

**RUBBEREX CORPORATION (M) BERHAD**

Incorporated in Malaysia

(Company no. 372642-U)

Condensed Consolidated Statements of Comprehensive Income for the financial period ended 31 December 2015

These figures have not been audited

	2015 Current Quarter ended 31 December RM'000	2015 Year-to-Date ended 31 December RM'000	2014 Current Quarter ended 31 December RM'000	2014 Year-to-Date ended 31 December RM'000
Revenue	79,593	300,345	75,355	296,351
Cost of sales	(68,090)	(257,351)	(63,855)	(254,422)
<b>Gross profit</b>	<b>11,503</b>	<b>42,994</b>	<b>11,500</b>	<b>41,929</b>
Other gains and losses	951	(484)	(3,303)	(3,219)
Operating expenses	(5,241)	(18,870)	(5,277)	(18,470)
<b>Profit from operations</b>	<b>7,213</b>	<b>23,640</b>	<b>2,920</b>	<b>20,240</b>
Finance costs	(882)	(3,326)	(871)	(3,698)
<b>Profit before tax</b>	<b>6,331</b>	<b>20,314</b>	<b>2,049</b>	<b>16,542</b>
Income tax expense	(1,069)	(5,537)	(857)	(6,408)
<b>Profit for the period attributable to Equity holders of the Company</b>	<b>5,262</b>	<b>14,777</b>	<b>1,192</b>	<b>10,134</b>
<b>Other comprehensive income, net of tax:</b>				
Foreign currency translation differences for foreign operations	(11,917)	30,375	10,011	6,947
<b>Total comprehensive income for the period attributable to Equity holders of the Company</b>	<b>(6,655)</b>	<b>45,152</b>	<b>11,203</b>	<b>17,081</b>
<b>Earnings per share:</b>				
Basic (sen)	2.31	6.57	0.52	4.46
<b>Average number of shares in issue:</b>				
Basic	-	227,814,067	-	227,308,950

*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 31 December 2015

These figures have not been audited

	As at 31 December 2015 RM'000	Year ended 31 December 2014 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	201,102	141,298
Prepaid lease payments	15,342	13,990
Deferred tax asset	498	589
Goodwill	2,793	2,793
	<u>219,735</u>	<u>158,670</u>
<b>Current Assets</b>		
Inventories	73,859	63,091
Trade and other receivables	63,588	48,390
Cash and bank balances	21,157	43,527
	<u>158,604</u>	<u>155,008</u>
<b>TOTAL ASSETS</b>	<b><u>378,339</u></b>	<b><u>313,678</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Issued capital	114,639	114,639
Treasury shares	-	(1,420)
Share premium	29,503	29,335
Other reserves	51,056	20,680
Retained earnings	50,885	42,953
<b>TOTAL EQUITY</b>	<b><u>246,083</u></b>	<b><u>206,187</u></b>
<b>Non-current Liabilities</b>		
Borrowings	40,037	22,200
Other liabilities	-	-
Deferred tax liabilities	-	-
	<u>40,037</u>	<u>22,200</u>
<b>Current Liabilities</b>		
Trade and other payables	50,009	39,188
Borrowings	42,210	46,103
	<u>92,219</u>	<u>85,291</u>
<b>TOTAL LIABILITIES</b>	<b>132,256</b>	<b>107,491</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>378,339</u></b>	<b><u>313,678</u></b>
Net assets per share (RM)	1.07	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 31 December 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		
<b>As at 01 January 2014</b>	114,639	(1,405)	29,335	(5,128)	16,461	40,775	194,677
Total comprehensive income for the period	-	-	-	-	-	10,134	10,134
Dividends paid	-	-	-	-	-	(7,956)	(7,956)
Purchase of treasury shares	-	(15)	-	-	-	-	(15)
Acquisition of shares from non-controlling interests	-	-	-	2,400	-	-	2,400
Effects of foreign exchange differences	-	-	-	-	6,947	-	6,947
<b>As at 31 December 2014</b>	<b>114,639</b>	<b>(1,420)</b>	<b>29,335</b>	<b>(2,728)</b>	<b>23,408</b>	<b>42,953</b>	<b>206,187</b>
<b>As at 01 January 2015</b>	114,639	(1,420)	29,335	(2,727)	23,408	42,952	206,187
Total comprehensive income for the period	-	-	-	-	-	14,777	14,777
Dividends paid	-	-	-	-	-	(6,844)	(6,844)
Purchase/(Resale) of treasury shares	-	1,420	168	-	-	-	1,588
Effects of foreign exchange differences	-	-	-	-	30,375	-	30,375
<b>As at 31 December 2015</b>	<b>114,639</b>	<b>-</b>	<b>29,503</b>	<b>(2,727)</b>	<b>53,783</b>	<b>50,885</b>	<b>246,083</b>

*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 31 December 2015

These figures have not been audited

	2015 Year-to-Date ended 31 December RM'000	2014 Year-to-Date ended 31 December RM'000
Net cash generated from operating activities	56,712	49,153
Net cash generated used in investing activities	(99,663)	(21,706)
Net cash generated from/(used in) financing activities	<u>3,774</u>	<u>(8,876)</u>
Net increase/(decrease) in cash and cash equivalents	(39,177)	18,571
Effects of foreign exchange differences	10,489	2,990
Cash and cash equivalents at beginning of financial period	<u>43,023</u>	<u>21,462</u>
Cash and cash equivalents at end of financial period	<u><b>14,335</b></u>	<u><b>43,023</b></u>

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

Cash and bank balances	21,157	43,527
Short term borrowings - bank overdrafts	<u>(6,822)</u>	<u>(504)</u>
	<u><b>14,335</b></u>	<u><b>43,023</b></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 FOURTH QUARTER ENDED 31 DECEMBER 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 financial statements ended 31 December 2015.

#### 6. Changes in Debt and Equity Securities

##### 6.1 Share Buy-back

In the current quarter, a total of 1,407,200 Treasury Shares were re-sold on Bursa Malaysia Securities Berhad for a total consideration of RM1,136,823; the gain on these sales have been recorded in the Share Premium account of the Company.

As at 31 December 2015, the Company does not hold any Treasury Shares.

#### 7. Dividends Paid

A total of 3.0 sen tax exempt dividends per ordinary share of RM0.50 each were paid in respect of the current financial year as follows:-

- (a) First interim dividend of 1.5 sen paid on 19 July 2015; and
- (b) Second interim dividend of 1.5 sen paid on 22 December 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 31 December 2015 RM'000	Cumulative year- to-date RM'000
<b>Segment Revenue:</b>		
Malaysia	39,050	148,959
People's Republic of China	81,724	290,336
Europe	12,501	52,944
	<hr/>	<hr/>
	133,375	492,239
Group adjustments	(53,782)	(191,894)
Total	<b>79,593</b>	<b>300,345</b>
<hr/>		
<b>Segment Results:</b>		
Malaysia	29,676	55,854
People's Republic of China	(223)	3,417
Europe	(319)	795
	<hr/>	<hr/>
	29,134	60,066
Group adjustments	(22,803)	(39,752)
Total	<b>6,331</b>	<b>20,314</b>
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## 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 31 December 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 financial period ended 31 December 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 31 December 2015 is as follows:-

	RM'000
Capital expenditure approved and contracted for	5,427



## **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 RM79.6 million in the current quarter compared to RM75.4 million in the corresponding quarter ended 31 December 2014. Group pretax profit recorded in the current quarter was RM6.3 million, an increase of RM4.3 million, or 209% compared to the corresponding quarter of the previous year. The overall improvement in product mix as well as better production efficiencies have resulted in higher profit margins. Favourable foreign exchange rates of the Group's trading currencies such as the US Dollar and Euro have also contributed to the improved results.

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

Sales for the fourth quarter 2015 amounted to RM79.6 million, an increase of 6% compared to RM74.9 million reported for the third quarter of 2015. Pre-tax profit was higher in the current quarter at RM6.3 million, an increase of 28% from the previous quarter of RM4.9 million due to better product mix, improvements in capacity utilization and favourable foreign exchange rates.

### **3. Current Year Prospects**

The Group registered a pretax profit of RM6.3 million for the fourth quarter of the financial year; this strong performance was contributed by all product divisions namely Household, Industrial as well as Disposable, comprising vinyl and nitrile disposable gloves.

Improvements in the Group's product mix and results from various cost savings measures as well as better operating efficiencies have contributed positively to the Group's performance. The second phase of our nitrile disposable gloves project had been successfully commissioned in December and mass production commenced in stages, beginning in January of this year. With the completion of the second phase, the installed annual capacity of the plant has now reached one billion pieces.

Overall demand for the Group's products for financial year 2016 is expected to remain strong. With the increased capacity on hand for nitrile disposable gloves, backed by strong market demand, this product is expected to contribute significantly to the Group's earnings for the current financial year.

Barring any unforeseen factors especially with regards to the fluctuations of the Ringgit and Chinese Yuan against the Group's major trading currencies, the Board and Management is optimistic of the Group's performance for financial year 2016.

### **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 2015 RM'000	Cumulative year- to-date RM'000
Current year – Malaysian income tax	1,098	5,232
Current year – Foreign income tax	(139)	195
Deferred Taxation	110	110
Total income tax expense	<b>1,069</b>	<b>5,537</b>



**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 2015.

**7. Purchase/disposal of Quoted Securities**

There were no purchase and/or disposal of quoted securities for the current quarter ended 31 December 2015.

**8. Status of Corporate Proposals**

There were no corporate proposals not announced or outstanding as at 31 December 2015.

**9. Group Borrowings and Debt Securities**

	As at 31 December 2015		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term borrowings including trade financing	2,987	22,183	25,170
Term Loans	-	57,077	57,077
	<b>2,987</b>	<b>79,260</b>	<b>82,247</b>

**10. Financial Instruments Risks**

As at 31 December 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)	91	395	393	January - March 2016
Euro (EUR)	7	28	31	January - March 2016
		<b>423</b>	<b>424</b>	

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 31 December 2015.





## 12. Disclosure of Realised and Unrealised Profits/Losses

Group	Current period ended 31 December 2015 RM'000	Period ended 31 December 2014 RM'000
Total retained profits/(loss):		
- Realised	48,784	44,782
- Unrealised	2,101	(1,829)
	<b>50,885</b>	<b>42,953</b>

## 13. Dividend Payable

No dividend is proposed for the current quarter ended 31 December 2015.

## 14. Earnings per Share ("EPS")

		Cumulative Year-to-Date ended 31 December 2015	Cumulative Year-to-Date ended 31 December 2014
Comprehensive income attributable to ordinary shareholders of the Company	RM'000	14,777	10,134
Weighted average number of ordinary shares in issue	Shares	227,814,067	227,308,950
<b>Basic EPS</b>	<b>sen</b>	<b>6.57</b>	<b>4.46</b>

## 15. Authorisation for Issue

The interim financial statements and explanatory notes were authorised for issue by the Board of Directors on 25 February 2016.

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

25 February 2016