

# REX INDUSTRY BHD

(Incorporated in Malaysia) Co. no. 282664-K

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015 ( Unaudited )

	<i>As at</i> 31/03/2015	<i>As at</i> 31/12/2014
	<i>RM'000</i>	<i>RM'000</i>
<b>Assets</b>		
Property, plant and equipment	60,361	59,983
Goodwill on consolidation	8,632	8,632
<b>Total non-current assets</b>	<u>68,993</u>	<u>68,615</u>
Trade and other receivables	36,022	29,492
Inventories	59,917	63,007
Current tax assets	194	307
Cash and cash equivalents	17,816	18,543
<b>Total current assets</b>	<u>113,949</u>	<u>111,349</u>
<b>Total assets</b>	<u>182,942</u>	<u>179,964</u>
<b>Equity</b>		
Share capital	56,052	56,052
Reserves	78,454	76,203
<b>Total equity attributable to owners of the Company</b>	<u>134,506</u>	<u>132,255</u>
<b>Liabilities</b>		
Deferred tax liabilities	6,959	6,985
Loans and borrowings	247	267
<b>Total non-current liabilities</b>	<u>7,206</u>	<u>7,252</u>
Trade and other Payables	15,722	16,062
Loans and borrowings	24,855	23,997
Current tax liabilities	653	398
<b>Total current liabilities</b>	<u>41,230</u>	<u>40,457</u>
<b>Total liabilities</b>	<u>48,436</u>	<u>47,709</u>
<b>Total equity and liabilities</b>	<u>182,942</u>	<u>179,964</u>
<b>Net assets per share (RM)</b>	2.25	2.21

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2014.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Co. no. 282664-K

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

	<i>3 months ended</i>		<i>Period ended</i>	
	<i>31/03/2015</i>	<i>31/03/2014</i>	<i>31/03/2015</i>	<i>31/03/2014</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<b>Continuing operations</b>				
Revenue	41,621	33,523	41,621	33,523
Operating profit	1,249	1,471	1,249	1,471
Interest expense	(312)	(271)	(312)	(271)
Interest income	136	82	136	82
<b>Profit / (Loss) before tax</b>	<b>1,073</b>	<b>1,282</b>	<b>1,073</b>	<b>1,282</b>
Income tax expense	(388)	(336)	(388)	(336)
<b>Profit / (Loss) for the period</b>	<b>685</b>	<b>946</b>	<b>685</b>	<b>946</b>
<b>Other comprehensive income / (expense), net of tax</b>				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	1,566	(159)	1,566	(159)
<b>Total comprehensive income / (expense)</b>	<b>2,251</b>	<b>787</b>	<b>2,251</b>	<b>787</b>
<b>Profit for the year attributable to :</b>				
Owners of the Company	685	946	685	946
<b>Total comprehensive income / (expense) attributable to :</b>				
Owners of the Company	2,251	787	2,251	787
<b>Earnings per share attributable to owners of the Company</b>				
Basic earnings per ordinary share (sen)	1.22	1.69	1.22	1.69
Diluted earnings per ordinary share (sen)	-	-	-	-

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2014.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Co. no. 282664-K

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

	←	Non- distributable	→	Distributable	
	<i>Share capital</i>	<i>Share premium</i>	<i>Translation reserve</i>	<i>Retained earnings</i>	<i>Total equity</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
<b>At 1 January 2014</b>	56,052	10,614	2,628	59,638	128,932
Total comprehensive expense for the period					
Foreign currency translation differences for foreign operations	-	-	(159)	-	(159)
Profit for the period	-	-	-	946	946
<b>Total comprehensive income for the period</b>	-	-	(159)	946	787
<b>At 31 March 2014</b>	56,052	10,614	2,469	60,584	129,719
<b>At 1 January 2015</b>	56,052	10,614	5,178	60,411	132,255
Total comprehensive expense for the period					
Foreign currency translation differences for foreign operations	-	-	1,566	-	1,566
Profit for the period	-	-	-	685	685
<b>Total comprehensive income for the period</b>	-	-	1,566	685	2,251
<b>At 31 March 2015</b>	56,052	10,614	6,744	61,096	134,506

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2014.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Co. no. 282664-K

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

	<i>As at</i> <b>31/03/2015</b> <i>RM'000</i>	<i>As at</i> <b>31/03/2014</b> <i>RM'000</i>
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	1,073	1,282
Adjustments for :		
Depreciation of property, plant and equipment	616	677
Interest expense	280	271
Loss / (Gain) on disposal of plant and equipment	-	22
Interest income	(136)	(82)
<b>Operating profit before changes in working capital</b>	1,833	2,170
Changes in working capital :		
Inventories	3,937	1,970
Trade and other receivables	(3,511)	981
Trade and other payables	(3,769)	(1,508)
Cash generated from operations	(1,510)	3,613
Income tax paid	(46)	(259)
<b>Net cash from operating activities</b>	(1,556)	3,354
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(797)	(1,296)
Proceeds from disposal of plant and equipment	-	45
Interest received	136	82
<b>Net cash used in investing activities</b>	(661)	(1,169)
<b>Cash flows from financing activities</b>		
Repayment of term loan	(284)	(271)
Bank borrowings (net)	1,900	(1,298)
Repayment of finance lease liabilities	(25)	(81)
Interest paid	(280)	(271)
<b>Net cash used in financing activities</b>	1,311	(1,921)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(906)	264
<b>Cash and cash equivalents at 1 January</b>	17,416	14,037
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	900	(252)
<b>Cash and cash equivalents at 31 March</b>	17,410	14,049

The condensed consolidated cash flows statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and audited financial statements for the year ended 31 December 2014.

# REX INDUSTRY BHD

(Incorporated in Malaysia) Co. no. 282664-K

## **SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )**

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### **1. Basis of preparation**

This condensed consolidated interim financial report is unaudited and has been prepared in compliance with Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The condensed consolidated interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2014. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014. The condensed consolidated interim financial statements and notes do not include all of the information required for full set of financial statements prepared in accordance with MFRS.

**The following MFRSs, Interpretations and Amendments to MFRSs applicable to the Group have been effective for annual periods beginning on or after 1 July 2014.**

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
Amendments to MFRS 3	Business Combinations (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)
Amendments to MFRS 8	Operating Segements (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)
Amendments to MFRS 13	Fair Value Measurement (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010 - 2012 Cycle)
Amendments to MFRS 124	Related Party Disclosures (Annual Improvements 2010 - 2012 Cycle)
Amendments to MFRS 138	Intangible Assets (Annual Improvements 2010 - 2012 Cycle)

**The following MFRSs, Interpretations and Amendments to MFRSs applicable to the Group have been effective for annual periods beginning on or after 1 January 2016.**

Amendments to MFRS 7	Financial Instruments : Disclosures (Annual Improvements 2012 - 2014 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 119	Employee Benefits (Annual Improvements 2012 - 2014 Cycle)
Amendments to MFRS 127	Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)

**The following MFRSs, Interpretations and Amendments to MFRSs applicable to the Group have been effective for annual periods beginning on or after 1 January 2017.**

MFRS 15	Revenue from Contracts with Customers.
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**The following MFRSs, Interpretations and Amendments to MFRSs applicable to the Group have been effective for annual periods beginning on or after 1 January 2018.**

MFRS 9	Financial Instruments (2014)
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The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations.

### **2. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

### **3. Seasonality of operations**

The business of the Group was not affected by any significant seasonal or cyclical factors in the current quarter.

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

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### 4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence in the current quarter and the financial period-to-date.

### 5. Material changes in estimates

There were no significant changes in the nature and amount of estimates used in prior interim reporting or prior financial years that have a material effect on the current quarter and financial period-to-date.

### 6. Issuances and repayment of debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period.

### 7. Dividends paid

No dividend was paid during the current quarter.

### 8. Segmental information

In presenting geographical information, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Geographical information	Revenue RM'000	Non-current assets RM'000
<b>3 months ended 31/03/2015</b>		
Malaysia	19,356	46,451
United States of America	10,999	-
Europe	3,730	-
Asia (Excludes Malaysia)	7,536	22,542
Consolidated	<u>41,621</u>	<u>68,993</u>
<b>3 months ended 31/03/2014</b>		
Malaysia	12,773	45,155
United States of America	7,834	-
Europe	6,764	-
Asia (Excludes Malaysia)	6,152	21,777
Consolidated	<u>33,523</u>	<u>66,932</u>

# REX INDUSTRY BHD

(Incorporated in Malaysia) Co. no. 282664-K

## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

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### 9. Carrying amount of revaluation assets

The valuation of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2014.

### 10. Material events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial report.

### 11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

### 12. Changes in contingent liabilities or contingent assets

	31/03/2015 RM'000	31/12/2014 RM'000
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	79,800	79,800

### 13. Capital commitments

As at the date of this announcement, the Group has no material capital commitments.

### 14. Review of earnings and / or revenue of the Company and its subsidiaries for current quarter and financial period-to-date

	3 months ended		Period ended	
	31/03/2015 RM'000	31/03/2014 RM'000	31/03/2015 RM'000	31/03/2014 RM'000
Turnover	41,621	33,523	41,621	33,523
Profit / (loss) before tax	1,073	1,282	1,073	1,282

The Group recorded a 19.46% increase in turnover to RM 41.62 million for the first quarter ended 31 March 2015 from RM 33.52 million in the corresponding quarter last year. The increase in turnover was mainly due to the seasonal sales of Chinese New Year 2015.

The profit before tax decreased by RM 0.21 million for the first quarter ended 31 March 2015 to RM 1.07 million as compared to the corresponding quarter last year mainly due to the higher operating costs coupled with the provision for inventory obsolescence during the current quarter.

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

### 15. Material change in Profit / (Loss) Before Taxation reported on as compared with the immediate preceding quarter

	3 months ended	
	31/03/2015 RM'000	31/12/2014 RM'000
Turnover	41,621	39,579
Profit before tax	1,073	122

For the current quarter under review, the Group recorded a profit before tax of RM 1.07 million as compared to a profit before tax of RM 0.12 million generated in the preceding quarter. The increase in profit was mainly due to the lower impairment loss on receivables and allowance for inventory obsolescence in the current quarter under review.

### 16. Current year prospects

The Board is cautiously optimistic of the business outlook for the countries in which we operate.

The Board will continue to monitor the Group's operation and to look out for business opportunities. Barring any unforeseen circumstances, the Board is optimistic that the Group's operating performance will be improve in the current financial year.

### 17. Variance of actual and forecast profit

Not applicable as no profit forecast was published.

### 18. Tax expense

	3 months ended		Period ended	
	31/03/2014 RM'000	31/03/2014 RM'000	31/03/2014 RM'000	31/03/2014 RM'000
Current tax expense				
Malaysia	237	105	237	105
Overseas	177	158	177	158
	430	263	430	263
Deferred tax expense	(26)	73	(26)	73
	388	336	388	336

The disproportionate tax charge in relation to the results of the Group for the current financial period to date was mainly due to the non-deductible expenses and losses not available for set off in certain subsidiaries.



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(Incorporated in Malaysia) Co. no. 282664-K

## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

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### 19. Status of corporate proposals announced

There were no corporate proposals that have been announced by the Company as at the date of this announcement.

### 20. Group borrowings

The Group's borrowings as at the end of the current reporting period are as follows :-

	Payable within 12 months RM'000	Payable after 12 months RM'000
<b>RM denominated borrowings</b>		
<b>Unsecured</b>		
Bank overdraft	406	-
Term loans	726	-
Bankers' acceptance	19,637	-
Revolving credit	3,996	-
Finance lease liabilities	90	247
	<u>24,855</u>	<u>247</u>

### 21. Changes in material litigation

There were no material litigations at the date of this interim financial report.

### 22. Dividends

The Board of Directors did not recommend any dividend in respect of the financial period ended 31 March 2015.

### 23. Profits / (Loss) before tax

	3 months ended 31/03/2015 RM'000	Period ended 31/03/2015 RM'000
Profit / (Loss) before tax is arrived at after crediting / (charging) :		
Depreciation and amortisation of property, plant and equipment	(616)	(616)
Impairment loss on receivables	(110)	(110)
Allowance for inventory obsolescence	(308)	(308)
Interest expense	(280)	(280)
Realised gain on foreign exchange		

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## SELECTED EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2015 ( Unaudited )

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### 24. Earnings per ordinary share

The earnings per share was computed based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares.

	3 months ended 31/03/2015	Period ended 31/03/2015
Profit / (loss) after tax attributable to owners of the Company (RM'000)	685	685
Weighted average number of shares in issue ('000)	56,052	56,052
Profit / (loss) per ordinary share (sen)	1.22	1.22

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### 25. Breakdown of realised and unrealised profits / (losses)

The breakdown of retained earnings of the Group as at the reporting date, into realised and unrealised profits / (losses) is as follows :

	Year to date ended 31/03/2015 (RM'000)	Year to date ended 31/12/2014 (RM'000)
Total retained profits of the Company and its subsidiaries :		
- Realised	86,323	85,265
- Unrealised	(3,088)	(2,744)
	83,235	82,521
Less : Consolidation adjustments	(22,139)	(22,110)
Total Group retained earnings	61,096	60,411

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