



Notes to the Interim financial report for the Fourth Quarter ended 31 March 2010

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with requirement of Financial Reporting Standard 134 (FRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B part A of the Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Bhd (“Bursa Securities”).

The accounting policies and methods of computation adopted in the preparation of this financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 March 2009.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial report.

A2. Auditors’ Report

The auditors’ report for the immediate preceding annual financial statements of the Company for the financial year ended 31 March 2009 is not qualified.

A3. Seasonal and Cyclical Factors

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

A4. Items of Unusual Nature and Amount

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date.

A5. Changes in Estimates

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year or changes in the estimates of amounts reported in the prior financial years that have a material effect in the current quarter or financial year-to-date.

A6. Issuances, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter and financial year-to-date.



A7. Dividend Paid

Dividends paid by the Company during the financial year were as follows:

- (a) Second interim dividend of 4 sen per share tax exempt amounting to RM9,692,480 in respect of the financial year ended 31 March 2009 paid on 1 July 2009.
- (b) Final dividend of 4 sen per share tax exempt amounting to RM9,692,480 in respect of the financial year ended 31 March 2009 paid on 8 October 2009.
- (c) Payment of the differences of 0.5 sen per share amounting to RM1,211,560 on 6 November 2009 arising from the amendment of frank dividend to single tier dividend for the first interim dividend in respect of the financial year ended 31 March 2009 as per announcement dated 19 October 2009.
- (d) First interim dividend of 5 sen per share single tier amounting to RM12,115,600 in respect of the financial year ended 31 March 2010 paid on 24 December 2009.
- (e) Second interim dividend of 5 sen per share single tier amounting to RM12,115,600 in respect of the financial year ended 31 March 2010 paid on 25 March 2010.

A8. Segmental Reporting

Segmental reporting is not provided as the Group's primary business segment is principally engaged in the manufacturing and sale of gloves and its operation is principally located in Malaysia.

A9. Valuation of property, plant and equipment

The valuations of property plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Capital Commitments

Capital commitment as at end of the current quarter and financial year-to-date are as follows:-

	31 March 2010
	RM'000
Approved and contracted for	20,678
Approved but not contracted for	29,336
Total	<u>50,014</u>

A11. Material Events Subsequent to the End of Period Reported

There were no material events subsequent to 31 March 2010 up to latest practicable date, 5 May 2010 that have not been reflected in the financial statements for the current quarter and financial year-to-date.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date.

A13. Contingent liabilities and Contingent Assets

There were no contingent liabilities or contingent assets that had arisen since the last annual balance sheet date.



B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

B1. Review of Performance of the Company and its Subsidiaries

The Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:

	4rd Quarter ended 31 March 2010	4rd Quarter ended 31 March 2009	Variance	
	RM'000	RM'000	RM'000	%
Revenue	163,385	124,816	38,569	30.9
Profit before tax	56,562	34,010	22,552	66.3

Quarter to quarter, the Group's sales revenue increased by 30.9% and profit before tax increased by 66.3%. The significant achievement in revenue and profit before tax is in line with the Group's continuous expansion in production capacity, increase in demand, improvement in production processes and better cost control.

B2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current Quarter ended 31 Mar 2010	Preceding Quarter ended 31 Dec 2009	Variance	
	RM'000	RM'000	RM'000	%
Revenue	163,385	148,599	14,786	10.0
Profit before tax	56,562	47,477	9,085	19.1

In the current quarter, the Group's revenue was 10.0% higher and the profit before tax was 19.1% higher when compared to the preceding quarter. The increase in profit before tax is due to increase in demand, effective cost control and increase in average selling price of both nitrile and latex gloves.

B3. Commentary on Prospects and Targets

Our Group's products are sold to the Health Care Industry. Glove consumption is inelastic in the medical environment because the usage of glove is mandatory for disease control. Our nitrile synthetic glove was well accepted by the end users due to its high quality and elastic properties that mimic that of a natural rubber glove. Our protein free and competitive priced nitrile glove has made it more affordable for the acute health care industry to continue switching from the natural rubber to our synthetic nitrile glove to avoid the protein allergy problem.



Demand for gloves remains strong for both synthetic and natural latex gloves. We have commissioned 2 new advanced high capacity glove production lines for the financial year ended 31 March 2010. With continuous growth in demand for gloves from the healthcare and food sector, the Group has a positive outlook.

The Group has achieved the internal target growth for both sales revenue and net profit for the financial year ended 31 March 2010. The Board of Directors is optimistic that the Group will achieve continuous growth and securing better results for the next financial year.

B4. Variance of Profit Forecast/Profit Guarantee

Not applicable as no profit forecast/profit guarantee was issued.

B5. Taxation

	Current quarter	Current year-to-date
	RM'000	RM'000
Current tax expense	9,924	31,461
Under provision in prior years	0	267
Deferred tax expense	183	2,960
	<u>10,107</u>	<u>34,688</u>

The effective tax rate of the Group is lower than the statutory tax rate for the current quarter and financial year-to-date is mainly due to the availability of reinvestment allowances arising from the acquisition of qualifying property, plant and equipment.

B6. Profit from Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments or properties in the current quarter and financial year-to-date.

B7. Quoted Securities

- (a) There were no purchases or disposal of quoted securities in the current quarter and financial year-to-date.
- (b) There was no investment in quoted securities as at end of the reporting period.

B8. Status of Corporate Proposal

There was no corporate proposal announced or not completed as at the latest practicable date 5 May 2010.



B9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2010 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings</u>			
Term Loans (USD denominated)	6,644	-	6,644
Term Loans (RM denominated)	7,068	-	7,068
Finance Lease (USD denominated)	9	-	9
	<hr/> 13,721	<hr/> -	<hr/> 13,721
<u>Long term borrowings</u>			
Term Loans (USD denominated)	6,699	-	6,699
Term Loans (RM denominated)	20,985	-	20,985
Finance Lease (USD denominated)	4	-	4
	<hr/> 27,688	<hr/> -	<hr/> 27,688

B10. Off Balance Sheet Financial Instruments

The Group enters into foreign currency forward contracts to hedge its estimated net exposure to movements in exchange rates arising mainly from sales and purchases.

At the latest practicable date, 5 May 2010, the Group has entered into foreign currency forward contracts with the following notional amounts:

Hedged item in RM	Contract Rates	Total Notional Amount	Maturity Within 4 Month
Trade receivables and anticipated sales	RM3.2090 to RM3.4635	USD36,500,000	USD36,500,000

As foreign currencies contracts are hedged with creditworthy financial institutions in line with the Group's policy, the Group does not foresee any significant credit and market risks.

There are also no cash requirement risks as the Group only uses forward foreign currencies contracts as its hedging instruments.

B11. Material Litigation

As at the latest practicable date, 5 May 2010, there are no material litigations against the Group or taken by the Group.



B12. Dividend

The Board has declared a third interim dividend of 5 sen per share single tier in respect of the financial year ended 31 March 2010 and payable on 25 June 2010. The entitlement date has been fixed on 27 May 2010.

Based on the number of ordinary shares in issue and with voting rights as at 11 May 2010 of 242,312,000, the third interim dividend distribution for the financial year ended 31 March 2010 is approximate RM12,115,600 representing about 8.5% of the attributable profit of the Group for the financial year ended 31 March 2010.

A depositor shall qualify for the entitlement only in respect of:

(a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 27 May 2010 in respect of ordinary transfers.

(b) Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the rules of BMSB.

The Board of directors also proposed a final dividend of 5 sen per share single tier amounting to RM12,115,600 in respect of the financial year ended 31 March 2010, subject to the shareholders' approval at the forthcoming Annual General Meeting.

The total dividend declared and proposed for the current financial year ended 31 March 2010 was 20 sen per share.

B13. Earnings per Share

Basic Earnings Per Share	Current Quarter Ended 31/03/2010	Corresponding Quarter Ended 31/03/2009	Cumulative Year-To- Date 31/03/2010	Corresponding Year-To-Date 31/03/2009
Profit attributable to equity holders of the parent (RM'000)	46,409	31,008	143,090	84,511
Weighted average number of ordinary shares in issue ('000)	242,312	242,312	242,312	242,312
Basic earnings per share (sen)	19.15	12.80	59.05	34.88