



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

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 2014.

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 2014.

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 2014 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.

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 June 2015.

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 June 2015.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In the current quarter, the Company purchased 10,000 ordinary shares of RM0.50 each from Bursa Malaysia Securities Berhad, for a total consideration of RM7,155. The shares are currently maintained as Treasury Shares.

Subsequently, on 05 June 2015, a total of 100,000 Treasury Shares were re-sold on Bursa Malaysia Securities Berhad for a total consideration of RM74,920; the gain on these sales have been recorded in the Share Premium account of the Company.

As at 30 June 2015, a total of 1,892,200 ordinary shares were held as Treasury Shares by the Company.

7. Dividends Paid

A first interim single-tiered dividend of 1.5 sen per ordinary share of RM0.50 each in respect of the current financial year was paid on 10 July 2015.



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 June 2015 RM'000	Cumulative year- to-date RM'000
Segment Revenue:		
Malaysia	35,894	73,059
People's Republic of China	74,698	136,667
Europe	12,019	25,070
	<hr/>	<hr/>
	122,611	234,796
Group adjustments	(47,440)	(88,918)
Total	<hr/> 75,171 <hr/>	<hr/> 145,878 <hr/>
Segment Results:		
Malaysia	18,726	22,597
People's Republic of China	1,248	1,677
Europe	362	910
	<hr/>	<hr/>
	20,336	25,184
Group adjustments	(14,746)	(14,538)
Total	<hr/> 5,590 <hr/>	<hr/> 10,646 <hr/>

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 ended 30 June 2015.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2014.

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 30 June 2015.

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 2014.

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 2014.

13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2015 is as follows:-

	RM'000
Capital expenditure approved and contracted for	23,854



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 RM75.2 million in the current quarter compared to RM73.8 million in the corresponding quarter ended 30 June 2014. Group pretax profit recorded in the current quarter was RM4.7 million compared to RM5.1 million in the corresponding quarter of the previous year. The slightly lower results were mainly due to product mix and foreign exchange fluctuations arising from the Group's major trading currencies such as the US Dollar and Euro.

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

Sales for the second quarter 2015 amounted to RM75.2 million compared to RM70.7 million reported for the first quarter of 2015, an increase of 6%. Pre-tax profit was also higher in the current quarter at RM4.7 million, an increase of 9% from the previous quarter of RM4.3 million due to overall improvements in product margins, better performance from our China operations and more favourable foreign exchange rates.

3. Current Year Prospects

The Group registered a pretax profit of RM4.7 million for the second quarter of the financial year, driven by the strong performance across all glove divisions, namely household, industrial and vinyl disposable.

Improvements in the Group's product mix and results from various cost savings measures as well as better operating efficiencies continue to contribute positively to the Group's performance. The Group is currently embarking into the second phase of the nitrile disposable gloves project. As optimal operating efficiency has yet to be achieved, profit contribution from this division is only expected to fully come on-stream by early next year.

The Board and Management remain optimistic of the Group's performance for the remaining part of 2015.

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 June 2015 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	1,333	2,683
Current year – Foreign income tax	113	277
Deferred Taxation	-	-
Total income tax expense	1,445	2,960

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 30 June 2015.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 30 June 2015.



8. Status of Corporate Proposals

There were no corporate proposals not announced or outstanding as at 30 June 2015.

9. Group Borrowings and Debt Securities

	As at 30 June 2015		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	1,610	12,679	14,289
Term Loans	-	46,965	46,965
	1,610	59,644	61,254

10. Financial Instruments Risks

As at 30 June 2015, 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)	7,805	28,560	29,680	July 2015 - December 2015
Euro (EUR)	3,962	16,327	16,727	July 2015 – January 2016
		44,887	46,407	

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 2014.

11. Changes in Material Litigation

There was no outstanding material litigation as at 30 June 2015.

12. Disclosure of Realised and Unrealised Profits/Losses

Group	Current period ended 30 June 2015 RM'000	Period ended 30 June 2014 RM'000
Total retained profits/(loss):		
- Realised	48,786	41,831
- Unrealised	241	1,442
	49,027	43,273

13. Dividend Payable

No dividend is proposed for the current quarter ended 30 June 2015.



14. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 30 June 2015	Cumulative Year-to-Date ended 30 June 2014
Comprehensive income attributable to ordinary shareholders of the Company	RM'000	6,075	5,909
Weighted average number of ordinary shares in issue	Shares	227,303,284	227,316,617
Basic EPS	sen	2.67	2.60

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 25 August 2015.

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

25 August 2015