



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

1. Basis of Preparation

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

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

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

2. Auditors’ Report

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

3. Seasonal and Cyclical Factors

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

4. Exceptional and Extraordinary Items

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

5. Changes in Accounting Estimates

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

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

Share Buyback

During the current quarter under review, the Company repurchased 1,000 ordinary shares from the open market. As at 30 June 2015, the number of shares retained as treasury shares stood at 3,101,000.



7. Dividend Paid

Dividends paid to-date are tabulated below:

Financial Year	Description	Payment Date	Dividend (%)	Value (RM'000)
2001	1st & final tax exempt dividend	28.08.2002	3.6%	1,440
2002	1st & final tax exempt dividend	27.08.2003	4.5%	1,800
2003	1st & final tax exempt dividend	27.08.2004	4.5%	3,638
2004	1st & final tax exempt dividend	18.07.2005	5.0%	4,486
2005	Interim tax exempt dividend Final tax exempt dividend	09.01.2006 18.07.2006	3.0% 3.5%	2,695 3,960
2006	1st & final tax exempt dividend	18.06.2007	6.5%	7,357
2007	Interim tax exempt dividend Final tax exempt dividend	28.01.2008 28.06.2008	3.0% 3.5%	3,979 4,626
2008	Interim tax exempt dividend Final tax exempt dividend	08.01.2009 08.07.2009	3.0% 3.5%	3,922 4,545
2009	Interim tax exempt dividend Special tax exempt dividend Final tax exempt dividend	18.11.2009 20.04.2010 28.06.2010	5.0% 9.0% 8.0%	6,567 12,213 10,856
2010	1 st interim tax exempt dividend 2 nd interim tax exempt dividend Final tax exempt dividend	01.10.2010 18.03.2011 28.07.2011	5.0% 5.0% 5.0%	8,486 8,502 8,502
2011	Interim tax exempt dividend Final tax exempt dividend	08.12.2011 28.06.2012	6.0% 3.5%^	10,202 11,903
2012	Interim tax exempt dividend Final tax exempt dividend	18.01.2013 18.06.2013	4.0%^ 6.0%^	13,583 20,404
2013	Interim tax exempt dividend Final tax exempt dividend	21.01.2014 30.06.2014	4.0%^ 6.0%^	13,583 20,374
2014	Interim single tier dividend Final single tier dividend	28.01.2015 08.07.2015	4.0%^ 6.0%^	13,541 20,311
18-months financial period ending 30.6.2016	Interim single tier dividend*	22.10.2015*	4.0%^	13,541e
	Total			235,016

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

*=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

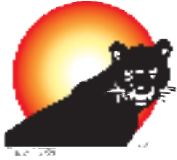
THE GROUP CUMULATIVE 6 MONTHS	Investment Holding RM'000	Manu- facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	-	217,186	234,960	444	-	452,589
Inter-segment sales	29,050	387,203	29,592	3,618	(449,464)	-
	<u>29,050</u>	<u>604,389</u>	<u>264,552</u>	<u>4,062</u>	<u>(449,464)</u>	<u>452,589</u>
Segmental results	25,597	78,214	12,950	2,111	(48,462)	70,409
Depreciation & Amortisation						(14,800)
Finance costs						(4,205)
Interest income						-
Share of profit in associated companies						6,360
PBT						<u>57,764</u>
Tax expenses						(8,049)
PAT						<u><u>49,715</u></u>

9. Valuation of property, plant and equipment

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

10. Capital Commitments

As at 20 August 2015, the Group had capital commitments amounting to RM 46.3 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 30 June 2015.

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

13. Contingent liabilities and contingent assets

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

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

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

Description	Qtr ended 30.6.2015 RM '000	Qtr ended 30.6.2014 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	229,382	238,100	(8,718)	(3.7)
Profit before tax (PBT)	29,538	32,259	(2,721)	(8.4)
Profit after tax (PAT)	24,956	26,920	(1,964)	(7.3)

The Group's revenue was 3.7% or RM 8.7 million lower compared to the previous year's corresponding quarter mainly due to lower average selling prices for gloves in the current competitive environment.

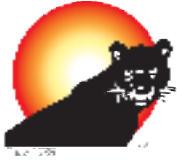
Meanwhile, PBT and PAT were lower by 8.4% and 7.3% respectively mainly as a result of the lower sales revenue earned.

2. Comparison with Preceding Quarter's Result

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

Description	Qtr ended 30.6.2015 RM '000	Qtr ended 31.3.2015 RM'000	Increase/(Decrease)	
			RM'000	%
Revenue	229,382	223,208	+6,174	+2.8
Profit before tax (PBT)	29,538	28,227	+1,311	+4.6
Profit after tax (PAT)	24,956	24,759	197	+0.8

On a preceding quarter basis, the Group's revenue rose by 2.8% on the back of a strengthening USD and this together with the implementation of some cost controls have contributed to a higher PBT by 4.6% and PAT by 0.8%.



3. Prospects

Latex Material Prices

Natural rubber latex prices rose from an average of RM3.93 per kg wet in the previous quarter ended March 2015 to RM4.52 per kg wet in the current quarter ended June 2015, a rise of RM0.59 per kg wet (15%).

The wintering season coupled with measures taken by some of the major rubber producing nations to curb supply have resulted in lower production output which had the effect of pushing rubber prices higher. This price trend did not last long, however, as continued weak demand and ample supply of rubber has seen latex prices retreat to an average of RM4.38 per kg wet in the month of July and dropping further to an average of RM4.17 per kg wet in the first 3 weeks of August.

For the **synthetic nitrile latex** segment, the price of this raw material has climbed back above the USD1,000 per mtw level after slipping below this level briefly in the quarter ended March 2015 (average of USD998 per mtw). Nitrile prices averaged USD1,055 during the quarter ended June 2015 and are expected to remain relatively stable at current levels in the short to medium term.

Foreign exchange rates

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

The currency pairing has since edged slightly higher to average USD1:RM3.58 for the quarter ended June 2015. More recently, however, the dollar has jumped to above the USD1:RM4.00 level on continued concerns over domestic issues in addition to declining oil prices and more recently exacerbated by China's devaluation of its currency. Expectations are for the RM to weaken further with the spectre of US interest rate hikes looming. As at 24.8.2015, the RM closed at USD1:RM4.23.

Robust global demand

The Company's prospects remains good with global demand for gloves remaining robust and sustainable. In the developed countries, the demand continues to grow at a steady and moderate pace while stronger double digit growth can be seen from the emerging markets as hygiene and healthcare awareness continues to rise in the regions such as the Middle East and also Africa, not to mention Asia with China and India leading the way.

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:



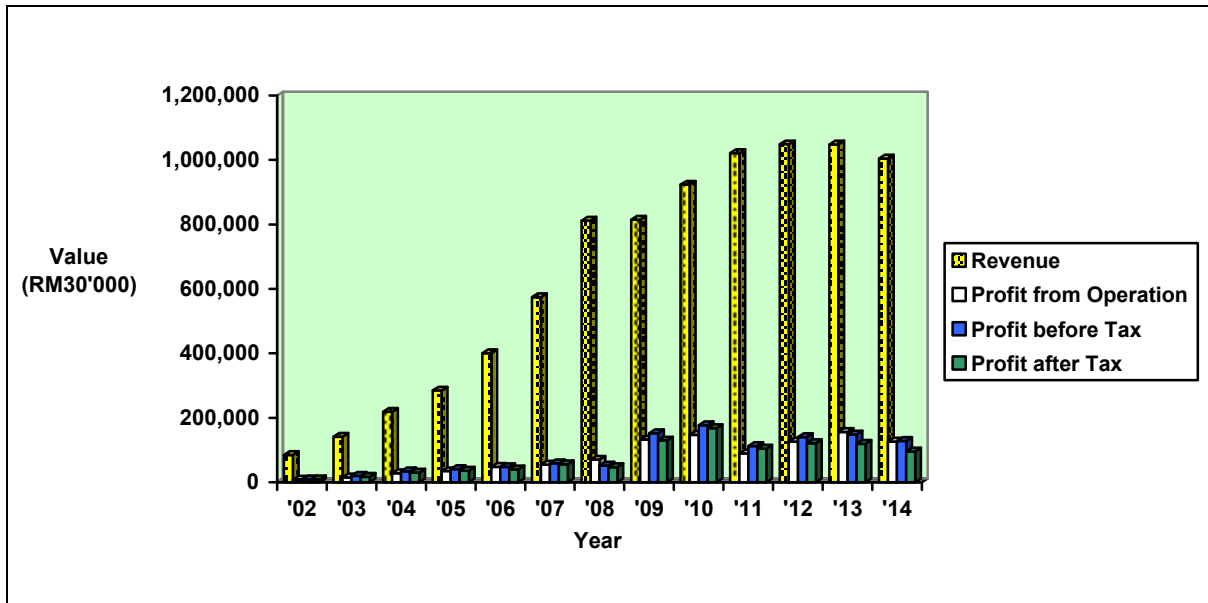
NR & Nitrile Latex Prices and MYR/USD Exchange Rates

Natural Rubber Latex	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2014	YOY %
USD	1,439	1,330	1,131	1,086	1,234	(14%)
RM	4,648	4,246	3,800	3,934	4,518	(3%)
(USD:MYR)	3.23	3.19	3.36	3.62	3.66	+13%
Synthetic Latex (Nitrile)	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	YOY %
USD	1,053	1,116	1,090	998	1,055	0%
RM	3,401	3,560	3,662	3,613	3,861	+13%
(USD:MYR)	3.23	3.19	3.36	3.62	3.66	+13%

The Group's yearly performances are tabled below:

Description	Year 2009 (RM '000)	Year 2010 (RM '000)	Year 2011 (RM '000)	Year 2012 (RM '000)	Year 2013 (RM '000)	Year 2014 (RM '000)
Revenue	803,633	977,281	1,021,358	997,374	1,048,151	1,004,384
Profit from operations	131,710	155,458	89,807	122,677	155,789	126,653
EBITDA	205,670	223,373	148,732	170,408	182,481	154,592
EBITDA Margin	25.6%	22.9%	14.6%	17.1%	17.4%	15.4%
Profit before Tax (PBT)	151,470	183,835	112,132	137,306	148,157	128,292
PBT Margin	18.8%	18.8%	11.0%	13.8%	14.1%	12.8%
Profit after Tax (PAT)	126,585	158,955	104,051	121,412	118,990	95,195
Core Profit after Tax (PAT)	126,585	158,955	108,051	121,412	118,990	95,195
Core PAT Margin	15.8%	16.3%	10.6%	12.2%	11.4%	9.5%
No. of Shares	268,250	340,077	340,077	680,154	680,154	680,154
Net Tangible Asset (NTA)	558,835	691,468	769,038	833,780	897,648	944,082
NTA per share (RM)	2.08	2.03	2.26	1.23	1.32	1.39
Core EPS (sen)	48.61	46.74	31.77	17.90	17.63	14.00
Return on Assets (ROA)	13.4%	14.9%	8.6%	9.7%	8.7%	6.5%
Return on Equity (ROE)	22.7%	23.0%	13.5%	14.6%	13.3%	10.1%

NM= Not meaningful



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

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

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

	Quarter Ended 30.6.2015 RM '000	Year-to-Date Ended 30.6.2015 RM '000
Income tax	4,582	8,051
Deferred Tax	-	-
Total	4,582	8,051

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

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

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

7. Quoted Investment

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



8. Status of Corporate Proposals Announced

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

9. Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	6,167	208,717	214,884
Long term borrowings	7,219	190,460	197,679
Total borrowings	13,386	399,177	412,563

89% of the short term borrowings comprise trade facilities amounting to RM 191.2 million that are revolving in nature for working capital purposes. These facilities bear interest rates that are attractive and competitive ranging from 1.0% to 3.6% p.a.

10. Financial Instruments with Off Balance Sheet Risks

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

11. Pending Material Litigation

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

12. Dividends Declared/Proposed

The Board of Directors has declared a 4% interim single tier dividend amounting to about RM13.5 million for the current 18-month financial period ending 30 June 2016 to be paid on 22 October 2015.

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

	2015 Current Quarter Ended 30.6.2015	2015 Year-to-date Ended 30.6.2015
Net profit / (loss) (RM'000) attributable to ordinary shareholders	24,743	49,690
Weighted average ('000) Number of ordinary shares in issue	680,154	680,154
Basic earnings per share (sen)	3.64	7.31

14. Realised and Unrealised Profits/Losses

	As at 30.6.2015 RM '000	As at 31.12.2014 RM '000
Total retained profits of the Company and its Subsidiaries:		
- Realised	440,614	455,237
- Unrealised	(403)	11,518
	440,210	466,755
Less: Consolidation adjustments	261,199	205,276
Total Group retained earnings as per consolidated accounts	701,409	672,031