NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 31 MARCH 2014 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 interim financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia,

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 2013.

The Group had adopted the following existing, new and revised MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that are mandatory for the current financial year:-

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 8	Operating Segments
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurement
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 112	Income Taxes
MFRS 116	Property, Plant & Equipment
MFRS 117	Leases
MFRS 118	Revenue
MFRS 119	Employee Benefits
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 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
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. 9	Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
IC Int. 107	Introduction of the Euro
IC Int. 112	Consolidation – Special Purpose Entities
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. 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 2013 are 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 2014 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 new MFRSs, Amendments to MFRSs and IC Interpretations that have been issued by MASB but not yet effective for the current financial year:

		Effective Date
New MFRS		
MFRS 9	Financial Instruments	To be announced by the MASB
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 7	Financial Instruments: Disclosure	Applies when MFRS 9 is applied
MFRS 8	Operating Segments	1 July 2014
MFRS 9	Financial Instruments	To be announced by the MASB

MFRS 13	Fair Value Measurement	1 July 2014
MFRS 116	Property, Plant and Equipment	1 July 2014
MFRS 119	Employee Benefits	1 July 2014
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 138	Intangible Assets	1 July 2014
MFRS 139	Financial Instruments: Recognition and Measurement	Applies when MFRS 9 is applied
MFRS 140	Investment Property	1 July 2014

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2013 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 2013.

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

<u>Share Buyback</u>

During the current quarter under review, the Company did not perform any share buyback transactions. As at 31 March 2014, the number of shares retained as treasury shares stood at 1,003,000.

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	1st interim tax exempt dividend 2nd 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 Proposed final tax exempt dividend	21.01.2014 30.06.2014*	4.0%^ 6.0%^*	13,583 20,404
	Total			**187,653****

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

* Proposed by Board of Directors and subject to shareholders approval at the upcoming AGM to be held on 3 June 2014

** Includes proposed final tax exempt dividend

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 3 MONTHS	Investment Holding RM'000	Manu-facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	-	21,171	209,604	1,498	-	232,273
Inter-segment sales	-	209,307	14,090	1,899	(225,296)	-
	-	230,478	223,694	3,397	(225,296)	232,273
Segmental results	4	30,421	1,874	580		32,879
Finance costs						(2,303)
Interest income						-
Share of profit in associated companies						1,564
PBT						32,140
Tax expenses						(5,833)
PAT						26,307

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 26 May 2014, the Group had capital commitments amounting to RM 55.0 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

Supermax International Sdn Bhd, a wholly-owned subsidiary of Supermax, had on 7 March 2014, incorporated a 98% owned subsidiary known as SuperVision Optimax Sdn Bhd (Company No. 1083853-U). The remaining 2% equity interest is held by Mr. Ting Chong Chai.

SuperVision Optimax was incorporated as a private limited company under the Companies Act, 1965 with an authorised share capital of RM5,000,000.00 divided into 5,000,000 ordinary shares of RM1.00 each. The initial issued share capital is RM100.00 comprising 100 ordinary shares of RM1.00 each.

The intended principal activity of SuperVision Optimax is to carry on business of manufacturing, sales, marketing and distribution of related healthcare products to the global markets and through the existing global distribution network and our overseas distribution centres.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 26 May 2014 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	1st Qtr 2014 RM '000	1st Qtr 2013 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	232,273	320,540	(88,267)	(27.5)
Profit before tax (PBT)	32,140	36,767	(4,627)	(12.6)
Profit after tax (PAT)	26,307	32,093	(5,786)	(18.0)

The Group's revenue was 27.5% or RM 88.3 million lower compared to the previous year corresponding quarter. Profit before Tax and Profit after Tax were also lower, by 12.6% and 18.0% respectively. The Group's performance in Q1 2014 continues to be affected by the temporary loss of production caused by the fire which occurred at its Alor Gajah plant in Q4 2013 and also due to stiff competition in the market, especially in the nitrile segment. During the first quarter, the Alor Gajah plant was able to gradually start back half of its production lines. The remaining lines were re-commissioned in stages in Q2 2014.

2. Comparison with Preceding Quarter's Result

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

Description	1st Qtr 2014 RM'000	4th Qtr 2013 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue	232,273	192,236	40,037	+20.8
Profit before tax (PBT)	32,140	37,984	(5,844)	(15.4)
Profit after tax (PAT)	26,307	25,829	478	+1.8

On a preceding quarter basis, the Group's revenue rose by 20.8%, on the back of increased output garnered from running back the production lines which had been halted due to the fire and from temporarily scaling back the automation program until full production is restored at Alor Gajah plant. Nevertheless, the Profit before Tax was 15.4% lower while Profit after Tax was slightly higher by 1.8%.

As mentioned earlier, the remaining lines affected by the fire have been re-commissioned in Q2'14 and we expect production levels to return to more normalised levels from Q3 2014.

3. Prospects

Latex Material Prices

Natural rubber latex prices have continued to slide further in the first quarter of 2014, averaging RM4.81 per kg wet compared to RM5.26, RM5.35, RM5.72 and RM6.14 per kg wet in the preceding 4 quarters. This is reflective of the ample supply of rubber in the market today and relatively soft global market for the tyre industry, the largest consumer of rubber. Presently, rubber is trading at the RM4.60 per kg wet level. Prices are not expected to strengthen anytime soon and we expect rubber prices to trade at current levels over the next few quarters.

In terms of **synthetic nitrile latex** material, the prices of this raw material have remained generally stable over the past few quarters at around the USD1,150 per mtw level. However, oversupply on the part of the nitrile latex suppliers have seen prices dip to as low as USD975 per mtw level in August 2013 before recovering to the current USD1,100 level. We expect nitrile latex prices to remain stable in the short to medium term.

Foreign exchange rates

The USD had started to strengthen in the middle of 2013, rising strongly to the USD1:RM3.30 level and has remained at this elevated level for some months. This is positive for Malaysian exporters including the Supermax Group as it brings higher export sales proceeds and potentially higher income for Supermax Group.

As at 26 May 2014, the US Dollar / Malaysian Ringgit currency pairing closed at USD1:RM3.21 and we expect the US Dollar to remain strong against the Ringgit.

Robust global demand

Despite the slowdown in the Eurozone and US, demand for gloves from these regions, particularly for nitrile gloves, remains robust. Demand growth is however, significantly stronger in the emerging markets, in the regions such as the Middle East and also Africa, not to mention Asia with China and India leading the way.

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 processes, which still require 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 has 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 and equipped with manufacturing automation processes fully built-in as part of the capital expenditure.

Expansion Plans

Expansion of Nitrile Latex Examination Gloves Capacity

Plants #10 and #11 in Meru, Klang are nearing completion and the Company has been working with the relevant authorities to install and supply the necessary infrastructure and utilities. The first batch of lines is expected to be commissioned within the 3rd quarter of the year. 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.

Capacity from the 2 new plants will be commissioned in batches starting from Q3 2014, and when fully commissioned, it would increase the Group's Nitrile glove capacity by 6.9 billion gloves which is more than double the Supermax Group's current Nitrile capacity from 5.4 billion pieces per annum to **12.3 billion pieces per annum**. This increase in production capacity will result in Nitrile Gloves forming **53%** of the Supermax Group's total installed capacity while NR Latex Gloves will form the balance **47%.**

Though we anticipate competition would be more intense on Nitrile Glove, we have factored into our budget with profit margins ranging from 9% to 11% from the increased revenue generated by the additional capacity that Supermax Group would be adding to the market in year 2014.

Thus, the additional capacity will not only enable the Group to reduce the lead times to meet demand for Nitrile Gloves but also improve profitability through higher efficiency and better productivity. In addition, the increase in production capacity of Nitrile Glove would contribute NOT just to the Manufacturing Division in terms of additional new sales & additional profits, but also provide additional new sales and additional profits 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.

Glove City Project

With fully-owned subsidiary Maxter Glove Manufacturing Sdn Bhd's (MGM) development of plants #10 and #11 in Meru, Klang, due to be completed this year, MGM will next move on to its Glove City Project.

The entire project will encompass 6 manufacturing plants which will be built over the next 10 - 12 years. Each plant would have an installed capacity of 4.1 billion pieces. Construction of the first plant is targeted to commence in year 2015.

Supermax Business Park Project

Supermax has also acquired a large piece of industrial land measuring 100-acres in Serendah, Selangor, to build the **Supermax Business Park**. The idea and vision is to create a win-win situation whereby 60% of the land area will be used by Maxwell Glove Manufacturing Bhd (formerly known as Seal Polymer Industries Bhd), a wholly owned subsidiary of Supermax, to build an **Integrated Glove Manufacturing Complex (IGMC)** to produce nitrile gloves, and the balance 40% of the land will be developed for the Supermax Group's supporting industries such as the chemical, packaging and porcelain/ceramic former suppliers, and engineering and automation companies, to set up their operations here.

The 40% portion of land allocated for the supporting industries will have a Gross Development Value (GDV) of RM350-400 million and is targeted to be fully developed within 3 to 5 years. For the remaining 60% of the land reserved for the development of Maxter Glove Manufacturing Sdn Bhd's IGMC, it will be developed in 2 phases at a total cost of between RM700 million and RM750 million with total of 40 production lines with production capacity of 15.5 billion pieces per annum. Details are as follows:

	Phase 1	Phase 2
Development period	2014-2018	2019-2022
Installed capacity - high capacity & high efficiency lines - pieces of gloves	28 10.85 billion	12 4.65 billion

The proposed manufacturing facilities will employ the very latest technology in nitrile glove manufacturing which would make this the most advanced, efficient and productive manufacturing facilities in the region. The acquisition will enable the Company to aggressively expand its production capacities to meet the current and future growing demand for nitrile gloves.

This is in addition to the capacity expansion which is currently being carried out by Maxter Glove Manufacturing Sdn Bhd, another fully-owned subsidiary of Supermax Group based in Klang, Selangor.

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

The following 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	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	YOY %
USD	1,994	1,862	1,653	1,637	1,463	(27%)
RM	6,142	5,717	5,354	5,256	4,813	(22%)
(MYR/USD)	3.08	3.07	3.24	3.21	3.29	+7%
Synthetic Latex (Nitrile)	**Q1 2013**	**Q2 2013**	**Q3 2013**	**Q4 2013**	**Q1 2014**	**YOY %**
USD	1,290	1,217	1,125	1,138	1,105	(14%)
RM	3,973	3,736	3,645	3,654	3,635	(8%)
(MYR/USD)	3.08	3.07	3.24	3.21	3.29	+7%

Average Selling Prices

(USD/ 1,000 pcs)	Q1 2013 USD	Q2 2013 USD	Q3 2013 USD	Q4 2013 USD	Q1 2014 USD
Powdered Latex Gloves	23.65 – 29.95	20.95 – 29.95	19.75 – 28.95	19.75 – 22.95	19.25 – 22.95
Powder-Free Latex Gloves	30.75 – 33.95	26.95 – 33.95	26.95 – 33.95	24.95 – 29.95	24.25 – 28.95
Nitrile - 2.5mil	25.30 – 27.95	23.25 – 27.95	22.55 – 27.95	22.35 – 25.95	22.20 – 25.95
Nitrile - 3.2mil	24.65 – 27.95	23.50 – 27.95	22.95 – 27.95	22.50 – 26.95	22.35 – 26.95
Nitrile - 4.0mil	26.95 – 29.95	25.50 – 29.95	24.75 – 29.95	24.25 – 27.95	24.25 – 27.95
Nitrile - 5.0mil	30.95 – 33.95	29.50 – 33.95	27.95 – 33.95	26.25 – 29.95	26.25 – 29.95
(MYR/USD)	3.08	3.07	3.24	3.21	3.29

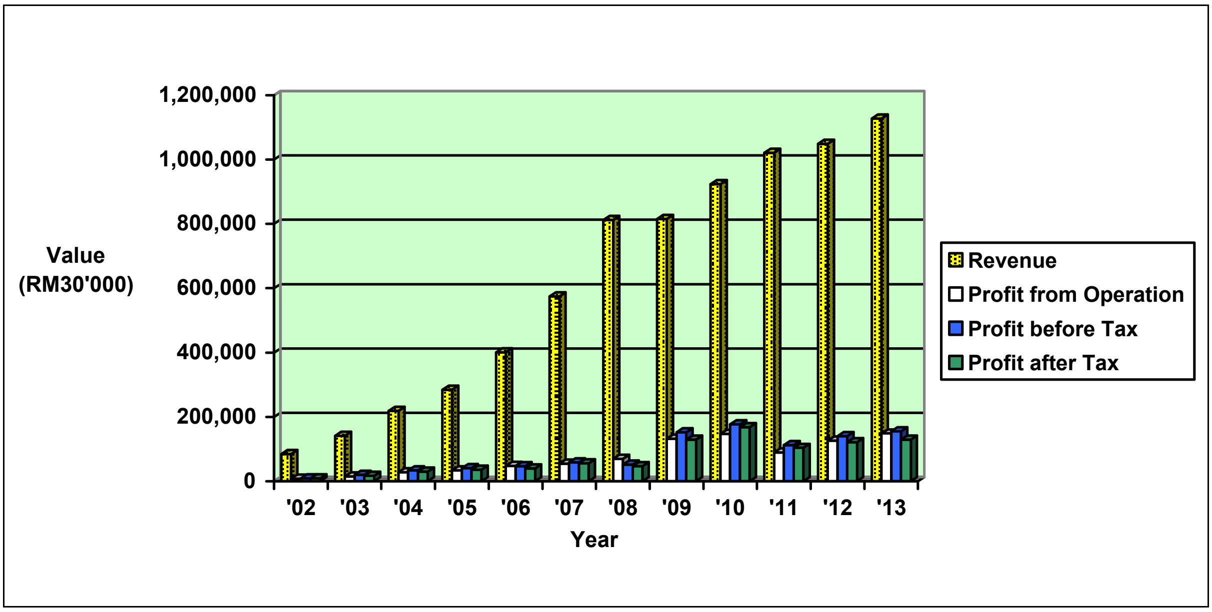
Average selling prices have been trending lower over the last few quarters. In the natural rubber gloves segment, the fall is largely in tandem with the declining price trend for natural rubber latex, the main cost component in the glove production process. In the nitrile glove segment, it is due to lower raw material prices and the competitive market as more and more producers, not just in Malaysia but also in other major glove producing countries like Thailand, Indonesia and China, ramp up their nitrile glove production capacity.

For Supermax, while we are increasing production output of Nitrile gloves in line with the current market demand, we have been maintaining our manufacturing margins of Nitrile Glove at between 9% - 11% 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 performances are tabled below:

Description	Year 2008 (RM '000)	Year 2009 (RM '000)	Year 2010 (RM '000)	Year 2011 (RM '000)	Year 2012 (RM '000)	Year 2013 (RM '000)
Revenue	811,824	803,633	977,281	1,021,358	997,374	1,048,151
Profit from operations	70,203	131,710	155,458	89,807	122,677	155,789
EBITDA	101,197	205,670	223,373	148,732	170,408	182,481
EBITDA Margin	12.5%	25.6%	22.9%	14.6%	17.1%	17.4%
Profit before Tax (PBT)	51,998	151,470	183,835	112,132	137,306	148,157
PBT Margin	6.4%	18.8%	18.8%	11.0%	13.8%	14.1%
Profit after Tax (PAT)	46,997	126,585	158,955	104,051	121,412	118,990
Core Profit after Tax (PAT)	63,658	126,585	158,955	108,051	121,412	118,990
Core PAT Margin	7.8%	15.8%	16.3%	10.6%	12.2%	11.4%
No. of Shares	265,270	268,250	340,077	340,077	680,154	680,154
Net Tangible Asset (NTA)	416,380	558,835	691,468	769,038	833,780	897,648
NTA per share (RM)	1.57	2.08	2.03	2.26	1.23	1.32
Core EPS (sen)	24.00	48.61	46.74	31.77	17.90	17.63
Return on Assets (ROA)	5.0%	13.4%	14.9%	8.6%	9.7%	8.7%
Return on Equity (ROE)	11.3%	22.7%	23.0%	13.5%	14.6%	13.3%

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 31.3.2014 RM '000	Year-to-Date Ended 31.3.2014 RM '000
Income tax	5,833	5,833
Deferred Tax	-	-
Total	5,833	5,833

The effective tax rate of the Group is lower than statutory income tax mainly because of tax incentives such as reinvestment allowances is 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 26 May 2014 (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 31 March 2014 are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	5,232	195,978	201,210
Long term borrowings	4,525	155,683	160,208
Total borrowings	9,757	351,661	361,418

92% of the short term borrowings comprise trade facilities amounting to RM 184.7 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% p.a.

10. Financial Instruments with Off Balance Sheet Risks

There were no financial instruments with off balance sheet risk as at 26 May 2014 (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 26 May 2014, being the latest practicable date.

12. Dividends Declared/Proposed

The Board of Directors has proposed a final dividend of 6% tax exempt for the financial year ended 31 December 2013 to be paid on 30 June 2014. This is subject to shareholders' approval at the upcoming Annual General Meeting scheduled to be held on 3 June 2014.

13. Earnings per Share (EPS)

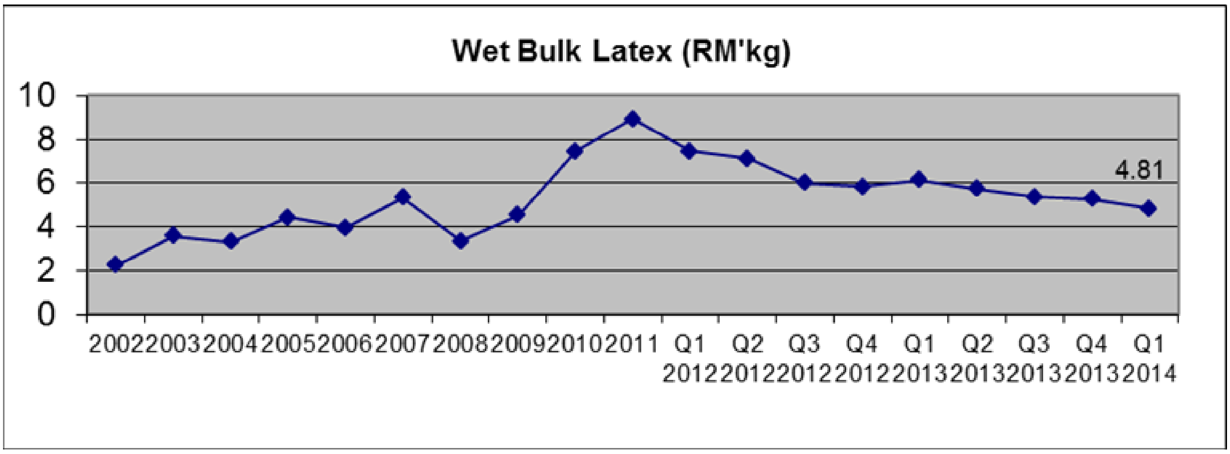
Basic earnings per share

	2014 Current Quarter Ended 31.3.2014	2014 Year-to-date Ended 31.3.2014
Net profit / (loss) (RM'000) attributable to ordinary shareholders	26,596	26,596
Weighted average ('000) Number of ordinary shares in issue	680,154	680,154
Basic earnings per share (sen)	3.91	3.91

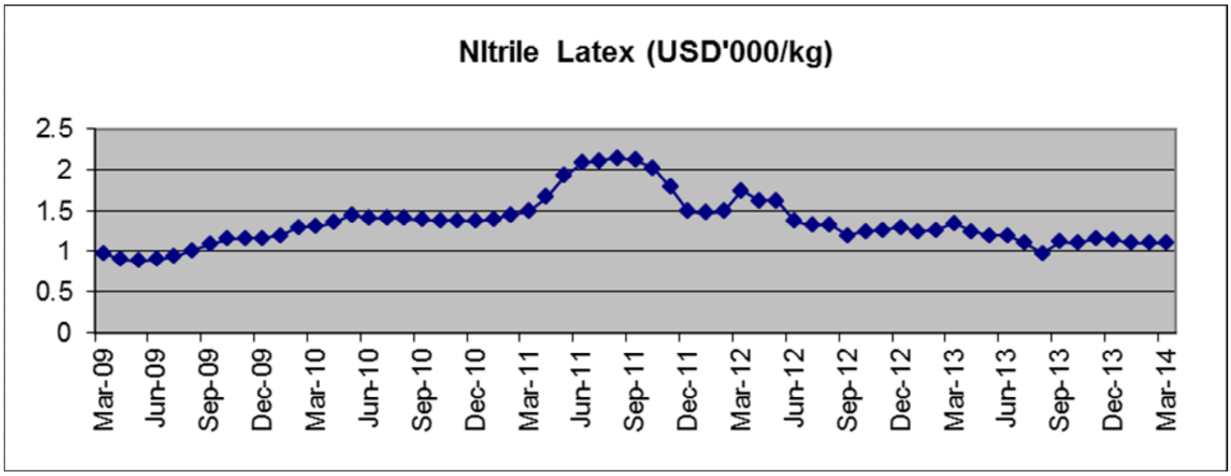
14. Management of Latex Material Cost Fluctuations

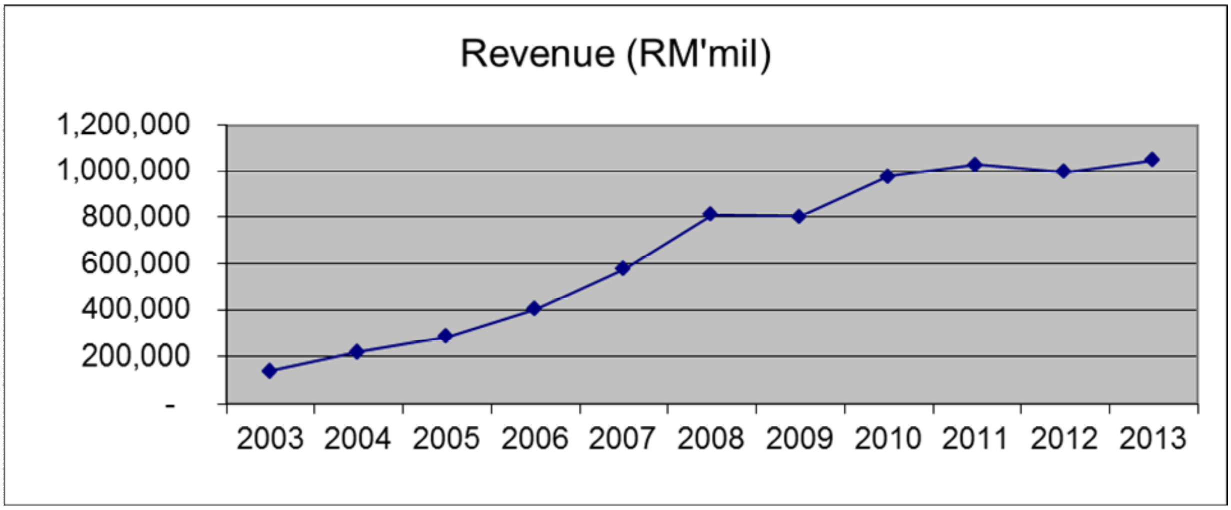
Rubber latex costs, the main raw material cost in the manufacturing of rubber gloves, forms a high percentage of the Group's costs and any increase in this cost item must be well managed.

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	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
RM/kg wet	7.12	5.99	5.85	6.14	5.72	5.35	5.26	4.81





15. Management of Foreign Exchange Rate Fluctuations

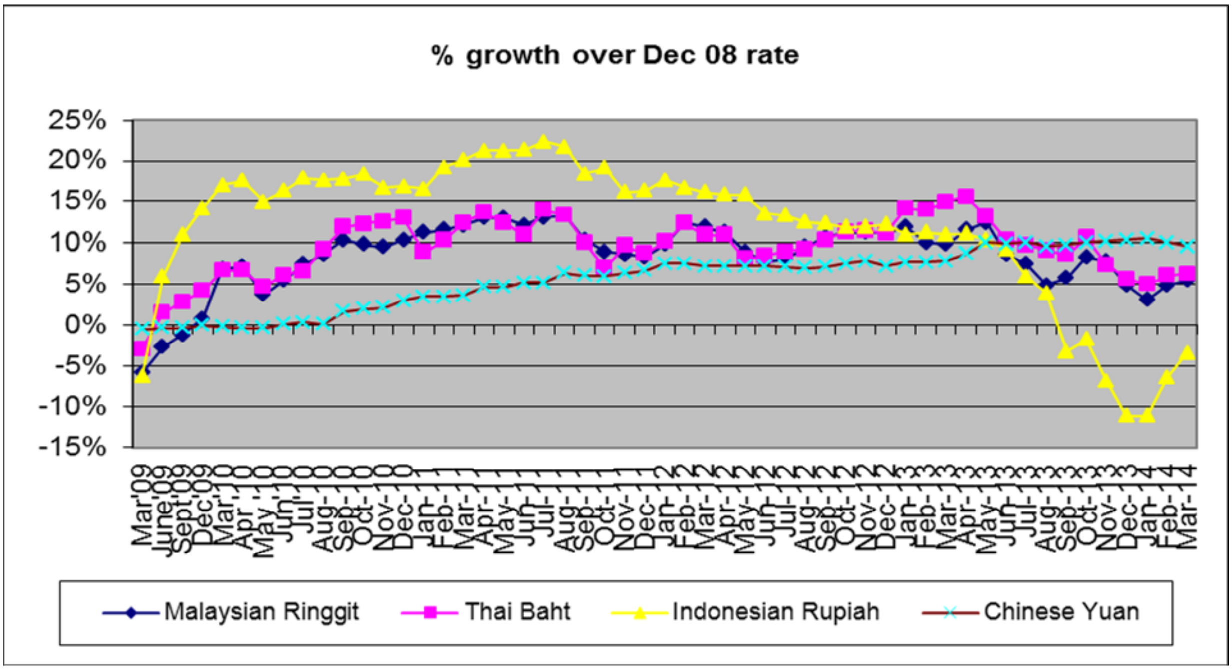
<u>Currency trend for competing nations</u>

Foreign exchange is another factor that may have a significant impact on the Group's performance. While the USD has strengthened against the Ringgit in recent months, the RM remains at an elevated level against the USD over the longer term, reflecting a similar trend among the currencies of most of the major rubber glove producing countries. In the case of the Thai Baht and the Chinese Yuan, they have both appreciated against the USD by 6% and 10% respectively compared to 5% for the Ringgit since 2008. Comparatively, the rupiah started to depreciate against the USD since September 2013 (by 3%) and has deteriorated further (by 11%) over the same period, reflecting concerns about the country's widening current-account deficit, rising inflation and slowing economic growth. In conclusion, Malaysian exports remain competitive against the major competing nations.

A table showing the movement in USD:MYR exchange rate since Q2 2012 is as follows:

FOREX	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
(MYR/USD)	3.13	3.12	3.06	3.08	3.07	3.24	3.21	3.29

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



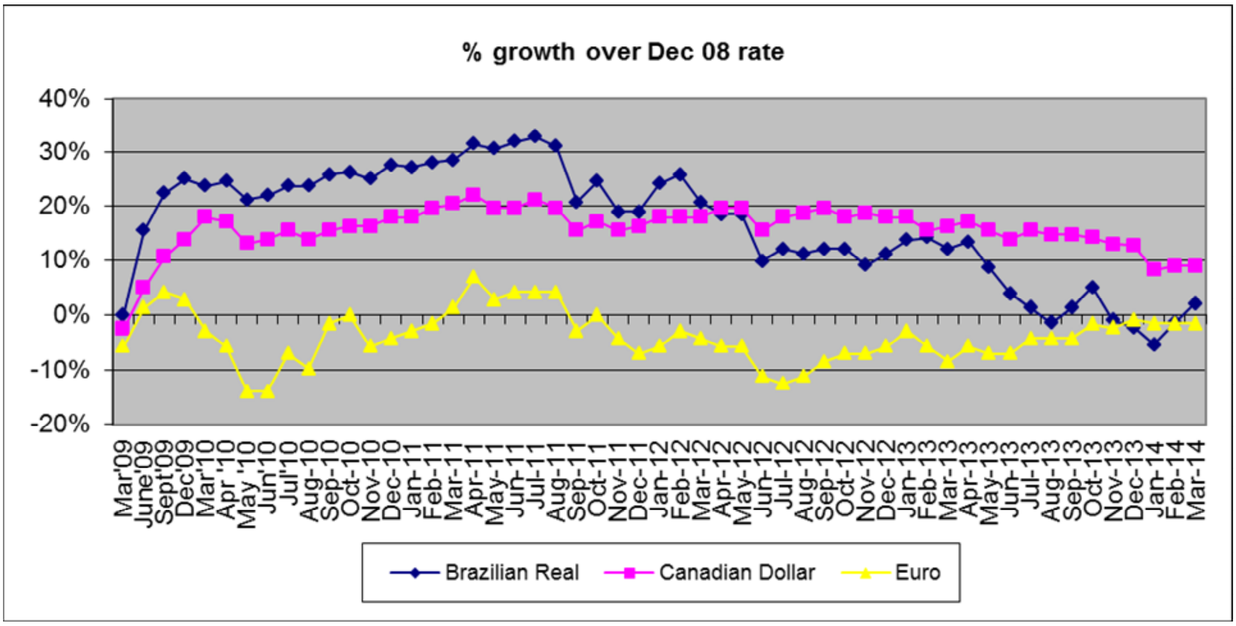
Exchange rate (1USD) vs Dec 08 rate

Currencies of Major Rubber Glove Producing Countries

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sept-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Malaysian Ringgit	12%	12%	9%	8%	5%	6%	8%	8%	5%	3%	5%	6%
Thai Baht	16%	13%	10%	10%	9%	9%	11%	7%	6%	5%	6%	6%
Indonesian Rupiah	11%	10%	9%	6%	4%	-3%	-2%	-7%	-11%	-11%	-6%	-3%
Chinese Yuan	8%	9%	10%	10%	10%	10%	10%	10%	10%	11%	10%	10%

The USD has recently appreciated against most major currencies including MYR. Nevertheless, so long as the MYR fluctuation 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

	Apr' 13	May' 13	Jun' 13	Jul' 13	Aug' 13	Sept' 13	Oct' 13	Nov' 13	Dec' 13	Jan' 14	Feb' 14	Mar' 14
Brazilian Real	-2.1%	4.2%	5.0%	6.3%	6.1%	4.6%	3.6%	8.7%	6.9%	8.0%	6.1%	3.4%
Canadian Dollar	-6.8%	-3.7%	-6.1%	-9.5%	-11.5%	-10.5%	-6.9%	-6.0%	-9.0%	-5.5%	-4.5%	-3.9%
Euro	16.2%	18.1%	14.6%	11.2%	8.7%	9.6%	9.8%	9.8%	5.6%	4.5%	6.2%	6.8%