



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018 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 30 June 2017 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 30 June 2017. 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.

2. Auditors’ Report

There was no qualification on the audited financial statements of the Group for the financial year ended 30 June 2017.

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

There were no share buyback transactions in the current quarter under review. As at 30 June 2018, the number of treasury shares stood at 24,501,100.

7. Dividend Paid

Dividends paid to-date are tabulated below:

Financial Year	Description	Payment Date(s)	Dividend (%)	Value (RM'000)
2001-2012	Tax exempt dividends	28.8.2002 – 18.6.2013	3.0% - 9.0%	153,666 (accumulated)
2013	Interim tax exempt dividend	21.01.2014	4.0% ^	13,583
	Final tax exempt dividend	30.06.2014	6.0% ^	20,374
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
	Final single tier dividend	18.12.2017	3.0 sen	19,738
2018	Interim single tier dividend	28.03.2018	3.0 sen	19,670
	Interim single tier dividend	28.06.2018	3.0 sen	19,670
	Total			350,939

^ 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



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 12 MONTHS	Investment Holding RM'000	Manu- facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	1,444	677,987	622,830	2,198	-	1,304,459
Inter-segment sales	60,062	551,698	201,951	6,412	(820,123)	-
	<u>61,506</u>	<u>1,229,685</u>	<u>824,781</u>	<u>8,610</u>	<u>(820,123)</u>	<u>1,304,459</u>
Segmental results						216,391
Depreciation & Amortisation						(40,758)
Finance costs						(13,980)
Interest income						-
Share of profit in associated cos.						5,534
PBT						<u>167,187</u>
Tax expenses						(56,216)
PAT						<u><u>110,971</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 28 August 2018, the Group had capital commitments amounting to RM 31.7 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 2018.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 28 August 2018 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	4 th Quarter ended 30.6.2018 RM '000	4 th Quarter ended 30.6.2017 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	329,456	312,914	+16,542	+5.3
EBITDA	37,849	49,606	(11,757)	(23.7)
Profit Before Tax (PBT)	23,444	33,572	(10,128)	(30.2)

The Group recorded total revenue of RM 329.5 million from global sales of its natural rubber and nitrile rubber gloves.

Below is a table showing the Supermax Group's full year performance:

Description	FYE 2018 RM '000	FYE 2017 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	1,304,460	1,126,879	+177,581	+15.7
EBITDA	221,925	160,304	+61,621	+38.4
Profit Before Tax (PBT)	167,187	107,939	+59,248	+54.9

On a full year basis, the Group's revenue has risen by 15.7% mainly on the back of the capacity increase from its 2 newest plants, i.e. Plants #10 and #11. Profitability was also higher with EBITDA and PBT margins rising to 17.0% and 12.8% respectively from 14.2% and 9.6% during the previous financial year.

2. Comparison with Preceding Quarter's Result

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

Description	4 th Qtr ended 30.6.2018 RM '000	3 rd Qtr ended 31.3.2018 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	329,456	327,069	+2,387	+0.7
EBITDA	37,849	58,737	(20,888)	(35.6)
PBT	23,444	45,454	(22,010)	(48.4)

On a preceding quarter basis, the Group's revenue was higher by 0.7% or RM2.4 million. However, EBITDA and PBT margins fell to 11.5% and 7.1% compared to 17.9% and 13.9% in the preceding quarter.



3. **Prospects**

Glove Division

The global market for disposable gloves remains vibrant for both the natural rubber and nitrile variants, driven by various factors including rising healthcare awareness, healthcare reforms mandating its use in the medical and other sectors, and rising consumption from by non-traditional users such as the beauty sector and even household users. These positive factors continue to augur well for the Company and the industry as a whole.

During the financial year under review, the Group had managed to fully commission its 2 newest plants, i.e. Plants #10 & #11, which have gradually added 5.6 billion pieces to the Group's total installed capacity. It has also embarked on a Rebuilding & Replacement programme aimed at extracting higher production output from existing locations. The new capacity and improved efficiency will provide a boost to both the bottom and top lines.

Commercial production at the rebuilt plant of Block G, Taiping plant has commenced on 18 July 2018. The plant is expected to be fully operational by end-September 2018 with annual production capacity of 1.35 billion gloves.

The Group had also expanded its land bank for purposes of capacity expansion by acquiring a piece of land behind its existing cluster of plants in Meru, Klang. Construction works to build its 12th plant on this plot of land have already started in June 2018 and will further add to the Group's production capacity when completed in the 2nd half of 2019.

Contact Lens Division

The Group continues to make 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 efforts to procure the necessary certifications and approvals to produce and bring its products to market bear fruit. Notably, the Group was able to meet the very stringent requirements of the Japanese medical device authority and had in June 2018 successfully obtained the product license to export contact lenses to Japan, the second largest contact lens market in the world. The first batch of contact lenses were recently shipped to Japan on 25 August 2018. Going forward, the Group will continue to work on obtaining the necessary product licences and approvals, expanding its product range and increasing market penetration for its products globally.



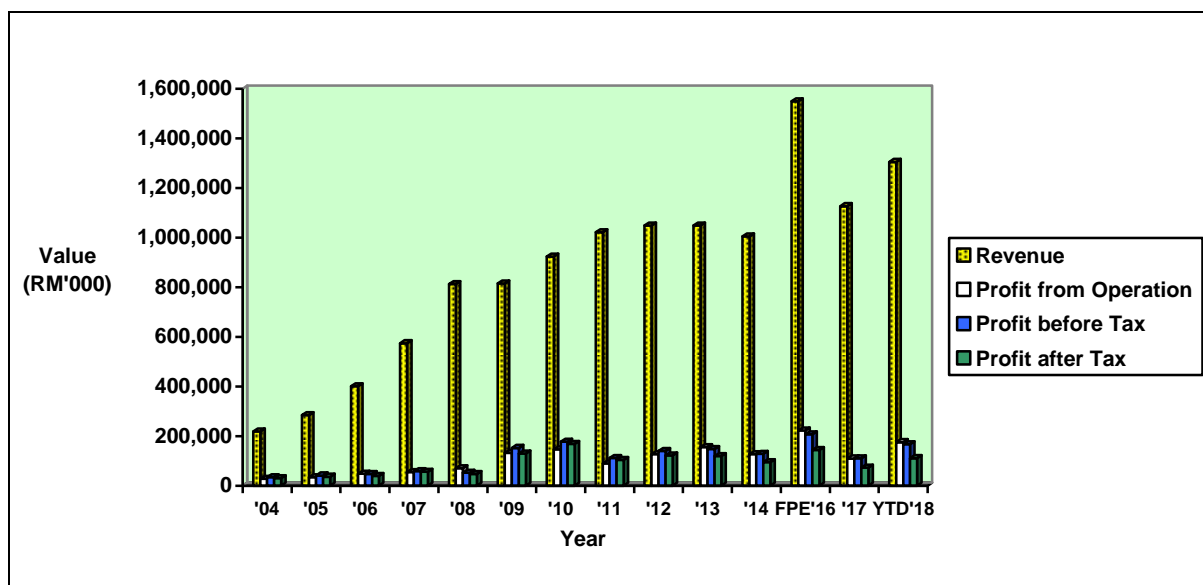
Historical & Current Financial Performance

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

Description	Year 12/2013 (RM'000)	Year 12/2014 (RM'000)	*18 mths 06/2016 (RM'000)	Year 06/2017 (RM'000)	Year 06/2018 (RM'000)
Revenue	1,048,151	1,004,384	1,549,529	1,126,879	1,304,460
Profit from operations	155,789	126,653	222,416	107,731	175,633
EBITDA	182,481	164,399	271,395	160,304	221,925
EBITDA Margin	17.4%	16.4%	17.5%	14.2%	17.0%
Profit before Tax (PBT)	148,157	128,292	207,342	107,939	167,187
PBT Margin	14.1%	12.8%	13.4%	9.6%	12.8%
Profit after Tax (PAT)	118,990	95,195	144,023	70,295	110,971
Core Profit after Tax (PAT)	118,990	95,195	144,023	70,295	110,971
Core PAT Margin	11.4%	9.5%	9.3%	6.2%	8.5%
No. of Shares	680,154	680,154	680,154	680,154	680,154
Net Tangible Asset (NTA)	897,648	944,082	1,017,541	1,070,236	1,063,770
NTA per share (RM)	1.32	1.39	1.50	1.57	1.56
Core EPS (sen)	17.63	14.00	21.36	10.03	16.24
Return on Assets (ROA)	8.7%	6.5%	8.8%	3.9%	6.4%
Return on Equity (ROE)	13.3%	10.1%	14.2%	6.6%	10.4%

* 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):

	4th Quarter Ended 30.6.2018 RM'000	Year-to-date 30.6.2018 RM'000
Interest Expense	4,013	13,980
Depreciation & Amortisation	10,392	40,758
Staff costs:		
- Salaries, wages & bonus	30,106	109,964
- EPF	1,126	4,964
- Other related staff costs	1,825	7,509
Foreign Exchange		
- Realised (Gain) or Loss	(1,075)	5,614
- Unrealised (Gain) or Loss	6,833	(26,716)

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

	4th Quarter Ended 30.6.2018 RM '000	Year-to-date 30.6.2018 RM '000
Taxation	11,957	56,216

The Group's effective tax rate is higher than the statutory tax rate due to different tax rates in foreign jurisdictions.

Provided below is the income tax refundable to the Group from IRB as at 27.8.2018:

Period	SLP		Maxwell		Supermax		Group	
	Amount outstanding (RM)	No. of days (Ageing)	Amount outstanding (RM)	No. of days (Ageing)	Amount outstanding (RM)	No. of days (Ageing)	Amount outstanding (RM)	No. of days (Ageing)
YA 2010	740,000.01	2,587 days	-	-	-	-	740,000.01	2,587 days
YA 2011	-	-	-	-	0.50	2,204 days	0.50	2,204 days
YA 2014	888,059.75	1,465 days	692,992.75	1,465 days	1,846,733.75	1,465 days	3,427,786.25	1,465 days
YA 2015	3,000,000.00	546 days	1,627,510.00	546 days	-	-	4,627,510.00	546 days
YA 2016	2,540,570.92	546 days	3,019,370.00	546 days	-	-	5,559,940.92	546 days
YA 2017	1,809,492.11	181 days	1,761,305.00	183 days	2,307,692.92	182 days	5,878,490.03	181 to 183 days
Total	8,978,122.79		7,101,177.75		4,154,427.17	GRAND TOTAL	20,233,727.71	



Provided below is the GST refundable details from Customs Department as at 27.8.2018:

Period	Maxter (Group Registration)		SVO		Group	
	Amount outstanding (RM)	No. of days (Ageing)	Amount outstanding (RM)	No. of days (Ageing)	Amount outstanding (RM)	No. of days (Ageing)
Dec'17	-	-	39,790.79	208 days	39,790.79	208 days
Jan'18	-	-	20,807.17	180 days	20,807.17	180 days
Feb'18	2,787,913.80	149 days	-	-	2,787,913.80	149 days
Mar'18	2,765,189.01	119 days	21,118.00	119 days	2,786,307.01	119 days
Apr'18	3,398,395.24	88 days	62,416.29	88 days	3,460,811.53	88 days
May'18	3,297,425.39	59 days	16,208.32	59 days	3,313,633.71	59 days
Jun'18	510,622.08	27 days	569.68	27 days	511,191.76	27 days
TOTAL	12,759,545.52		160,910.25	GRAND TOTAL	12,920,455.77	

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 28 August 2018 (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 June 2018 are as follows: -

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	19,769	325,858	345,627
Long term borrowings	1,326	72,753	74,079
Total borrowings	21,095	398,611	417,706

91% of the short term borrowings comprise trade facilities amounting to RM 314.5 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 28 August 2018 (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 28 August 2018, being the latest practicable date.

13. Dividends Declared/Proposed

For the financial year ended 30 June 2018, the Board of Directors had declared a 1st interim single tier dividend of 3 sen per share which was paid on 28 March 2018 and a 2nd interim single tier dividend of 3 sen per share which was paid on 28 June 2018.

The Board has proposed a final single tier dividend of 2 sen for the financial year ended 30 June 2018, subject to shareholders' approval at the upcoming Annual General Meeting to be held later this year.

14. Earnings per Share (EPS)

	Current Quarter Ended 30.6.2018	Year-to-date Ended 30.6.2018
Net profit / (loss) (RM'000) attributable to ordinary shareholders	9,841	107,021
Weighted average ('000) Number of ordinary shares in issue	659,016	659,016
Basic earnings per share (sen)	1.49	16.24



15. Realised and Unrealised Profits/Losses

	As at 30.6.2018 RM '000	As at 30.6.2017 RM '000
Total retained profits of the Company and its Subsidiaries:		
- Realised	604,301	588,378
- Unrealised	(23,581)	(50,108)
	580,720	538,270
Share of Retained Profits		
- Realised	289,415	283,881
	870,135	822,151
Consolidation adjustments	(29,643)	(29,643)
Total Group Retained Earnings as per consolidated accounts	840,492	792,508