

RUBBEREX CORPORATION (M) BERHAD

Incorporated in Malaysia

(Company no. 372642-U)

Condensed Consolidated Statements of Comprehensive Income for the financial period ended 30 September 2015

These figures have not been audited

	2015 Current Quarter ended 30 September RM'000	2015 Year-to-Date ended 30 September RM'000	2014 Current Quarter ended 30 September RM'000	2014 Year-to-Date ended 30 September RM'000
Revenue	74,873	220,751	76,271	220,996
Cost of sales	(64,316)	(189,260)	(66,039)	(190,567)
Gross profit	10,557	31,491	10,232	30,429
Other gains and losses	(67)	(1,436)	(298)	84
Operating expenses	(4,709)	(13,628)	(4,153)	(13,193)
Profit from operations	5,781	16,427	5,781	17,320
Finance costs	(833)	(2,445)	(873)	(2,827)
Profit before tax	4,948	13,982	4,908	14,493
Income tax expense	(1,508)	(4,468)	(1,875)	(5,551)
Profit for the period attributable to Equity holders of the Company	3,440	9,514	3,033	8,942
Other comprehensive income, net of tax:				
Foreign currency translation differences for foreign operations	28,136	42,292	4,835	(3,064)
Total comprehensive income for the period attributable to Equity holders of the Company	31,576	51,806	7,868	5,878
Earnings per share:				
Basic (sen)	1.51	4.18	1.33	3.93
Average number of shares in issue:				
Basic	-	227,413,284	-	227,313,617

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

RUBBEREX CORPORATION (M) BERHAD

Incorporated in Malaysia

(Company no. 372642-U)

Condensed Consolidated Statements of Financial Position as at 30 September 2015

These figures have not been audited

	As at 30 September 2015 RM'000	Year ended 31 December 2014 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	193,354	141,298
Prepaid lease payments	15,928	13,990
Deferred tax asset	581	589
Goodwill	2,793	2,793
	<u>212,656</u>	<u>158,670</u>
Current Assets		
Inventories	80,480	63,091
Trade and other receivables	48,845	48,390
Cash and bank balances	29,267	43,527
	<u>158,592</u>	<u>155,008</u>
TOTAL ASSETS	<u>371,248</u>	<u>313,678</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Issued capital	114,639	114,639
Treasury shares	(995)	(1,420)
Share premium	29,374	29,335
Other reserves	62,972	20,680
Retained earnings	49,056	42,953
TOTAL EQUITY	<u>255,046</u>	<u>206,187</u>
Non-current Liabilities		
Borrowings	21,180	22,200
Other liabilities	-	-
Deferred tax liabilities	-	-
	<u>21,180</u>	<u>22,200</u>
Current Liabilities		
Trade and other payables	42,638	39,188
Borrowings	52,384	46,103
	<u>95,022</u>	<u>85,291</u>
TOTAL LIABILITIES	116,202	107,491
TOTAL EQUITY AND LIABILITIES	<u>371,248</u>	<u>313,678</u>
Net assets per share (RM)	1.12	0.91

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

RUBBEREX CORPORATION (M) BERHAD

Incorporated in Malaysia

(Company no. 372642-U)

Condensed Consolidated Statements of Changes in Equity for the financial period ended 30 September 2015

These figures have not been audited

	Attributable to Equity Holders of the Company						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Non-Distributable Reserves			Retained Earnings RM'000	
			Share Premium RM'000	Capital Reserves RM'000	Translation Reserves RM'000		
As at 01 January 2014	114,639	(1,405)	29,335	(5,128)	16,461	40,775	194,677
Total comprehensive income for the period	-	-	-	-	-	8,942	8,942
Dividends paid	-	-	-	-	-	(3,410)	(3,410)
Purchase of treasury shares	-	(8)	-	-	-	-	(8)
Effects of foreign exchange differences	-	-	-	-	(3,064)	-	(3,064)
As at 30 September 2014	114,639	(1,413)	29,335	(5,128)	13,397	46,307	197,137
As at 01 January 2015	114,639	(1,420)	29,335	(2,727)	23,408	42,952	206,187
Total comprehensive income for the period	-	-	-	-	-	9,515	9,515
Dividends paid	-	-	-	-	-	(3,410)	(3,410)
Purchase/(Resale) of treasury shares	-	424	39	-	-	-	463
Effects of foreign exchange differences	-	-	-	-	42,292	-	42,292
As at 30 September 2015	114,639	(996)	29,374	(2,727)	65,700	49,057	255,047

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

RUBBEREX CORPORATION (M) BERHAD

Incorporated in Malaysia

(Company no. 372642-U)

Condensed Consolidated Statements of Cashflows for the financial period ended 30 September 2015

These figures have not been audited

	2015 Year-to-Date ended 30 September RM'000	2014 Year-to-Date ended 30 September RM'000
Net cash generated from operating activities	12,671	32,934
Net cash generated used in investing activities	(43,828)	(9,730)
Net cash generated from/(used in) financing activities	<u>(3,227)</u>	<u>(16,363)</u>
Net increase/(decrease) in cash and cash equivalents	(34,384)	6,841
Effects of foreign exchange differences	17,492	(2,033)
Cash and cash equivalents at beginning of financial period	<u>43,022</u>	<u>21,462</u>
Cash and cash equivalents at end of financial period	<u>26,130</u>	<u>26,270</u>

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

Cash and bank balances	29,267	26,961
Short term borrowings - bank overdrafts	<u>(3,137)</u>	<u>(691)</u>
	<u>26,130</u>	<u>26,270</u>

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



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 September 2015.

6. Changes in Debt and Equity Securities

6.1 Share Buy-back

In the current quarter, a total of 500,000 Treasury Shares were re-sold on Bursa Malaysia Securities Berhad for a total consideration of RM395,357; the gain on these sales have been recorded in the Share Premium account of the Company.

As at 30 September 2015, a total of 1,392,200 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 September 2015 RM'000	Cumulative year- to-date RM'000
Segment Revenue:		
Malaysia	36,850	109,909
People's Republic of China	71,945	208,612
Europe	15,373	40,443
	124,168	358,964
Group adjustments	(49,295)	(138,213)
Total	74,873	220,751
Segment Results:		
Malaysia	3,581	26,178
People's Republic of China	1,963	3,640
Europe	204	1,114
	5,748	30,932
Group adjustments	33	(14,505)
Total	5,781	16,427

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 September 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 September 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 September 2015 is as follows:-

	RM'000
Capital expenditure approved and contracted for	21,277



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 RM74.9 million in the current quarter compared to RM76.3 million in the corresponding quarter ended 30 September 2014. Group pretax profit recorded in the current quarter was RM4.9 million, similar to 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 third quarter 2015 amounted to RM74.9 million, similar to the RM75.2 million reported for the second quarter of 2015. Pre-tax profit was slightly higher in the current quarter at RM4.9 million, an increase of 4% from the previous quarter of RM4.7 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 RM4.9 million for the third 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 second phase of the nitrile disposable gloves project is progressing as scheduled and trial production is expected to commence by end of this year. 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 September 2015 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	1,451	4,134
Current year – Foreign income tax	57	334
Deferred Taxation	-	-
Total income tax expense	1,508	4,468

6. Sales of Unquoted Investments and/or Properties

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



7. Purchase/disposal of Quoted Securities

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

8. Status of Corporate Proposals

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

9. Group Borrowings and Debt Securities

	As at 30 September 2015		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	3,631	17,603	21,234
Term Loans	-	52,330	52,330
	3,631	69,933	73,564

10. Financial Instruments Risks

As at 30 September 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)	3,792	14,467	16,685	October 2015 - January 2016
Euro (EUR)	1,865	8,047	9,223	October 2015 - January 2016
		22,514	25,908	

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 September 2015.

12. Disclosure of Realised and Unrealised Profits/Losses

Group	Current period ended 30 September 2015 RM'000	Period ended 30 September 2014 RM'000
Total retained profits/(loss):		
- Realised	50,687	44,608
- Unrealised	(1,631)	1,699
	49,056	46,307



13. Dividend Payable

Notice of book closure

NOTICE IS HEREBY GIVEN that a second interim tax-exempt dividend of 1.5 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2015 will be payable on 22 December 2015. The entitlement date for the dividend payment is 10 December 2015.

A Depositor shall qualify for entitlement only in respect of:-

- (i) Shares transferred into the Depositor's securities account before 4:00 p.m. on 10 December 2015 in respect of ordinary transfer; and
- (ii) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

14. Earnings per Share ("EPS")

		Cumulative Year-to-Date ended 30 September 2015	Cumulative Year-to-Date ended 30 September 2014
Comprehensive income attributable to ordinary shareholders of the Company	RM'000	9,514	8,942
Weighted average number of ordinary shares in issue	Shares	227,413,284	227,313,617
Basic EPS	sen	4.18	3.93

15. Authorisation for Issue

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

CHAN CHEE KHEONG (MAICSA 0810287)

Company Secretary

Ipoh, Perak.

25 November 2015