



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012
PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134**

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with requirement of Malaysian Financial Reporting Standard 134 (MFRS 134): Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), International Accounting Standard (“IAS”) 34: Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) and paragraph 9.22 (Appendix 9B part A) of the Main Market Listing Requirements (“Listing Requirements”) of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 2011 except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”):

MFRSs/IC Interpretations

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 4	Insurance Contract
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 6	Exploration for and Evaluation of Mineral Resources
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 101	Presentation of Financial Statements
MFRS 102	Inventories
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 110	Events after the Reporting Period
MFRS 111	Construction Contracts
MFRS 112	Income Taxes
MFRS 116	Property, Plant & Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
MFRS 120	Accounting for Government Grants and Disclosure of Government Assistance
MFRS 121	The Effects of Changes in Foreign Exchange Rates
MFRS 123	Borrowing Costs
MFRS 124	Related Party Disclosures
MFRS 126	Accounting and Reporting by Retirement Benefit Plans
MFRS 127	Consolidated and Separate Financial Statements
MFRS 128	Investment in Associates
MFRS 129	Financial Reporting in Hyperinflationary Economies
MFRS 131	Interest in Joint Ventures
MFRS 132	Financial Instruments: Presentation



MFRS 133	Earnings Per Share
MFRS 134	Interim Financial Reporting
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 139	Financial Instrument: Recognition and Measurement
MFRS 140	Investment Property
MFRS 141	Agriculture
IC Int. 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Int. 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Int. 4	Determining Whether an Arrangement contains a Lease
IC Int. 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitations Funds
IC Int. 6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
IC Int. 7	Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies
IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 12	Service Concession Arrangements
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	MFRS 119 –The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Int. 15	Agreements for the Construction of Real Estate
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 18	Transfers of Assets from Customers
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 107	Introduction of the Euro
IC Int. 110	Government Assistance – No Specific Relation to Operating Activities
IC Int. 112	Consolidation – Special Purpose Entities
IC Int. 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC Int. 115	Operating Leases- Incentives
IC Int. 125	Income Taxes – Change in the Tax Status of an Entity or its Shareholders
IC Int. 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC Int. 129	Service Concession Arrangements: Disclosures
IC Int. 131	Revenue – Barter Transactions Involving Advertising Services
IC Int. 132	Intangible Assets – Web Site Costs

The audited financial statements of the Group for the financial year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the adoption of the above MFRSs and IC Interpretations does not have any significant impact on the financial performance and financial position of the Group. In compliance with MFRS 1, First-time Adoption of MFRS, the Group has presented the statement of financial position as at 1 January 2012, which is the beginning of the earliest comparative period, in the interim financial report without any restatement on the financial information.

The Group has not applied in advance the following MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by MASB but not yet effective for the current financial year:



		<u>Effective Date</u>
MFRS 9	Financial Instruments	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interest in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosure – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

2. Auditors' Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2011.

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

Employee Share Option Scheme

During the current quarter ended 30 September 2012, there were no new ordinary shares exercised and issued pursuant to the Company's Employee Share Option Scheme.



Share Buyback

There were no share buyback transactions during the quarter under review. The number of shares retained as treasury shares as at 30 September 2012 stood at 1,001,000.

7. Dividend Paid

Dividends paid to-date are tabulated below:

Financial Year	Description	Payment Date	Dividend (%)	Value (RM'000)
2001	First & final tax exempt dividend	28.08.2002	3.6%	1,440
2002	First & final tax exempt dividend	27.08.2003	4.5%	1,800
2003	First & final tax exempt dividend	27.08.2004	4.5%	3,638
2004	First & 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	First & 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	1 st Interim tax exempt dividend Final tax exempt dividend	08.12.2011 28.06.2012	6.0% 3.5%^	10,202 11,903
2012	1 st Interim tax exempt dividend*	18.01.2013	4.0%^	13,603e
	Total			133,282e

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

* = declared

e = estimated



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	-	94,278	583,968	-	-	678,246
Inter-segment sales	-	619,729	65,373	3,254	(688,356)	-
	-	714,007	649,341	3,254	(688,356)	678,246
Segmental results	(779)	79,129	6,777	(89)		85,039
Finance costs						(7,926)
Other income						1,111
Share of profit in associated companies						19,612
PBT						97,836
Tax expenses						(8,206)
PAT						89,630

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 2012, the Group had capital commitments amounting to RM 29.2 million for the purchase of plant and equipment. Plant & equipment includes the production lines as well as ancillary machineries to be fabricated and installed at its 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 in the current quarter.

13. Contingent liabilities and contingent assets

Save as disclosed below, there were no contingent liabilities and contingent assets since the last annual balance sheet date: -

MAXWELL (Maxwell Glove Manufacturing Berhad, formerly known as Spenser Glove Manufacturing Berhad) entered into two (2) Sale and Purchase Agreements on 17 August 2004 (the said agreement) to purchase two (2) pieces of property, namely P.N. No. 145074, Lot No. 19789 and H.S.(D) LM 10723, Lot No. 5911, both of Mukim Asam Kumbang, Taiping from Gunung Resources Sdn Bhd (the "Vendor") for the total sum of RM9,280,000 and has since paid to the Vendor a deposit of RM928,000 (deposit). Due to the breach of the terms and conditions of the said agreement, the solicitors for the Company have given notice to the Vendor to terminate the said agreement and for the refund of the deposit.

On 7 September 2006, MAXWELL filed a writ of summons against the Vendor seeking a declaration that the said agreement is rescinded and the return of the deposit together with interest at the rate of 8% per annum over the deposit amount until date of realisation of the payment and whatsoever relief the court deems fit. The Vendor filed their defence on 12 October 2006. On 6 March 2007, MAXWELL filed an application by way of summons in chambers seeking an order for the rescission of the said agreement and the return of the deposit. On 25 October 2007, judgment was granted in favour of MAXWELL. On 6 November 2007 and 23 November 2007, the Vendor filed an appeal and a stay of execution against the judgment granted in favour of MAXWELL respectively whereupon the stay application was dismissed with costs.

The Vendor then filed an Originating Motion to the Court of Appeal for Stay of Execution and was granted a stay of execution pending hearing of Vendor's appeal subject to the Vendor depositing the judgment sum of RM928,000 in the joint account of the solicitors of the Vendor and MAXWELL within thirty (30) days from 21 January 2009. The Vendor has deposited a sum of RM928,000 with their solicitors. Hearing of the Vendor's appeal proceeded on 14 October 2009 whereby the Court allowed the appeal. The matter proceeded with full trial on 24 and 25 February 2011 at the High Court at Taiping. On 28 April 2011, the Court dismissed MAXWELL's claim. MAXWELL has filed an appeal to the Court of Appeal against the decision on 11 May 2011 which is now pending disposal.



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	3 rd Qtr 2012 RM '000	3 rd Qtr 2011 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	245,513	271,419	(25,906)	(9.5)
Profit before tax (PBT)	33,836	34,088	(252)	(0.7)
Profit after tax (PAT)	31,600	30,900	700	+2.3

The Group's revenue was lower by 9.5% or RM25.9 million compared to a year ago. This was largely because of lower average selling prices for its products by between 11% and 22% in tandem with lower raw material costs.

Net profit was however slightly higher by 2.3% largely owing to cost savings from lower raw material costs. Profitability would have been higher if not for the significantly lower contribution from associate companies. Share of profits from associated companies fell by 63% or RM5.6 million as they were affected by sharply depreciating local currency vs both MYR and USD as well as having to face a fiercely competitive market as new players tried to gain market share. The traditional players like Supermax have been able to maintain market share and successfully staved off the challenges posed by the new players. Going forward, we believe the associate companies will perform better.

Excluding the associate companies' performance, the Group would have registered about 21% or RM5.4 million profit growth from the significant cost savings on raw materials.

The Group's profit margins, however, continued to expand further compared to the corresponding quarter a year ago with PBT margin rising to 13.8% (from 12.6%) and PAT margin to 12.9% (from 11.4%). The margins expansions were largely on account of lower raw material costs with natural rubber latex and nitrile latex prices falling by 31% and 39% respectively.

2. Comparison with Preceding Quarter's Result

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

Description	3 rd Qtr 2012	2 nd Qtr 2012	Increase/(Decrease)	
	RM '000	RM '000	RM'000	%
Revenue	245,513	232,101	13,412	5.8
Profit before tax (PBT)	33,836	33,295	541	1.6
Profit after tax (PAT)	31,600	30,005	1,595	5.3



The Group's revenue was higher by 5.8% compared to the previous quarter. This was mainly attributed to the consolidation of Supermax Healthcare Canada Inc after it became a subsidiary during the quarter as well as the higher revenue from sales of surgical gloves. Similarly to the year-on-year performance, the Group would have registered a better performance if not for the reduced profit contribution from associated companies which was impacted by a fiercely competitive market as new entrants tried to gain market share.

4. Prospects

Rubber Prices

As anticipated, rubber latex prices have been on an extended downtrend this year. And this is despite the International Tripartite Rubber Council's (ITRC) efforts to stabilise latex raw material prices. Rising rubber material supply coupled with lower demand for the commodity have seen latex prices easing for the most part of the year to date. From nearly RM8 per kg wet earlier in the year, prices have retreated to as low as RM5.24 per kg wet in August 2012 and are currently trading at the RM5.60 per kg wet level. With the economic woes in the Eurozone continuing and a slowdown in China demand seen, we expect rubber prices to continue to ease further for the rest of the year and well into 2013.

In terms of nitrile latex material, supply remains plentiful at present and the prices of this synthetic raw material have generally also been trending lower in the past few quarters, from USD1,578 per mtw in 1Q'12, to USD1,547 in 2Q'12 and further to USD1,290 in 3Q'12. Nevertheless, we expect nitrile prices to reverse in the near term to medium term before stabilising at the USD1,200 – USD1,500 per mtw levels.

Foreign exchange rates

The USD has remained at a relatively high level during the quarter under review, averaging RM3.12 : USD1. The RM had strengthened slightly towards the end of September to the RM3.05–RM3.08 : USD1.00 level and has been relatively stable since. With the economic woes in the Eurozone continuing and US economy still sluggish, it is widely expected that the greenback will remain much sought after as a safe haven currency. In addition, with the continued large budget deficits from the government, we anticipate the RM would remain weak against major currencies in medium and longer term.

Robust global demand

Despite the slowdown in the Eurozone and US, demand for gloves, both natural rubber and nitrile, remains robust.

The Group currently has oversold position of 2 months for natural rubber gloves and 4 months for nitrile rubber gloves as buyers continue to move back to their normal buying pattern instead of buying the bare minimum in response to the extreme volatility in glove prices seen in the last 1½ - 2 years.

We also see strong demand growth from other regions such as from the Middle East and also Africa, not to mention Asia towards which the balance of economic power is tilting.



Manufacturing and Process Automation

Most of the manufacturing plants in the industry, including Supermax's plants, are already highly automated. However, there are some remaining processes, particularly the stacking and packing process, which still requires a lot of manual labour. The automation programme to automate these remaining processes is being fast-tracked in response to the need to reduce dependency on foreign labour. This process would invariably lead to some output loss but it is a necessary step for future gain. Ultimately, this would enable the Supermax Group to further increase productivity and manufacturing efficiency and remain at the forefront in terms of global competitiveness. In addition, all the new manufacturing facilities would be fully automated & equipped with manufacturing automation process fully built-in as part of the capital expenditures.

Expansion Plans

Expansion of Surgical Glove Capacity

The surgical glove capacity expansion at the Sg Buloh plant is progressing well with 5 of the 7 lines planned having been commissioned since May'12. The remaining lines will continue to be commissioned in stages when the additional capacity of sterilisation facility are allocated to Supermax Group & with additional automatic packaging machineries are in place and once fully completed we would be well placed to secure greater market share in this segment. Currently, surgical gloves are far oversold.

Expansion of Nitrile Latex Examination Gloves Capacity

Besides surgical gloves, the Group is also moving ahead with fast tracking its plans to build & complete plants #10 and #11 over the next 12 months in Meru, Klang. These new plants will have lines that are built to be inter-switchable between natural rubber and Nitrile glove production but have currently been earmarked for Nitrile in tandem with market demand. Works are also ongoing to refurbish the older plants by replacing old lines with the latest advanced & more efficient lines including one particular plant's production lines are being replaced with new and high speed new lines for production of Nitrile gloves.

When the 2 new plants as well as the converted plant have been fully commissioned by the 4th quarter of 2013, it would increase by 6.8 billion gloves which is more than double the Supermax Group's current Nitrile capacity from 5.2 billion pieces per annum to **12 billion pieces per annum**. This increase in production capacity will result in Nitrile Gloves forming **52%** of the Supermax Group's total installed capacity while NR Latex Gloves will form the balance **48%**.

The additional capacity from the Group's new plants as well as the rebuilt plant will not only enable the Group to reduce the lead times to meet demand of Nitrile Gloves but also improve profitability through higher efficiency and better productivity. In addition, the increase in production capacity of Nitrile Glove would provide NOT only to Manufacturing Division's additional new sales & additional profits, it also provides additional new sales and additional profits contribution to Supermax Group's overseas distribution activities, providing additional income and increase in market shares of Nitrile Gloves where the Group's overseas distribution companies operate.



Expansion of National Distribution Headquarters in USA

In February 2012, a subsidiary of Supermax Group purchased a 14.06 acre piece of land in the suburb of Chicago, Illinois, USA for the purposes of building a brand new custom-designed office and a warehouse. The entire warehouse facility when it is fully completed, would have a floor area of approximately 225,000 square feet and this facility would be Supermax's National Distribution Headquarters for its US operations.

On 13 August 2012, a ground-breaking ceremony was held to launch Phase I of this project encompassing the construction of the East Building measuring 90,170 sq ft comprising a state-of-the-art warehouse & distribution facility and also a 6,000 sq ft office space for the operations of the distribution headquarters. The East Building of the facility would be operational by May/June, 2013.

The National Distribution Headquarters will cater to business growth in the US market while consolidating the current 2 distribution units under one roof for efficiency purposes. With the increased capacity, Supermax will be able to carry new lines to cater to dental, pharmaceutical, scientific laboratories and medical as well as hospital markets. The Group will also be able to leverage on this expansion to make inroads into other markets not currently captured such as the hospitality and beauty industries.

Supermax Healthcare Canada Inc has become a subsidiary of Supermax Group

Effective from July 1, 2012, Supermax Canada Inc has become Supermax Healthcare Canada Inc (SHCI) and is now 67% owned by Supermax Corporation Bhd. Therefore, SHCI's financial results would be consolidated into Supermax Group's results from this quarter onwards. As at December 2011, Supermax Canada is among the top 3 largest glove providers in the healthcare industry in Canada. It is our aim to continue to work hard and to work smart in order to achieve market leadership by being the most popular brand of gloves in the Canadian market. We are optimistic that SHCI will continue to contribute positively to the bottom line of Supermax Group.

Earnings Guidance for FY2012

In view of the high volatility of NR latex prices, anticipation of lower manufacturing margins on Nitrile gloves and high volatility of foreign exchange currencies, for the earnings guidance of financial year 2012, *we maintain and are confident that we are able to achieve 20% earnings growth from the previous year.*

Update on Price trend of NR latex and Nitrile material and foreign exchange fluctuation and its impact on glove price movements

Below are the tables showing historical average quarterly price trend of NR and nitrile latex, foreign exchange fluctuations and glove price movements:



NR & Nitrile Latex Prices and MYR/USD Exchange Rates

Natural Rubber Latex	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	YOY %
USD	2,858	2,284	2,429	2,274	1,921	(33%)
RM	8,630	7,220	7,433	7,117	5,993	(31%)
(MYR/USD)	3.02	3.16	3.06	3.13	3.12	+3.3%

Synthetic Latex (Nitrile)	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	YOY %
USD	2,128	1,773	1,578	1,547	1,290	(39%)
RM	6,426	5,603	4,829	4,842	4,025	(37%)
(MYR/USD)	3.02	3.16	3.06	3.13	3.12	+3.3%

Average Selling Prices

(USD/ 1,000 pcs)	Q3 2011 USD	Q4 2011 USD	Q1 2012 USD	Q2 2012 USD	Q3 2012 USD
Powdered Latex Gloves	26.95 – 35.95	23.95 - 29.95	25.50 – 30.95	24.50 – 30.95	23.95 – 32.95
Powder-Free Latex Gloves	35.50 – 39.95	31.50 – 39.95	32.75 – 41.95	30.95 – 37.95	30.75 – 34.95
Nitrile - 2.5mil	28.25 – 31.95	24.50 – 31.95	24.45 – 27.95	23.50 – 27.95	23.50 – 27.95
Nitrile - 3.2mil	28.95 – 31.95	24.95 – 31.95	25.95 – 27.95	24.00 – 27.95	24.00 – 27.95
Nitrile - 4.0mil	32.25 – 34.95	26.95 – 34.95	28.25 – 30.95	24.45 – 30.95	26.45 – 30.95
Nitrile - 5.0mil	37.95 – 39.95	30.95 – 39.95	32.95 – 33.95	29.50 – 33.95	29.50 – 33.95
(MYR/USD)	3.02	3.16	3.06	3.13	3.12

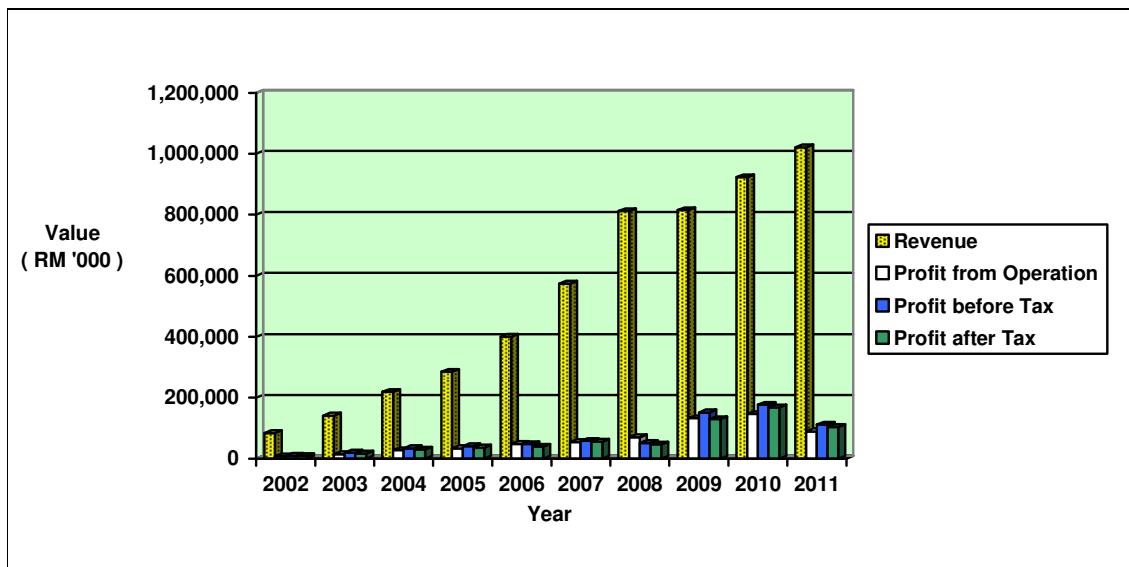
While we are increasing production output of Nitrile gloves, we have been maintaining our manufacturing margins of Nitrile Glove at between 11% - 15% to be in line with global market prices, especially Nitrile gloves from China & Thailand. This is in line with our objective to be globally competitive.



The Group's yearly and current year quarterly performances are tabled below:

Description	Year 2007 (RM '000)	Year 2008 (RM '000)	Year 2009 (RM '000)	Year 2010 (RM '000)	Year 2011 (RM '000)	9 mths 2012 (RM '000)
Revenue	574,260	811,824	803,633	977,281	1,021,358	726,135
Profit from operations	54,983	70,203	131,710	155,458	89,807	86,150
EBITDA	93,730	101,197	205,670	223,373	148,732	123,596
EBITDA Margin	16.3%	12.5%	25.6%	22.9%	14.6%	17.0%
Profit before Tax (PBT)	58,550	51,998	151,470	183,835	112,132	97,836
PBT Margin	10.2%	6.4%	18.8%	18.8%	11.0%	13.5%
Profit after Tax (PAT)	55,946	46,997	126,585	158,955	104,051	89,630
Core Profit after Tax (PAT)	55,946	63,658	126,585	158,955	108,051	89,630
Core PAT Margin	9.7%	7.8%	15.8%	16.3%	10.6%	12.3%
No. of Shares	265,240	265,270	268,250	340,077	340,077	340,077
Net Tangible Asset (NTA)	383,789	416,380	558,835	691,468	769,038	844,635
NTA per share (RM)	1.45	1.57	2.08	2.03	2.26	1.24
Core EPS (sen)	19.40	24.00	48.61	46.74	31.77	13.18
Return on Assets (ROA)	6.4%	5.0%	13.4%	14.9%	8.6%	NM
Return on Equity (ROE)	14.6%	11.3%	22.7%	23.0%	13.5%	NM

NM= Not meaningful



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

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

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

	Quarter Ended 30.9.2012 RM '000	9 months Ended 30.9.2012 RM '000
Income tax	900	3,700
Deferred Tax	1,336	4,506
Total	2,236	8,206

The effective tax rate of the Group is lower than statutory income tax mainly because of reinvestment allowance claimed by certain subsidiary companies.

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 20 November 2012 (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 30.9.2012 are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	3,592	146,719	150,311
Long term borrowings	5,544	147,283	152,818
Total borrowings	9,136	311,746	303,129



90% of the short term borrowings comprise trade facilities amounting to RM135 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 3.5%.

11. Financial Instruments with Off Balance Sheet Risks

There were no financial instruments with off balance sheet risk as at 20.11.2012 (the latest practicable date which shall not be earlier than 7 days from the date of this quarterly report).

12. Pending Material Litigation

There are no major changes in material litigation since the last annual balance sheet date except where disclosed in Note 13 to the Interim Financial Report.

13. Dividends Declared

The Board of Directors has declared a 1st interim dividend of 4% tax exempt to be paid on January 18, 2013.

14. Earnings per Share (EPS)

Basic earnings per share

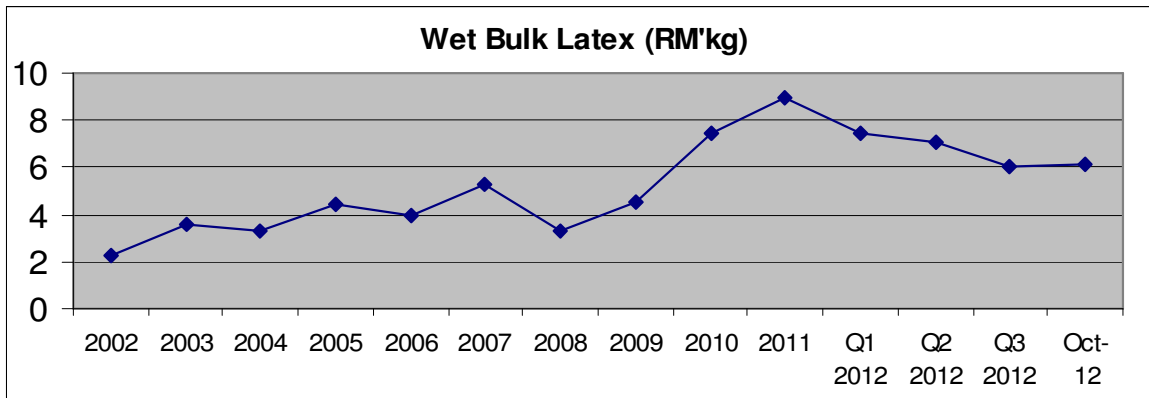
	2012 Current Quarter Ended 30.9.2012	2012 Year to Date Ended 30.9.2012
Net profit / (loss) (RM'000) attributable to ordinary shareholders	31,600	89,630
Weighted average ('000) Number of ordinary shares in issue	680,154	680,154
Basic earnings per share (sen)	4.65	13.18



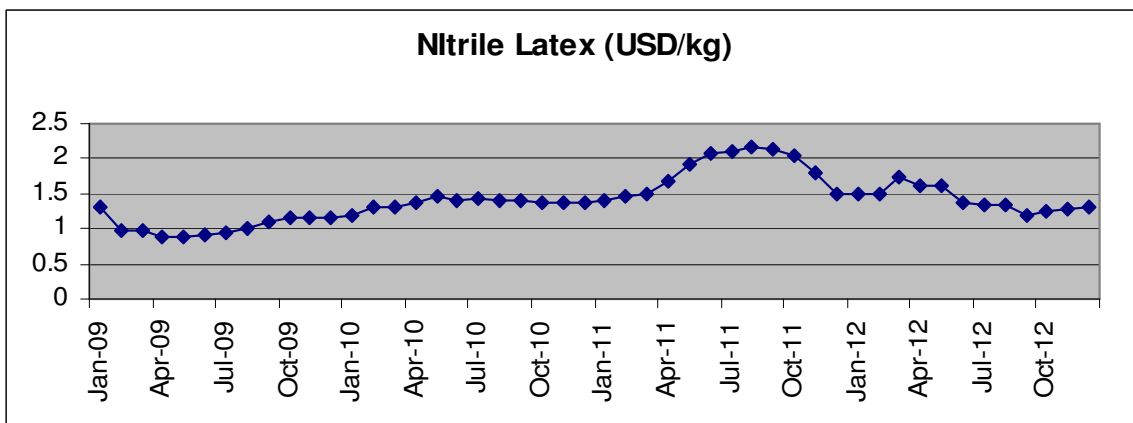
15. Management of Latex Cost Fluctuations

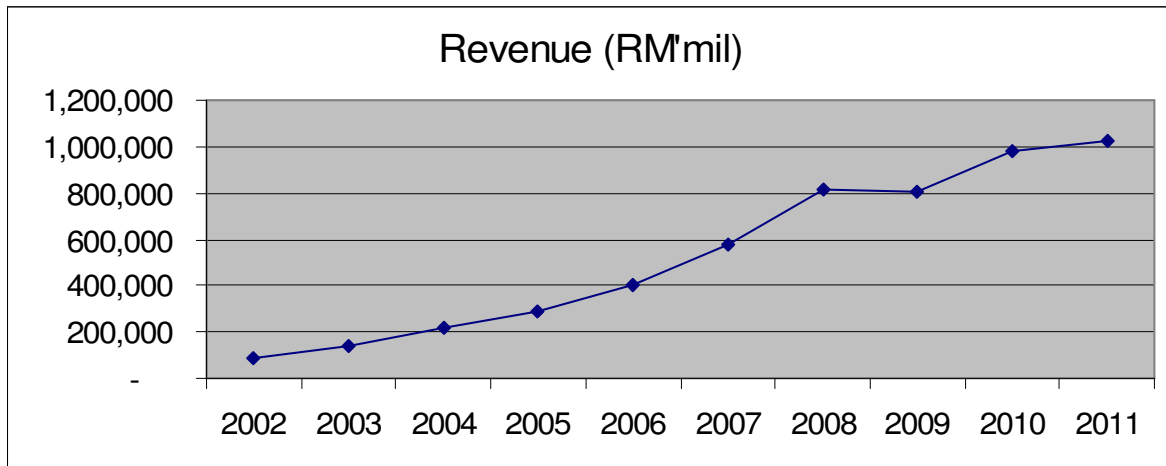
Rubber latex costs, the main raw material cost in the manufacturing of rubber gloves, forms a high percentage of the Group’s costs and any increase in this cost item must be well managed.

The Group has a pricing mechanism in place whereby any fluctuation in this cost component is factored into the pricing process for the Group’s rubber glove products. What this means is that effectively, the cost increases can be passed on to consumers, albeit with a short time lag, thus maintaining the Group’s profitability. However, when latex costs are on a continuous rising trend, the ability to fully pass on all rising costs is adversely affected and results in margin squeeze. Below are 3 line graphs depicting the correlation between the price of NR and nitrile rubber latex and the Group’s Sales Revenue.



NR Latex	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Oct 2012	12 Nov '12
RM/kg	8.63	7.22	7.43	7.12	5.99	6.16	5.48





16. Management of Foreign Exchange Rate Fluctuations

Currency trend for competing nations

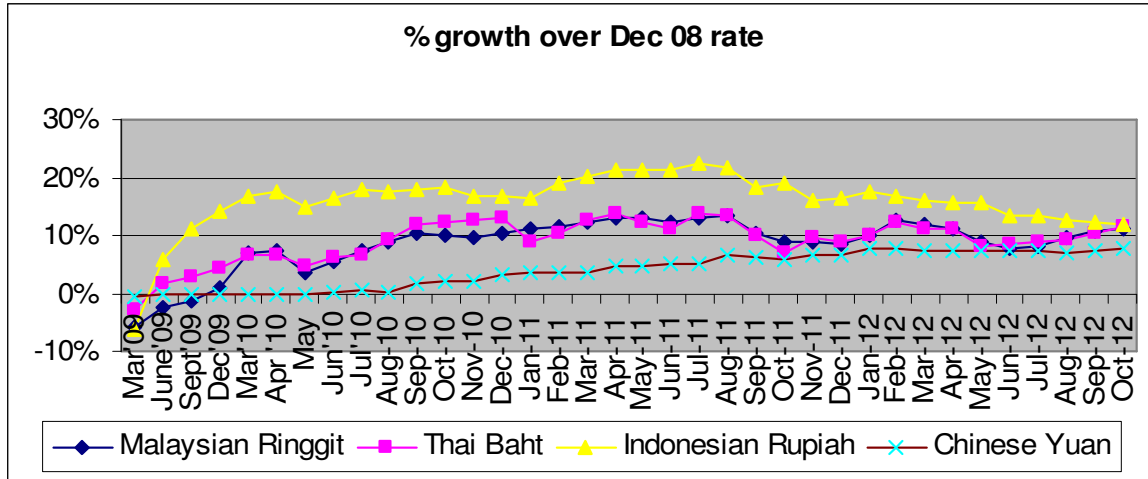
Foreign exchange is another factor that may have a significant impact on the Group's performance. While the Ringgit has been relatively strong against the USD in recent quarters, the currencies of most of the major rubber glove producing countries have similarly appreciated. In the case of the Indonesian Rupiah and the Thai Baht, they have both appreciated against the USD by 12% and 11% respectively compared to 11% for the Ringgit since 2008. In conclusion, Malaysian exports remain competitive against the major competing nations.

A table showing the movement in USD:MYR exchange rate since Q2 2011 is as follows:

FOREX	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
(MYR/USD)	3.02	3.02	3.16	3.06	3.13	3.12



Below is a graph and table depicting the currency growth of the major rubber glove producing countries.



Exchange rate (1USD) vs Dec 08 rate

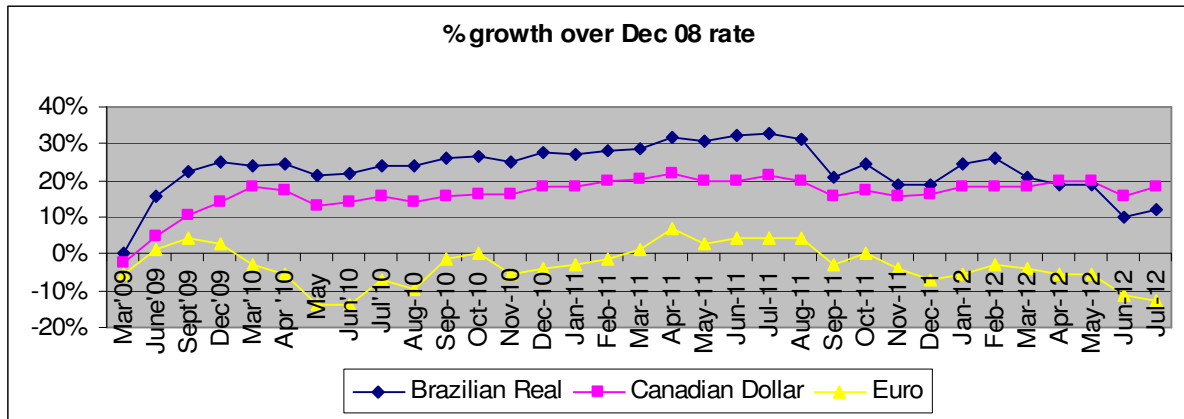
Currencies of Major Rubber Glove Producing Countries

	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
Malaysian Ringgit	12%	11%	9%	8%	8%	10%	11%	11%
Thai Baht	11%	11%	8%	9%	9%	9%	10%	11%
Indonesian Rupiah	16%	16%	16%	14%	13%	13%	12%	12%
Chinese Yuan	7%	7%	7%	7%	7%	7%	7%	8%

In conclusion, so long as the MYR appreciation against the USD is in tandem with the currencies of the other major rubber glove producing countries, gloves made in Malaysia will remain globally competitive.



Currency trend for associated companies and overseas subsidiaries



Exchange rate (1USD) vs Dec 08 rate

Currencies of Countries Where Our Associated Companies and Overseas Subsidiaries Operate

	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12
Brazilian Real	19%	24%	26%	21%	19%	19%	10%	12%
Canadian Dollar	16%	18%	18%	18%	20%	20%	16%	18%
Euro	-7%	-6%	-3%	-4%	-6%	-6%	-11%	-13%