



**INTERIM FINANCIAL STATEMENT**

**UNAUDITED INCOME STATEMENT FOR QUARTER ENDED 31ST DECEMBER 2016**

	<b>Quarter Ended 31 December 2016 RM'000</b>	<b>6 Months Cumulative To Date 31 December 2016 RM'000</b>
Revenue	236,737	505,738
Operating expenses	(209,938)	(453,251)
Finance costs	(1,999)	(4,381)
Share of profit of associated companies	2,185	5,367
Profit before tax	<u>26,985</u>	<u>53,473</u>
Taxation	(4,863)	(11,538)
Profit after tax	<u>22,122</u>	<u>41,935</u>
Other comprehensive income		
Foreign currency translation	12,458	12,947
	<u>12,458</u>	<u>12,947</u>
Total comprehensive income	<u>34,580</u>	<u>54,882</u>
Profit attributable to:		
Owners of the parent	22,571	42,107
Minority interest	(449)	(172)
	<u>22,122</u>	<u>41,935</u>
Total comprehensive income attributable to:		
Owners of the parent	35,099	55,214
Minority interest	(519)	(332)
	<u>34,580</u>	<u>54,882</u>
Weighted average number of Ordinary Shares in issue @ RM 0.50 per share	671,265	671,265
EPS - Basic ( sen )	<u>3.36</u>	<u>6.27</u>
EPS - Diluted ( sen )	<u>-</u>	<u>-</u>

*This condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report of the Group for the period ended 30 June 2016 (the latest audited accounts).*



**INTERIM FINANCIAL STATEMENT**

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2016**

	<b>31 December 2016</b> <b>RM'000</b>	<b>Audited</b> <b>30 June 2016</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	862,952	812,993
Investment in associated companies	234,576	217,722
Goodwill on consolidation	28,716	28,716
Deferred tax assets	9,051	1,590
	1,135,295	1,061,021
<b>Current Assets</b>		
Inventories	165,995	161,887
Trade receivables	225,532	238,110
Tax recoverable	27,822	13,358
Other receivables	51,557	34,553
GST receivable	12,960	10,688
Cash & bank balances	102,481	124,949
	586,347	583,545
<b>TOTAL ASSETS</b>	<b>1,721,642</b>	<b>1,644,566</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	340,077	340,077
Minority Interest	(1,237)	(1,065)
Reserves	729,304	678,530
<b>Shareholders Fund</b>	<b>1,068,144</b>	<b>1,017,542</b>
<b>Non-Current Liabilities</b>		
Long term borrowing	135,283	128,141
Deferred tax liabilities	41,320	39,677
	176,603	167,817
<b>Current Liabilities</b>		
Trade payables	102,866	109,828
Other payables and accrued expenses	22,192	39,992
Prepayment received from customers	55,271	26,668
Short term borrowing	269,345	256,908
Provision for taxation	27,221	12,386
Dividend payable	-	13,425
	476,895	459,207
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,721,642</b>	<b>1,644,566</b>
Net Asset per share @ RM 0.50 per share	1.57	1.50

*This condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the period ended 30 June 2016 (the latest audited accounts).*



**INTERIM FINANCIAL STATEMENT  
UNAUDITED CONDENSED STATEMENT OF CASH FLOW  
FOR QUARTER ENDED 31ST DECEMBER 2016**

	<b>Quarter Ended 31 December 2016 RM'000</b>
Profit before tax	53,473
Adjustment for non-cash items	16,461
Operating profit before changes in working capital	<u>69,934</u>
Changes in working capital:	
Net change in current assets	(10,582)
Net change in current liabilities	4,246
Income tax paid	(16,984)
Net change in GST receivable	(404)
<b>Net cash flows from operating activities</b>	<b>(23,724)</b>
<b>Investing Activities</b>	
Purchase of property, plant and equipment	(67,406)
Investment in subsidiary companies	(2,563)
<b>Net cash flows from investing activities</b>	<b>(69,969)</b>
<b>Financing Activities</b>	
Bank borrowings	19,579
Share buy back	(2)
Finance costs	(4,381)
Dividend paid	(26,851)
<b>Net cash flows from financing activities</b>	<b>(11,655)</b>
Net change in cash & cash equivalents	(35,415)
Effect of foreign exchange rate changes	12,947
Cash & cash equivalent at beginning of period	124,949
<b>Cash &amp; cash equivalent at end of period</b>	<b><u>102,481</u></b>

Note :

Cash & bank balances	102,481
Bank overdraft	-
<b>Cash &amp; cash equivalent at end of period</b>	<b><u>102,481</u></b>

*This Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report of the Group for the period ended 30 June 2016 (latest audited accounts).*



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016 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 period ended 30 June 2016 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 period ended 30 June 2016. 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 last financial period is an 18-month financial period ended 30 June 2016. This current quarter ended 31 December 2016 is the second quarter of the financial year ending 30 June 2017.

**2. Auditors’ Report**

There was no qualification on the audited financial statements of the Group for the financial period ended 30 June 2016.

**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 did not perform any share buyback transactions.

As at 31 December 2016, the number of treasury shares stood at 8,890,000.

**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	09.01.2006	3.0%	2,695
	Final tax exempt dividend	18.07.2006	3.5%	3,960
2006	1st & final tax exempt dividend	18.06.2007	6.5%	7,357
2007	Interim tax exempt dividend	28.01.2008	3.0%	3,979
	Final tax exempt dividend	28.06.2008	3.5%	4,626
2008	Interim tax exempt dividend	08.01.2009	3.0%	3,922
	Final tax exempt dividend	08.07.2009	3.5%	4,545
2009	Interim tax exempt dividend	18.11.2009	5.0%	6,567
	Special tax exempt dividend	20.04.2010	9.0%	12,213
	Final tax exempt dividend	28.06.2010	8.0%	10,856
2010	1 <sup>st</sup> interim tax exempt dividend	01.10.2010	5.0%	8,486
	2 <sup>nd</sup> interim tax exempt dividend	18.03.2011	5.0%	8,502
	Final tax exempt dividend	28.07.2011	5.0%	8,502
2011	Interim tax exempt dividend	08.12.2011	6.0%	10,202
	Final tax exempt dividend	28.06.2012	3.5% <sup>^</sup>	11,903
2012	Interim tax exempt dividend	18.01.2013	4.0% <sup>^</sup>	13,583
	Final tax exempt dividend	18.06.2013	6.0% <sup>^</sup>	20,404
2013	Interim tax exempt dividend	21.01.2014	4.0% <sup>^</sup>	13,583
	Final tax exempt dividend	30.06.2014	6.0% <sup>^</sup>	20,374



**7. Dividend Paid (cont'd)**

Financial Year	Description	Payment Date	Dividend (%)	Value (RM'000)
2014	Interim single tier dividend	28.01.2015	4.0% ^	13,541
	Final single tier dividend	08.07.2015	6.0% ^	20,311
2016#	1 <sup>st</sup> Interim single tier dividend	22.10.2015	4.0% ^	13,425
	2 <sup>nd</sup> Interim single tier dividend	08.04.2016	4.0% ^	13,425
	3 <sup>rd</sup> Interim single tier dividend	18.07.2016	4.0% ^	13,425
	Final single tier dividend	19.12.2016	4.0% ^	13,425
	<b>Total</b>			<b>275,175</b>

^ 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 ended 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 6 MONTHS	Investment Holding RM'000	Manu- facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	-	337,957	167,297	484	-	505,738
Inter-segment sales	21,032	162,711	9,583	3,867	(197,191)	-
	<u>21,032</u>	<u>500,668</u>	<u>176,880</u>	<u>4,351</u>	<u>(197,191)</u>	<u>505,738</u>
Segmental results	15,671	88,335	(20,268)	7,228	(21,032)	69,934
Depreciation & Amortisation						(17,448)
Finance costs						(4,381)
Interest income						-
Share of profit in associated companies						5,367
PBT						53,472
Tax expenses						(11,537)
PAT						<u>41,935</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 17 February 2017, the Group had capital commitments amounting to RM 34.4 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**

The Group had on 16 November 2016 incorporated a 70% owned subsidiary in Japan known as AIME Supermax K.K.. The new subsidiary was incorporated as a private company limited by shares in Japan with an authorised capital of JPY 100 million; and initial issued and paid up share capital of JPY 30,000 which will be increased to JPY 100 million. The remaining 30% equity interests are held by International Consulting of Business Management Corporation (ICBM).

On 1 December 2016, AIME Supermax K.K. acquired all the shares in AIME K.K. from ICBM for a total consideration of JPY 30 million. AIME K.K. thus becomes a wholly owned subsidiary of AIME Supermax K.K..

**13. Contingent liabilities and contingent assets**

The Group has no outstanding contingent liabilities and contingent assets as at 17 February 2017 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 is tabled below:

Description	2 <sup>nd</sup> Quarter ended 31.12.2016 RM '000
Revenue	236,737
EBITDA	37,981
Profit Before Tax (PBT)	26,985

The Group recorded total revenue of RM 236.7 million from global sales of its natural rubber and nitrile rubber gloves. In terms of profitability, the Group recorded EBITDA and PBT margins of 16.0% and 11.4% respectively.

Group revenue has declined as a result of reduced production output from some of its older plants. The Group continued on managing costs and improving efficiency to maintain its profit margins.

Note: A corresponding quarter (as well as corresponding year-to-date comparison) is not relevant at this time as the current financial period ending 30 June 2017 is a 12-month period as opposed to an 18-month period previously.

**2. Comparison with Preceding Quarter's Result**

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

Description	Qtr ended 31.12.2016 RM '000	Qtr ended 30.9.2016 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	236,737	269,002	(32,265)	(12.0)
EBITDA	37,981	37,320	+661	+1.8
PBT	26,985	26,488	+497	+1.9

On a preceding quarter basis, the Group's revenue decreased by 12% (RM32.3 million) due to declining production output as mentioned above. However, the Group has maintained its profitability with Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and Profit Before Tax (PBT) remaining consistent since the preceding quarter.





### 3. Prospects

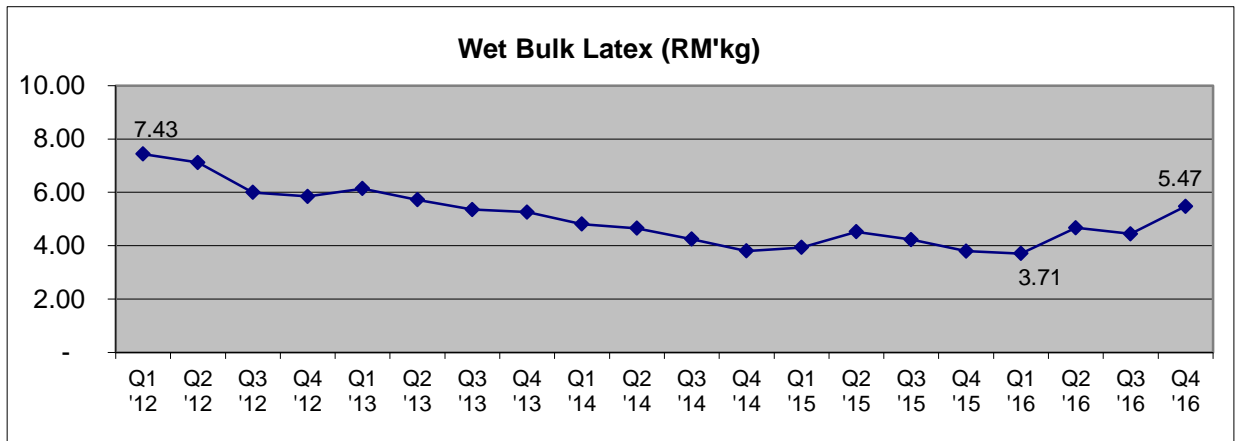
The global demand for both natural rubber and nitrile gloves remains strong with healthcare awareness continuing to rise, increasing regulation of the healthcare sector and ever higher healthcare spending in both the public and private sectors.

#### Raw Material Prices

##### I) Natural Rubber Latex

Natural rubber latex prices had generally been on a downward trend over the last few years but since early 2016, prices have seen a sustained push upwards, driven initially by the wintering season and then the output restriction efforts by the Tripartite of rubber producing nations (Thailand, Indonesia & Malaysia). Unfavourable weather across the region in recent months, which even caused severe flooding in southern Thailand, has seen rubber yield drop even further and prices rise even more sharply. Prices started the year at about RM3.50 per kg/wet but soon rose above the RM4.00 level by March before climbing above the RM5.00 level by November. By end-January 2017, prices had surged above the RM8.00 level. As at 17 February 2017, bulk latex prices stood at RM8.07.

Rubber latex prices are expected to remain high in the immediate to medium term.

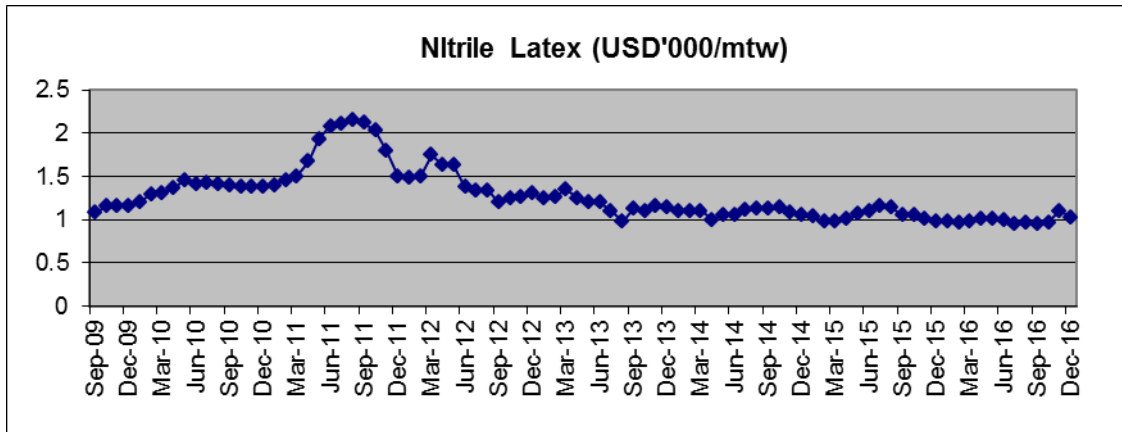


##### II) Synthetic Nitrile Latex

Synthetic nitrile latex prices have been relatively stable over the last 3 years, with prices seldom moving far from the USD 1,000 per metric ton wet level.

Prices had started to edge up in the past few months before seeing a strong spike up in recent weeks on the back of a global supply shortage following the closure of butadiene (stock feed for nitrile latex) plants in the Middle East and Singapore. For the October - December 2016 quarter, prices averaged USD 1,025 compared to the average of USD 955 in the preceding quarter and more recently rose sharply to USD 1,490.

The industry prefers prices for nitrile latex to be more stable in view of the generally more volatile nature of natural rubber prices. Nevertheless, there are pricing mechanisms in place to mitigate the adverse impact to profit margins during times of severe price volatility.

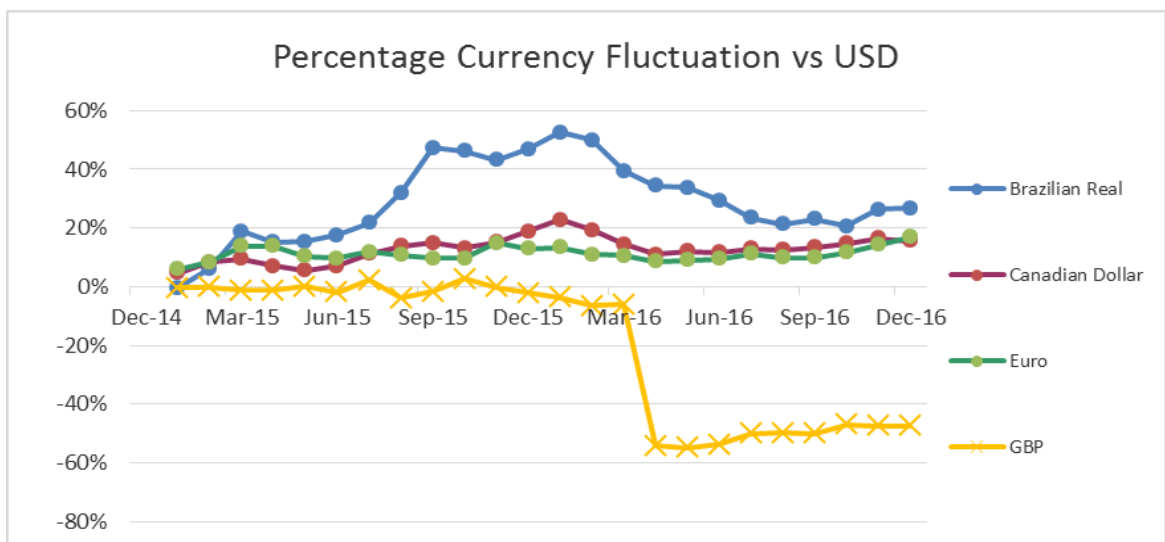


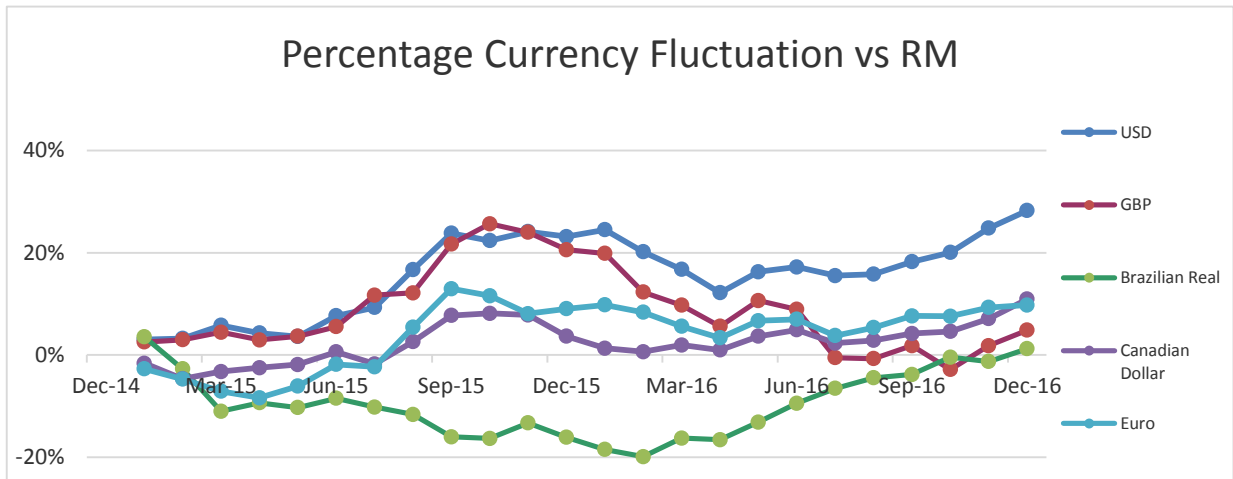
**III) Foreign exchange rates**

After surging higher for most of 2015, the USD:RM currency pairing has maintained its momentum going into 2016, peaking at RM4.40 in January before tapering off to the RM4.00 level. After the Trump-win at the recent US presidential elections, however, the currency pairing has surged higher again. As at 17 February 2016, the currency pairing stood at RM4.46. The USD is expected to remain strong against the RM in the short to medium term.

However, should the RM strengthen back against the USD & /or other major currencies, we would be able to adjust the FOB prices accordingly as we have put in place a pricing mechanism to mitigate the impact of currency volatility.

In addition to managing the volatility of Ringgit against US Dollar, the Supermax Group is also managing the volatility of other foreign currencies where the Group operates. Below are 2 tables showing the fluctuation of the foreign currencies against the US Dollar and Malaysian Ringgit.





The following table shows the quarterly price trend of NR and nitrile latex and USD:RM fluctuations:

**NR & Nitrile Latex Prices and MYR/USD Exchange Rates**

<b>Natural Rubber Latex</b>	<b>Q4 2015</b>	<b>Q1 2016</b>	<b>Q2 2016</b>	<b>Q3 2016</b>	<b>Q4 2016</b>	<b>YOY %</b>
USD per kg/wet	886	884	1,165	1,097	1,267	+43.0
RM per kg/wet	3,793	3,705	4,673	4,444	5,473	+44.3
(USD:MYR)	4.28	4.19	4.01	4.05	4.32	+0.9
<b>Synthetic Latex (Nitrile)</b>	<b>Q4 2015</b>	<b>Q1 2016</b>	<b>Q2 2016</b>	<b>Q3 2016</b>	<b>Q4 2016</b>	<b>YOY %</b>
USD per mtw	1,018	970	1,007	955	1,032	+1.4
RM per mtw	4,357	4,064	4,038	3,868	4,458	+2.3
(USD:MYR)	4.28	4.19	4.01	4.05	4.32	+0.9

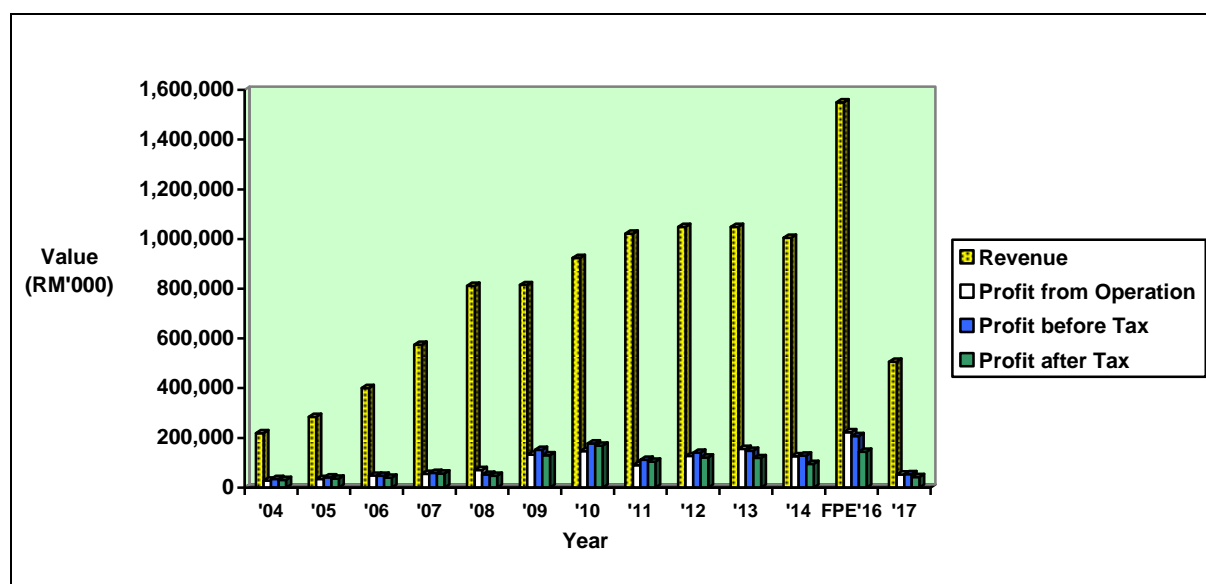


The Group's historical and current financial performances are shown below:

Description	Year 12/2011 (RM'000)	Year 12/2012 (RM'000)	Year 12/2013 (RM'000)	Year 12/2014 (RM'000)	*18 mths 06/2016 (RM'000)	6 mths 06/2017 (RM'000)
Revenue	1,021,358	997,374	1,048,151	1,004,384	1,549,529	505,738
Profit from operations	89,807	122,677	155,789	126,653	222,416	52,487
EBITDA	148,732	170,408	182,481	164,399	271,395	75,301
EBITDA Margin	14.6%	17.1%	17.4%	16.4%	17.5%	14.9%
Profit before Tax (PBT)	112,132	137,306	148,157	128,292	207,342	53,473
PBT Margin	11.0%	13.8%	14.1%	12.8%	13.4%	10.6%
Profit after Tax (PAT)	104,051	121,412	118,990	95,195	144,023	41,935
Core Profit after Tax (PAT)	108,051	121,412	118,990	95,195	144,023	41,935
Core PAT Margin	10.6%	12.2%	11.4%	9.5%	9.3%	8.3%
No. of Shares	340,077	680,154	680,154	680,154	680,154	680,154
Net Tangible Asset (NTA)	769,038	833,780	897,648	944,082	1,017,541	1,068,145
NTA per share (RM)	2.26	1.23	1.32	1.39	1.50	1.57
Core EPS (sen)	31.77	17.90	17.63	14.00	21.36	6.16
Return on Assets (ROA)	8.6%	9.7%	8.7%	6.5%	8.8%	NM
Return on Equity (ROE)	13.5%	14.6%	13.3%	10.1%	14.2%	NM

\* Period ended 30.6.2016 is a transitional 18-month period following change of financial year-end from December to June

NM = Not meaningful



Note: The financial period ended 30 June 2016 is an 18-month transition period following the change in financial year-end from December to June.



**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. Profit Before Tax**

Profit before Tax is arrived at after charging/(crediting):

	<b>Quarter Ended 31.12.2016 RM'000</b>	<b>Year-to-date 31.12.2016 RM'000</b>
Interest Expense	2,000	4,381
Depreciation & Amortisation	8,989	17,447
Staff costs:		
- Salaries, wages & bonus	25,808	54,856
- EPF	823	1,630
- Other related staff costs	1,108	2,440
Foreign Exchange		
- Realised Gain or Loss	1,413	695
- Unrealised Gain or Loss	(2,003)	(3,509)

**6. Taxation and Variance between the Effective and Statutory Tax Rate**

	<b>Quarter Ended 31.12.2016 RM '000</b>	<b>Year-to-date 31.12.2016 RM '000</b>
Taxation	4,863	11,538

The Group's effective tax rate of 18% for the current quarter and 21% for the year-to-date is lower than the statutory tax rate due to tax incentives claimed.

**7. 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.

**8. Quoted Investment**

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

**9. Status of Corporate Proposals Announced**

There were no corporate proposals announced as at 17 February 2017 (the latest practicable date that shall not be earlier than 7 days from the date of this quarterly report).

**10. Group Borrowings and Debt Securities**

Group borrowings as at 31 December 2016 are as follows: -

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short term borrowings	13,741	255,604	269,345
Long term borrowings	5,398	129,885	135,283
Total borrowings	19,139	385,489	404,628

92% of the short term borrowings comprise trade facilities amounting to RM 247.8 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.

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

There were no financial instruments with off balance sheet risk as at 17 February 2017 (the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report).

**12. 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 17 February 2017, being the latest practicable date.

**13. Dividends Declared/Proposed**

No interim dividend has been declared by the Board of Directors for the current financial year ending 30 June 2017.

**14. Earnings per Share (EPS)**

	<b>Current Quarter Ended 31.12.2016</b>	<b>Year-to-date Ended 31.12.2016</b>
Net profit / (loss) (RM'000) attributable to ordinary shareholders	22,571	42,107
Weighted average ('000) Number of ordinary shares in issue	671,265	671,265
Basic earnings per share (sen)	3.36	6.27



**15. Realised and Unrealised Profits/Losses**

	<b>As at 31.12.2016 RM '000</b>	<b>As at 30.6.2016 RM '000</b>
Total retained profits of the Company and its Subsidiaries:		
- Realised	582,267	810,076
- Unrealised	(28,759)	2,535
	553,508	812,611
Less: Consolidation adjustments	230,814	(57,195)
Total Group retained earnings as per consolidated accounts	784,322	755,416