



Condensed Consolidated Statements of Comprehensive Income for the financial period ended 31 March 2021
These figures have not been audited

	2021 Current Quarter ended 31 March RM'000	2021 Year-to-Date ended 31 March RM'000	2020 Current Quarter ended 31 March RM'000	2020 Year-to-Date ended 31 March RM'000
Revenue	175,243	175,243	66,430	66,430
Cost of sales	(68,100)	(68,100)	(54,183)	(54,183)
Gross profit	107,143	107,143	12,247	12,247
Other gains and losses	7,964	7,964	989	989
Operating expenses	(3,149)	(3,149)	(2,615)	(2,615)
Profit from operations	111,958	111,958	10,621	10,621
Finance costs	(38)	(38)	(134)	(134)
Profit before tax	111,920	111,920	10,487	10,487
Income tax expense	(25,347)	(25,347)	(1,226)	(1,226)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	86,573	86,573	9,261	9,261
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	(523)	(523)	545	545
Total comprehensive income for the period attributable to Equity holders of the Company	86,050	86,050	9,806	9,806
Earnings per share:				
Basic (sen)	10.44	10.44	1.22	1.22
Weighted average number of shares ^	829,446,751	829,446,751	756,586,851	756,586,851

^ For comparative purposes, the weighted average number of shares for first quarter 2020 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Financial Position as at 31 March 2021
These figures have not been audited

	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	193,329	182,896
Prepaid lease payments	16,699	4,690
Right-of-use assets	2,452	2,702
Deferred tax asset	-	-
	<u>212,480</u>	<u>190,288</u>
Current Assets		
Inventories	77,079	56,470
Trade and other receivables	62,443	59,414
Cash and bank balances	194,471	165,276
	<u>333,993</u>	<u>281,160</u>
TOTAL ASSETS	<u>546,473</u>	<u>471,448</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	191,212	191,212
Treasury shares	(3,862)	(1,612)
Other reserves	1,846	8,318
Retained earnings	266,324	179,751
TOTAL EQUITY	<u>455,520</u>	<u>377,669</u>
Non-current Liabilities		
Borrowings	3,500	3,500
Lease liabilities	2,322	1,929
Deferred tax liabilities	7,296	6,084
	<u>13,118</u>	<u>11,513</u>
Current Liabilities		
Trade and other payables	77,621	80,970
Lease liabilities	214	858
Borrowings	-	438
	<u>77,835</u>	<u>82,266</u>
TOTAL LIABILITIES	90,953	93,779
TOTAL EQUITY AND LIABILITIES	<u>546,473</u>	<u>471,448</u>
Net asset per share (RM) ^	0.55	0.45

^ For comparative purposes, the total number of shares for financial year 2019 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Changes in Equity for the financial period ended 31 March 2021
These figures have not been audited

	Attributable to Equity Holders of the Company				Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-distributable Translation Reserves RM'000	Retained Earnings RM'000	
As at 01 January 2020	160,192	(8)	6,524	38,309	205,017
Total comprehensive income for the period	-	-	-	9,261	9,261
Effects of foreign exchange differences	-	-	545	-	545
As at 31 March 2020	<u>160,192</u>	<u>(8)</u>	<u>7,069</u>	<u>47,570</u>	<u>214,823</u>
As at 01 January 2021	191,212	(1,612)	8,318	179,751	377,669
Total comprehensive income for the period	-	-	(5,950)	86,573	80,623
Resale/(Purchase) of treasury shares	-	(2,249)	-	-	(2,249)
Effects of foreign exchange differences	-	-	(523)	-	(523)
As at 31 March 2021	<u>191,212</u>	<u>(3,861)</u>	<u>1,845</u>	<u>266,324</u>	<u>455,520</u>

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Cashflows for the financial period ended 31 March 2021
These figures have not been audited

	2021 Year-to-Date ended 31 March RM'000	2020 Year ended 31 December RM'000
Net cash generated from operating activities	55,748	141,337
Net cash used in investing activities	(25,323)	(60,071)
Net cash used in financing activities	(487)	27,923
Net increase/(decrease) in cash and cash equivalents	29,938	109,189
Effects of foreign exchange differences	(538)	218
Cash and cash equivalents at beginning of financial period	165,071	55,664
Cash and cash equivalents at end of financial period	194,471	165,071

Cash and cash equivalents at end of financial period comprise the following:

Cash and bank balances	194,471	165,276
Short term borrowings - bank overdrafts	-	(205)
	194,471	165,071

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021

A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (“FRS”) 134: INTERIM FINANCIAL REPORTING

1. Basis of Preparation of the Financial Statements and Adoption of New and Revised Financial Reporting Standards (“FRSs”)

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020.

The accounting policies and methods of computation adopted for the interim financial statements were consistent with those adopted for the annual audited financial statements for the year ended 31 December 2020.

2. Auditor’s Report on Preceding Annual Financial Statements

The auditor’s report on the financial statements of the Group and the Company for the previous year ended 31 December 2020 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s products are not materially impacted by any seasonal or cyclical factors.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting the Group’s assets, liabilities, equity, net income or cash flows in the interim financial statements ended 31 March 2021.

5. Changes in Material Estimates

There were no changes in the nature and amount of estimates reported in prior financial year(s) that have a material effect in the interim financial statements ended 31 March 2021.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In January 2021, the Company purchased 1,631,100 ordinary shares from Bursa Malaysia Securities Berhad, for a total consideration of RM2.2 million.

As at 31 March 2021, a total of 2,798,600 shares were held as Treasury Shares by the Company. Subsequently, on 16 April 2021, these shares were resold on Bursa Malaysia Securities Berhad for a total consideration of RM4.3 million; the gain on this sale of RM0.4 million has been transferred to retained earnings of the Company.



7. Dividends Paid

No dividends have been declared by the Company in respect of the current financial year.

8. Segmental Information

Segmental information is presented in accordance to the Group's business and geographical segments by location of assets, which is the primary reporting format.

	Current Quarter ended 31 March 2021 RM'000	Cumulative year-to-date RM'000
Segment Revenue:		
Malaysia	182,388	182,388
Europe	30,610	30,610
	<hr/>	<hr/>
	212,998	212,998
Group adjustments	(37,755)	(37,755)
Total	<hr/> 175,243 <hr/>	<hr/> 175,243 <hr/>
Segment Results:		
Malaysia	100,282	100,282
Europe	3,628	3,628
	<hr/>	<hr/>
	103,910	103,910
Group adjustments	(8,048)	(8,048)
Total	<hr/> 111,958 <hr/>	<hr/> 111,958 <hr/>

9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment in the current quarter ended 31 March 2021.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2020.

10. Subsequent Events

Other than as disclosed, there were no material events subsequent to the end of the current quarter that have not been reflected in the financial period ended 31 March 2021.

11. Changes in the Composition of the Group

Other than as disclosed, there were no changes to the composition of the Group since the last financial year ended 31 December 2020.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or assets since the last annual balance sheet date as at 31 December 2020.



13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 31 March 2021 is as follows: -

	RM'000
Capital expenditure approved and contracted for	9,658

B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

The Group achieved a sales turnover of RM175.2 million in the current quarter compared to RM66.4 million in the corresponding quarter ended 31 March 2020, a significant increase of 163.9%. Group pretax profit recorded in the period was RM111.9 million, and net of tax, was RM86.6 million, a significant increase by 831.2% from RM9.3 million in the corresponding quarter of the previous year.

The reported profit had included a gain of RM5.9 million from the dissolution and de-registration of Rubberex (Hong Kong) Limited, a wholly-owned subsidiary of the Company, from the Companies Registry of Hong Kong in February 2021. Overall, operational profits from the sale of gloves (disregarding the exceptional gain of RM5.9 million above) were attributable to the consistently strong demand of the Group's products namely household, industrial and nitrile disposable gloves in the midst of heightened health and safety awareness during the pandemic, higher average glove selling prices and improved production efficiencies.

2. Material change in profits of the current quarter compared with preceding quarter

Pretax profit in the current quarter increased by RM37.7 million or 50.8% from RM74.2 million in the fourth quarter of year 2020 to RM111.9 million in the current quarter ended 31 March 2021, on the back of strong market demand and higher sales volumes across the Group's products namely household, industrial and nitrile disposable gloves. Net of tax, profits also soared to RM86.6 million in the current quarter, an increase of 45.8% from RM59.4 million in the previous quarter.

The reported profit had included an exceptional gain of RM5.9 million from the dissolution and de-registration of Rubberex (Hong Kong) Limited, a wholly-owned subsidiary of the Company, from the Companies Registry of Hong Kong in February 2021. Disregarding the gain of RM5.9 million above, operational net profit from the sale of gloves amounted to RM80.7 million, an increase by RM21.3 million or 35.9% quarter-to-quarter. The most notable improvement in performance was attributed to the Group's nitrile disposable glove division as the additional new annual capacity of 1.5 billion pieces that came on-stream since late 2020 resulted in higher production efficiencies and contributed to the material improvement in the Group's profits.



3. Current Year Prospects

The Group remains focused on its nitrile disposable glove division, with the latest commissioning of its new production lines in stages since late 2020. The Group's order books for 2.5 billion pieces of nitrile disposable gloves have already been fully taken up for the rest of the year and the improved efficiency is expected to contribute positively to the Group's earnings for financial year 2021.

4. Profit Forecast or Profit Guarantee

No profit forecast or profit guarantee has been issued for the current quarter.

5. Taxation

	Current quarter ended 31 March 2021 RM'000	Cumulative year-to-date RM'000
Current year – Malaysian income tax	23,228	23,228
Current year – Foreign income tax	907	907
Provision for deferred tax	1,212	1,212
Total income tax expense	<u>25,347</u>	<u>25,347</u>

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 31 March 2021.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 31 March 2021.

8. Status of Corporate Proposals

There were no corporate proposals not announced or outstanding as at 31 March 2021.

9. Group Borrowings and Debt Securities

As at 31 March 2021, the Group has utilized a term loan amount of RM3.5 million. This facility was obtained from a licensed financial institution and secured by a charge over certain factory buildings and leasehold land of a subsidiary company.

There were no other short-term borrowings or trade facilities utilized by the Group as at 31 March 2021.



10. Financial Instruments Risks

As at 31 March 2021, the Group has the following foreign currency contracts outstanding: -

Currency	Contracted Amounts '000	Ringgit Equivalent RM'000	Fair Values RM'000	Expiry Periods
U.S. Dollar (USD)	1,709	6,986	7,099	April - June 2021
Euro (EUR)	527	2,592	2,567	April - June 2021
		9,578	9,666	

The above foreign currency contracts were entered into with local licensed banks to hedge the Group's receivables and payables in foreign currencies. The contracted rates will be used to translate the underlying foreign currencies into Ringgit Malaysia.

These foreign currency contracts are of a short-term nature. The accounting policy adopted with regards to off balance sheet financial instruments was consistent with those applied in the last audited financial statements as at 31 December 2020.

11. Changes in Material Litigation

There was no outstanding material litigation as at 31 March 2021.

12. Dividend Payable

No dividend is proposed for the current quarter ended 31 March 2021.

13. Earnings per Share ("EPS")

		Cumulative Year-to-Date ended 31 March 2021	Cumulative Year-to-Date ended 31 December 2020
Continuing Operations			
Profit for the period attributable to equity holders of the Company	RM'000	86,573	131,176
Weighted average number of ordinary shares in issue	Shares	829,446,751	802,583,259
Basic EPS	sen	10.44	16.34



14. Disclosure on COVID-19 related impacts

The demand for personal protective equipment including gloves remain robust as these items were deemed critical in defense against the pandemic and the Group has seen increased orders and deliveries since early 2020. Average glove selling prices (ASP), in particular nitrile disposable gloves, have also risen to unprecedented levels and in addition to the higher profits achieved, the Group is also in a strong positive cashflow position.

The Group's latest phase of expansion (which had been put in place pre-pandemic) was well-positioned to contribute to the increased market demand as 1.5 billion pieces of additional nitrile disposable gloves' capacity came on-stream in this fourth quarter of the year. Moving forward, despite more and more countries adopting the various vaccination plans, global consumption and demand for gloves are expected to remain higher than pre-pandemic levels owing to increased health, hygiene and safety awareness among medical professionals and the general population.

At the operational level, the Group's production lines, workforce, supply chains, distribution networks and logistical services were not materially affected during the movement control orders (MCO) put in place by the Malaysian government. The Group is also committed to complying with all current standard operating procedures (SOP) issued by the Malaysian government in relation to workplace safety and employees' health. Sanitisation of common work areas, workers' accommodation as well as workers' transport vehicles are also carried out regularly to curb the spread of the virus.

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 28 May 2021.

Ipoh, Perak
28 May 2021