



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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 2011.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2011.

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 2011 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s products are mainly exported to temperate regions like Europe, USA and Latin America. In tandem with climatic changes, demand for the Group’s products may fluctuate with the seasons. Generally, demand is stronger in the second half of the year.

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 30 September 2012.

5. Changes in Material Estimates

There were no changes in the nature and amount of estimates reported in prior financial years that have a material effect in the interim financial statements ended 30 September 2012.

6. Changes in Debt and Equity Securities

6.1 Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) with free Warrants

During the current quarter, a total of 22,334,217 ICULS were converted into 26,275,202 new ordinary shares of RM0.50 each and a total of 10,370 warrants were also exercised into 10,370 ordinary shares of RM0.50 each.

The ICULS and Warrants expired on 14 August 2012.

6.2 Share Buy-back

The Company did not carry out any Share Buy-back exercise during the current quarter.



As at 30 September 2012, a total of 1,080,800 ordinary shares were held as Treasury Shares by the Company.

7. Dividends Paid

A first interim tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each held in respect of the current financial year was paid on 20 February 2012.

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 30 September 2012 RM'000	Cumulative year-to- date RM'000
Segment Revenue:		
Malaysia	36,579	103,436
People's Republic of China	127,432	383,656
Europe	10,530	31,265
	174,541	518,357
Adjustments	(75,016)	(220,245)
Total	99,525	298,112
Segment Results:		
Malaysia	4,790	17,873
People's Republic of China	9,283	21,750
Europe	417	1,771
	14,490	41,394
Adjustments	(71)	(4,147)
Total	14,419	37,247

9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment during the current quarter and interim financial period ended 30 September 2012.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2011.

10. Subsequent Events

There was no material events subsequent to the end of the current quarter that have not been reflected in the interim financial period ended 30 September 2012.

11. Changes in the Composition of the Group

There were no changes to the composition of the Group since the last annual balance sheet date as at 31 December 2011.

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 2011.



13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 30 September 2012 is as follows:-

	RM'000
Capital expenditure approved and contracted for	4,349

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 RM99.5 million for the third quarter ended 30 September 2012 (2011: RM95.7 million). Group pretax profit recorded in the current quarter was RM8.9 million (2011: RM4.1 million). The improvement was mainly contributed by improved sales and operating efficiencies which resulted in better product margins for the Group.

2. Material change in the profit before tax of the current quarter compared with preceding quarter

Sales for the third quarter 2012 amounted to RM99.5 million compared to RM101.1 million reported for the second quarter, a slight decrease of 2%. However, pre-tax profit was higher in the current quarter at RM8.9 million compared to RM6.8 million in the previous quarter, an increase of 31%. The increase in profits was mainly due to lower raw material costs especially plastic resin and latex as well as better product mix.

3. Current Year Prospects

The overall performance of the Group continues to show strong earnings in the third quarter, achieving a pretax profit of RM20.2 million in the first nine months of this year compared to RM8.2 million for the same period in 2011. It had also exceeded the full year pretax profit of RM11.6 million recorded for the whole of 2011.

This commendable performance was mainly contributed by overall product pricing improvements and production efficiencies due to better capacity utilisation especially from the China operation which produces disposable vinyl gloves.

Barring any unforeseen circumstances, the Management expects the Group to perform well for the current financial year, surpassing the historical high of RM23.3 million achieved in financial year 2009.

4. Profit Forecast or Profit Guarantee

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



5. Taxation

	Current quarter ended 30 September 2012 RM'000	Cumulative year-to- date RM'000
Current year – Malaysian income tax	953	2,310
Current year – Foreign income tax	642	849
Deferred taxation	(445)	(445)
Total income tax expense	1,150	2,714

6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 30 September 2012.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 September 2012.

8. Status of Corporate Proposals

There are no corporate proposals not announced or outstanding as at 30 September 2012.

9. Group Borrowings and Debt Securities

	As at 31 September 2012		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Borrowings including trade financing	46,226	11,700	57,926
Term Loans	1,946	37,000	38,946
	48,172	48,700	96,872

10. Financial Instruments Risks

As at 30 September 2012, 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)	10,094	31,325	31,025	October 2012 – January 2013
Euro (EUR)	2,909	11,584	11,546	October – December 2012
		42,909	42,571	

The above foreign currency contracts are 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 2011.

11. Changes in Material Litigation

There is no outstanding material litigation as at 30 September 2012.

12. Disclosure of Realised and Unrealised Profits/Losses

Group	Current period ended 30 September 2012 RM'000	Current period ended 30 September 2011 RM'000
Total retained profits/(loss):		
- Realised	42,617	28,930
- Unrealised	(1,399)	(2,617)
	41,218	26,313

13. Dividend Payable

Notice of book closure

NOTICE IS HEREBY GIVEN that a first interim tax-exempt dividend of 2.5 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2013 will be payable on 30 January 2013. The entitlement date for the dividend payment is 11 January 2013.

A Depositor shall qualify for entitlement only in respect of:-

- (i) Shares transferred into the Depositor's securities account before 4:00 p.m. on 11 January 2013 in respect of ordinary transfer; and
- (ii) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.



14. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 30 September 2012	Cumulative Year-to-Date ended 30 September 2011
Comprehensive income attributable to ordinary shareholders of the Company	RM’000	17,522	6,480
Weighted average number of ordinary shares in issue	Shares	206,137,258	202,090,876
Basic EPS	sen	8.50	3.21
Diluted weighted average number of ordinary shares in issue	Shares	206,137,258	229,114,123
Fully diluted EPS	sen	8.50	2.86

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 22 November 2012.

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Company Secretary

Huizhou City, Guangdong Province, People’s Republic of China

22 November 2012