

UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The Company was incorporated on 3 August 2005 and listed on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 November 2006.

1 (a) (i) An income statement and statement of comprehensive income, (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

| | Group | | | Group | | |
|-------------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------------------|
| | 4Q2017 | 4Q2016 | Increase / (decrease) | FY2017 | FY2016 | Increase / (decrease) |
| | 1 Oct 2017 to 31 Dec 2017 | 1 Oct 2016 to 31 Dec 2016 | | 1 Jan 2017 to 31 Dec 2017 | 1 Jan 2016 to 31 Dec 2016 | |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Revenue | 210,694 | 183,035 | 15.1% | 817,438 | 654,863 | 24.8% |
| Cost of sales | (159,200) | (134,807) | 18.1% | (619,681) | (481,697) | 28.6% |
| Gross profit | 51,494 | 48,228 | 6.8% | 197,757 | 173,166 | 14.2% |
| Other income | 2,187 | 752 | 190.8% | 4,285 | 1,842 | 132.6% |
| Selling and distribution expenses | (4,068) | (4,430) | (8.2%) | (14,977) | (15,454) | (3.1%) |
| General and administrative expenses | (6,396) | (5,076) | 26.0% | (25,051) | (21,285) | 17.7% |
| Other operating (expenses)/ income | (2,685) # | 1,973 # | (236.1%) | (10,164) # | 580 # | N/M |
| Finance costs | (266) | (1) | N/M | (1,023) | (1) | N/M |
| Profit before taxation | 40,266 | 41,446 | (2.8%) | 150,827 | 138,848 | 8.6% |
| Income tax expense | (6,040) | (5,404) | 11.8% | (21,540) | (18,495) | 16.5% |
| Profit after taxation | 34,226 | 36,042 | (5.0%) | 129,287 | 120,353 | 7.4% |
| Profit attributable to: | | | | | | |
| Equity holders of the Company | 34,226 | 36,043 | (5.0%) | 129,287 | 120,353 | 7.4% |
| Non-controlling interests | - * | (1) | (100.0%) | - * | - * | N/M |
| | 34,226 | 36,042 | | 129,287 | 120,353 | |

Consolidated Statement of Comprehensive Income

| | Group | | | Group | | |
|--|------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------------------|
| | 4Q2017 | 4Q2016 | Increase / (decrease) | FY2017 | FY2016 | Increase / (decrease) |
| | 1 Oct 2017 to 31 Dec 2017 | 1 Oct 2016 to 31 Dec 2016 | | 1 Jan 2017 to 31 Dec 2017 | 1 Jan 2016 to 31 Dec 2016 | |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Profit after taxation | 34,226 | 36,042 | (5.0%) | 129,287 | 120,353 | 7.4% |
| Other comprehensive income: | | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Foreign currency translation (loss) / gain | (1,686) | 3,143 | (153.6%) | (1,404) | 1,191 | (217.9%) |
| Total comprehensive income | 32,540 | 39,185 | (17.0%) | 127,883 | 121,544 | 5.2% |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | 32,540 | 39,186 | (17.0%) | 127,883 | 121,544 | 5.2% |
| Non-controlling interests | - * | (1) | (100.0%) | - * | - * | N/M |
| | 32,540 | 39,185 | | 127,883 | 121,544 | |

1 (a) (ii) The net profit attributable to shareholders includes the following (charges)/credits:

| | Group | | | Group | | |
|---|------------------------------|------------------------------|--------------------------|------------------------------|------------------------------|--------------------------|
| | 4Q2017 | 4Q2016 | Increase / (decrease) | FY2017 | FY2016 | Increase / (decrease) |
| | 1 Oct 2017 to 31 Dec 2017 | 1 Oct 2016 to 31 Dec 2016 | | 1 Jan 2017 to 31 Dec 2017 | 1 Jan 2016 to 31 Dec 2016 | |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Depreciation of property, plant and equipment | (9,403) | (8,249) | 14.0% | (34,549) | (29,896) | 15.6% |
| Net foreign exchange (loss)/ gain | (2,808) # | 6,072 # | (146.2%) | (12,988) # | 9,281 # | (239.9%) |
| Trade receivables written off | - | (3) | (100.0%) | - | (5) | (100.0%) |
| Trade receivables recovered | - | - | N/M | 3 | - | N/M |
| Property, plant and equipment written off | (5) | (47) | (89.4%) | (14) | (91) | (84.6%) |
| (Loss)/ gain on disposal of property, plant and equipment | (41) | 17 | (341.2%) | 76 | 147 | (48.3%) |
| Fair value gain/ (loss) on derivatives | 1,042 # | (2,998) # | (134.8%) | 6,738 # | (4,702) # | (243.3%) |
| Research and development expenses | (616) | (868) | (29.0%) | (2,804) | (2,898) | (3.2%) |
| Interest income from bank balances | 567 | 177 | 220.3% | 2,153 | 802 | 168.5% |
| Interest on bank borrowings | (266) | (1) | N/M | (1,023) | (1) | N/M |
| Over/ (under) provision of income tax | - | 620 | (100.0%) | (45) | 1,376 | (103.3%) |
| Over/ (under) provision of deferred tax | 666 | (48) | N/M | 666 | (48) | N/M |

N/M Not Meaningful

* Denote amount less than RM500

The net foreign exchange (loss)/ gain and fair value gain/ (loss) on derivatives have been included in other operating (expenses)/ income

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1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|---|-----------------|-----------------|-----------------|-----------------|
| | As at | As at | As at | As at |
| | 31.12.17 | 31.12.16 | 31.12.17 | 31.12.16 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 419,845 | 336,662 | - | - |
| Investments in subsidiary companies | - | - | 199,486 | 203,581 |
| Deferred tax asset | 9,737 | 8,521 | - | - |
| | <u>429,582</u> | <u>345,183</u> | <u>199,486</u> | <u>203,581</u> |
| Current assets | | | | |
| Inventories | 71,131 | 66,978 | - | - |
| Trade receivables | 144,836 | 140,329 | - | - |
| Other receivables | 15,418 | 9,238 | 23,337 | - |
| Prepayments | 2,414 | 1,710 | 27 | 27 |
| Tax recoverable | 973 | 973 | - | - |
| Derivatives | 2,101 | - | - | - |
| Fixed deposits | 29,459 | 43,983 | 8,926 | 37,835 |
| Cash at banks and in hand | 84,791 | 59,212 | 11,627 | 4,610 |
| | <u>351,123</u> | <u>322,423</u> | <u>43,917</u> | <u>42,472</u> |
| Current liabilities | | | | |
| Payables and accruals | 101,723 | 90,505 | 330 | 306 |
| Bank borrowings (secured) | 6,000 | - | - | - |
| Derivatives | - | 4,635 | - | - |
| Provision for taxation | 8,447 | 5,287 | 6 | 6 |
| | <u>116,170</u> | <u>100,427</u> | <u>336</u> | <u>312</u> |
| Net current assets | <u>234,953</u> | <u>221,996</u> | <u>43,581</u> | <u>42,160</u> |
| Non-current liabilities | | | | |
| Bank borrowings (secured) | 19,000 | - | - | - |
| Employee benefit obligations | 239 | - | - | - |
| Deferred tax liabilities | 11,001 | 12,671 | - | - |
| | <u>30,240</u> | <u>12,671</u> | <u>-</u> | <u>-</u> |
| Net assets | <u>634,295</u> | <u>554,508</u> | <u>243,067</u> | <u>245,741</u> |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 156,337 | 156,337 | 156,337 | 156,337 |
| Treasury shares | (815) | (815) | (815) | (815) |
| Reserves | 478,768 | 398,981 | 87,545 | 90,219 |
| | <u>634,290</u> | <u>554,503</u> | <u>243,067</u> | <u>245,741</u> |
| Non-controlling interests | 5 | 5 | - | - |
| Total equity | <u>634,295</u> | <u>554,508</u> | <u>243,067</u> | <u>245,741</u> |

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1 (b) (ii) Aggregate amount of group's borrowings and debt securities

| | Group | |
|---|---------------------------|---------------------------|
| | As at 31.12.17 | As at 31.12.16 |
| | RM'000 | RM'000 |
| Amount repayable in one year or less, or on demand | | |
| Bank borrowings (secured) | <u>6,000</u> | - |
| | <u>6,000</u> | - |
| Amount repayable after one year | | |
| Bank borrowings (secured) | <u>19,000</u> | - |
| | <u>19,000</u> | - |

The bank borrowings were secured by a corporate guarantee of the Company and a charge over a piece of leasehold land and buildings.

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1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group | | Group | |
|---|--|--|--|--|
| | 4Q2017 1 Oct 2017 to 31 Dec 2017 | 4Q2016 1 Oct 2016 to 31 Dec 2016 | FY2017 1 Jan 2017 to 31 Dec 2017 | FY2016 1 Jan 2016 to 31 Dec 2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash flows from operating activities | | | | |
| Profit before taxation | 40,266 | 41,446 | 150,827 | 138,848 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 9,403 | 8,249 | 34,549 | 29,896 |
| Property, plant and equipment written off | 5 | 47 | 14 | 91 |
| Loss/ (gain) on disposal of property, plant and equipment | 41 | (17) | (76) | (147) |
| Fair value (gain)/ loss on derivatives | (1,042) | 2,998 | (6,738) | 4,702 |
| Trade receivables written off | - | 3 | - | 5 |
| Interest expense | 266 | 1 | 1,023 | 1 |
| Interest income | (567) | (177) | (2,153) | (802) |
| Operating cash flows before working capital changes | 48,372 | 52,550 | 177,446 | 172,594 |
| Increase in inventories | (3,089) | (6,731) | (4,153) | (5,815) |
| Increase in receivables and prepayments | (34,346) | (29,846) | (11,391) | (42,221) |
| Increase in payables and accruals | 2,602 | 19,996 | 3,678 | 16,239 |
| Increase in employee benefit obligations | 239 | - | 239 | - |
| Cash flows from operations | 13,778 | 35,969 | 165,819 | 140,797 |
| Income tax paid | (5,133) | (5,427) | (21,266) | (22,628) |
| Interest paid | (266) | (1) | (1,023) | (1) |
| Interest received | 567 | 177 | 2,153 | 802 |
| Net cash flows from operating activities | 8,946 | 30,718 | 145,683 | 118,970 |
| Cash flows from investing activities | | | | |
| Proceeds from disposal of property, plant and equipment | 36 | 16 | 1,023 | 646 |
| Purchase of property, plant and equipment | (21,096) | (30,410) | (111,291) | (94,930) |
| Installments paid for purchase of land | - | - | - | (2,293) |
| Net cash flows used in investing activities | (21,060) | (30,394) | (110,268) | (96,577) |
| Cash flows from financing activities | | | | |
| Proceeds from term loans | - | - | 30,000 | - |
| Repayment of bank borrowings | (1,500) | - | (5,000) | - |
| Dividends paid | (9,634) | (9,634) | (48,096) | (48,541) |
| Net cash flows used in financing activities | (11,134) | (9,634) | (23,096) | (48,541) |
| Net (decrease)/ increase in cash and cash equivalents | (23,248) | (9,310) | 12,319 | (26,148) |
| Effect of foreign currency exchange rates | (1,418) | 2,451 | (1,264) | 661 |
| Cash and cash equivalents at beginning of period/ year | 138,916 | 110,054 | 103,195 | 128,682 |
| Cash and cash equivalents at end of period/ year | 114,250 | 103,195 | 114,250 | 103,195 |
| Cash and cash equivalents comprise the followings at end of the financial period/ year | | | | |
| Fixed deposits | 29,459 | 43,983 | 29,459 | 43,983 |
| Cash at banks and in hand | 84,791 | 59,212 | 84,791 | 59,212 |
| Cash and cash equivalent at end of the financial period/ year | 114,250 | 103,195 | 114,250 | 103,195 |

- 1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding year of the immediately preceding financial year.

| GROUP | Share Capital RM'000 | Treasury Shares RM'000 | Retained Earnings RM'000 | Other Reserves RM'000 | Total Reserves RM'000 | Non- controlling Interests RM'000 | Total Equity RM'000 |
|---|-------------------------------------|---------------------------------------|---|--------------------------------------|----------------------------------|--|------------------------------------|
| FY2016 | | | | | | | |
| Balance at 1 January 2016 | 156,337 | (815) | 364,519 | (38,541) | 325,978 | 5 | 481,505 |
| Total comprehensive income for the year | - | - | 120,353 | 1,191 | 121,544 | - * | 121,544 |
| Payment of FY2015 final dividend | - | - | (38,907) | - | (38,907) | - | (38,907) |
| Payment of FY2016 interim dividend | - | - | (9,634) | - | (9,634) | - | (9,634) |
| Balance at 31 December 2016 | 156,337 | (815) | 436,331 | (37,350) | 398,981 | 5 | 554,508 |
| FY2017 | | | | | | | |
| Balance at 1 January 2017 | 156,337 | (815) | 436,331 | (37,350) | 398,981 | 5 | 554,508 |
| Total comprehensive income for the year | - | - | 129,287 | (1,404) | 127,883 | - * | 127,883 |
| Payment of FY2016 final dividend | - | - | (38,462) | - | (38,462) | - | (38,462) |
| Payment of FY2017 interim dividend | - | - | (9,634) | - | (9,634) | - | (9,634) |
| Balance at 31 December 2017 | 156,337 | (815) | 517,522 | (38,754) | 478,768 | 5 | 634,295 |
| 4Q2016 | | | | | | | |
| Balance at 1 October 2016 | 156,337 | (815) | 409,922 | (40,493) | 369,429 | 6 | 524,957 |
| Total comprehensive income for the period | - | - | 36,043 | 3,143 | 39,186 | (1) | 39,185 |
| Payment of FY2016 interim dividend | - | - | (9,634) | - | (9,634) | - | (9,634) |
| Balance at 31 December 2016 | 156,337 | (815) | 436,331 | (37,350) | 398,981 | 5 | 554,508 |
| 4Q2017 | | | | | | | |
| Balance at 1 October 2017 | 156,337 | (815) | 492,930 | (37,068) | 455,862 | 5 | 611,389 |
| Total comprehensive income for the period | - | - | 34,226 | (1,686) | 32,540 | - | 32,540 |
| Payment of FY2017 interim dividend | - | - | (9,634) | - | (9,634) | - | (9,634) |
| Balance at 31 December 2017 | 156,337 | (815) | 517,522 | (38,754) | 478,768 | 5 | 634,295 |

* Denote amount less than RM500

| | Share Capital RM'000 | Treasury Shares RM'000 | Retained Earnings RM'000 | Other Reserves RM'000 | Total Reserves RM'000 | Total Equity RM'000 |
|---|----------------------------|------------------------------|--------------------------------|-----------------------------|--------------------------|------------------------|
| <u>COMPANY</u> | | | | | | |
| FY2016 | | | | | | |
| Balance at 1 January 2016 | 156,337 | (815) | 41,267 | 46,647 | 87,914 | 243,436 |
| Total comprehensive income for the year | - | - | 47,827 | 3,019 | 50,846 | 50,846 |
| Payment of FY2015 final dividend | - | - | (38,907) | - | (38,907) | (38,907) |
| Payment of FY2016 interim dividend | - | - | (9,634) | - | (9,634) | (9,634) |
| Balance at 31 December 2016 | 156,337 | (815) | 40,553 | 49,666 | 90,219 | 245,741 |
| FY2017 | | | | | | |
| Balance at 1 January 2017 | 156,337 | (815) | 40,553 | 49,666 | 90,219 | 245,741 |
| Total comprehensive income for the year | - | - | 49,782 | (4,360) | 45,422 | 45,422 |
| Payment of FY2016 final dividend | - | - | (38,462) | - | (38,462) | (38,462) |
| Payment of FY2017 interim dividend | - | - | (9,634) | - | (9,634) | (9,634) |
| Balance at 31 December 2017 | 156,337 | (815) | 42,239 | 45,306 | 87,545 | 243,067 |
| 4Q2016 | | | | | | |
| Balance at 1 October 2016 | 156,337 | (815) | 12,588 | 45,224 | 57,812 | 213,334 |
| Total comprehensive income for the period | - | - | 37,599 | 4,442 | 42,041 | 42,041 |
| Payment of FY2016 interim dividend | - | - | (9,634) | - | (9,634) | (9,634) |
| Balance at 31 December 2016 | 156,337 | (815) | 40,553 | 49,666 | 90,219 | 245,741 |
| 4Q2017 | | | | | | |
| Balance at 1 October 2017 | 156,337 | (815) | 20,233 | 50,428 | 70,661 | 226,183 |
| Total comprehensive income for the period | - | - | 31,640 | (5,122) | 26,518 | 26,518 |
| Payment of FY2017 interim dividend | - | - | (9,634) | - | (9,634) | (9,634) |
| Balance at 31 December 2017 | 156,337 | (815) | 42,239 | 45,306 | 87,545 | 243,067 |

- 1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

| Share capital | Number of shares | Share Capital RM'000 |
|---------------------------|---------------------|-------------------------|
| Issued and fully paid up: | | |
| As at 31 December 2016 | <u>742,452,050</u> | <u>156,337</u> |
| As at 31 December 2017 | <u>742,452,050</u> | <u>156,337</u> |

As at 31 December 2017, the Company held 1,368,000 of its issued shares as treasury shares (31 December 2016: 1,368,000).

Other than the above mentioned, the Company does not have any outstanding share convertibles at the end of the financial period under review.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

| | As at 31.12.17 | As at 31.12.16 |
|---|--------------------|--------------------|
| Total number of issued shares | 742,452,050 | 742,452,050 |
| Less: Treasury shares | <u>(1,368,000)</u> | <u>(1,368,000)</u> |
| Total number of issued shares excluding treasury shares | <u>741,084,050</u> | <u>741,084,050</u> |

- 1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/ or use of treasury shares during the current financial period reported on.

- 1 (d) (v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as explained in note 5, the Group and the Company have applied the same accounting policies and method of computation applied in the financial statements for the current reporting period as those adopted in the most recently audited consolidated financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new and revised FRSs is assessed to have no material impact to the results of the Group and the Company for the financial year ended 31 December 2017.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

| | Group | |
|--|-----------------|-----------------|
| | 31.12.17 | 31.12.16 |
| Earnings per share ("EPS") in sen (RM) | | |
| a) Basic | 17.45 | 16.24 |
| b) On a fully diluted basis | 17.45 | 16.24 |

Earnings per share for the financial year ended 31 December 2017 is calculated based on profit from ordinary activities after taxation of RM129.3 million divided by weighted average of 741.1 million number of ordinary shares in issue. As for comparative, earnings per share for the financial year ended 31 December 2016 is calculated based on profit from ordinary activities after taxation of RM120.4 million divided by weighted average of 741.1 million number of ordinary shares in issue.

As there were no share options and other potential issuance granted, the basic and fully diluted earnings per share are the same.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
- (b) immediately preceding financial year.

| | Group | | Company | |
|---------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | As at 31.12.17 | As at 31.12.16 | As at 31.12.17 | As at 31.12.16 |
| Net asset per share in sen (RM) | 85.59 | 74.82 | 32.80 | 33.16 |

The Group and Company net asset backing per ordinary share as at 31 December 2017 and 31 December 2016 are calculated based on 741.1 million ordinary shares in issue excluding treasury shares.

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

a) INCOME STATEMENT REVIEW

For the FY2017, the Group achieved RM817.4 million in total revenue, a 24.8% increase as compared to RM654.9 million in FY2016. Cost of sales increased to RM619.7 million in FY2017 in line with increase in total revenue. The Group's gross profit increased by 14.2% from RM173.2 million in FY2016 to RM197.8 million in FY2017. The Group's gross profit margin came down from 26.4% to 24.2% due to drop of average selling price for healthcare gloves and change in product mix.

For 4Q2017, the Group's total revenue rose by 15.1% from RM183.0 million in 4Q2016 to RM210.7 million. Cost of sales increased to RM159.2 million in 4Q2017 and increase the gross profit by 6.8% from RM48.2 million to RM51.5 million.

The Group's other income increased to RM4.3 million in FY2017 mainly due to higher interest income and insurance claim.

Selling and distribution expenses decreased by RM0.5 million year-on-year (yoy) to RM15.0 million in FY2017 was mainly due to reduction in marketing expenses.

General and administrative expenses increased by 17.7% to RM25.1 million in FY2017 mainly due to increase expenditure in staff benefits.

Other operating expenses was at RM10.2 million in FY2017, increased by RM10.7 million yoy. The increase in other operating expenses was mainly due to the net foreign exchange loss of RM13.0 million that was partly offset by a fair value gain of RM6.7 million on derivatives.

The Group's effective tax rate was at 14.3% due to availability of tax incentive. Income tax expenses increased to RM21.5 million as a result of higher taxable income.

Overall yoy in FY2017, the Group's profit before tax and profit after tax recorded at RM150.8 million and RM129.3 million respectively.

b) BALANCE SHEET REVIEW

As at 31 December 2017, non-current assets which consist of Property, plant and equipment (PPE) and deferred tax asset, increased to RM429.6 million from RM345.2 million. PPE increased to RM419.8 million from RM336.7 million mainly on acquisition amounted to RM111.3 million coupled with foreign exchange adjustment of RM0.1 million offset by the depreciation charge and PPE written off/ disposal of RM34.6 million and RM1.0 million respectively. The deferred tax asset increased to RM9.7 million mainly due to the availability of reinvestment allowances.

Trade receivables and inventories increased from RM140.3 million to RM144.8 million and from RM67.0 million to RM71.1 million as at 31 December 2017 mainly due to increase in sales and higher production volume. Other receivables increased to RM15.4 million as at 31 December 2017 from RM9.2 million contributed by Goods and Services Tax refundable. On the other hand, Prepayments increased from RM1.7 million to RM2.4 million as at 31 December 2017 mainly due to prepayment of Malaysian government levy for foreign workers.

Cash and cash equivalents increased to RM114.3 million as at 31 December 2017 from RM103.2 million as at 31 December 2016. For FY2017, the Group generated RM165.8 million in net cash flows from operating activities and net cash flows used in investing activities amounted to RM110.3 million were mainly for the purchase of PPE. The Group has net cash flows used in financing activities in FY2017 amounted to RM23.1 million for the repayment of bank borrowings and payment of dividends.

Current liabilities increased to RM116.2 million as at 31 December 2017 from RM100.4 million as at 31 December 2016. This mainly due to higher payables and accruals from RM90.5 million as at 31 December 2016 to RM101.7 million as at 31 December 2017 coupled with bank borrowings of RM6.0 million and offset by a reduction of derivatives (liabilities) at RM4.6 million to derivatives (assets) at RM2.1 million. Provision for taxation was RM8.4 million as at 31 December 2017, increased from RM5.3 million as at 31 December 2016.

Non-current liabilities increased to RM30.2 million as at 31 December 2017 from RM12.7 million due to bank borrowings of RM19.0 million, employee benefit obligations of RM0.2 million coupled with lower deferred tax liabilities of RM11.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

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- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group has completed the phase 4 expansion plan in Taiping, Perak, Malaysia. As of December 2017, our Group has a total annual production capacity of 7.6 billion gloves.

The Group has announced on the undertaking of phase 5 expansion plan which will add 1.4 billion gloves bringing the total annual production capacity to 9.0 billion gloves by the end of December 2018. In addition, the Group has plans to add another 1.4 billion pieces of gloves by the end of 2019 as Phase 6, giving the Group a total annual production capacity of 10.4 billion pieces of gloves. Further details will be announced in due course.

The foreign currency fluctuations particularly in US Dollars, volatile raw material prices, increase in overall production costs and competition from the other glove manufacturers remain challenging for the Group.

- 11. If a decision regarding dividend has been made:-**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

Yes. A proposed final tax exempt (one-tier) dividend of 5.70 sen (RM) per ordinary share will be recommended for shareholders' approval at the forthcoming Annual General Meeting.

PROPOSED FINAL DIVIDEND:-

| | |
|------------------------------------|----------------------------------|
| Name of Dividend | Final Tax Exempt Dividend |
| Dividend Type | Cash |
| Dividend amount per Share (in sen) | 5.70 sen (RM) per ordinary share |
| Tax Rate | Tax-exempt one-tier |

DIVIDEND PAID:-

| | |
|------------------------------------|----------------------------------|
| Name of Dividend | Interim Tax Exempt Dividend |
| Dividend Type | Cash |
| Dividend amount per Share (in sen) | 1.30 sen (RM) per ordinary share |
| Tax Rate | Tax-exempt one-tier |

- (b) Corresponding period of the immediately preceding financial year**

Yes

| | |
|------------------------------------|----------------------------------|
| Name of Dividend | Interim Tax Exempt Dividend |
| Dividend Type | Cash |
| Dividend amount per Share (in sen) | 1.30 sen (RM) per ordinary share |
| Tax Rate | Tax-exempt one-tier |

| | |
|------------------------------------|----------------------------------|
| Name of Dividend | Final Tax Exempt Dividend |
| Dividend Type | Cash |
| Dividend amount per Share (in sen) | 5.19 sen (RM) per ordinary share |
| Tax Rate | Tax-exempt one-tier |

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The dividend will be a one-tier tax exempt dividend and will not be taxable in the hands of shareholders in Singapore.

- (d) The date the dividend is payable.**

To be determined

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

To be determined

- 12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable

- 13. If the group has obtained a general mandate from shareholders for Interested Parties Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have an Interested Person Transactions mandate.

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14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By Geographical Segments (based on location of assets)

| | Malaysia | | Thailand | | China | | Others | | Eliminations | | Total | |
|------------------------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|------------------|------------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue: | | | | | | | | | | | | |
| External | 748,263 | 595,611 | 33,064 | 29,874 | 31,674 | 26,717 | 4,437 | 2,661 | - | - | 817,438 | 654,863 |
| Inter segment | 190,190 | 129,190 | 44,687 | 43,926 | - | - | 53,470 | 50,187 | (288,347) | (223,303) | - | - |
| Total revenue | <u>938,453</u> | <u>724,801</u> | <u>77,751</u> | <u>73,800</u> | <u>31,674</u> | <u>26,717</u> | <u>57,907</u> | <u>52,848</u> | <u>(288,347)</u> | <u>(223,303)</u> | <u>817,438</u> | <u>654,863</u> |
| Results: | | | | | | | | | | | | |
| Segment result | 131,610 | 115,961 | 23,116 | 26,715 | 642 | (1,576) | 51,979 | 48,644 | (55,497) | (50,896) | 151,850 | 138,848 |
| Finance costs | (4,009) | (1) | - | - | - | - | - | - | 2,986 | - | (1,023) | (1) |
| Profit before taxation | 127,601 | 115,960 | 23,116 | 26,715 | 642 | (1,576) | 51,979 | 48,644 | (52,511) | (50,896) | 150,827 | 138,847 |
| Taxation | (16,961) | (13,801) | (2,326) | (2,549) | - | - | (1,944) | (853) | (309) | (1,291) | (21,540) | (18,494) |
| Profit for the year | <u>110,640</u> | <u>102,159</u> | <u>20,790</u> | <u>24,166</u> | <u>642</u> | <u>(1,576)</u> | <u>50,035</u> | <u>47,791</u> | <u>(52,820)</u> | <u>(52,187)</u> | <u>129,287</u> | <u>120,353</u> |

By Geographical Segments (based on location of customers)

| | Sales to external customers | |
|--------------------------------|-----------------------------|----------------|
| | 2017 | 2016 |
| | RM'000 | RM'000 |
| Malaysia | 153,779 | 136,175 |
| Thailand | 42,614 | 36,962 |
| Greater China | 55,196 | 48,330 |
| Other parts of South East Asia | 60,133 | 35,908 |
| Other parts of Asia | 66,166 | 50,939 |
| Europe | 274,979 | 226,545 |
| United States of America | 158,564 | 110,359 |
| Rest of the world | 6,007 | 9,645 |
| | <u>817,438</u> | <u>654,863</u> |

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to Paragraph 8.

16. A breakdown of sales as follows:-

| | Group | |
|---|----------------------------------|----------------------------------|
| | Year Ended 31.12.17 RM'000 | Year Ended 31.12.16 RM'000 |
| (a) Sales reported for first half year | 418,935 | 304,857 |
| (b) Operating profit after tax before deducting non-controlling interests reported for first half year | 60,717 | 54,485 |
| (c) Sales reported for second half year | 398,503 | 350,006 |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year | 68,570 | 65,868 |

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

| | Company | |
|--|----------------------------------|----------------------------------|
| | Year Ended 31.12.17 RM'000 | Year Ended 31.12.16 RM'000 |
| Ordinary | | |
| - final dividend of FY2015 paid by the Company | - | 38,907 |
| - Interim dividend of FY2016 paid by the Company | - | 9,634 |
| - final dividend of FY2016 paid by the Company | 38,462 | - |
| - Interim dividend of FY2017 paid by the Company | 9,634 | - |
| Preference | - | - |
| Total | 48,096 | 48,541 |

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family Relationship with any Director and/or Substantial Shareholder | Current position and duties, and the year position was first held | Details of changes in duties and position held, if any, during the year |
|-----------------|-----|--|---|---|
| Wong Teek Son | 56 | Brother of Mr Wong Teek Choon, who is the Executive Director and substantial shareholder of the Company | <p><u>Current position</u> Executive Chairman, Chief Executive Officer of the Group since 3 August 2005</p> <p><u>Duties</u> Responsible for developing and formulating the business strategies and manages the day-to-day operations of the Group</p> | No changes in duties and position |
| Wong Teek Choon | 44 | Brother of Mr Wong Teek Son, who is the Executive Chairman, Chief Executive Officer and substantial shareholder of the Company | <p><u>Current position</u> Executive Director of the Company and the Group's Business Development Manager</p> <p><u>Duties</u> Responsible for the production of cleanroom finger cots and exploring business development opportunities for the Group</p> | No changes in duties and position |

19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under SGX Listing Rule 720(1)

The Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

WONG TEEK SON
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

22 FEBRUARY 2018

This release may contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.