



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

	2021 Current Quarter ended 31 December RM'000	2021 Year-to-Date ended 31 December RM'000	2020 Current Quarter ended 31 December RM'000	2020 Year-to-Date ended 31 December RM'000
Revenue	64,242	510,993	151,588	415,147
Cost of sales	(52,283)	(272,027)	(71,616)	(239,574)
Gross profit	11,959	238,966	79,972	175,573
Other gains and losses	977	12,229	(877)	941
Operating expenses	(3,470)	(14,483)	(4,878)	(15,214)
Profit from operations	9,466	236,712	74,217	161,300
Finance costs	8	(103)	(28)	(265)
Profit before tax	9,474	236,609	74,189	161,035
Income tax expense	(328)	(51,014)	(14,752)	(29,859)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	9,146	185,595	59,437	131,176
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	(1,140)	(1,794)	547	1,794
Total comprehensive income for the period attributable to Equity holders of the Company	8,006	183,801	59,984	132,970
Earnings per share:				
Basic (sen)	1.07	21.79	7.41	16.34
Weighted average number of shares ^	851,781,226	851,781,226	802,583,259	802,583,259

^ For comparative purposes, the weighted average number of shares for fourth quarter 2020 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020 and private placement exercise completed on 03 August 2021

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 December 2021
These figures have not been audited

	As at 31 December 2021 RM'000	As at 31 December 2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	208,020	182,896
Prepaid lease payments	16,642	4,690
Right-of-use assets	1,785	2,702
	<u>226,447</u>	<u>190,288</u>
Current Assets		
Inventories	112,071	56,470
Trade and other receivables	30,338	59,414
Cash and bank balances	298,386	165,276
	<u>440,795</u>	<u>281,160</u>
TOTAL ASSETS	<u>667,242</u>	<u>471,448</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	257,794	191,212
Treasury shares	(24,203)	(1,612)
Other reserves	575	8,318
Retained earnings	366,827	179,751
TOTAL EQUITY	<u>600,993</u>	<u>377,669</u>
Non-current Liabilities		
Borrowings	-	3,500
Lease liabilities	1,023	1,929
Deferred tax liabilities	17,179	6,084
	<u>18,202</u>	<u>11,513</u>
Current Liabilities		
Trade and other payables	47,205	80,970
Lease liabilities	819	858
Borrowings	23	438
	<u>48,047</u>	<u>82,266</u>
TOTAL LIABILITIES	66,249	93,779
TOTAL EQUITY AND LIABILITIES	<u>667,242</u>	<u>471,448</u>
Net asset per share (RM) ^	0.69	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 December 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
Issuance of new shares	31,020	-	-	-	31,020
Total comprehensive income for the period	-	-	-	131,176	131,176
Resale/(Purchase) of treasury shares	-	(1,604)	-	10,266	8,662
Effects of foreign exchange differences	-	-	1,794	-	1,794
As at 31 December 2020	191,212	(1,612)	8,318	179,751	377,669
As at 01 January 2021	191,212	(1,612)	8,318	179,751	377,669
Issuance of new shares	66,582	-	-	-	66,582
Total comprehensive income for the period	-	-	(5,950)	185,595	179,645
Resale/(Purchase) of treasury shares	-	(22,590)	-	1,481	(21,109)
Effects of foreign exchange differences	-	-	(1,794)	-	(1,794)
As at 31 December 2021	257,794	(24,202)	574	366,827	600,993

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 December 2021
These figures have not been audited

	2021 Year-to-Date ended 31 December RM'000	2020 Year ended 31 December RM'000
Net cash generated from operating activities	136,448	141,337
Net cash generated from/(used in) investing activities	3,328	(60,071)
Net cash generated from/(used in) financing activities	<u>(4,868)</u>	<u>27,923</u>
Net increase in cash and cash equivalents	134,908	109,189
Effects of foreign exchange differences	(1,797)	218
Cash and cash equivalents at beginning of financial period	<u>165,071</u>	<u>55,664</u>
Cash and cash equivalents at end of financial period	<u>298,182</u>	<u>165,071</u>

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

Cash and bank balances	298,205	165,276
Short term borrowings - bank overdrafts	<u>(23)</u>	<u>(205)</u>
	<u>298,182</u>	<u>165,071</u>

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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 financial statements ended 31 December 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 financial statements ended 31 December 2021.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In the current quarter, the Company purchased 15,498,000 ordinary shares from Bursa Malaysia Securities Berhad, for a total consideration of RM8.5 million. On 01 December 2021, the Company resold 10,687,500 of its Treasury Shares on Bursa Malaysia Securities Berhad for a total sum of RM7.3 million; the gain from this sale of RM1.1 million has been transferred to retained earnings of the Company.

As at 31 December 2021, a total of 41,600,000 shares were held as Treasury Shares by 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 December 2021 RM'000	Cumulative year-to-date RM'000
Segment Revenue:		
Malaysia	67,684	531,057
Europe	31,312	111,914
	<hr/>	<hr/>
	98,996	642,971
Group adjustments	(34,754)	(131,978)
Total	<hr/> 64,242 <hr/>	<hr/> 510,993 <hr/>
 Segment Results:		
Malaysia	5,253	217,184
Europe	947	6,524
	<hr/>	<hr/>
	6,200	223,708
Group adjustments	3,266	13,004
Total	<hr/> 9,466 <hr/>	<hr/> 236,712 <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 and financial year ended 31 December 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

At the Extraordinary General Meeting of the Company held on 31 December 2021, the shareholders approved the Company's (i) proposed subscription of shares in Alliance Empire Sdn Bhd and (ii) proposed diversification into property investment. Thereafter, on 04 February 2022, the Company received notification that the parties to the Subscription Agreement and Shareholders' Agreement have mutually agreed to extend the cut-off date for a further two months from 04 February 2022 to 04 April 2022.

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 December 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 audited 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 audited annual balance sheet date of 31 December 2020.

13. Capital Commitments

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

	RM'000
Capital expenditure approved and contracted for	1,125

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 RM64.2 million in the current quarter compared to RM152.8 million in the corresponding quarter ended 31 December 2020, a decrease of 58.0%. Group pretax profit recorded in the period was RM9.5 million, and net of tax, was RM9.1 million, a decrease by 84.6% from RM59.4 million in the corresponding quarter of the previous year.

Continuous easing of ASPs and low-capacity utilization for nitrile disposable gloves has impacted adversely on this division, however, it was mitigated by the resilience and stability of the Group's other products, specifically in the household and industrial gloves division.

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

Pretax profit in the current quarter decreased by RM21.9 million or 69.7% to RM9.5 million, from RM31.4 million in the third quarter. Net of tax, Group profits decreased to RM9.1 million in the current quarter, a reduction of 63.9% from RM25.2 million in the previous quarter owing to the continual easing of average selling prices (ASP), lower production efficiencies as well as slower order uptakes in the current quarter.

3. Current Year Prospects

The Group remains focused on its nitrile disposable glove division as glove demand should persist amidst heightened safety and hygiene awareness among the global population post-pandemic.



The Management foresees further softening of glove ASPs, especially in the nitrile disposable glove division, to persist in 2022. Further consolidation of the industry is also expected in the current year with the slowdown in demand of products from the healthcare sector, partly contributed by the increasing rates of vaccination and booster shots in developed nations. ASPs are also dampened by the additional glove capacity coming on-stream from existing and new players. However, the Management expects the Group's capacity utilization to gradually improve towards the second half of the year.

Meanwhile, demand for the Group's general-purpose and industrial gloves is expected to remain stable in the current year. With the Group's workforce fully vaccinated and approximately 70% further boosted, the Management expects sporadic COVID-19 cases and production interruptions to be minimized in the current year. The Management is also mindful of competition and operational risks such as foreign exchange fluctuations, material and labour costs that could impact on its financial results.

Nevertheless, barring any significant adverse effects of the on-going pandemic, the Group is still expected to remain profitable for financial year 2022.

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 December 2021 RM'000	Cumulative year-to-date RM'000
Current year – Malaysian income tax	261	49,551
Current year – Foreign income tax	67	1,463
Total income tax expense	328	51,014

6. Sales of Unquoted Investments and/or Properties

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

7. Purchase/disposal of Quoted Securities

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



8. Status of Corporate Proposals

At the Extraordinary General Meeting of the Company held on 31 December 2021, the shareholders approved the Company's (i) proposed subscription of shares in Alliance Empire Sdn Bhd and (ii) proposed diversification into property investment. Thereafter, on 04 February 2022, the Company received notification that the parties to the Subscription Agreement and Shareholders' Agreement have mutually agreed to extend the cut-off date for a further two months from 04 February 2022 to 04 April 2022.

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

9. Group Borrowings and Debt Securities

As at 31 December 2021, the Group does not have any bank loans outstanding with any financial institutions.

10. Financial Instruments Risks

As at 31 December 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)	1,248	5,263	5,208	Jan – Feb 2022
Euro (EUR)	939	4,467	4,433	Jan 2022
		9,730	9,641	

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 December 2021.

12. Dividend Payable

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



13. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 31 December 2021	Cumulative Year-to-Date ended 31 December 2020
Continuing Operations			
Profit for the period attributable to equity holders of the Company	RM’000	185,595	131,176
Weighted average number of ordinary shares in issue	Shares	851,781,226	802,583,259
Basic EPS	sen	21.79	16.34

14. Disclosure on COVID-19 related impacts

The demand for personal protective equipment including gloves remain prevalent as these items were deemed critical in defense against COVID-19 and Management foresees glove consumption to be higher over time, post-pandemic (compared to the pre-pandemic years), due to greater health awareness and wider application of gloves in terms of hygiene and safety.

The Group is complying with all current standard operating procedures (SOPs) 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.

Sporadic positive COVID-19 cases in the current quarter have caused disruptions to normal plant operations but the Group is committed to placing workplace safety and employees’ health on an uncompromising top priority. The Group has also complied to the Ministry of International Trade and Industry (MITI)’s media release mandating companies to conduct the RTK Antigen Testing on its employees every two weeks since mid-August 2021 and is also pleased to state that its current workforce has been fully vaccinated.

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 22 February 2022.