



Condensed Consolidated Statements of Comprehensive Income for the financial period ended 31 December 2020
These figures have not been audited

	2020 Current Quarter ended 31 December RM'000	2020 Year-to-Date ended 31 December RM'000	2019 Current Quarter ended 31 December RM'000	2019 Year-to-Date ended 31 December RM'000
CONTINUING OPERATIONS				
Revenue	152,829	416,388	50,313	218,643
Cost of sales	(74,554)	(242,512)	(37,462)	(187,051)
Gross profit	78,275	173,876	12,851	31,592
Other gains and losses	648	2,466	(2,534)	(2,069)
Operating expenses	(4,706)	(15,042)	(3,305)	(11,906)
Profit from operations	74,217	161,300	7,012	17,617
Finance costs	(28)	(265)	(223)	(1,872)
Profit before tax	74,189	161,035	6,789	15,745
Income tax expense	(14,752)	(29,859)	(2,905)	(4,391)
Profit for the period from continuing operations	59,437	131,176	3,884	11,354
DISCONTINUED OPERATIONS				
Profit for the period from discontinued operations	-	-	1,396	15,156
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	59,437	131,176	5,280	26,510
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	550	1,797	(367)	(457)
Total comprehensive income for the period attributable to Equity holders of the Company	59,987	132,973	4,913	26,053
Earnings per share:				
From continuing and discontinued operations				
Basic (sen)	7.41	16.34	0.70	3.50
From continuing operations				
Basic (sen)	7.41	16.34	0.51	1.50
Weighted average number of shares [^]	802,583,259	802,583,259	756,586,851	756,586,851

[^] For comparative purposes, the weighted average number of shares for financial year 2019 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Financial Position as at 31 December 2020
These figures have not been audited

	As at 31 December 2020 RM'000	Year ended 31 December 2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	177,363	125,708
Prepaid lease payments	4,690	4,893
Right-of-use assets	2,702	906
Deferred tax asset	3,154	771
	<u>187,909</u>	<u>132,278</u>
Current Assets		
Inventories	54,744	42,958
Trade and other receivables	51,752	38,461
Cash and bank balances	165,326	56,130
	<u>271,822</u>	<u>137,549</u>
TOTAL ASSETS	<u>459,731</u>	<u>269,827</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	201,478	160,192
Treasury shares	(1,612)	(8)
Other reserves	8,321	6,524
Retained earnings	169,485	38,309
TOTAL EQUITY	<u>377,672</u>	<u>205,017</u>
Non-current Liabilities		
Borrowings	3,500	1,300
Lease liabilities	1,929	130
Deferred tax liabilities	9,081	351
	<u>14,510</u>	<u>1,781</u>
Current Liabilities		
Trade and other payables	66,254	51,536
Lease liabilities	857	777
Borrowings	438	10,716
	<u>67,549</u>	<u>63,029</u>
TOTAL LIABILITIES	<u>82,059</u>	<u>64,810</u>
TOTAL EQUITY AND LIABILITIES	<u>459,731</u>	<u>269,827</u>
Net asset per share (RM) ^	0.45	0.27

^ For comparative purposes, the total number of shares for financial year 2019 has been restated to reflect the Company's 2-for-1 bonus issue completed on 21 October 2020

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Changes in Equity for the financial period ended 31 December 2020
These figures have not been audited

	Attributable to Equity Holders of the Company					
	Share Capital RM'000	Treasury Shares RM'000	Non-distributable		Retained Earnings RM'000	Total Equity RM'000
			Capital Reserves RM'000	Translation Reserves RM'000		
As at 01 January 2019	160,192	(8)	(2,342)	37,427	19,185	214,454
Total comprehensive income for the period	-	-	-	(30,446)	26,510	(3,936)
Transferred to/from retained earnings	-	-	2,342	-	(2,342)	-
Dividend paid	-	-	-	-	(5,044)	(5,044)
Effects of foreign exchange differences	-	-	-	(457)	-	(457)
As at 31 December 2019	160,192	(8)	-	6,524	38,309	205,017
As at 01 January 2020	160,192	(8)	-	6,524	38,309	205,017
Total comprehensive income for the period	-	-	-	-	131,176	131,176
Issuance of new shares	31,020	-	-	-	-	31,020
Resale/(Purchase) of treasury shares	10,266	(1,604)	-	-	-	8,662
Effects of foreign exchange differences	-	-	-	1,797	-	1,797
As at 31 December 2020	201,478	(1,612)	-	8,321	169,485	377,672

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



Condensed Consolidated Statements of Cashflows for the financial period ended 31 December 2020
These figures have not been audited

	2020 Year-to-Date ended 31 December RM'000	2019 Year-to-Date ended 31 December RM'000
Net cash generated from/(used in) operating activities	136,135	39,215
Net cash used in investing activities	(17,110)	35,114
Net cash used in financing activities	<u>(11,592)</u>	<u>(40,976)</u>
Net increase/(decrease) in cash and cash equivalents	107,433	33,353
Effects of foreign exchange differences	1,791	(1,396)
Cash and cash equivalents at beginning of financial period	<u>55,664</u>	<u>23,707</u>
Cash and cash equivalents at end of financial period	<u>164,888</u>	<u>55,664</u>

Cash and cash equivalents at end of financial period comprise the following:

Cash and bank balances	165,326	57,151
Short term borrowings - bank overdrafts	<u>(438)</u>	<u>(1,487)</u>
	<u>164,888</u>	<u>55,664</u>

The condensed consolidated statements of cashflows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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 2019.

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 2019.

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 2019 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s products are not materially impacted by any seasonal or cyclical factors.

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 2020.

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 2020.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In the current quarter, the Company purchased 4,187,200 ordinary shares from Bursa Malaysia Securities Berhad, for a total consideration of RM26.9 million.

As a result of the Bonus Issue of shares by the Company in October 2020, 21,618,400 bonus treasury shares were allocated to the Company. Subsequently, 32,427,600 treasury shares were re-sold on Bursa Malaysia Securities Berhad for a total consideration of RM71.9 million; the gain on this sale of RM10.2 million has been reflected in the issued capital of the Company.

In December 2020, the Company further purchased 1,167,500 shares for a total consideration of RM1.6 million; these shares remained as treasury shares held by the Company as at 31 December 2020.



7. Dividends Paid

A second interim single-tiered dividend of 1.0 sen per ordinary share in respect of financial year 2019 was paid on 20 January 2020.

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 December 2020 RM'000	Cumulative year-to-date RM'000
Segment Revenue:		
Malaysia	132,796	375,883
Europe	51,883	171,677
	<hr/>	<hr/>
	184,679	547,560
Group adjustments	(31,850)	(131,172)
Total	<hr/> 152,829 <hr/>	<hr/> 416,388 <hr/>
 Segment Results:		
Malaysia	71,660	153,027
Europe	7,085	21,511
	<hr/>	<hr/>
	78,745	174,538
Group adjustments	(4,528)	(13,238)
Total	<hr/> 74,217 <hr/>	<hr/> 161,300 <hr/>

9. Valuation of Property, Plant and Equipment

The Group did not carry out any revaluations on its property, plant and equipment in the current quarter ended 31 December 2020.

The values of property, plant and equipment have been brought forward without amendment from the previous annual financial statements ended 31 December 2019.

10. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial period ended 31 December 2020.

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 2019.

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 2019.



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 31 December 2020 is as follows: -

	RM'000
Capital expenditure approved and contracted for	15,048

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 RM152.8 million in the current quarter compared to RM50.3 million in the corresponding quarter ended 31 December 2019, a significant increase of 203.8%. Group pretax profit recorded in the period was RM74.2 million, and net of tax, was RM59.4 million, a significant increase by more than fifteen times from RM3.9 million in the corresponding quarter of the previous year. The improved profits were mainly due to consistently strong demand of the Group's products namely household, industrial and nitrile disposable gloves due to the COVID-19 pandemic, higher average glove selling prices and improved production efficiencies.

2. Material change in profits of the current quarter compared with preceding quarter

Pretax profit in the current quarter increased by RM25.7 million or 53.0% from RM48.5 million in the third quarter of the year to RM74.2 million in the current quarter ended 31 December 2020, on the back of strong market demand and an unprecedented increase in sales due to the pandemic. Net of tax, profits also soared to RM59.4 million in the current quarter, an increase of 50.3% from RM39.5 million in the previous quarter. The most notable improvement in performance was attributed to the Group's nitrile disposable glove division as these gloves were deemed critical essential products for use by the healthcare and medical sectors in the fight against the pandemic.

During the current quarter, factors such as a higher average glove selling prices, favourable product mix as well as improved efficiencies achieved through higher capacity utilisation particularly from the nitrile disposable glove division have contributed to the material increase in pretax profits.

3. Current Year Prospects

The Group remains focused on its nitrile disposable glove division, with the latest commissioning of its new production lines in stages in the fourth quarter of 2020. With the completion of this new phase of expansion, the Group's annual capacity for nitrile disposable gloves has increased from 1.0 billion pieces to 2.5 billion pieces.



The improved performance in the current quarter was mainly driven by the increased production output that had come on-stream, consistently strong demand and higher average selling prices of nitrile disposable gloves in the fourth quarter compared to the first nine months of the year.

Moving forward, the Group is expected to be on even stronger position in year 2021 as the order books for 2.5 billion pieces of nitrile disposable gloves have already been fully taken up. This division is also expected to contribute more significantly in terms of revenue and earnings to the Group for financial year 2021.

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 2020 RM'000	Cumulative year-to-date RM'000
Current year – Malaysian income tax	6,770	18,147
Current year – Foreign income tax	1,035	5,366
Provision for deferred tax	6,947	6,346
Total income tax expense	14,752	29,859

6. Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter ended 31 December 2020.

7. Purchase/disposal of Quoted Securities

There were no purchase and/or disposal of quoted securities for the current quarter ended 31 December 2020.

8. Status of Corporate Proposals

The Company completed a private placement of shares, involving the issuance of 25,219,500 new shares, representing approximately 10% of the total number of issued shares of the Company (excluding treasury shares), at the issue price of RM1.23 each, on 18 May 2020 with the listing and quotation of the new shares on Bursa Malaysia Securities Berhad.

On 22 June 2020, the Company received a Notice of Unconditional Mandatory Take-over Offer by Hextar Rubber Sdn Bhd (formerly known as ERPStar Inc. Sdn Bhd) and Dato’ Ong Choo Meng, collectively referred to as the “joint offerors”, through M&A Securities Sdn Bhd, to acquire all the remaining ordinary shares in the Company not already owned by the joint offerors, for a cash offer price of RM1.80 per share. This exercise was completed on 04 August 2020, being the closing date of the offer, with a total of 2,669,000 shares offered and accepted by the joint offerors.



In the current quarter, the Company also undertook a Bonus Issue exercise involving the issuance of 554,850,234 new ordinary shares, on the basis of two bonus shares for each existing share held as at entitlement date of 20 October 2020. This exercise was completed with the listing and quotation of the bonus shares on Bursa Malaysia Securities Berhad on 21 October 2020.

There were no other corporate proposals not announced or outstanding as at 31 December 2020.

9. Group Borrowings and Debt Securities

	As at 31 December 2020		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	206	232	438
Term Loans	3,500	-	3,500
	3,706	232	3,938

10. Financial Instruments Risks

As at 31 December 2020, 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)	2,341	9,495	9,416	Jan - May 2021
Euro (EUR)	2,761	13,664	13,632	Jan - May 2021
		23,159	23,048	

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 2019.

11. Changes in Material Litigation

There was no outstanding material litigation as at 31 December 2020.

12. Dividend Payable

No dividend is proposed for the current quarter ended 31 December 2020.



13. Earnings per Share (“EPS”)

		Cumulative Year-to-Date ended 31 December 2020	Cumulative Year-to-Date ended 31 December 2019
Continuing Operations			
Profit for the period attributable to equity holders of the Company	RM’000	131,176	11,354
Weighted average number of ordinary shares in issue	Shares	802,583,259	756,586,851 [^]
Basic EPS	sen	16.34	1.50

[^] For comparative purposes, the weighted average number of shares for financial year 2019 has been restated to reflect the Company’s 2-for-1 bonus issue completed on 21 October 2020

14. Disclosure on COVID-19 related impacts

The demand for personal protective equipment including gloves remain on an all-time high as these items were deemed critical in defense against the pandemic and the Group has seen increased orders and deliveries since early 2020. Average glove selling prices (ASP), in particular nitrile disposable gloves, have also risen to unprecedented levels and in addition to the higher profits achieved, the Group is also in a strong positive cashflow position.

The Group’s latest phase of expansion (which had been put in place pre-pandemic) was well-positioned to contribute to the increased market demand as 1.5 billion pieces of additional nitrile disposable gloves’ capacity came on-stream in this fourth quarter of the year. Moving forward, despite more and more countries adopting the various vaccination plans, global consumption and demand for gloves are expected to remain higher than pre-pandemic levels owing to increased health, hygiene and safety awareness among medical professionals and the general population.

At the operational level, the Group’s production lines, workforce, supply chains, distribution networks and logistical services were not materially affected during the movement control orders (MCO) put in place by the Malaysian government. The Group is also committed to complying with all current standard operating procedures (SOP) issued by the Malaysian government in relation to workplace safety and employees’ health. The Group’s workers and staff have all been screened and tested for COVID-19 in early December 2020. Sanitisation of common work areas, workers’ accommodation as well as workers’ transport vehicles are also carried out regularly to curb the spread of the virus.



Rubberex Corporation (M) Berhad (199601000297) (372642-U)

15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 24 February 2021.

Ipoh, Perak
24 February 2021