



# **KAREX BERHAD**

(Incorporated in Malaysia)

(1018579-U)

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## **Interim Financial Report for the Fourth Quarter Ended 30 June 2015**

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**KAREX BERHAD** (1018579-U)  
(Incorporated in Malaysia)

Interim financial report for the fourth quarter ended 30 June 2015  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS <sup>(1)</sup>**

	Note	3 MONTHS ENDED		12 MONTHS ENDED	
		30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 <sup>(2)</sup> RM'000
Revenue		78,915	63,136	297,441	219,927
Cost of goods sold		(51,184)	(44,102)	(199,280)	(155,952)
<b>Gross profit</b>		<b>27,731</b>	<b>19,034</b>	<b>98,161</b>	<b>63,975</b>
Other income		1,939	150	10,420	1,452
Distribution expenses		(4,889)	(2,366)	(14,708)	(9,125)
Administrative expenses		(4,972)	(2,926)	(21,588)	(11,887)
Other expenses		(297)	(142)	(548)	(2,645)
<b>Result from operating activities</b>		<b>19,512</b>	<b>13,750</b>	<b>71,737</b>	<b>41,770</b>
Interest income		1,448	364	3,339	1,332
Finance costs		(145)	(516)	(1,181)	(1,561)
Net finance income / (cost)		1,303	(152)	2,158	(229)
<b>Profit before tax</b>	<b>B13</b>	<b>20,815</b>	<b>13,598</b>	<b>73,895</b>	<b>41,541</b>
Tax expense	B6	(3,520)	(1,395)	(13,828)	(6,956)
<b>Profit for the period</b>		<b>17,295</b>	<b>12,203</b>	<b>60,067</b>	<b>34,585</b>
<b>Profit for the period attributable to:</b>					
Owners of the Company		17,362	12,203	59,950	34,585
Non-controlling interests		(67)	-	117	-
<b>Profit for the period</b>		<b>17,295</b>	<b>12,203</b>	<b>60,067</b>	<b>34,585</b>
Earnings per share attributable to owners of the Company (sen): <sup>(3)</sup>					
- Basic	B11	2.60	2.01	9.58	7.57
- Diluted	B11	2.60	2.01	9.58	7.57

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) As the acquisitions of subsidiaries were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries from 23 September 2013 to 30 September 2013 due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the results for financial year ended 30 June 2014. The Group has consolidated the results from 1 October 2013 onwards. If the Group had existed since last financial year, management estimate the consolidated results would be as disclosed in Note B1.
- (3) The earnings per share for the current quarter and period-to-date were restated to reflect the retrospective adjustments arising from the bonus issue completed on 21 April 2015, where as the corresponding quarter and period-to-date were restated to reflect the retrospective adjustments arising from the bonus issue completed on 21 April 2015 and 31 March 2014, in accordance with "MFRS 133, Earnings per Share".

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	3 MONTHS ENDED		12 MONTHS ENDED		
	Note	30.6.2015 RM'000	30.6.2014 RM'000	30.6.2015 RM'000	30.6.2014 <sup>(2)</sup> RM'000
<b>Profit for the period</b>		<b>17,295</b>	<b>12,203</b>	<b>60,067</b>	<b>34,585</b>
<b>Other comprehensive profit/(loss), net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		1,924	(403)	3,722	(922)
<b>Total comprehensive income for the period</b>		<b>19,219</b>	<b>11,800</b>	<b>63,789</b>	<b>33,663</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		19,301	11,800	63,574	33,663
Non-controlling interests		(82)	-	215	-
<b>Total comprehensive income for the period</b>		<b>19,219</b>	<b>11,800</b>	<b>63,789</b>	<b>33,663</b>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.
- (2) As the acquisitions of subsidiaries were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries from 23 September 2013 to 30 September 2013 due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the results for financial year ended 30 June 2014 . The Group has consolidated the results from 1 October 2013 onwards. If the Group had existed since last financial year, management estimate the consolidated results would be as disclosed in Note B1.

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Interim financial report for the fourth quarter ended 30 June 2015  
(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	<u>Note</u>	<b>AS AT 30.6.2015 RM'000</b>	<b>AS AT 30.6.2014 RM'000</b>
<b>Assets</b>			
Property, plant and equipment		129,294	86,173
Intangible assets		25,065	-
Deferred tax assets		126	142
<b>Total non-current assets</b>		<u>154,485</u>	<u>86,315</u>
Inventories		51,586	40,470
Trade and other receivables		84,496	77,487
Cash and cash equivalents		208,157	85,592
<b>Total current assets</b>		<u>344,239</u>	<u>203,549</u>
<b>Total assets</b>		<u><b>498,724</b></u>	<u><b>289,864</b></u>
<b>Equity</b>			
<b>Capital and Reserves</b>			
Share capital		167,063	101,250
Reserves		264,908	122,082
<b>Total equity attributable to owners of the Company</b>		<u>431,971</u>	<u>223,332</u>
Non-controlling interest		711	-
<b>Total equity</b>		<u>432,682</u>	<u>223,332</u>
<b>Liabilities</b>			
Loan and borrowings (unsecured)	B8	9,391	10,380
Deferred tax liabilities		5,496	4,488
<b>Total non-current liabilities</b>		<u>14,887</u>	<u>14,868</u>
Trade and other payables		35,673	38,887
Loan and borrowings (unsecured)	B8	13,483	11,214
Taxation		1,999	1,563
<b>Total current liabilities</b>		<u>51,155</u>	<u>51,664</u>
<b>Total liabilities</b>		<u>66,042</u>	<u>66,532</u>
<b>Total equity and liabilities</b>		<u><b>498,724</b></u>	<u><b>289,864</b></u>
Net assets per share attributable to owners of the Company (RM)		<u>0.65</u>	<u>0.55</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

# KAREX BERHAD (1018579-U)

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## Interim financial report for the fourth quarter ended 30 June 2015

(The figures have not been audited)

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Non-distributable			Distributable					
	Share capital	Share premium	Merger reserve	Translation reserve	Other reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>30 June 2015</b>									
<b>At 1 July 2014</b>	<b>101,250</b>	<b>25,540</b>	<b>63,511</b>	<b>(922)</b>	<b>718</b>	<b>33,235</b>	<b>223,332</b>	-	<b>223,332</b>
Effect arising from Acquisitions	-	-	-	-	-	-	-	496	<b>496</b>
Private issue of shares	10,125	147,825	-	-	-	-	157,950	-	<b>157,950</b>
Share issue expenses	-	(2,760)	-	-	-	-	(2,760)	-	<b>(2,760)</b>
Bonus issue	55,688	(55,688)	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations/ Total other comprehensive income for the period	-	-	-	3,624	-	-	3,624	98	3,722
Profit for the period	-	-	-	-	-	59,950	59,950	117	60,067
<b>Total comprehensive income for the period</b>	-	-	-	3,624	-	59,950	63,574	215	63,789
<i>Contributions by and distributions to owners of the Company</i>									
Dividend to owners of the Company/ Total transactions with owners of the Company	-	-	-	-	-	(10,125)	(10,125)	-	(10,125)
<b>At 30 June 2015</b>	<b>167,063</b>	<b>114,917</b>	<b>63,511</b>	<b>2,702</b>	<b>718</b>	<b>83,060</b>	<b>431,971</b>	<b>711</b>	<b>432,682</b>

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Non-distributable			Distributable					
	Share capital	Share premium	Merger reserve	Translation reserve	Other reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>30 June 2014</b>									
<b>At 1 July 2013</b>	- <sup>(2)</sup>	-	-	-	-	<b>(632)</b>	<b>(632)</b>	-	<b>(632)</b>
Effect arising from Acquisitions	57,375	-	63,511	-	-	-	120,886	-	120,886
Public issue of shares	10,125	64,800	-	-	-	-	74,925	-	74,925
Share issue expenses	-	(5,510)	-	-	-	-	(5,510)	-	(5,510)
Bonus issue	33,750	(33,750)	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations/ Total other comprehensive expenses for the period	-	-	-	(922)	-	-	(922)	-	(922)
Profit for the period	-	-	-	-	-	34,585	34,585	-	34,585
<b>Total comprehensive (expenses) / income for the period</b>	-	-	-	(922)	-	34,585	33,663	-	33,663
Transfer of reserves	-	-	-	-	718	(718)	-	-	-
<b>At 30 June 2014</b>	<b>101,250</b>	<b>25,540</b>	<b>63,511</b>	<b>(922)</b>	<b>718</b>	<b>33,235</b>	<b>223,332</b>	-	<b>223,332</b>

Notes:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

(2) This represent RM2.00 for 8 ordinary shares of RM 0.25 each.

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(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

	<u>Note</u>	<b>12 MONTHS ENDED</b>	
		<b>30.6.2015</b>	<b>30.6.2014</b>
		RM'000	RM'000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		73,895	41,541
Adjustment for:			
Non-cash items		(530)	8,394
<b>Operating profit before changes in working capital</b>		<b>73,365</b>	<b>49,935</b>
Net changes in current assets		(6,258)	(13,917)
Net changes in current liabilities		(8,924)	(2,903)
Cash generated from operations		58,183	33,115
Tax paid		(12,368)	(7,539)
<b>Net cash from operating activities</b>		<b>45,815</b>	<b>25,576</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of property, plant and equipment		(46,310)	(9,914)
Proceed from disposal of property, plant and equipment		1	129
Interest received		3,339	1,332
Acquisition of subsidiaries, net cash and cash equivalents acquired	B7 (A)	(20,870)	19,151
<b>Net cash (used in) / from investing activities</b>		<b>(63,840)</b>	<b>10,698</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceed from private issue of shares	B7 (A) (ii)	157,950	-
Proceed from public issue of shares		-	74,925
Payment for share issue expenses		(2,760)	(5,510)
Dividend paid to owners of the Company		(10,125)	-
Net repayment of borrowings and interest paid		(4,362)	(27,629)
Decrease / (Increase) placement in fixed deposits pledged to licensed banks		8,175	(827)
<b>Net cash from financing activities</b>		<b>148,878</b>	<b>40,959</b>
<b>Net changes in cash and cash equivalents</b>		<b>130,853</b>	<b>77,233</b>
Effect of exchange rate fluctuations on cash held		(113)	(53)
Cash and cash equivalents at beginning of the period		77,180	- <sup>(2)</sup>
<b>Cash and cash equivalents at end of the period</b>		<b>207,920</b>	<b>77,180</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

**Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:

	<b>12 MONTHS ENDED</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	23,128	29,237
Deposits with licensed banks	2,988	11,343
Deposit with other corporation	182,041	45,012
	208,157	85,592
Less: Fixed deposit pledged	(237)	(8,412)
	<b>207,920</b>	<b>77,180</b>

Notes:

(1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

(2) This represent RM2.00.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### **A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

#### **A1. Accounting policies and methods of computation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 (Appendix 9B Part 9A) of the Main Market Listing Requirements ("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 30 June 2014 and the accompanying explanatory notes as attached to this interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2014.

The Group has adopted merger method for the preparation of this interim financial statements. The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 30 June 2014. As at the date of authorisation of these interim financial statements, the Group has not adopted the following revised MFRSs, Interpretations and amendments which have been issued but not yet effective as stated below:-

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016**

MFRS 14, Regulatory Deferred Accounts

Amendments to MFRS 5, Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 7, Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 101, Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets

– Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture

– Agriculture: Bearer Plants

Amendments to MFRS 119, Employee Benefits (Annual Improvements 2012-2014 Cycle)

Amendments to MFRS 127, Separate Financial Statements – Equity Method in Separate Financial Statements

Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017**

MFRS 15, Revenue from Contract with Customers

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018**

MFRS 9, Financial Instruments (2014)

The Group plan to apply the abovementioned accounting standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

#### A1. Accounting policies and methods of computation (continued)

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Group upon their first adoption except as mentioned below:

##### **MFRS 15, Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

##### **MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

#### A2. Comments about seasonal or cyclical factors

The Group's performance is not affected by any material seasonal or cyclical factors.

#### A3. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period-to-date.

#### A4. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter and financial period-to-date results.

#### A5. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period-to-date, except for those disclosed in Note B7.

#### A6. Dividends paid

Since the end of the previous financial year, the Company paid a final single tier dividend of 2.5 per ordinary share totalling RM10,125,000 in respect of the financial year ended 30 June 2014 on 22 December 2014.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A7. Segmental information**

The Group's segmental report for the financial period-to-date was as follows:-

	<b>Condoms</b>	<b>Catheters</b>	<b>Probe covers, lubricating jelly and others</b>	<b>Eliminations</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>12 months ended 30.6.2015</u></b>					
<b><u>Revenue</u></b>					
External revenue	274,192	13,347	9,902	-	297,441
Inter-segment revenue	-	-	-	-	-
<b>Total revenue</b>	<b>274,192</b>	<b>13,347</b>	<b>9,902</b>	<b>-</b>	<b>297,441</b>
<b><u>Results</u></b>					
Segment profit	60,444	2,745	4,873	-	68,062
Interest income					3,339
Finance cost					(1,181)
Unallocated amounts					3,675
<b>Profit before tax</b>					<b>73,895</b>
Tax expenses					(13,828)
<b>Profit after tax</b>					<b>60,067</b>
<b><u>Total Assets</u></b>					
Reportable segment assets	305,237	10,269	5,824	-	321,330
Unallocated assets					177,394
<b>Total Assets</b>					<b>498,724</b>
<b><u>12 months ended 30.6.2014</u></b>					
<b><u>Revenue</u></b>					
External revenue	205,327	6,419	8,181	-	219,927
Inter-segment revenue	-	-	-	-	-
<b>Total revenue</b>	<b>205,327</b>	<b>6,419</b>	<b>8,181</b>	<b>-</b>	<b>219,927</b>
<b><u>Results</u></b>					
Segment profit	40,305	868	3,422	-	44,595
Interest income					1,332
Finance cost					(1,561)
Unallocated amounts					(2,825)
<b>Profit before tax</b>					<b>41,541</b>
Tax expenses					(6,956)
<b>Profit after tax</b>					<b>34,585</b>
<b><u>Total Assets</u></b>					
Reportable segment assets	229,277	7,841	3,199	-	240,317
Unallocated assets					49,547
<b>Total Assets</b>					<b>289,864</b>

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**A. EXPLANATION NOTES PURSUANT TO MALAYSIA FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING**

**A8. Subsequent events**

Other than as disclosed in Note B7, there were no material events subsequent to the end of the current quarter.

**A9. Changes in composition of the Group**

On 26 September 2014, the Group has acquired ten (10) shares, representing the entire issued and paid-up share capital of Karex Global Limited, for a total cash consideration of HKD 10.00, equivalent to RM 4.00.

On 3 October 2014, the Group has acquired 55% of the issued and paid-up share capital of Global Protection Corp., for a total cash consideration of USD 6.6 million, equivalent to RM 21.5 million.

On 14 April 2015, the Group, has acquired the entire issued and paid-up share capital of Karex Euro Pte S.L. for a total cash consideration of Euro 3,000, equivalent to RM 11,741.

There are no other changes in the composition of the Group for the current quarter and financial period-to-date.

**A10. Changes in contingent liabilities and contingent assets**

There were no material changes in contingent liabilities or contingent assets as at date of this report.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance review**

As the acquisitions of subsidiaries were completed on 23 September 2013, the Group did not consolidate the financial performance of these subsidiaries from 23 September 2013 to 30 September 2013 due to impracticability of an accounting cut-off date other than month end and the effect is not significant to the results for the financial year ended 30 June 2014. The Group has consolidated the results from 1 October 2013 onwards.

If the Group had existed since last financial year, management estimate the consolidated results would be as follows:-

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	78,915	63,136	297,441	285,332
Result from operating activities	19,512	13,750	71,737	55,230
Profit before tax	20,815	13,598	73,895	54,428
Profit after tax	<u>17,295</u>	<u>12,203</u>	<u>60,067</u>	<u>45,168</u>

For the fourth quarter ended 30 June 2015 (4QFY2015), revenue was higher by 25.0% or RM15.8 million as compared to the corresponding quarter in the previous year. The increase in revenue was due to higher volume of condom sales in 4QFY2015. Correspondingly, profit before tax for 4QFY2015 increased by 53.1% to RM20.8 million from RM13.6 million registered in the previous year. Profit after tax in 4QFY2015 also increased by 41.7% or RM5.1 million as compared to the previous year attributable to sales of higher profit margin products, favourable currency exchange rates and raw material prices.

For the 12-month period under review (12MFY2015), revenue was higher by 4.2% or RM12.1 million while profit after tax increased by 33.0% to RM60.1 million as compared to the preceding year attributable to sales of higher margin products, favourable exchange rates and raw material prices.

**B2. Variance of results for the current quarter ended 30 June 2015 against the immediate preceding quarter**

	<b>3 MONTHS ENDED</b>	
	<b>30.6.2015</b>	<b>31.3.2015</b>
	RM'000	RM'000
Revenue	78,915	71,395
Result from operating activities	19,512	16,675
Profit before tax	20,815	17,302
Profit after tax	<u>17,295</u>	<u>15,249</u>

Revenue in 4QFY2015 was 10.5% or RM 7.5 million higher as compared to the previous quarter. In tandem with the increase in revenue, profit before tax was higher by 20.3% or RM3.5 million as compared to the previous quarter.

The increase in revenue for 4QFY2015 was mainly driven by higher volume of condom sales in 4QFY2015. Correspondingly, profit after tax in 4QFY2015 improved by 13.4% to RM17.3 million attributable to sales of higher profit margin products, favourable currency exchange rates and raw material prices.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B3. a) Group's Prospects for the financial year ending 30 June 2016 ("FYE 2016")**

The outlook for FYE2016 is promising as demand for the Group's products remained strong. The use of condom is one of the most effective and sustainable approach towards the prevention of HIV/AIDS, unintended pregnancy and family planning. With the ever growing world population and increasing awareness on the use of condom, the Group is optimistic of the prospect for FYE2016.

**b) Forecast or target previously announced**

The disclosure requirements are not applicable for the current quarter and financial period-to-date.

**B4. Statement of the Board of Directors' opinion on achievement of forecast or target**

The disclosure requirements are not applicable for the current quarter and financial period-to-date.

**B5. Profit forecast or profit guarantee**

No profit forecast or profit guarantee was published.

**B6. Tax expense**

	<u>3 MONTHS ENDED</u>		<u>12 MONTHS ENDED</u>	
	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>30.6.2015</u>	<u>30.6.2014</u>
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
- Current provision	2,520	1,142	13,623	6,938
- Over provision for prior year/period	(151)	-	(819)	-
	2,369	1,142	12,804	6,938
Deferred taxation:				
- Current provision	1,125	253	1,044	18
- Over provision for prior year/period	26	-	(20)	-
	1,151	253	1,024	18
	<u>3,520</u>	<u>1,395</u>	<u>13,828</u>	<u>6,956</u>

The Group effective tax rate is lower than statutory tax rate mainly due to profit generated by foreign subsidiary with a lower tax rate for the current quarter and financial period-to-date.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B7. Status of corporate proposals**

(A) Corporate proposals

i) Acquisitions

On 3 October 2014, the Group has acquired 55% of the issued and paid-up share capital of Global Protection Corp. for a total cash consideration of USD 6.6 million, equivalent to RM 21.5 million.

Identifiable assets acquired and liabilities assumed	RM'000
Property, plant and equipment	235
Intangible assets	21,614 <sup>(1)</sup>
Inventories	8,120
Trade and other receivables	4,248
Cash and cash equivalents	669
Trade and other payables	(9,577)
Borrowings	(3,274)
Minority Interest	(496)
Net assets acquired/Consideration paid by the Group	<u>21,539</u>

Net cash arising from Acquisitions are as follows:-

Consideration paid by the Group	21,539
Less: Cash and cash equivalents acquired	(669)
	<u>20,870</u>

(1) Included fair value of ONE Brand amounting RM 20.93 million. In accordance with MFRS 121, The Effects of Changes in Foreign Exchange Rates, the above goodwill was also adjusted for foreign exchange translation gain by RM3.3 million as at 30 June 2015. The corresponding adjustment was recognised in translation reserve.

ii) Private Placement

On 26 February 2015, CIMB Investment Bank Berhad has on behalf of the Company announced that the Company has proposed to implement a private placement of 40,500,000 new ordinary shares of RM0.25 each in the Company ("Placement Shares"), representing up to 10% of the issued and paid-up share capital of the Company ("Private Placement"). The application was approved by Bursa Securities on 4 March 2015.

The Private Placement was completed and the new Placement Shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 11 March 2015.

iii) Bonus Issue

Proposed bonus issue of 222,750,000 new ordinary shares of RM0.25 each in the Company ("Shares") ("Bonus Shares") to be credited as fully paid up on the basis of 1 Bonus Share for every 2 Shares held by the Company's shareholders was completed on 21 April 2015.

iv) Proposed Acquisition

On 12 August 2015, the Company has entered into a conditional share purchase agreement ("SPA") with Beiersdorf Aktiengesellschaft for the purpose of pursuing the proposed acquisition of 100% of the issued and paid-up share capital in Medical-Latex (DUA) Sdn Bhd for a cash consideration of RM13 million.

There were no corporate proposals pending completion at the date of this report.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B7. Status of corporate proposals (continued)**

(B) Status of utilisation of proceeds

i) Initial Public Offering

The Initial Public Offering ("IPO") involved 67.5 million ordinary shares which comprises of 40.5 million ordinary shares and an offer for sale of 27.0 million existing shares at an issue price of RM1.85. The gross proceeds raised from the IPO amounting to RM74.93 million and the status of the utilisation of the proceed are as follows:

Purposes	Proposed utilisation	Actual utilisation	Deviations	Balance	Intended timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	
Research and Development	4,000	(4,000)	-	-	Within 36 months
Capital expenditure	41,750	(22,214)	-	19,536	Within 36 months
Working capital	13,675	(6,547)	(728) <sup>(2)</sup>	6,400	Within 36 months
Repayment of bank borrowing	10,000	(10,000)	-	-	Within 6 months
Listing expenses	5,500	(6,228)	728 <sup>(2)</sup>	-	Within 6 months
<b>Total gross proceeds</b>	<b>74,925</b>	<b>(48,989)</b>	<b>-</b>	<b>25,936</b>	

Note:

- (1) The proposed utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 11 October 2013.  
(2) Actual listing expenses incurred were more than the estimated listing expenses by approximately RM0.7 million mainly due to higher professional fee charges as well as other incidental costs incurred in connection to the listing exercise. In accordance to the Prospectus dated 11 October 2013, the excess of listing expenses shall be funded out of the portion allocated for working capital purposes.

ii) Private Placement

The Private Placement ("PP") involved 40.5 million ordinary shares at an issue price of RM3.90. The gross proceeds raised from the Private Placement amounting to RM158.0 million and the status of the utilisation of the proceed are as follows:

Purposes	Proposed utilisation	Actual utilisation	Deviations	Balance	Intended timeframe for utilisation
	RM'000	RM'000	RM'000	RM'000	
Development and business expansion	110,000	(14,800)	-	95,200	Within 12 months
Working capital	44,450	(9,098)	740 <sup>(2)</sup>	36,092	Within 12 months
Listing expenses	3,500	(2,760)	(740) <sup>(2)</sup>	-	Upon completion of PP
<b>Total gross proceeds</b>	<b>157,950</b>	<b>(26,658)</b>	<b>-</b>	<b>131,292</b>	

Note:

- (1) The proposed utilisation of proceeds as disclosed above should be read in conjunction with the announcement of the CIMB on 26 February 2015.  
(2) Actual listing expenses incurred were less than the estimated listing expenses by approximately RM0.7 million mainly due to lower professional fee charges as well as other incidental costs incurred in connection to the private placement. In accordance to the Proposal announced on 25 February 2015, the excess are allocated for working capital purposes.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B8. Loans and borrowings**

The Group's loans and borrowings as at end of the reporting year were as follows :

	<b>Short-Term</b>	<b>Long-Term</b>	<b>Total</b>
	RM'000	RM'000	RM'000
Unsecured	13,483	9,391	22,874
	13,483	9,391	22,874

The Group's loans and borrowings were denominated in the following currencies:

	<b>Foreign Currency</b>	RM'000
	'000	RM'000
- Ringgit Malaysia	N/A	8,185
- US Dollar	1,824	6,780
- Thai Baht	71,056	7,909
		22,874

**B9. Changes in material litigation**

There was no material litigation as at the date of this report.

**B10. Dividend proposed**

No dividend was proposed in respect of the current financial period

**B11. Earnings per share ("EPS")**

Basic EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares of the Company during the financial period.

	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>	<b>30.6.2015</b>	<b>30.6.2014</b>
Profit attributable to ordinary shareholders of the Company (RM'000)	17,362	12,203	59,950	34,585
Weighted average number of ordinary shares in issue ('000)	668,250	607,500	625,975	456,707
Basic EPS (sen) <sup>(1)</sup>	2.60	2.01	9.58	7.57

Note:

(1) The earnings per share for the current quarter and period-to-date were restated to reflect the retrospective adjustments arising from the bonus issue completed on 21 April 2015, where as the corresponding quarter and period-to-date were restated to reflect the retrospective adjustments arising from the bonus issue completed on 21 April 2015 and 31 March 2014, in accordance with "MFRS 133, Earnings per Share".

The basic EPS and the diluted EPS are the same for the period as the Company has no dilutive potential ordinary shares as of the end of the reporting period.



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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B12. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2014 were not qualified.

**B13. Profit before tax**

	3 MONTHS ENDED		12 MONTHS ENDED	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
	RM'000	RM'000	RM'000	RM'000
(a) Interest income	1,448	364	3,339	1,332
(b) Other income including investment income	-	-	-	-
(c) Interest expense	(145)	(516)	(1,181)	(1,561)
(d) Depreciation and amortization	(1,940)	(1,480)	(7,669)	(6,431)
(e) Impairment loss on receivables	3	(749)	(1)	(720)
(f) Provision for and write off of inventories	(116)	(1,436)	(101)	(2,006)
(g) Gain on loss on disposal of quoted or unquoted investments or properties	-	-	-	-
(h) Impairment of assets	-	-	-	-
(i) Foreign exchange gain/(loss)	1,901	81	10,067	(737)
(j) Gain/(loss) on derivatives	(300)	(185)	(547)	(72)
(k) Rental expenses	(420)	(719)	(1,909)	(1,005)
(l) Exceptional items	-	-	-	-

**B14. Realised and unrealised profit/(losses) disclosure**

	AS AT 30.6.2015 RM'000	AS AT 30.6.2014 RM'000
Total retained earnings of the Company and subsidiary companies:		
- Realised	80,713	35,427
- Unrealised	5,096	(418)
	85,809	35,009
Consolidated adjustments	(2,749)	(1,774)
Total retained earnings	83,060	33,235

By order of the Board  
25 Aug 2015