

BIOMAX RUBBER INDUSTRIES LTD

ARBN 603 577 171

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 2015

CONTENTS

Corporate Governance Statement

Director's Report

Remuneration Report

Independent Audit Report

Consolidated Statement of Financial Position

Consolidated statement of Comprehensive Income

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Notes to the Financial Statements

Stock Exchange Information

Corporate Directory

DIRECTORS GOVERNANCE STATEMENT

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to governance policies with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below:

Director's Access to Independent Advice

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

Audit Board and Risk

The Board meets with the external auditors at least once a year. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and listing with the external auditor.

Remuneration and Management Succession Planning Committee

The Board in fulfilling its responsibilities to shareholders by:

- Reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- Ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- Maintaining a Board that has an appropriate mix of skills and experience to be an effective decision making body; and
- Ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

DIRECTOR'S REPORT

Your directors present their report on the Company for the financial period ended 31 December 2015

Directors

The names of directors in office at any time during or since the end of the period are:

Chong wee Chong

Yang Zeng Hui

Lynda Milligan Whyte

Arthur Hodgson

Mr Chong has been a director from incorporation on 27 February 2013 and continued until the date of this report.

Mr Hui has been a director from incorporation on 27 February 2013 and continued until the date of this report.

Ms Whyte has been a director from incorporation on 27 February 2013 and continued until the date of this report.

Mr Hodgson has been a director from incorporation on 27 February 2013 and continued until the date of this report.

Company Secretary

The position of company secretary from 27 February 2013 has been held by both Richmond Corporate Services Ltd and Andrew David Bristow.

Principle Activities

The principle activity of the Company and its Subsidiary is manufacture of medical equipment.

Our business model and objectives

The Company proposes to generate future income by continuing to manufacture medical equipment.

The Company proposes to fund these investments by additional capital.

Operating Results

The Company incurred a net operating loss for the period of US\$4,079.

Dividends Paid or Recommended

No dividends have been paid since the date of incorporation and the directors do not recommend the payment of a dividend.

Review of Operations

Biomax Rubber Industries Ltd was incorporated in Bermuda on 27 February 2013 for the purpose of effecting a merger with a wholly-owned subsidiary, Biomax Rubber Industries Sdn. Bhd., a company incorporated under the laws of Malaysia Biomax Rubber Industries Sdn Bhd., which operates as the marketing arm of the group. The merger with its subsidiaries was completed in 20 March 2013. However, the Company was listed on the Bermuda Stock Exchange ("BSX") on 21 June 2014. However, the Company has changed the stock exchange it is listed on the National Stock Exchange of Australia ("NSX") on 19 September 2015. Biomax Rubber Industries Sdn. Bhd. Continued as a manufacturer of medical or examination gloves in Malaysia. It manufactures premium non-sterile latex medical or examination gloves, pre-powered, polymer coated and chlorinated powder free gloves for the health industry. Biomax's products are exported to the more than twenty countries including the United State of America, Vietnam, China, India, Australia and European and Middle East countries.

Financial Position

The net assets of the Company during the financial period other than those disclosed elsewhere in this report.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Company during the financial period other than those disclosed elsewhere in this report.

After Balance Date Events

There have been no events that have affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future since the Balance Date.

Future Developments and Business Strategies

The Company will pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may from time to time require some changes to that strategy.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under the law of the Australia or elsewhere.

DIRECTORS' REPORT

Information on Directors

Chong Wee Wong

-Executive Director, Chairman.

Board member from 27 February 2013 to date. Qualification and Experience

Mr Chong was the Chief Executive Officer / Executive Director of CVM Minerals Limited and CVM magnesium Sdn Bhd. CVM Minerals Limited is a company listed in Hong Kong Stock Exchange with main business in mining & mineral sectors. He initiated this magnesium smelting project in 2004, and completed its IPO exercise in 2008, and the plant was fully operational in 2010.

He worked with INNOVEST Berhad in 2000 as Director of Operations managing company's businesses and reported business performance to the Board. He was the General Manager at FACB Berhad in 1006 where he gained extensive China business experiences while he completed the construction and acquisition of 2 toll highway projects in China.

He also worked with Blue Cross of California as actuarial associate in Woodland Hill, a healthcare insurance company, from 1990 to 1992 and participated in the US Ministry of Health's healthcare reform study and Ministry of Defense's healthcare plan for uniform servicemen and women in 1990. He joined Penncorp financial (incorporated in Santa Monica), a financial company with business in life and A&H insurance and annuity financial products, as Actuarial Analyst upon graduation in 1987.

He earned a Master of Science degree in 1987 from University of Iowa (USA) majoring in Actuarial Science and Statistics, and a Bachelor of Science degree from the same university majoring in Actuarial Science in 1986. He currently is a member of the Financial Planning Association Malaysia.

He has been involved in mega project development and implementation, and has a wide experience in developing business & project models, financial models, project financing, risk assessment, overall strategic planning and management for such projects.

Interest in Shares and Options

1,861,557 CDIs

Preference Shares

Special Responsibilities

Nil

Directorships held in other listed Entities

Nil

Yang Zeng Hui

Executive Director, CEO

Board member from 27 February 2013 to date

Mr Yang, is Executive Director and Chief Executive Officer of Biomax Rubber Industries. In 2010, he recognised the potential of the rubber glove industry and decided to come over from China to Malaysia and formed Biomax Rubber Industries Sdn Bhd to manufacture latex ME gloves. He has been instrumental in the growth and development of the company and has been the key driving force in the expansion of the factory from the initial two production lines to four production lines. Mr Yang is currently responsible for the overall business, strategic planning and the entire operation of the company. His overall management has contributed significantly to the success and growth of the company.

His involvement in the glove industry has started since 2004 as he and his Malaysian partner had incorporated Tian Mao Sdn Bdn as a trading company by buying gloves in bulk, improving the quality and thereafter selling the gloves to its customer in China. Due to his close relationship with the private and government sector in China, he also managed to trade palm oil waste and SMR20 and import these products to China.

In 2005, he joined Guang yuan Constructions Ltd Co. as General Manager, which he and his team undertook several road construction, property development and government office construction projects in China. He went back to China to join TaiHeLi Ltd. Co as Marketing Assistant where he assisted the company in promoting chemical products. During his tenure in TaiHeLi, he successfully secured an exclusive dealership with Singaporean firm to distribute their pain product in China.

He persued an Accounting course in Kolej Damansara utama (KDU) Malaysia in 2008, which was a twining programme with University of Murdoch, Australia

Interest in Shares and Options

2,792,336 CDI's

Special Responsibilities

Nil

Directorships held in other listed Entities

Nil

Arthur Hodgson

Non-Executive Director

Board member from 27 February 2013 to date

Qualification and Experience

My Hodgson has been a scholar, an educator, real estate and business developer and politician. As a former Member of the Bermuda Parliament, a former Cabinet Minister, a Bermuda Rhodes Scholar and commercial lawyer with nearly 25 years' experience practicing law in Bermuda, he brings depth and practical experience to the Bermuda legal profession in dealing with property law, private client matters, regulatory and commercial matters generally.

Mr Hodgson's academic background has taken him to the USA, UK and the Caribbean. Mr Hodgson became a Bermuda Rhodes Scholar upon graduating from the Berkeley Institute.

He then graduated from Michigan State University where he received a Bachelor's Degree in Economics in 1962. He then earned the distinction of being selected as a 'Rhodes Scholar' from Bermuda in 1964 and graduated from Oxford University in England where he studied Philosophy, Politics and Economics. He also holds a degree in Education from the University of Guyana (1977)

Mr Hodgson studied law at the University of Buckingham in the UK, where he was awarded a Bachelor of Laws Degree. He attended the Middle Temple in London and was admitted to the Bar of England and Wales and to the Bermuda Bar in 1987.

Mr Hodgson commenced his legal career in Bermuda with the law firm Richards, Francis and Francis where he became a partner. He has served on the Bermuda Bench where he served primarily as a Magistrate in the Family Court. He subsequently established a boutique firm called Richmond Lw Offices to do legal consulting work and now practices with APEX LAW GROUP LTD. Barristers & Attorneys, which firm resulted from the merger of two Bermuda law firms (Richmond Law Offices and Lynda Milligan-Whyte & Associates).

Mr Hodgson has served as the Minister of the Environment and more recently as Chairman of a Bermuda Government's Round Table on 'Sustainable Development'. He is presently serving as the Chairman of the Hamilton parish Council and the Chairman of the Bermuda Missions Trust.

Interest in Shares and Options

Nil

Special Responsibilities

Nil

Directorships held in other listed Entities

Nil

Lynda Milligan-Whyte

Non-Executive Director

Board member from 27 February 2013 to date

Mrs MilliganOWhyte is a graduate of Queen's University in Ontario, Canada having successfully completed four fegrees at that institution. Lynda's LLB law degree awarded in 1979 was converted to a Juris Doctor degree in 2010. Lynda also served on the Board of Trustees of Queen's University for several years before being appointed to the Bermuda Senate by the Premier of Bermuda in 1986. Mrs MilliganWhyte's corporate legal experience has spanned three decades commencing with her position at the Ontario Securities Commission as Legal Assistant to the Chairman in 1982.

Mrs Milligan-Whyte is the founder and director of APEX LAW GROUP Ltd, an international corporate and commercial law firm that provides a full range of legal services to Bermuda based companies, partnerships and trusts.

Interest in Shares and Options

Nil

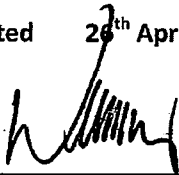
Special Responsibilities

Nil

Directorships held in other listed Entities

Nil

Dated 28th April, 2016



Chong Wee Chong

BIOMAX RUBBER INDUSTRIES LTD.
AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED FINANCIAL STATEMENTS
(Incorporated in the Islands of Bermuda)
(Registration No. 47454)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

BIOMAX RUBBER INDUSTRIES LTD. AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL STATEMENTS
31 DECEMBER 2015

CONTENTS	PAGE
INDEPENDENT AUDITORS' REPORT	1 & 2
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	6 & 7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8 to 18



Y. S. KOH & CO. (AF 0543)
CHARTERED ACCOUNTANTS
91M & 93M, Jalan SS 21/37, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan.

Tel : 03-7725 6088
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GST NO: 000514560000

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIOMAX RUBBER INDUSTRIES LTD. AND ITS SUBSIDIARY COMPANIES

(Incorporated in the Islands of Bermuda)

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **BIOMAX RUBBER INDUSTRIES LTD.**, which comprise the consolidated statements of financial position as at 31 December 2015, and consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 2 to 18.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

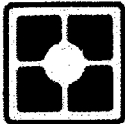
Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, generally accepted in the United States of America. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Y. S. KOH & CO. (AF 0543)

CHARTERED ACCOUNTANTS

91M & 93M, Jalan SS 21/37, Damansara Utama,
47400 Petaling Jaya, Selangor Darul Ehsan.

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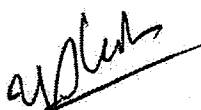
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
BIOMAX RUBBER INDUSTRIES LTD. AND ITS SUBSIDIARY COMPANIES**

(Incorporated in the Islands of Bermuda)

Report on the Financial Statements - (Continued)

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Biomax Rubber Industries Ltd. and its subsidiaries as at 31 December 2015, and of their consolidated financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards.


Y. S. KOH & CO.
Firm Number : AF 0543
Chartered Accountants

Petaling Jaya, Selangor
Date:

28 MAR 2016


KOH YOON SING @ KOH JOON SHIN
Approval Number : 922/03/16(J)
CHARTERED ACCOUNTANT

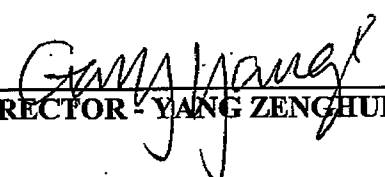


BIOMAX RUBBER INDUSTRIES LTD.

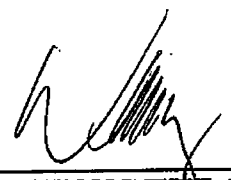
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	NOTE	2015 USD	2014 USD
NON-CURRENT ASSETS			
Property, plant and equipment	3	621,528	669,895
CURRENT ASSETS			
Inventories	4	529,733	455,070
Trade receivables		563,396	264,074
Other receivables, deposits and prepayments	5	235,510	187,441
Cash and bank balances		53,540	108,378
		<u>1,382,179</u>	<u>1,014,963</u>
CURRENT LIABILITIES			
Trade payables		393,290	256,739
Other payables and accruals		598,145	425,043
Amount due to directors	6	14,080	26,989
Hire purchase payables	7	3,997	-
Taxation		33,198	31,300
		<u>1,042,710</u>	<u>740,071</u>
NET CURRENT ASSETS		<u>339,469</u>	<u>274,892</u>
		<u>960,997</u>	<u>944,787</u>
Financed by :-			
SHARE CAPITAL	8	12,000	12,000
RESERVES	9	179,049	183,128
SHAREHOLDERS' FUNDS		<u>191,049</u>	<u>195,128</u>
NON-CONTROLLING INTEREST	10	749,659	749,659
TOTAL EQUITY		<u>940,708</u>	<u>944,787</u>
LONG TERM LIABILITY			
Hire purchase payables	7	20,289	-
		<u>960,997</u>	<u>944,787</u>

Approved and signed on behalf of the Board of Directors :



DIRECTOR - YANG ZENGHUI



DIRECTOR - CHONG WEE CHONG

The attached notes form an integral part of the Consolidated Financial Statements.

BIOMAX RUBBER INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 USD	2014 USD
REVENUE	11	6,333,783	6,645,693
Cost of revenue		(5,875,956)	(6,069,733)
GROSS PROFIT		<u>457,827</u>	<u>575,960</u>
Administration expenses		(144,664)	(124,287)
Distribution expenses		(88,873)	(134,335)
Other operating expenses		(78,849)	(25,206)
Interest expenses		(666)	-
		<u>(313,052)</u>	<u>(283,828)</u>
PROFIT BEFORE OTHER INCOME		<u>144,776</u>	<u>292,132</u>
Other income		10,411	7,324
PROFIT BEFORE TAXATION		<u>155,187</u>	<u>299,456</u>
Taxation	12	(44,365)	(70,481)
PROFIT FOR THE YEAR		<u>110,821</u>	<u>228,975</u>
Other comprehensive (loss)/income for the year		(114,900)	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(4,079)</u>	<u>228,975</u>
EARNINGS PER SHARE			
- BASIC AND DILUTED	13	<u>0.01230</u>	<u>0.02500</u>

The attached notes form an integral part of the Consolidated Financial Statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

5

BIOMAX RUBBER INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	USD 2015	USD 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	155,187	299,456
Adjustment for		
Depreciation	86,119	103,408
Hire purchase interest	666	-
Unrealised loss on foreign exchange	114,900	-
	<u>201,685</u>	<u>103,408</u>
Operating profit before working capital changes	356,872	402,864
Inventories	(182,561)	(151,144)
Trade receivables	(402,009)	185,861
Other receivables and deposits	(92,540)	(181,679)
Trade payables	157,350	(19,831)
Other payables and accruals	236,617	29,263
Amount due to subsidiary	(72,871)	-
Amount due to directors	(6,510)	(74,893)
	<u>(362,524)</u>	<u>(212,423)</u>
Cash (absorbed into)/generated from operating activities	(5,652)	190,441
Tax paid	(35,053)	(82,216)
Net cash (absorbed into)/generated from operating activities	<u>(40,705)</u>	<u>108,225</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,752)	(56,720)
Net cash (absorbed into)/generated from investing activities	<u>(78,457)</u>	<u>51,505</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Inception of hire purchase arrangements	27,949	-
Hire purchase interest paid	(666)	-
Capital element of of hire purchase payables	(3,664)	-
Net cash generate from financing activities	<u>23,619</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(54,838)	51,505
Cash and cash equivalents brought forward	108,378	56,873
Cash and cash equivalents carried forward	<u>53,540</u>	<u>108,378</u>

The attached notes form an integral part of the Consolidated Financial Statements.

BIOMAX RUBBER INDUSTRIES LTD.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015 - (CONTINUED)**

	USD 2015	USD 2014
CASH AND CASH EQUIVALENTS COMPRISE OF :-		
Cash in hand	5,059	4,371
Bank balances	48,481	104,007
	<u>53,540</u>	<u>108,378</u>

The attached notes form an integral part of the Consolidated Financial Statements.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. OPERATIONS

Biomax Rubber Industries Ltd was incorporated in Bermuda on 27 February 2013 for the purpose of effecting a merger with a wholly-owned subsidiary, Biomax Rubber Industries Sdn. Bhd., a company incorporated under the laws of Malaysia. Biomax Rubber Industries Sdn. Bhd. has one direct wholly-owned subsidiary, Biomax Resources Sdn. Bhd., which operates as the marketing arm of the group. The merger with its subsidiaries was completed in 20 March 2013, and the Company was listed on the Bermuda Stock Exchange ("BSX") on 21 June 2013. However, the Company has changed the stock exchange it is listed on to National Stock Exchange of Australia ("NSX") on 19 September 2015. Biomax Rubber Industries Sdn. Bhd. continued as a manufacturer of medical or examination gloves in Malaysia. It manufactures premium non-sterile latex medical or examination gloves, pre-powdered, polymer coated and chlorinated powder free gloves for the healthcare industry. Biomax's products are exported to more than twenty countries including the United State of America, Vietnam, China, India, Australia and European and Middle East countries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The consolidated financial statements are presented in United State dollars ("USD"). In current period, the consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention except as otherwise noted. This is the first time adoption of IFRS by the Group. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

2.2 Basis of consolidation

The consolidated financial statements of Biomax Rubber Industries Ltd includes its 100% owned subsidiaries Biomax Rubber Industries Sdn. Bhd. and Biomax Resources Sdn. Bhd.

The Company has certain transactions originally denominated in foreign currency. These transactions have been translated into United States dollars at the time of the transaction. The foreign currency gain/loss is insignificant. All intercompany balances and transaction have been eliminated in consolidation.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

2.3 Property, Plant & Equipment and Depreciation

Property, plant & equipment are stated at historical cost less accumulated depreciation and impairment losses. Depreciation of property, plant & equipment is calculated on the straight line basis at the following annual rates based on their estimated useful lives:-

	Per Annum
Plant and machinery	10 %
Motor vehicles	10 %
Electrical fittings	10 %
Office equipment	10 %
Furniture and fittings	10 %

Property, plant & equipment are written down to recoverable amount if the recoverable amount is less than their carrying value. Recoverable amount is the higher of an asset's net selling price and its value in use.

2.4 Impairment of Assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying value of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognized to the extent of the carrying amount of the assets that would have determined (net of amortization and depreciation) had no impairment loss been recognized. The reversal is recognized in the income statement immediately.

2.5 Investment

Investment in subsidiaries are stated at cost less provision for any permanent diminution in value.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

2.6 Taxation

Tax on profit or loss for the financial year comprise current and deferred tax. Income tax is recognized in the income statement except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the consolidated of financial position date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and unutilized tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unutilized tax losses can be utilized. Temporary differences are not recognized for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that at the time of transaction, affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

2.7 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized :

(i) Revenue from services

Revenue from services rendered is recognized net of service taxes and discounts as and when the services are performed.

(ii) Sale of goods

Revenue is recognized net of sale tax and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

2.8 Financial Instruments

Financial instruments are recognized in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distribution to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

(i) Trade receivables

Trade receivables are carried at anticipated realizable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Trade payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(iv) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and at bank, fixed deposits pledged to financial institutions, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

2.9 Foreign Currency Transactions

Foreign currency balances that are monetary items have been translated into USD dollars at the rate of exchange prevailing on the valuation date. Foreign currency transactions are translated at the rate in effect at the date of the transaction. Any realized or unrealized exchange adjustments are included in the related caption in the statement of operations.

2.10 Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognized as expenses in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognized as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognized when the absences occur.

Bonuses are recognized as an expense when there is a present legal or constructive obligation to make such payment as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contributions plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognized as an expense in the income statement as incurred.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery USD	Motor vehicles USD	Electrical fittings USD	Office equipment USD	Furniture and fittings USD	Total USD
Group						
Cost						
As at 1.1.2015	980,151	-	13,716	34,927	5,285	1,034,079
Additions	-	34,546	-	3,206	-	37,752
As at 31.12.15	980,151	34,546	13,716	38,133	5,285	1,071,831
Accumulated depreciation						
As at 1.1.2015	346,073	-	6,357	9,869	1,885	364,184
Additions	74,775	6,909	1,046	2,985	404	86,119
As at 31.12.15	420,848	6,909	7,403	12,854	2,289	450,303
Net book values						
31.12.2015	559,303	27,637	6,313	25,279	2,996	621,528
Net book values						
31.12.2014	634,078	-	7,359	25,058	3,400	669,895
Depreciation						
31.12.2014	98,015	-	1,372	3,493	528	103,408

4. INVENTORIES

	Group 2015 USD	Group 2014 USD
Raw materials	352,396	154,813
Finished goods	177,337	300,257
	529,733	455,070

5. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in other receivables, deposits and prepayments is an amount of USD 19,319 (2014 : USD NIL) due from a related company in which certain directors have a material interest in.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

6. AMOUNT DUE TO DIRECTORS

The amount due to directors represents advances from directors, are non-trade related, interest-free, unsecured and has no specific term for repayment.

7. HIRE PURCHASE PAYABLES

	2015 RM	2014 RM
Repayable within 12 months	3,997	-
Repayable after 12 months	20,289	-
	<u>24,286</u>	<u>-</u>
Repayments due :-		
Within one year	4,723	-
More than 1 year and less than 2 years	4,723	-
More than 2 year and less than 5 years	19,260	-
	<u>28,706</u>	<u>-</u>
Less : Future finance charges	4,420	-
	<u>24,286</u>	<u>-</u>

8. SHARE CAPITAL

	2015 USD	2014 USD
Authorised:-		
9,000,000 ordinary shares of par value USD \$0.0013	<u>12,000</u>	<u>12,000</u>
Issued and fully paid:-		
9,000,000 ordinary shares of par value USD \$0.0013	<u>12,000</u>	<u>12,000</u>

9. RESERVES

	2015 USD	2014 USD
Retained profits/(Accumulated losses) brought forward	183,128	(45,847)
Total comprehensive income for the year	110,821	228,975
Other comprehensive loss for the year	(114,900)	-
Retained profits carried forward	<u>179,049</u>	<u>183,128</u>

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

10. NON-CONTROLLING INTEREST

Non-controlling interest relates to the pre-acquisition result prior to the acquisition of subsidiaries on 20 March 2013.

11. REVENUE

Revenue comprises of the invoiced value of goods sold less discounts given and returns.

12. TAXATION

	2015 USD	2014 USD
Provision based on these financial statements	44,743	70,387
(Over)/Under provision in prior year	(378)	94
Tax per income statement	<u>44,365</u>	<u>70,481</u>

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2015 USD	2014 USD
Profit before taxation	<u>155,187</u>	<u>299,456</u>
Taxation at Malaysian statutory rate	40,905	66,991
Expenses not deductible for tax purpose	24,281	38,178
(Utilisation) of capital allowances in year	(20,443)	(27,927)
(Utilisation) of reinvestment allowance	-	(6,855)
(Utilisation) of losses in year	-	-
Provision based on these financial statements	44,743	70,387
(Over)/Under provision in prior year	(378)	94
Tax per income statement	<u>44,365</u>	<u>70,481</u>

Unabsorbed capital allowances are analysed as follows:

Capital allowances for the year	20,443	27,927
(Utilisation) of capital allowances for the year	(20,443)	(27,927)
Unabsorbed capital allowances carried forward	<u>-</u>	<u>-</u>

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

13. EARNING PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year.

The calculation of basic earnings per share attributable to the owners of the Company is based on the following date:

	2015 USD	2014 USD
Earnings		
Profits attributable to equity holders of the Company	<u>110,821</u>	<u>228,975</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>9,000,000</u>	<u>9,000,000</u>
Earnings Per Share	<u>0.01231</u>	<u>0.02500</u>

No diluted earnings per share are presented as there are no ordinary shares outstanding during the year or as at the end of reporting year.

14. PARTICULARS OF SUBSIDIARIES

At 31 December 2015, the holding company has the following directly held, wholly owned subsidiaries:

Name of subsidiary	Place of incorporation	Issued and fully paid registered capital	Principal activities
Biomax Rubber Industries Sdn Bhd	Malaysia	RM 500,000	Manufacturer of rubber gloves
Biomax Resources Sdn Bhd	Malaysia	RM 100	Trader of rubber gloves

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

15. RELATED PARTY TRANSACTIONS

The following significant transactions between the Company and its related parties took place at terms agreed between the parties during the financial year :-

	2015 USD	2014 USD
Sale of disposable gloves by Biomax Rubber Industries Sdn. Bhd. to Biomax Resources Sdn. Bhd.	<u>5,965,490</u>	<u>6,377,151</u>

16. COMMITMENTS

Lease

A subsidiary company has a lease commitment with an unrelated party for its factory space located in Selangor, Malaysia. The factory space is leased for a period of 10 years from 1 June 2011 to 31 May 2021. Future minimum lease payments are as follows:

Year Ending 31 December,	Annual Lease Payments (USD)
2015	39,600
2016	39,600
2017	39,600
2018	39,600
2019 to end of tenancy period	<u>122,600</u>
	<u>281,000</u>

17. FINANCIAL INSTRUMENTS

17.1 Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group's exposure to credit, interest, liquidity and cash flow, and currency risks arises in the normal course of business and it has established procedures to assess and monitor the risks on an ongoing basis.

BIOMAX RUBBER INDUSTRIES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2015

17. FINANCIAL INSTRUMENTS - (CONTINUED)

17.2 Credit risk

The Group has a credit policy in place and its exposure to credit risk is monitored on an ongoing basis. At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

17.3 Liquidity and cash flow risks

The Group manages its operating cash flow on an ongoing basis. Cash flow requirements are planned ahead to ensure that sufficient level of cash and cash equivalents is maintained to meet its working capital requirements.

17.4 Interest risk

The Company manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Company actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

17.5 Foreign exchange risk

Transactions in foreign currencies are translated into US dollar at rates of exchange prevailing at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into US dollar at rates of exchange prevailing at that date. Gains or losses resulting from currency translations have been treated as normal revenue items.

The foreign exchange currency at 31 December rates are as follows :-

	2015	2014
	USD	USD
1 RM Ringgit Malaysia	0.233	0.289
1 EURO Dollar	1.088	1.12

Biomax Rubber Industries Ltd

ARBN 603 577 171

REMUNERATION REPORT (Unaudited)

This report details the nature and amount of remuneration for each director of Biomax rubber Industries Ltd, and for the executives receiving the highest remuneration.

Remuneration Policy

All issues in relation of both Executive Directors and Non-Executive Directors are dealt with by the Board as a whole.

The Constitution of Biomax rubber Industries Ltd Limited requires approval by the shareholders in general meetings of a maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$50,000 per annum.

Non-Executive Directors hold office until such as they retire, resign or are removed from office under the terms set out in the constitution of the Company. Non-Executive Directors do not receive any performance based remuneration.

Details of remuneration for period ended 31 December 2014

Details of the remuneration for each Director of the Company was as follows:

			Name	Salary & Fees	Superannuation Contributions	Other	Total
				\$	\$	\$	\$
			Chong Wee Chong	20,201	non	non	20201
			Yang Zeng Hui	18,556	non	non	18,556

Bio Max Rubber Industries Ltd**ARBN 603 577 171****STOCK EXCHANGE INFORMATION****TOP 20 ORDINARY SHAREHOLDERS AS AT 15 April 2016**

Shareholder	Share	% of issued
YANG ZENG HUI	2,791,336	30.322
CHONG WEE CHONG	1,861,557	20.222
EMERGING CAPITAL LIMITED	1,329,684	14.444
ARTOY INTERNATIONAL LIMITED	336,494	3.655
ANCHOR ADVISORY INTERNATIONAL	336,493	3.655
FARZANA TAHIR	336,493	3.655
IFTHIKAR AHMAD	336,493	3.655
TAN YEW MING	336,493	3.655
SHAHID AKRAM	336,493	3.655
CHEW NKENG YAW	332,421	3.611
LOO CHEE HOW	332,421	3.611
MER GERALD MEYER	58,217	0.632
MR PETER ROSENBERG	53,331	0.579
JOHAN LUCYX	44,000	0.478
ELMAR DUKER	30,500	0.331
BERND UWE KRANKE	22,500	0.244
MR CHRISTIAN SCHINZL	20,000	0.217
DR MARKUS GERLE	15,000	0.163
MR MARCO SILVIO ERLER	14,400	0.156
KOEN VANDER ELSTRAETTEN	14,100	0.153

Analysis of Holdings as at 14-04-2016**Security Classes****CHESS Depositary Interests over Fully Paid Ordinary Shares**

Holdings Ranges	Holders	Total Units	%
1-1,000	11	9,900	0.108
1,001-5,000	62	161,420	1.754
5,001-10,000	11	70,986	0.771
10,001-100,000	11	296,848	3.225
100,001-99,999,999,999	11	8,666,378	94.143
Totals	106	9,205,532	100.000

Substantial shareholders

	Shares	% of Issued
YANG ZENG HUI	2,791,336	30.322
CHONG WEE CHONG	1,861,557	20.222
EMERGING CAPITAL LIMITED	1,329,684	14.444

CORPORATE DIRECTORY

DIRECTORS

Chong Wee Chong

Yang Zeng Hui

Lynda Milligan-Whyte

Arthur Hodgson

SECRETARY

Richmond Corporate Services Ltd

Veritas Place 65 Court Street

Hamilton HM 12, Bermuda

Andrew David Bristow - Australia

REGISTERED OFFICE – Bermuda

C/- Richmond Corporate Services Ltd

Veritas Place 65 Court Street

Hamilton HM 12, Bermuda

OPERATIONAL OFFICE

C/- Biomax rubber Industries

AŞ-3-2, Solaris

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NOMINATED ADVISOR

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AUDITOR

Y.S. Koh & Co

Chartered Accountants

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CDI/SHARE REGISTRY

BOARDROOM PTY LIMITED

Level 12, 225 George Street

SYDNEY NSW 2000