



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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 2013.

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 2013.

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 2013 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 31 March 2014.

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 31 March 2014.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

The Company did not carry out any share buy-back in the current quarter.

As at 31 March 2014, 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 1.5 sen per ordinary share of RM0.50 each held in respect of the current financial year 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 31 March 2014 RM'000	Cumulative year- to-date RM'000
Segment Revenue:		
Malaysia	36,264	36,264
People's Republic of China	64,179	64,179
Europe	13,835	13,835
	114,278	114,278
Adjustments	(43,369)	(43,369)
Total	70,909	70,909
Segment Results:		
Malaysia	4,721	4,721
People's Republic of China	(35)	(35)
Europe	1,240	1,240
	5,926	5,926
Adjustments	(467)	(467)
Total	5,459	5,459

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 31 March 2014.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2013.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial period ended 31 March 2014.

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 2013.

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 2013.

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 March 2014 is as follows:-

	RM'000
Capital expenditure approved and contracted for	3,594



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 RM70.9 million for the first quarter ended 31 March 2014 (2013: RM73.1 million). Group pretax profit recorded in the current quarter was RM4.5 million (2013: RM1.1 million). The increase in profit before tax was mainly due to better product mix and improved overall margins of our products.

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

Sales for the first quarter 2014 amounted to RM70.9 million compared to RM82.7 million reported for the fourth quarter of 2013, a decrease of 14%. However, pre-tax profit was higher in the current quarter at RM4.5 million compared to RM2.2 million in the previous quarter, an increase of 105%. Overall demand for the Group's products remain stable, with the exception of vinyl disposable gloves which registered lower sales volume in the current quarter compared to the preceding quarter as the Group re-strategizes its marketing policies to focus on premium customers and market segments. As a result, the Group was able to record higher profit margins in the current quarter.

3. Current Year Prospects

The Group registered a pretax profit of RM4.5 million for the first quarter of the financial year, which had exceeded the RM4.4 million achieved in the whole of 2013. The overall improvement was significantly driven by the recovery of the vinyl disposable gloves division in China which did not fare well in 2013.

Improvements in the Group's product mix and positive results from various cost savings measures as well as better operating efficiencies have also contributed to the overall improvement.

Barring any unforeseen circumstances, the Board and Management are optimistic of the Group's performance for the remainder of the year.

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 March 2014 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	1,292	1,292
Current year – Foreign income tax	297	297
Deferred Taxation	-	-
Total income tax expense	1,589	1,589

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 31 March 2014.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 31 March 2014.



8. Status of Corporate Proposals

There were no corporate proposals not announced or outstanding as at 31 March 2014.

9. Group Borrowings and Debt Securities

	As at 31 March 2014		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	10,391	34,108	44,499
Term Loans	394	24,400	24,794
	10,785	58,508	69,293

10. Financial Instruments Risks

As at 31 March 2014, 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)	14,444	46,744	47,055	April – October 2014
Euro (EUR)	3,836	17,362	17,271	April – November 2014
		64,106	64,326	

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 2013.

11. Changes in Material Litigation

There was no outstanding material litigation as at 31 March 2014.

12. Disclosure of Realised and Unrealised Profits/Losses

Group	Current period ended 31 March 2014 RM'000	Period ended 31 March 2013 RM'000
Total retained profits/(loss):		
- Realised	39,450	41,045
- Unrealised	807	(516)
	40,257	40,529

13. Dividend Payable

No dividend was proposed for the current quarter under review.



14. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 31 March 2014	Cumulative Year-to-Date ended 31 March 2013
Comprehensive income attributable to ordinary shareholders of the Company	RM'000	2,892	172
Weighted average number of ordinary shares in issue	Shares	227,318,617	227,389,917
Basic EPS	sen	1.27	0.08

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 21 May 2014.

CHAN CHEE KHEONG
(MAICSA 0810287)
Company Secretary
Ipoh, Perak

21 May 2014