
Net changes in term loan financing	(2,796)	(2,796)
Net changes in lease liabilities	(15)	-
Interest paid	(2,131)	(1,872)
Dividend paid	-	-
Net cash flows generated from / (used in) financing activities	4,200	(58,572)
Net changes in cash and cash equivalents	2,362	(94,490)
Cash and cash equivalents at beginning of the financial year	134,563	221,348
	136,925	126,858
Effect of exchange rate changes on cash and cash equivalents	4,257	7,705
Cash and cash equivalents at end of the financial period	141,182	134,563

The Condensed Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2022.

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 2022. 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 2022 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023 which are applicable to Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any 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 December 2022 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. 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 year ended 31 December 2023.

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 for the current quarter and financial year to date.

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. Operating segments

The Group's operating segments for the 12 months year ended 31 December 2023:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from external customers	325,882	-	-	325,882
Inter segment revenue	105,328	2,610	(107,938)	-
Total revenue	<u>431,210</u>	<u>2,610</u>	<u>(107,938)</u>	<u>325,882</u>
Results				
Segment (loss)/profit	(13,385)	5,610	-	(7,775)
Interest income				7,091
Interest expense				(2,131)
Property, plant and equipment				
- depreciation				(44,798)
- gain on disposal				25
Depreciation of right-of-use asset				<u>(401)</u>
Loss before tax				(47,989)
Taxation				<u>11,162</u>
Net loss for the period				<u><u>(36,827)</u></u>

The Group's operating segments for the 12 months year ended 31 December 2022:

	Manufacturing and Trading RM'000	Investment Holding RM'000	Inter- Segment RM'000	Total RM'000
Revenue				
Revenue from external customers	606,680	-	-	606,680
Inter segment revenue	265,202	35,138	(300,340)	-
Total revenue	<u>871,882</u>	<u>35,138</u>	<u>(300,340)</u>	<u>606,680</u>
Results				
Segment profit	(18,934)	3,112		(15,822)
Interest income				3,086
Interest expense				(1,872)
Property, plant and equipment				
- depreciation				(44,754)
- loss on disposal				(75)
- written off				(322)
Depreciation of right-of-use asset				<u>(401)</u>
Loss before tax				(60,160)
Taxation				<u>17,856</u>
Net loss for the period				<u><u>(42,304)</u></u>

12. Review of performance

	4th Quarter Ended		Year to Date Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	(4QYE31DEC23)	(4QYE31Dec22)	(12MFYE31Dec23)	(12MFYE31Dec22)
	RM'000	RM'000	RM'000	RM'000
Revenue	73,643	103,703	325,882	606,680
Gross profit / (loss)	6,446	(27,182)	(31,023)	(17,882)
Operating loss	(8,499)	(47,967)	(45,858)	(58,288)
(Loss) before tax	(9,010)	(48,442)	(47,989)	(60,160)
Profit / (Loss) after tax	4,408	(17,544)	(36,827)	(42,304)
Profit / (Loss) attributable to Owners of the Company	4,408	(17,544)	(36,827)	(42,304)
Net profit / (loss) margin	6.0%	-16.9%	-11.3%	-7.0%

The Group's revenue for the fourth quarter ended December 31, 2023, amounted to RM73.6 million, reflecting a notable decline of 29% compared to the corresponding quarter in 2022, during which revenue stood at RM103.7 million. This reduction can be primarily attributed to a decrease in the number of sales orders received from customers, both domestically and internationally.

In the fourth quarter of 2023, the company reported a gross profit of RM6.4 million, marking a significant improvement compared to the gross margin loss of RM27.2 million in the corresponding quarter of 2022. This improvement can primarily be attributed to decreased costs associated with synthetic latex and improvement average selling price. Additionally, the Group's efforts to enhance operational efficiency have played a crucial role in maintaining competitiveness within the market.

The profit after tax for the quarter ended December 31, 2023 of RM4.4 million included provisions for slow-moving inventory amounting to RM1.8 million, an allowance for doubtful debt related to one specific customer amounting to RM5.8 million and credit of deferred tax of RM13.9 million respectively.

13. Variation of quarterly results against preceding quarter

	Quarter Ended		
	31.12.2023 (4QYE31DEC23) RM'000	30.09.2023 (3QYE30SEP23) RM'000	Changes %
Revenue	73,643	72,449	2%
Gross profit / (loss)	6,446	(876)	836%
Operating loss	(8,499)	(3,474)	-145%
Loss before tax	(9,010)	(4,015)	-124%
Profit /(Loss) after tax	4,408	(7,913)	156%
Profit /(Loss) attributable to owners of the Company	4,408	(7,913)	156%
Net profit /(loss) margin	6.0%	-10.9%	

In the fourth quarter of the year ending 2023 (4QYE31DEC2023), the Group reported a sales revenue of RM73.6 million. The increase in revenue compared to previous quarters was primarily driven by a higher average selling price. Additionally, the Group achieved a gross margin of RM6.4 million for the quarter, representing a significant improvement compare to previous quarter. This improvement can be attributed to both an increase in the average selling price and a decrease in average production costs. These factors combined contributed to the enhanced profitability of the Group during the quarter.

The loss before tax for the quarter ended December 31, 2023, included provisions for slow-moving inventory amounting to RM1.8 million and an allowance for doubtful debt related to one specific customer amounting to RM5.8 million.

However, The Group recorded net profit after tax of RM4.4 million in 4QYE31Dec23 as compare to last quarter 3QYE30SEP23 of net loss of RM7.9 million, this was largely due to the Group has made a credit of deferred tax for the amounting to RM13.9 million.

14. Current year prospects

Despite the global economy being soft, volatile, and fragile, the group remains cautiously optimistic about its business prospects. Nevertheless, the Group's sustainability is positive and it continues to generate gross operating profit from its operation activities.

The group emphasizes effective cost management as a priority, intending to keep a tight rein on costs and adapt to the fluid environment. Automation of operations is highlighted as a strategy to overcome cost challenges.

With the current challenges in the market there is an expectation for improvement in foreseeable future as economic conditions strengthen. There is a gradual improvement in market dynamics expected to provide relief for local glove manufacturers. There's also an anticipation that customer inventory could normalize by the second half of 2024.

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 31.12.2023 RM'000	3 months ended 31.12.2022 RM'000	YTD ended 31.12.2023 RM'000	YTD ended 31.12.2022 RM'000
Interest income	2,444	1,576	7,091	3,086
Interest expense	(511)	(475)	(2,131)	(1,872)
Depreciation on property, plant and equipment	(10,934)	(11,522)	(44,798)	(44,754)
Depreciation of right-of-use asset	(100)	(100)	(401)	(401)
(Loss) / Gain on Foreign Exchange:		-		
- realised	763	(94)	(18)	1,398
- unrealised	(3,513)	(6,374)	6,272	5,049
Fair value (loss) / gain on derivatives	39	-	-	(378)
Property, plant and equipment written off	-	(48)	-	(322)
Gain/(loss) on disposal of plant and equipment	(36)	-	25	(75)
Allowance for doubtful debts	(5,814)	-	(5,814)	-
Inventory provision on slow moving	(1,761)	(1,177)	(5,683)	(4,678)
Reversal / (provision) of Inventories written down	(404)	3,827	12,725	(5,807)
Written back of doubtful debts	185	-	245	2,801

17. Capital Commitments

As at 31 December 2023, the Group has the below capital commitments:

	YTD Ended 31.12.2023 RM'000
Property, plant and equipment	
- approved and contracted for	3,588
- approved but not contracted for	-
	<u>3,588</u>

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

18. Taxation

	YTD Ended 31.12.2023 RM'000	YTD Ended 31.12.2022 RM'000
Deferred taxation - current year	12,047	16,722
- over provision in prior year	-	11,421
Taxation - current year	(1,167)	(2,770)
- over /(under) provision in prior year	283	(7,517)
	<u>11,162</u>	<u>17,856</u>

19. Derivative financial Liabilities

	Year Ended 31.12.2023		Year Ended 31.12.2022	
	Contract Amount RM'000	Assets/(Liabilities) RM'000	Contract Amount RM'000	Assets/(Liabilities) RM'000
Non-hedging derivative:				
Forward exchange contracts	-	-	-	-

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 year 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.

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 other corporate proposal announced and not completed as of 31 December 2023.

22. Borrowings

The Group have the following borrowings as at 31 December 2023:

	YTD Ended 31.12.2023 RM'000	YTD Ended 31.12.2022 RM'000
Non current:		
Secured		
- Term Loan (RM denominated)	7,396	10,192
- Lease liability	1,632	988
	<u>9,028</u>	<u>11,180</u>
Current:		
Secured		
- Bill payables (USD denominated)	18,547	-
- Bill payables (RM denominated)	11,951	21,704
- Term Loan (RM denominated)	2,796	2,796
- Lease liability	44	15
	<u>33,338</u>	<u>24,515</u>
	<u>42,366</u>	<u>35,695</u>

23. Material litigation

The Group was not aware of any material litigation that may have significant impact to the Group's profit since the last audited annual financial statements date to the date of issue of the quarterly report.

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 December 2023 is as follow:

	YTD Ended 31.12.2023	
	No. of shares Unit' 000	RM'000
Issued and fully paid: - At 1 Jan 2023 / 31 Dec 2023	582,949	142,985

26. Treasury Shares

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

For the year under review, the Company repurchased 349,900 shares from the open market at an average price of RM0.410 per share. The total consideration paid including transaction costs was RM143,574 which was financed by internally generated funds.

At 31 December 2023, the number of the Company's treasury shares held is 3,949,200 shares, at a carrying amount of RM5,511,616.

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

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 31.12.2023	YTD ended 31.12.2023
Profit / (Loss) attributable to owners of the Company (RM'000)	4,408	(36,827)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,942	579,942
Effect of treasury shares held	(350)	(1,884)
Weighted average number of ordinary shares for diluted earnings per share ('000)(basic)	579,592	578,058
Basic profit / (loss) per ordinary share (sen)	0.76	(6.37)

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	YTD ended
	31.12.2023	31.12.2023
Profit/ (Loss) attributable to owners of the Company (RM'000)	4,408	(36,827)
Weighted average number of ordinary shares for basic earnings per share ('000)	579,592	578,058
Effect of dilution from:		
- Share options ('000)	-	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	579,592	578,058
Diluted profit / (loss) per ordinary share (sen)	0.76	(6.37)