



INTERIM FINANCIAL STATEMENT

UNAUDITED INCOME STATEMENT FOR QUARTER ENDED 31 MARCH 2017

| | Quarter Ended 31 March 2017 RM'000 | 9 Months Cumulative To Date 31 March 2017 RM'000 |
|---|---|---|
| Revenue | 308,226 | 813,964 |
| Operating expenses | (288,140) | (741,392) |
| Finance costs | (2,981) | (7,362) |
| Share of profit of associated companies | 3,789 | 9,156 |
| Profit before tax | <u>20,894</u> | <u>74,366</u> |
| Taxation | (1,605) | (13,143) |
| Profit after tax | <u>19,289</u> | <u>61,223</u> |
| Other comprehensive income | | |
| Foreign currency translation | (931) | 12,015 |
| | <u>(931)</u> | <u>12,015</u> |
| Total comprehensive income | <u>18,358</u> | <u>73,238</u> |
| Profit attributable to: | | |
| Owners of the parent | 19,754 | 61,860 |
| Minority interest | (465) | (637) |
| | <u>19,289</u> | <u>61,223</u> |
| Total comprehensive income attributable to: | | |
| Owners of the parent | 18,601 | 73,813 |
| Minority interest | (243) | (575) |
| | <u>18,358</u> | <u>73,238</u> |
| Weighted average ('000) number of Ordinary Shares in issue @ RM 0.50 per share | 670,984 | 670,984 |
| EPS - Basic (sen) | <u>2.94</u> | <u>9.22</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).

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.



INTERIM FINANCIAL STATEMENT

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

| | 31 March 2017 RM'000 | Audited 30 June 2016 RM'000 |
|---|---------------------------------------|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant & Equipment | 876,882 | 812,993 |
| Investment in associated companies | 235,802 | 217,722 |
| Goodwill on consolidation | 28,716 | 28,716 |
| Deferred tax assets | 12,617 | 1,590 |
| | 1,154,017 | 1,061,021 |
| Current Assets | | |
| Inventories | 163,767 | 161,887 |
| Trade receivables | 216,507 | 238,110 |
| Tax recoverable | 19,331 | 13,358 |
| Other receivables | 42,481 | 34,553 |
| GST receivable | 7,498 | 10,688 |
| Cash & bank balances | 149,260 | 124,949 |
| | 598,844 | 583,545 |
| | 1,752,861 | 1,644,566 |
| EQUITY AND LIABILITIES | | |
| Share capital | 340,077 | 340,077 |
| Minority interest | (603) | (1,065) |
| Reserves | 723,393 | 678,530 |
| Shareholders' Funds | 1,062,867 | 1,017,542 |
| Non-Current Liabilities | | |
| Long term borrowing | 131,420 | 128,141 |
| Deferred tax liabilities | 41,075 | 39,677 |
| | 172,495 | 167,817 |
| Current Liabilities | | |
| Trade payables | 113,154 | 109,828 |
| Other payables and accrued expenses | 23,536 | 39,992 |
| Prepayment received from customers | 51,771 | 26,668 |
| Short term borrowing | 303,379 | 256,908 |
| Provision for taxation | 8,973 | 12,386 |
| Dividend payable | 16,686 | 13,425 |
| | 517,499 | 459,207 |
| | 1,752,861 | 1,644,566 |
| TOTAL EQUITY AND LIABILITIES | 1,752,861 | 1,644,566 |
| Net Asset per share @ RM 0.50 per share | 1.56 | 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 31 MARCH 2017**

| | 9 Months Ended 31 March 2017 RM'000 |
|--|--|
| Profit before tax | 74,366 |
| Adjustment for non-cash items | 27,175 |
| Operating profit before changes in working capital | <u>101,541</u> |
| Changes in working capital: | |
| Net change in current assets | 15,225 |
| Net change in current liabilities | 8,558 |
| Income tax paid | (32,158) |
| Net change in GST receivable | 3,190 |
| Net cash flows from operating activities | <u>(5,185)</u> |
| Investing Activities | |
| Purchase of property, plant and equipment | (92,859) |
| Proceeds from non-controlling interest | 1,098 |
| Net cash flows from investing activities | <u>(91,761)</u> |
| Financing Activities | |
| Bank borrowings | 49,751 |
| Share buy back | (7,778) |
| Finance costs | (7,362) |
| Dividend paid | (26,851) |
| Net cash flows from financing activities | <u>7,760</u> |
| Net change in cash & cash equivalents | 12,357 |
| Effect of foreign exchange rate changes | 11,954 |
| Cash & cash equivalent at beginning of period | 124,949 |
| Cash & cash equivalent at end of period | <u>149,260</u> |

Note :

| | |
|--|-----------------------|
| Cash & bank balances | 149,260 |
| Bank overdraft | - |
| Cash & cash equivalent at end of period | <u>149,260</u> |

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).

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.



**INTERIM FINANCIAL STATEMENT
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR QUARTER ENDED 31 MARCH 2017**

| Share Capital | Reserve attributable to Capital | Retained Profits | Minority Interest | Total |
|--------------------------|--|-----------------------------|------------------------------|---------------|
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |

Financial Period from 1 January 2015 to 30 June 2016

| | | | | | |
|-----------------------------|----------------|-----------------|----------------|----------------|------------------|
| At 1 January 2015 | 340,077 | (66,943) | 672,031 | (1,083) | 944,082 |
| Movements during the period | - | (9,943) | 83,385 | 17 | 73,459 |
| At 30 June 2016 | 340,077 | (76,886) | 755,416 | (1,066) | 1,017,541 |

Period Ended 31 March 2017

| | | | | | |
|-----------------------------|----------------|-----------------|----------------|--------------|------------------|
| At 1 July 2016 | 340,077 | (76,886) | 755,416 | (1,066) | 1,017,541 |
| Movements during the period | - | 13,161 | 31,703 | 463 | 45,326 |
| At 31 March 2017 | 340,077 | (63,725) | 787,119 | (603) | 1,062,867 |

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



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2017 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. The current quarter ended 31 March 2017 is the third 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 repurchased 3,810,000 ordinary shares from the open market at an average price of RM2.04 per share.

As at 31 March 2017, the number of treasury shares stood at 12,700,000.

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 st interim tax exempt dividend | 01.10.2010 | 5.0% | 8,486 |
| | 2 nd 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% [^] | 11,903 |
| 2012 | Interim tax exempt dividend | 18.01.2013 | 4.0% [^] | 13,583 |
| | Final tax exempt dividend | 18.06.2013 | 6.0% [^] | 20,404 |
| 2013 | Interim tax exempt dividend | 21.01.2014 | 4.0% [^] | 13,583 |
| | Final tax exempt dividend | 30.06.2014 | 6.0% [^] | 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 st Interim single tier dividend | 22.10.2015 | 4.0% ^ | 13,425 |
| | 2 nd Interim single tier dividend | 08.04.2016 | 4.0% ^ | 13,425 |
| | 3 rd Interim single tier dividend | 18.07.2016 | 4.0% ^ | 13,425 |
| | Final single tier dividend | 19.12.2016 | 4.0% ^ | 13,425 |
| 2017 | Interim single tier dividend* | 28.07.2017 | 2.5 sen | 16,686 |
| | Total | | | 291,861 |

^ Note that the dividend rate is based on 680.2 million shares (less treasury shares if any) 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

* Declared by Board of Directors

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 | - | 505,572 | 307,776 | 616 | - | 813,964 |
| Inter-segment sales | 21,032 | 275,226 | 52,674 | 5,884 | (354,816) | - |
| | <u>21,032</u> | <u>780,798</u> | <u>360,450</u> | <u>6,500</u> | <u>(354,816)</u> | <u>813,964</u> |
| Segmental results | 16,314 | 114,842 | (8,484) | (99) | (21,032) | 101,541 |
| Depreciation & Amortisation | | | | | | (28,969) |
| Finance costs | | | | | | (7,362) |
| Interest income | | | | | | - |
| Share of profit in associated companies | | | | | | 9,156 |
| PBT | | | | | | 74,366 |
| Tax expenses | | | | | | (13,143) |
| PAT | | | | | | <u>61,223</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 25 May 2017, the Group had capital commitments amounting to RM 29.9 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

There were no significant changes in the composition of the Group during the quarter ended 31 March 2017.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 25 May 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 | 3 rd Quarter ended 31.3.2017 RM '000 |
|-------------------------|--|
| Revenue | 308,226 |
| EBITDA | 35,397 |
| Profit Before Tax (PBT) | 20,894 |

The Group recorded total revenue of RM 308.2 million from global sales of its natural rubber and nitrile rubber gloves. In terms of profitability, the Group recorded EBITDA and PBT margins of 11.5% and 6.8% respectively.

Group revenue has risen owing to higher output recorded from some refurbishment work done, higher average selling prices in response to increased raw material prices as well as a stronger USD vs Ringgit.

However, there was some margin squeeze owing to sharply-rising raw material prices, pre-operating costs incurred on new start-ups overseas as well as advertising & promotional costs incurred as we launch our new contact lens products overseas. Additional expenses will be incurred in the next 12 months to gain a greater share of the global contact lens market. Nevertheless, efforts are being made to improve the profit margins and efficiency levels.

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 31.3.2017 RM '000 | Qtr ended 31.12.2016 RM '000 | Increase/(Decrease) | |
|-------------|-----------------------------------|------------------------------------|---------------------|--------|
| | | | RM'000 | % |
| Revenue | 308,226 | 236,737 | 71,489 | 30.2 |
| EBITDA | 35,397 | 37,981 | (2,586) | (6.8) |
| PBT | 20,894 | 26,985 | (6,091) | (22.6) |

On a preceding quarter basis, the Group's revenue rose by 30.2% (RM71.5 million) on the back of increased output from refurbishment works carried out, higher average selling prices in response to higher raw material costs; and stronger US Dollar vs the Ringgit. However, the Group has suffered some margin squeeze to EBITDA and PBT due mainly to the reasons as mentioned above.



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. These positive factors augur well for the Company and the industry as a whole.

Glove Division

I) Natural Rubber Latex

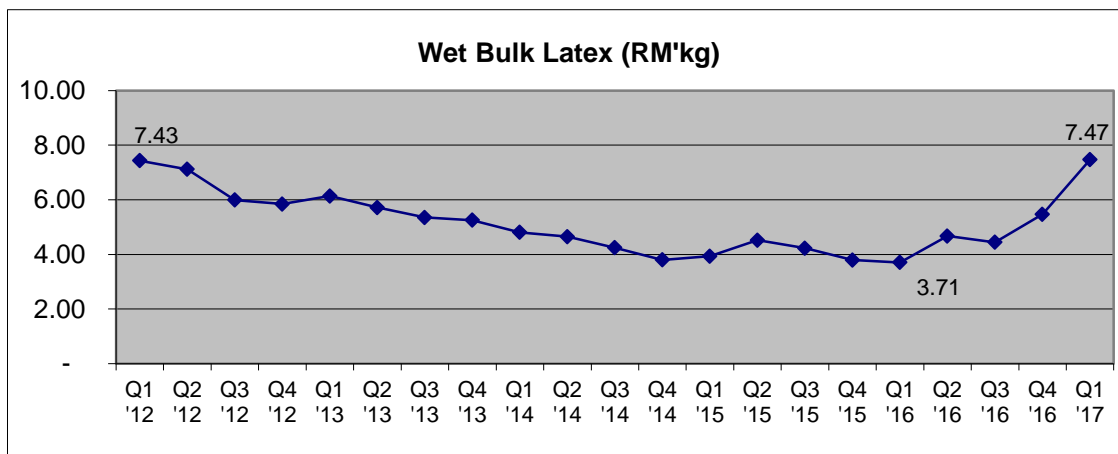
Natural rubber latex prices have been rising since the fourth quarter of 2016. From an average of RM4.44 per kg wet in the third quarter of 2016, it rose 23% to RM5.47 in the following quarter before surging a further 37% to RM7.47 in the first quarter of 2017.

This sharp rise in latex prices was mainly due to several factors including

- (i) efforts to rebalance supply-demand dynamics by the Tripartite of rubber producing nations;
- (ii) severe flooding in southern Thailand which had seen rubber latex yield fall significantly;
- (iii) wintering season for rubber trees in the region

While this has given a boost to sales revenue for the industry players who adjust prices upwards in response, the sharp rise has had the effect of squeezing margins owing to the lag effect in passing on the increased costs.

Rubber latex prices have since eased back to the RM6.30 per kg wet level and with the effects of the above negative factors on the wane, rubber latex prices are expected to remain at current levels if not ease further in the short to medium term.



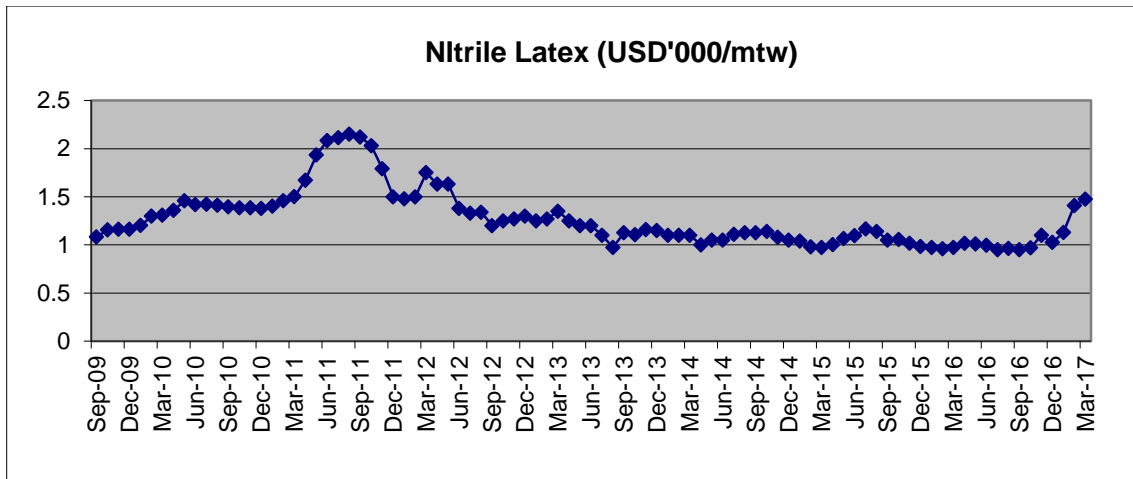
II) Synthetic Nitrile Latex

Synthetic nitrile latex prices have relatively lower price volatility as compared to natural rubber latex prices, with prices seldom moving far from the USD 1,000 per metric ton wet level.



However, prices started to edge up in Q4'16, before surging up in first quarter of 2017. This was mainly due to a fall in global butadiene supply following the closure of butadiene (stock feed for nitrile latex) plants in the Middle East and Singapore. On q-on-q basis, average monthly synthetic latex prices rose sharply by 30% from USD 1,031/mtw in Q4'16 to USD 1,338/mtw in first quarter of 2017.

How the supply-demand for butadiene rebalances going forward will determine future nitrile latex prices. Nevertheless, the Company has pricing mechanisms in place to mitigate the adverse impact to profit margins during times of price volatility.



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

| Natural Rubber Latex | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | YOY % |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|
| USD per kg/wet | 884 | 1,165 | 1,097 | 1,267 | 1,682 | +90.3 |
| RM per kg/wet | 3,705 | 4,673 | 4,444 | 5,473 | 7,470 | +101.6 |
| (USD:MYR) | 4.19 | 4.01 | 4.05 | 4.32 | 4.44 | +6.0 |
| Synthetic Latex (Nitrile) | Q1 2016 | Q2 2016 | Q3 2016 | Q4 2016 | Q1 2017 | YOY % |
| USD per mtw | 970 | 1,007 | 955 | 1,032 | 1,338 | +37.9 |
| RM per mtw | 4,064 | 4,038 | 3,868 | 4,458 | 5,941 | +46.2 |
| (USD:MYR) | 4.19 | 4.01 | 4.05 | 4.32 | 4.44 | +6.0 |

Contact Lens Division

The Group is making good progress in developing its contact lens business. Not only has it successfully set up its production operations over the last few years, but it is also seeing its intensive efforts to procure the necessary certifications and approvals to produce and bring its products to market bear fruit.

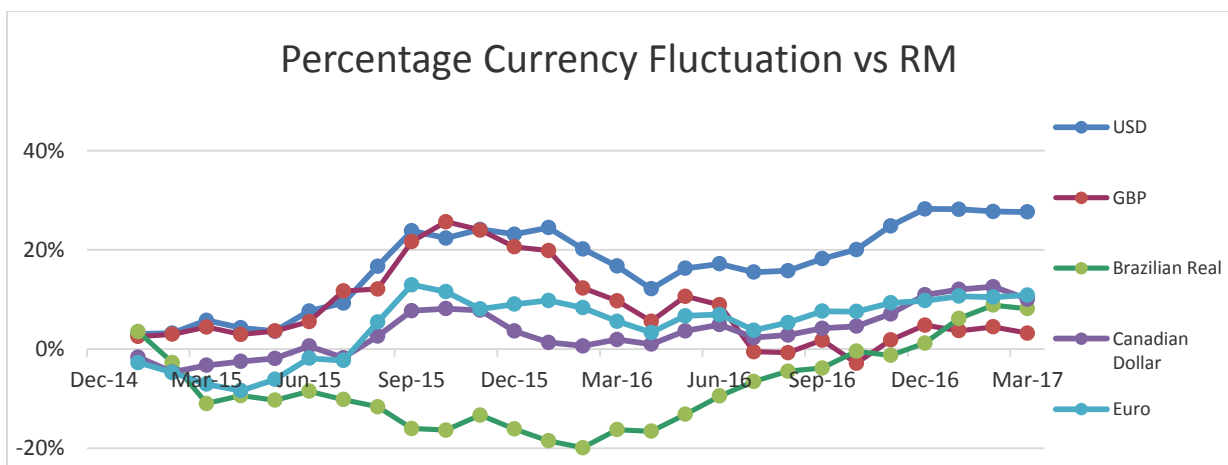
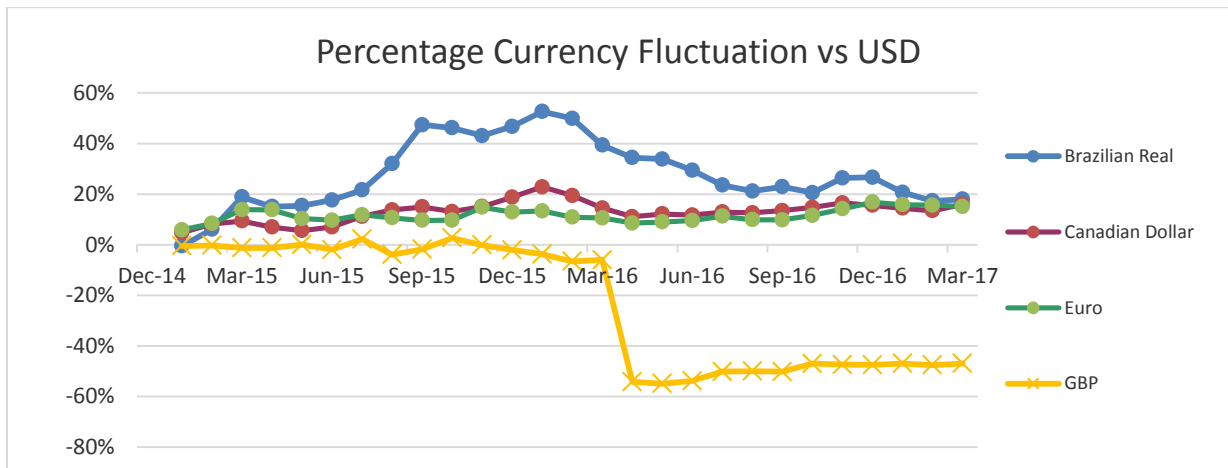


The certifications and approvals obtained to date include the US FDA 510K, the CE Mark and the Brazilian Anvisa license for the overseas markets; and the Medical Device Authority license for the Malaysian market. It is currently pursuing the approvals required to gain access to the Japanese market, the 2nd largest contact lens market after the USA. The Group will continue launching its products in the various overseas markets after obtaining the necessary approvals.

Foreign exchange rates

The Trump-win at the US presidential elections saw the currency pairing surge to almost USD1:MYR4.50 at the end of 2016, before easing back to the USD1:MYR4.30 level in recent weeks. Going forward, the currency pair is expected to remain at around this level over the short to medium term. Nevertheless, whichever way the Ringgit fluctuates against the US Dollar, the Company has in place a pricing mechanism which mitigates the impact of the 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.





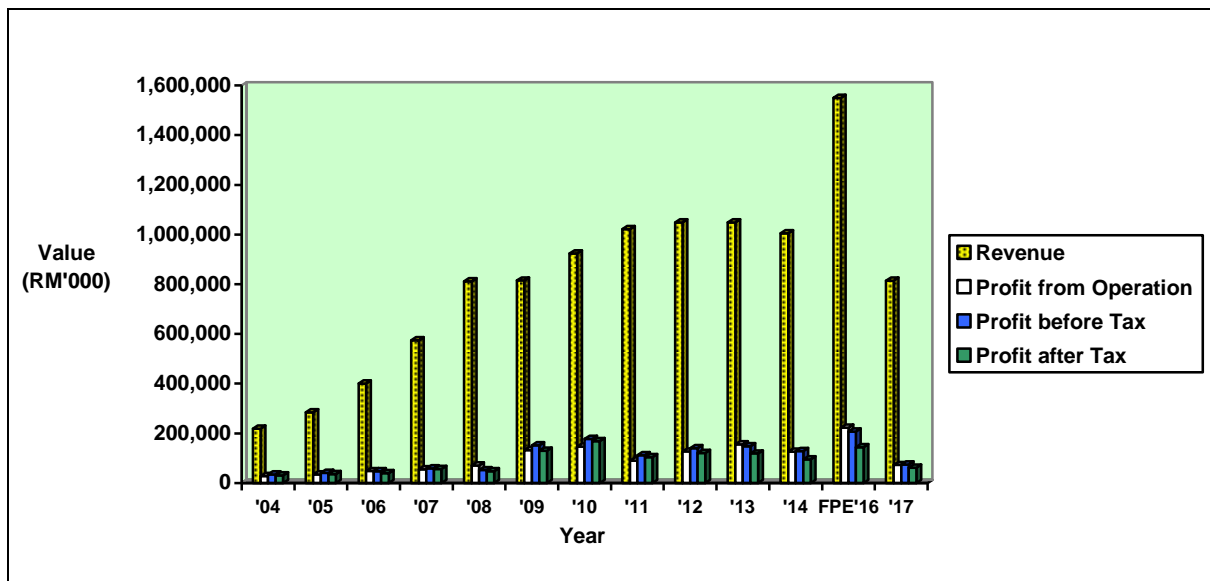
Historical & Current Financial Performance

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) | 9 mths 06/2017 (RM'000) |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|-------------------------------|
| Revenue | 1,021,358 | 997,374 | 1,048,151 | 1,004,384 | 1,549,529 | 813,964 |
| Profit from operations | 89,807 | 122,677 | 155,789 | 126,653 | 222,416 | 72,572 |
| EBITDA | 148,732 | 170,408 | 182,481 | 164,399 | 271,395 | 110,697 |
| EBITDA Margin | 14.6% | 17.1% | 17.4% | 16.4% | 17.5% | 13.6% |
| Profit before Tax (PBT) | 112,132 | 137,306 | 148,157 | 128,292 | 207,342 | 74,366 |
| PBT Margin | 11.0% | 13.8% | 14.1% | 12.8% | 13.4% | 9.1% |
| Profit after Tax (PAT) | 104,051 | 121,412 | 118,990 | 95,195 | 144,023 | 61,223 |
| Core Profit after Tax (PAT) | 108,051 | 121,412 | 118,990 | 95,195 | 144,023 | 61,223 |
| Core PAT Margin | 10.6% | 12.2% | 11.4% | 9.5% | 9.3% | 7.5% |
| 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 | 1,062,867 |
| NTA per share (RM) | 2.26 | 1.23 | 1.32 | 1.39 | 1.50 | 1.56 |
| Core EPS (sen) | 31.77 | 17.90 | 17.63 | 14.00 | 21.36 | 9.22 |
| 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):

| | Quarter Ended 31.3.2017 RM'000 | Year-to-date 31.3.2017 RM'000 |
|-----------------------------|---|--|
| Interest Expense | 2,981 | 7,362 |
| Depreciation & Amortisation | 11,522 | 28,969 |
| Staff costs: | | |
| - Salaries, wages & bonus | 29,025 | 83,881 |
| - EPF | 1,260 | 2,890 |
| - Other related staff costs | 1,675 | 4,115 |
| Foreign Exchange | | |
| - Realised Gain or Loss | 8,301 | 8,996 |
| - Unrealised Gain or Loss | (4,651) | (8,160) |

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

| | Quarter Ended 31.3.2017 RM '000 | Year-to-date 31.3.2017 RM '000 |
|----------|--|---|
| Taxation | 1,605 | 13,143 |

The Group's effective tax rate is lower than the statutory tax rate due to tax incentives claimed and certain income that is not taxable.

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 25 May 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 March 2017 are as follows: -

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|-----------------------|---------------------------|-----------------------------|-------------------------|
| Short term borrowings | 13,908 | 289,471 | 303,379 |
| Long term borrowings | 4,547 | 126,873 | 131,420 |
| Total borrowings | 18,455 | 416,344 | 434,799 |

91% of the short term borrowings comprise trade facilities amounting to RM 273.9 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 25 May 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 25 May 2017, being the latest practicable date.

13. Dividends Declared/Proposed

The Board of Directors has declared a 2.5 sen single tier interim dividend for the current financial year ending 30 June 2017, to be paid on 28 July 2017.

14. Earnings per Share (EPS)

| | Current Quarter Ended 31.3.2017 | Financial Year-to-date Ended 31.3.2017 |
|--|--|---|
| Net profit / (loss) (RM'000) attributable to ordinary shareholders | 19,754 | 61,860 |
| Weighted average ('000) Number of ordinary shares in issue | 670,984 | 670,984 |
| Basic earnings per share (sen) | 2.94 | 9.22 |



15. Realised and Unrealised Profits/Losses

| | As at 31.3.2017 RM '000 | As at 30.6.2016 RM '000 |
|---|--|--|
| Total retained profits of the Company and its Subsidiaries: | | |
| - Realised | 712,547 | 810,076 |
| - Unrealised | (20,297) | 2,535 |
| | 692,250 | 812,611 |
| Consolidation adjustments | 94,869 | (57,195) |
| Total Group retained earnings as per consolidated accounts | 787,119 | 755,416 |