

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015
PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134**

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard 134 (MFRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 (Appendix 9B part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

The significant accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 December 2014. The adoption of the new MFRS, amendments/improvements to MFRSs and new IC Interpretations does not have any significant impact on the financial performance and financial position of the Group.

As announced on 13 May 2015, the Company had changed its financial year-end from December to June. As such, the current financial period will be an 18-month financial period ending 30 June 2016.

2. Auditors’ Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2014.

3. Seasonal and Cyclical Factors

The principal business operations of the Group were not affected by any seasonal and cyclical factors.

4. Exceptional and Extraordinary Items

There were no exceptional or extraordinary items in the current quarter under review.

5. Changes in Accounting Estimates

There were no changes in accounting estimates for the current quarter under review.

6. Issuances, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

Share Buyback

During the current quarter under review, the Company repurchased 3,807,700 ordinary shares from the open market at a minimum price of RM1.93 per share and maximum price of RM2.17



per share. All the shares acquired were retained as treasury shares. As at 30 September 2015, the number of treasury shares stood at 6,908,700.

From 1 October 2015 to 2 October 2015, the Company has gone on to acquire a further 1,979,300 shares from the open market at prices between RM2.02 and RM2.07 per share, bringing the number of treasury shares to 8,888,000.

7. Dividend Paid

Dividends paid to-date are tabulated below:

Financial Year	Description	Payment Date	Dividend (%)	Value (RM'000)
2001	1st & final tax exempt dividend	28.08.2002	3.6%	1,440
2002	1st & final tax exempt dividend	27.08.2003	4.5%	1,800
2003	1st & final tax exempt dividend	27.08.2004	4.5%	3,638
2004	1st & final tax exempt dividend	18.07.2005	5.0%	4,486
2005	Interim tax exempt dividend Final tax exempt dividend	09.01.2006 18.07.2006	3.0% 3.5%	2,695 3,960
2006	1st & final tax exempt dividend	18.06.2007	6.5%	7,357
2007	Interim tax exempt dividend Final tax exempt dividend	28.01.2008 28.06.2008	3.0% 3.5%	3,979 4,626
2008	Interim tax exempt dividend Final tax exempt dividend	08.01.2009 08.07.2009	3.0% 3.5%	3,922 4,545
2009	Interim tax exempt dividend Special tax exempt dividend Final tax exempt dividend	18.11.2009 20.04.2010 28.06.2010	5.0% 9.0% 8.0%	6,567 12,213 10,856
2010	1 st interim tax exempt dividend 2 nd interim tax exempt dividend Final tax exempt dividend	01.10.2010 18.03.2011 28.07.2011	5.0% 5.0% 5.0%	8,486 8,502 8,502
2011	Interim tax exempt dividend Final tax exempt dividend	08.12.2011 28.06.2012	6.0% 3.5%^	10,202 11,903
2012	Interim tax exempt dividend Final tax exempt dividend	18.01.2013 18.06.2013	4.0%^ 6.0%^	13,583 20,404
2013	Interim tax exempt dividend Final tax exempt dividend	21.01.2014 30.06.2014	4.0%^ 6.0%^	13,583 20,374
2014	Interim single tier dividend Final single tier dividend	28.01.2015 08.07.2015	4.0%^ 6.0%^	13,541 20,311
2016#	Interim single tier dividend	22.10.2015	4.0%^	13,541
	Total			235,016

^ Note that the dividend rate is based on 680.2 million shares following a 1-for-1 bonus issue completed on 31 January 2012

18-month period ending 30.6.2016 due to change in financial year-end from December to June



8. Segmental Reporting

For management purposes, the Group is organized into the following operating divisions:

- Investment holding
- Manufacturing of gloves
- Trading of gloves
- Others

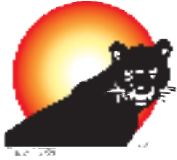
THE GROUP CUMULATIVE 9 MONTHS	Investment Holding RM'000	Manu- facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	-	439,017	323,053	387	-	762,457
Inter-segment sales	29,050	597,759	31,806	5,230	(663,845)	-
	<u>29,050</u>	<u>1,036,777</u>	<u>354,858</u>	<u>5,617</u>	<u>(663,845)</u>	<u>762,457</u>
Segmental results	25,597	78,214	12,950	2,111	(48,462)	124,964
Depreciation & Amortisation						(21,625)
Finance costs						(6,921)
Interest income						-
Share of profit in associated companies						9,675
PBT						<u>106,092</u>
Tax expenses						(18,034)
PAT						<u><u>88,058</u></u>

9. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment.

10. Capital Commitments

As at 20 November 2015, the Group had capital commitments amounting to RM 70.5 million for the purchase of plant and equipment to be installed at its various factories.



11. Material Events Subsequent to the End of Period Reported

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

12. Changes in the Composition of the Group

During the quarter ended 30 September 2015, the Group had on 15 July 2015 incorporated a wholly owned subsidiary in Hong Kong known as Supermax Group Investments Limited. It was incorporated as a private limited company with an authorised and issued share capital of HKD 25,000,000 divided into 25,000,000 shares of HKD 1.00 each.

On 3 November 2015, the Group had also incorporated another wholly owned subsidiary, Supermax Business Park Sdn Bhd, in Malaysia with an authorised share capital of RM5 million and initial issued share capital of RM100.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 20 November 2015 which might materially and adversely affect the position or business of the Group.

**Additional information required by Bursa Malaysia Securities Bhd Listing Requirements****1. Review of the Performance of the Company and Its Principal Subsidiaries**

The Supermax Group's performance for the quarter under review versus the corresponding quarter of the previous financial year is tabled below:

Description	Qtr ended 30.9.2015 RM '000	Qtr ended 30.9.2014 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	309,868	278,383	+31,485	+11.3
Profit before tax (PBT)	48,327	32,381	+15,946	+49.2
Profit after tax (PAT)	38,344	27,506	+10,838	+39.4

The Group's revenue rose by 11.3% or RM 31.5 million compared to the previous year's corresponding quarter while PBT and PAT also improved significantly by 49.2% (RM15.9 million) and 39.4% (RM10.8 million) respectively.

The strong performance was mainly on account of efficiency gains and the strong USD which had appreciated by 27% compared to a year ago.

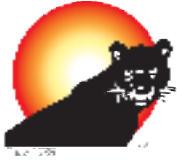
2. Comparison with Preceding Quarter's Result

The Group's current quarter performance versus the preceding quarter is tabled below:

Description	Qtr ended 30.9.2015 RM '000	Qtr ended 30.6.2015 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	309,868	229,382	+80,486	+35.1
Profit before tax (PBT)	48,327	29,538	+18,789	+63.6
Profit after tax (PAT)	38,344	24,956	+13,388	+53.6

On a preceding quarter basis, the Group's revenue rose by 35.1% while PBT and PAT were higher by 63.6% and 53.6% respectively.

The improved performance was achieved on the back of a stronger USD which had increased by 11% since the last quarter, coupled with increased capacity output from new and refurbished production lines as well as a better sales mix which has seen the higher margin nitrile glove sales increase.



3. Prospects

The Supermax Group has done well in the current quarter, recording strong revenue growth and improved profitability. It has been working on expanding its production capacity not only through commissioning of new lines but also on extracting operational efficiency gains from existing production lines. It is also continuing to increase its nitrile capacity and this coupled with the new high efficiency high capacity production lines has contributed to the better profit margins.

With global demand for rubber gloves continuing to be robust and sustainable, the Group's initiatives and the ability to leverage on an extensive and growing overseas distribution network augurs well for its business and financial prospects going forward.

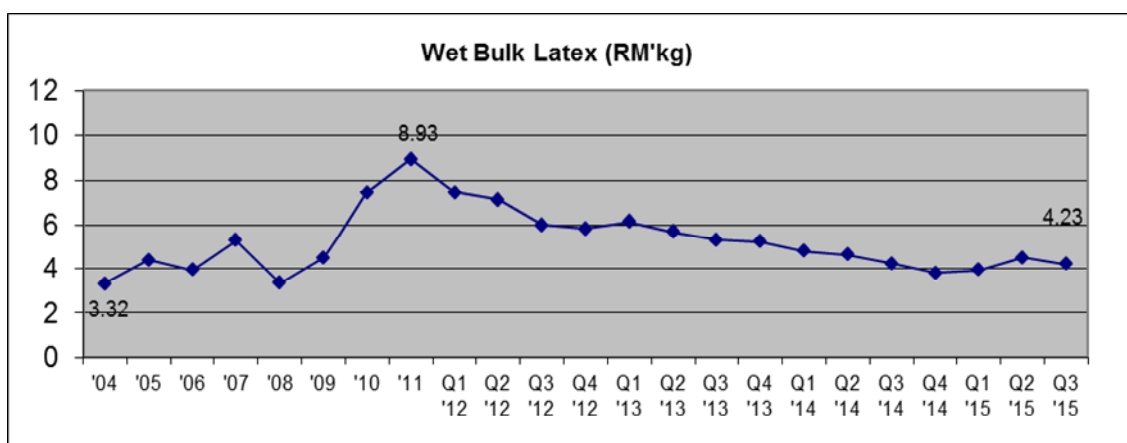
External factors such as low and/or stable raw material prices as well as favourable exchange rates are also providing a boost to the Group's performance. While not reliant on such factors, the Group would nevertheless take measures to take advantage of any and all favourable conditions as far as possible.

Raw Material Prices

I) Natural Rubber Latex

Natural rubber latex prices saw a temporary bump-up from an average of RM3.93 per kg wet in Q1'2015 to RM4.52 in Q2'2015 largely due to the wintering season. However, latex prices have since resumed its longer term downward trend, falling back to RM4.23 in Q3'2015 amid ample supply and soft demand for the commodity. As at 20 November 2015, natural rubber latex prices had slid further to RM3.78 per kg wet.

Natural rubber latex forms a significant percentage of the cost of manufacturing a rubber glove and the continuing low prices augur well for the industry.

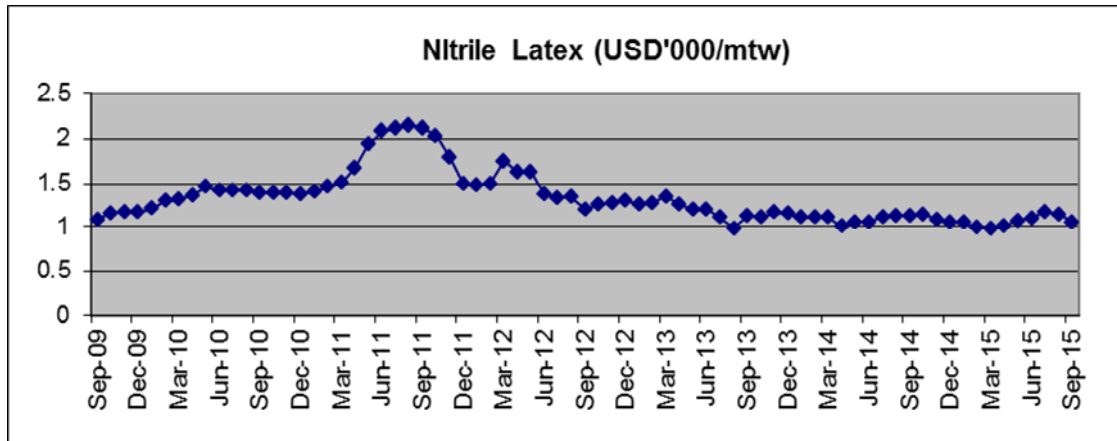


II) Synthetic Nitrile Latex

For the synthetic nitrile latex segment, prices have risen marginally to USD1,102 per metric ton wet (mtw) from USD1,055 in the preceding quarter but remains relatively stable



over the longer term. The low volatility in prices for nitrile latex is a boon for the rubber glove industry and this trend is expected to continue at least in the short to medium term.



III) Foreign exchange rates

In 2014, the USD:RM pairing had traded in a relatively narrow band and averaged USD1:RM3.26 for the year. Going into the 1st quarter of 2015, however, the USD has strengthened considerably against the RM, rising to an average of RM3.62 for the quarter before edging higher to RM3.66 in the 2nd quarter.

In the 3rd quarter of the year, it resumed its strong uptrend, breaking through the USD1:RM4.00 psychological barrier convincingly and averaging USD1:RM4.05 for the quarter.

The dollar has since continued to strengthen, closing at a recent high of USD1:RM4.41 on 2 October 2015 before easing back slightly to USD1:RM4.28 on 20 November 2015. The currency pairing is likely to remain at elevated levels over the short to medium term on continued concerns over domestic issues, declining oil prices, a resilient US economy and expectations of an impending US interest rate hike. The export-oriented industries in Malaysia will be among the major beneficiaries of a strong US Dollar.

The following table shows the average quarterly price trend of NR and nitrile latex and foreign exchange fluctuations:

NR & Nitrile Latex Prices (per mtw) and MYR/USD Exchange Rates

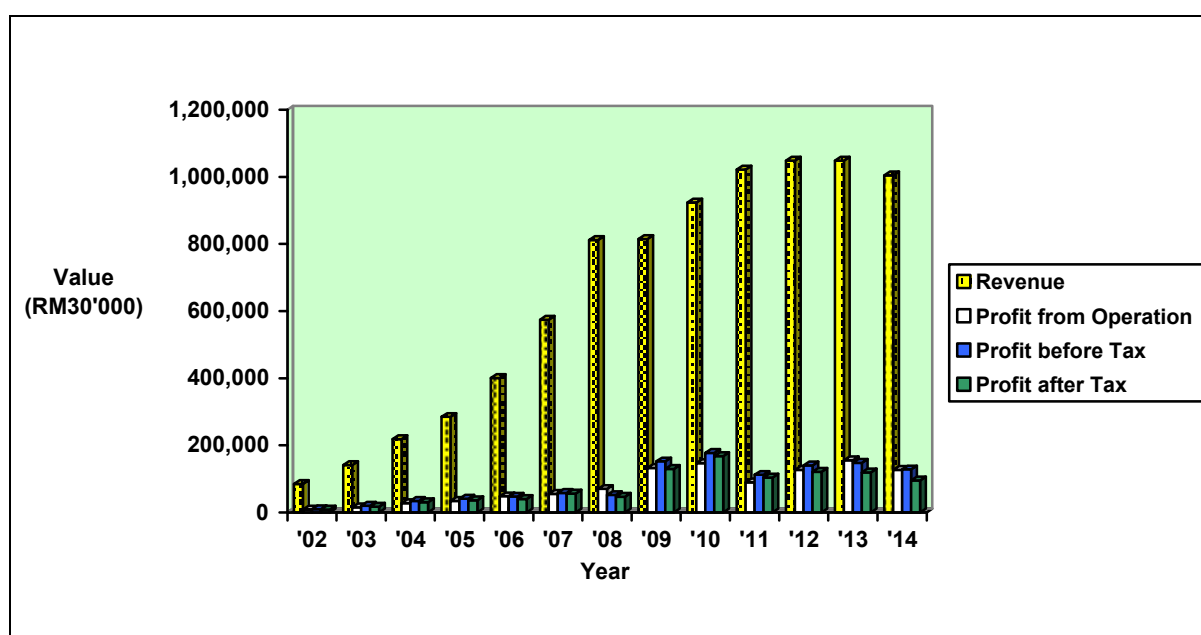
Natural Rubber Latex	Q3 2014	Q4 2014	Q1 2015	Q2 2014	Q3 2015	YOY %
USD	1,330	1,131	1,086	1,234	1,044	(21.5)
RM	4,246	3,800	3,934	4,518	4,228	(0.4)
(USD:MYR)	3.19	3.36	3.62	3.66	4.05	+27.0
Synthetic Latex (Nitrile)	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	YOY %
USD	1,116	1,090	998	1,055	1,102	(1.2)
RM	3,560	3,662	3,613	3,861	4,463	+25.4
(USD:MYR)	3.19	3.36	3.62	3.66	4.05	+27.0



The Group's yearly performances are shown below:

Description	Year 2010 (RM '000)	Year 2011 (RM '000)	Year 2012 (RM '000)	Year 2013 (RM '000)	Year 2014 (RM '000)	Fin YTD 2016 (RM '000)
Revenue	977,281	1,021,358	997,374	1,048,151	1,004,384	762,457
Profit from operations	155,458	89,807	122,677	155,789	126,653	103,338
EBITDA	223,373	148,732	170,408	182,481	154,592	134,638
EBITDA Margin	22.9%	14.6%	17.1%	17.4%	15.4%	17.6%
Profit before Tax (PBT)	183,835	112,132	137,306	148,157	128,292	106,092
PBT Margin	18.8%	11.0%	13.8%	14.1%	12.8%	13.9%
Profit after Tax (PAT)	158,955	104,051	121,412	118,990	95,195	88,058
Core Profit after Tax (PAT)	158,955	108,051	121,412	118,990	95,195	88,058
Core PAT Margin	16.3%	10.6%	12.2%	11.4%	9.5%	11.5%
No. of Shares	340,077	340,077	680,154	680,154	680,154	680,154
Net Tangible Asset (NTA)	691,468	769,038	833,780	897,648	944,082	1,053,768
NTA per share (RM)	2.03	2.26	1.23	1.32	1.39	1.55
Core EPS (sen)	46.74	31.77	17.90	17.63	14.00	12.96
Return on Assets (ROA)	14.9%	8.6%	9.7%	8.7%	6.5%	NM
Return on Equity (ROE)	23.0%	13.5%	14.6%	13.3%	10.1%	NM

NM= Not meaningful



**4. Variance of Actual and Forecasted Profit and Shortfall in Profit Guarantee**

This is not applicable to the Group for the current quarter under review.

5. Taxation and Variance between the Effective and Statutory Tax Rate

	Quarter Ended 30.9.2015 RM '000	Year-to-Date Ended 30.9.2015 RM '000
Income tax	9,983	18,034
Deferred Tax	-	-
Total	9,983	18,034

The effective tax rate of the Group is lower than statutory income tax mainly because of tax incentives such as capital & reinvestment allowances are still claimed by certain subsidiary companies.

6. Profit/(Loss) On Sale Of Unquoted Investment and/or Properties

There were no sales of investment and /or properties for the financial period under review.

7. Quoted Investment

There were no purchases or sales of quoted securities during the current financial period.

8. Status of Corporate Proposals Announced

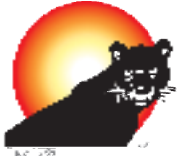
There were no corporate proposals announced as at 20 November 2015 (the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report).

9. Group Borrowings and Debt Securities

Group borrowings as at 30 September 2015 are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	11,334	342,922	354,256
Long term borrowings	8,484	110,253	118,737
Total borrowings	19,818	453,175	472,993

87% of the short term borrowings comprise trade facilities amounting to RM 308.2 million that are revolving in nature for working capital purposes. These facilities bear interest rates that are attractive and competitive ranging from 1.0% to 3.6% p.a.

**10. Financial Instruments with Off Balance Sheet Risks**

There were no financial instruments with off balance sheet risk as at 20 September 2015 (the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report).

11. Pending Material Litigation

The Group has no outstanding material litigation which might materially and adversely affect the position or business of the Group as at 20 September 2015, being the latest practicable date.

12. Dividends Declared/Proposed

For the current 18-month financial period ending 30 June 2016, the Board of Directors has todate declared an interim single tier dividend of 4% amounting to RM13.5 million which was paid on 22 October 2015.

13. Earnings per Share (EPS)**Basic earnings per share**

	2015 Current Quarter Ended 30.9.2015	2015 Year-to-date Ended 30.9.2015
Net profit / (loss) (RM'000) attributable to ordinary shareholders	38,455	88,145
Weighted average ('000) Number of ordinary shares in issue	680,154	680,154
Basic earnings per share (sen)	5.65	12.96

14. Realised and Unrealised Profits/Losses

	As at 30.9.2015 RM '000	As at 31.12.2014 RM '000
Total retained profits of the Company and its Subsidiaries:		
- Realised	491,589	455,237
- Unrealised	(27,799)	11,518
	463,790	466,755
Less: Consolidation adjustments	305,125	205,276
Total Group retained earnings as per consolidated accounts	768,915	672,031