



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

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 2012.

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 2012.

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 2012 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 financial statements ended 31 December 2013.

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 financial statements ended 31 December 2013.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In the current quarter, the Company purchased 10,300 ordinary shares of RM0.50 each from Bursa Malaysia Securities Berhad, for a total consideration of RM8,099. The shares are currently maintained as Treasury Shares.

As at 31 December 2013, a total of 1,960,200 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 30 January 2013.

On 25 November 2013, the Company declared a first interim tax-exempt dividend of 1.5 sen per ordinary share of RM0.50 each in respect of the financial year 2014; this was paid on 18 February 2014.



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 2013 RM'000	Cumulative year-to- date RM'000
Segment Revenue:		
Malaysia	43,133	142,380
People's Republic of China	82,374	349,342
Europe	14,526	51,457
	140,033	543,179
Adjustments	(57,290)	(217,804)
Total	82,743	325,375
Segment Results:		
Malaysia	17,318	46,213
People's Republic of China	(919)	(2,661)
Europe	1,289	4,844
	17,688	48,398
Adjustments	(9,699)	(22,550)
Total	7,989	25,848

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 financial period ended 31 December 2013.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2012.

10. Subsequent Events

There was no material events subsequent to the end of the current quarter that have not been reflected in the financial period ended 31 December 2013.

11. Changes in the Composition of the Group

There were no changes to the composition of the Group since the last financial year ended 31 December 2012.

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 2012.

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 2013 is as follows:-

	RM'000
Capital expenditure approved and contracted for	3,907



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 RM82.7 million for the fourth quarter ended 31 December 2013 (2012: RM78.4 million). Group pretax profit recorded in the current quarter was RM2.2 million (2012: RM5.7 million). The decrease in profit before tax is mainly caused by the high input cost for the disposable gloves division mainly plastic resins and plasticizer as well as sluggish demand of the product as compared to that in 2012.

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

Sales for the fourth quarter 2013 amounted to RM82.7 million compared to RM91.9 million reported for the third quarter, a decrease of 10%. However, pre-tax profit was higher in the current quarter at RM2.2 million compared to RM0.6 million in the previous quarter, an increase of 267%. Overall demand for the Group's products with the exception of disposable gloves have shown slight improvements as compared to the third quarter. The improvement in selling prices of vinyl gloves have also contributed significantly to the increase in pretax profit during the current quarter.

3. Current Year Prospects

Overall Group performance for the financial year 2013 was negatively affected by the vinyl disposable gloves division in China. Depressed prices and sluggish demand for the product had significantly impacted on the financial results for the financial year just ended.

However, the Management foresees overall demand for the Group's products and profit margins to improve in financial year 2014.

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 2013 RM'000	Cumulative year-to- date RM'000
Current year – Malaysian income tax	1,824	3,676
Current year – Foreign income tax	219	877
Deferred Taxation	203	(597)
Total income tax expense	2,246	3,956

6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year ended 31 December 2013.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter and financial year ended 31 December 2013.



8. Status of Corporate Proposals

On 03 July 2013, the Company announced that its sub-subsidiary, Rubberex Alliance Sdn Bhd (formerly known as Biogreen Medical Sdn Bhd) has proposed to acquire the glove business and entire production facilities including plant, machinery, equipment, land and buildings from Alliance Rubber Products Sdn Bhd, for a total consideration of RM113.0 million.

On 31 December 2013, the Company announced that the Acquisition has been aborted by mutual consent.

9. Group Borrowings and Debt Securities

	As at 31 December 2013		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	7,470	31,424	38,894
Term Loans	811	24,400	25,211
	8,281	55,824	64,105

10. Financial Instruments Risks

As at 31 December 2013, 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)	15,703	51,060	51,714	January – July 2014
Euro (EUR)	3,238	14,157	14,653	January 2014 – July 2014
		65,217	66,367	

The above foreign currency contracts are entered into with a local licensed bank 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 2012.

11. Changes in Material Litigation

There is no outstanding material litigation as at 31 December 2013.

12. Disclosure of Realised and Unrealised Profits/Losses

Group	Current period ended 31 December 2013 RM'000	Current period ended 31 December 2012 RM'000
Total retained profits/(loss):		
- Realised	41,773	47,545
- Unrealised	(998)	(1,819)
	40,775	45,726



13. Dividend Payable

No dividend is proposed for the current quarter under review.

14. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 31 December 2013	Cumulative Year-to-Date ended 31 December 2012
Comprehensive income attributable to ordinary shareholders of the Company	RM'000	418	22,020
Weighted average number of ordinary shares in issue	Shares	227,330,534	212,753,617
Basic EPS	sen	0.18	10.35

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 19 February 2014.

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(MAICSA 0810287)
Company Secretary
Ipoh, Perak

19 February 2014