

INTERIM FINANCIAL STATEMENT
UNAUDITED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2020

	1st Quarter Ended		3 Months Cumulative Totdate	
	30th September 2020 RM'000	30th September 2019 RM'000	30th September 2020 RM'000	30th September 2019 RM'000
Revenue	1,352,537	369,941	1,352,537	369,941
Operating expenses	(313,490)	(334,118)	(313,490)	(334,118)
Finance costs	(2,411)	(4,189)	(2,411)	(4,189)
Share of profit of associated companies	12,606	809	12,606	809
Profit before tax	1,049,242	32,443	1,049,242	32,443
Taxation	(236,757)	(7,483)	(236,757)	(7,483)
Profit after tax	812,485	24,960	812,485	24,960
Other comprehensive income/(loss)				
Foreign currency translation	(9,424)	22,185	(9,424)	22,185
	(9,424)	22,185	(9,424)	22,185
Total comprehensive income	803,061	47,145	803,061	47,145
Profit attributable to:				
Owners of the parent	789,516	24,747	789,516	24,747
Minority interest	22,969	213	22,969	213
	812,485	24,960	812,485	24,960
Total comprehensive income attributable to:				
Owners of the parent	780,670	47,493	780,670	47,493
Minority interest	22,391	(348)	22,391	(348)
	803,061	47,145	803,061	47,145
Weighted average('000) number of Ordinary Shares in issue	2,581,518	2,612,656	2,581,518	2,612,656
EPS - Basic and diluted (sen)	30.58	0.95 *	30.58	0.95 *

This condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30th June 2019 (the latest audited accounts).

**For comparative purpose, the Earning per share for the quarter and year to date ended 30 September 2019 has been adjusted to reflect the bonus issue of 1 bonus share for every 1 existing ordinary share which was completed on 8 September 2020.*

INTERIM FINANCIAL STATEMENT
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2020

	Unaudited 30 th September 2020 RM'000	Unaudited 30 th June 2020 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,202,208	1,092,500
Investment in associated companies	180,812	168,206
Goodwill on consolidation	28,716	28,716
Deferred tax assets	2,587	1,245
	1,414,323	1,290,667
Current Assets		
Inventories	358,583	253,237
Trade receivables	248,443	242,768
Tax recoverable	122,031	86,350
Other receivables	154,283	145,182
Cash & bank balances	2,356,130	1,186,190
	3,239,470	1,913,727
TOTAL ASSETS	4,653,793	3,204,394
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	44,480	22,089
Treasury shares	(212,326)	(101,912)
Reserves	2,070,379	1,290,288
Shareholders Fund	2,242,610	1,550,542
Non-Current Liabilities		
Long term borrowing	93,287	102,061
Deferred tax liabilities	92,886	44,830
	186,173	146,891
Current Liabilities		
Trade payables	402,994	189,672
Other payables and accrued expenses	100,217	46,786
Prepayment received from customers	1,161,142	892,371
Short term borrowing	249,359	228,386
Provision for taxation	311,298	149,743
	2,225,010	1,506,958
TOTAL EQUITY AND LIABILITIES	4,653,793	3,204,391
Net Asset per share	0.82	0.57 *

This condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the year ended 30th June 2019 (the latest audited accounts).

**For comparative purpose, the Net asset per share attributable to the owners of the Company as at 30 June 2020 has been adjusted to reflect the bonus issue of 1 for 1 existing ordinary shares which was completed on 8 September 2020.*

**INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2020**

	1st Quarter Ended										
	30th September 2020 RM'000	30th September 2019 RM'000									
Profit before tax	1,049,242	32,443									
Adjustment for non cash items	(9,540)	18,893									
Operating profit before changes in working capital	1,039,702	51,336									
Changes in working capital:											
Net change in current assets	(120,125)	(26,249)									
Net change in current liabilities	535,524	13,780									
Income tax paid	(64,171)	(6,362)									
Net cash flows from operating activities	1,390,930	32,505									
Investing Activities											
Purchase of property, plant and equipment	(123,719)	(37,267)									
Net cash flows from investing activities	(123,719)	(37,267)									
Financing Activities											
Bank borrowings	12,199	29,128									
Share buy back	(110,413)	(305)									
Interest expenses	(2,411)	(4,189)									
Net cash flows from financing activities	(100,625)	24,634									
Net change in cash & cash equivalents	1,166,586	19,872									
Effect of foreign exchange rate changes	3,354	(4,944)									
Cash & cash equivalent at beginning of period	1,186,190	173,814									
Cash & cash equivalent at end of period	2,356,130	188,742									
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3">Analysis of cash & cash equivalents:-</td> </tr> <tr> <td style="width: 50%;">Cash & bank balances</td> <td style="text-align: right; width: 25%; border-top: 1px solid black;">2,356,130</td> <td style="text-align: right; width: 25%; border-top: 1px solid black;">188,742</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">2,356,130</td> <td style="text-align: right; border-bottom: 3px double black;">188,742</td> </tr> </table>			Analysis of cash & cash equivalents:-			Cash & bank balances	2,356,130	188,742		2,356,130	188,742
Analysis of cash & cash equivalents:-											
Cash & bank balances	2,356,130	188,742									
	2,356,130	188,742									

This Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2019 (latest audited accounts).

INTERIM FINANCIAL STATEMENT
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR QUARTER ENDED 30TH SEPTEMBER 2020

	Share Capital RM'000	Reserves Attributable To Capital RM'000	Retained Profits RM'000	Minority Interest RM'000	Total RM'000
<u>Year Ended 30th June 2020</u>					
At 1 st July 2019	340,077	(146,821)	930,453	10,516	1,134,225
Movements during the year	-	(96,748)	501,491	11,572	416,315
At 30th June 2020	340,077	(243,569)	1,431,944	22,088	1,550,540
<u>Year Ended 30st September 2020</u>					
At 1 st July 2019	340,077	(243,569)	1,431,944	22,088	1,550,540
Movements during the year	-	(119,839)	789,517	22,392	692,070
At 30th September 2020	340,077	(363,408)	2,221,461	44,480	2,242,610

This Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report of the Group for the year ended 30th June 2019 (the latest audited accounts).



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2020 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 2019 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 2019. 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 2019.

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 quarter under review, the Company purchased a total of 14,112,000 ordinary shares from the open market. As at 30 September 2020, the total treasury shares stood at 151,888,000 at cost of RM212.3 million or RM1.40 per share.



7. Dividend Paid

Dividends paid in respect of the preceding 3 financial years and to-date are as follows:

Financial Year	Description	Payment Date(s)	Dividend per share	Value (RM'000)
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
	Final single tier dividend	18.12.2018	2.0 sen [^]	13,113
2019	Interim single tier dividend	18.04.2019	1.5 sen [#]	19,670
	Final share dividend 1-for-65	08.01.2020	1.6 sen [*]	21,946*

[^] 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

[#] Note that the dividend rate is based on 1,360.4 million shares (less treasury shares if any) following a 1-for-1 bonus issue completed on 8 January 2019

^{*} The 20,088,223 shares distributed as final dividend were treasury shares valued at the average cost of RM1.09

8. Segmental Reporting

For management purposes, the Group is organized into operating divisions as shown in the table below:

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	-	491,815	918,384	53,888	(111,551)	1,352,537
Inter-segment sales	133,700	773,943	613,148	1,551	(1,522,342)	-
	<u>133,700</u>	<u>1,265,758</u>	<u>1,531,532</u>	<u>55,439</u>	<u>(1,633,893)</u>	<u>1,352,537</u>
Segmental results						1,052,654
Depreciation & Amortisation						(14,049)
Finance costs						(2,411)
Interest income						442
Share of profit in associated cos.						12,606
PBT						1,049,242
Tax expenses						(236,757)
PAT						<u>812,485</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 21 October 2020, the Group had capital commitments amounting to RM 274.5 million for the purchase of plant and equipment to be installed at its various factories.

This amount is part of total Capital Expenditure of RM1.39 billion that the group budgeted to build 5 new Nitrile Glove Manufacturing plants, i.e. Plant #13, #14, #15, #16 & #17 in Klang, Selangor, Malaysia. The construction of the 5 new plants are at various stages & the plant and machineries are to be commissioned in batches over the year 2021 and year 2022 respectively.

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 current quarter ended 30 September 2020.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 21 October 2020 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	1 st Quarter ended 30.9.2020 RM '000	1 st Quarter ended 30.9.2019 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	1,352,537	369,941	+982,596	+265.6
EBITDA	1,065,702	49,173	+1,016,529	+2,067.2
EBITDA Margin (%)	78.8%	13.3%	+65.4	+492.5
Profit Before Tax (PBT)	1,049,242	32,442	+1,016,800	+3,134.2
PBT Margin (%)	77.6%	8.8%	+68.8	+781.8
Profit After Tax (PAT)	812,485	24,960	+787,525	+3,155.1
PAT Margin (%)	60.1%	6.7%	+53.4	+797.0

Supermax has again recorded a new record quarterly financial performance, achieving another historical high performance for the 2nd consecutive quarter. Revenue increased to RM1.352 billion from RM369.9 million from the previous year corresponding quarter.

This increase translates to a 265.6% or RM982.6 million increase compared to the corresponding quarter a year ago. Profitability also increased sharply with EBITDA, PBT and PAT margins at its highest ever levels of 78.8%, 77.6% and 60.1% respectively. Comparing to the previous year corresponding quarter, the EBITDA, PBT & PAT has increased by 492.5%, 781.8% and 797.0% respectively.

The Group's performance was mainly contributed from & due to:

- a) An exponential increase in demand GLOBALLY for Medical Gloves & other PPEs following the global outbreak of the Covid-19 pandemic.
- b) An increase in Sales from the additional production capacity of the newly commissioned lines at Plant #12 Block A lines.
- c) Increase in average selling prices (ASPs) each month which started in March, 2020 for both its Manufacturing and Distribution divisions.
- d) Increase in percentage of the Group's capacity & Global Sales to end-users; including sales to governments and government agencies of various countries where Supermax Group operates and joint participation with independent Distributors for selling to their government and government agencies in over 165 countries.
- e) Proven business model through Own Brand Manufacturing (OBM) with 2-streams of income via Manufacturing & Distribution.



- f) Earnings contribution from exponential growth in demand and thus increase in Sales of other PPEs such as Masks, Sanitizers, Gowns, FaceShields from certain overseas subsidiary companies & the Group's Distribution Centres.

Supermax's already sound financial position has strengthened dramatically, most notably to a net cash position with cash & bank balances amounting to RM2.36 billion as of 30 September 2020. The increase is mainly due to the high collections from increased sales and customers paying 30%, 40% and 50% deposits in advance to secure supply.

2. Comparison with Preceding Quarter's Result

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

	1 st Quarter ended 30.9.2020 RM '000	4 th Quarter ended 30.6.2020 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	1,352,537	929,124	+423,413	+45.6
EBITDA	1,065,702	561,381	+504,321	+89.8
EBITDA Margin (%)	78.8%	60.4%	+18.4	+30.5
Profit Before Tax (PBT)	1,049,242	519,007	+530,235	+102.2
PBT Margin (%)	77.6%	55.9%	+21.7	+38.8
Profit After Tax (PAT)	812,485	408,270	+404,215	+99.0
PAT Margin (%)	60.1%	43.9%	+16.2	+36.9

The Group has continued to receive strong demand for its gloves as the global pandemic continued to spread around the world since the early part of the year. Revenue grew by another 45.6% or RM423.4 million compared to the preceding quarter while PAT increased by 99.0% or RM404.2 million.

Profitability continued to improve substantially mainly due to:

- Contribution from the 100% fully commissioned Plant #12 Block A lines which are with installed capacity of 2.2 billion gloves.
- Higher contribution of earnings of Own brand Manufacturing (OBM) sales, from both the Manufacturing & Distribution Divisions.
- Continued rise in average selling prices (ASPs) and thus contributing higher earnings from Manufacturing and Distribution.
- Earnings contribution from the exponential growth in demand and thus increase in Sales of other PPEs such as Masks, Sanitizers, Gowns, FaceShields from certain overseas subsidiary companies & the Group's Distribution Centres.



- e) Streamlining of the Supply Chain that has enabled the Group to reap the highest returns compared to a conventional OEM model.

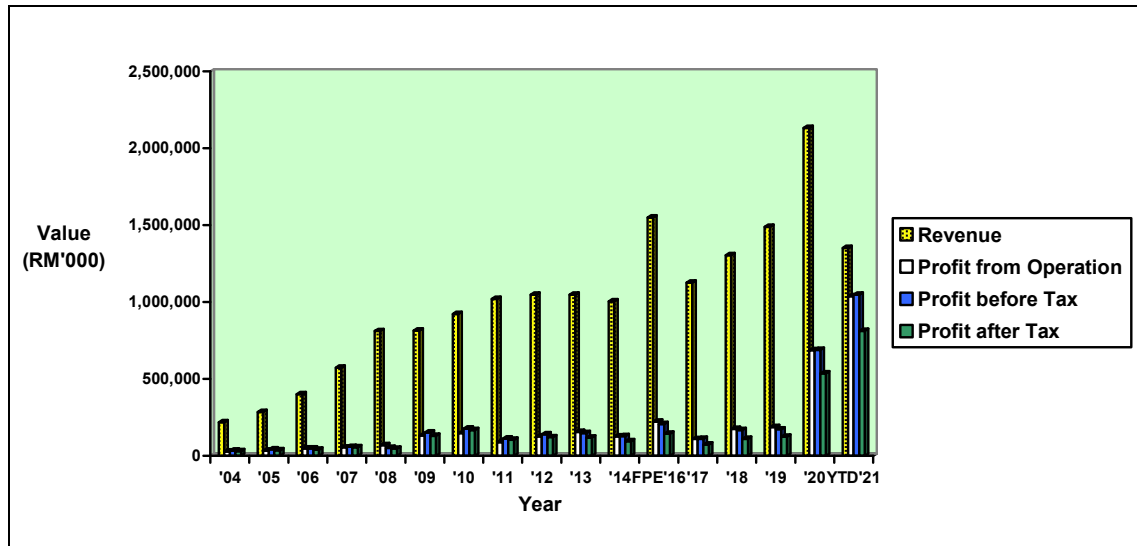
Even after the record performance in the preceding quarter, profit margins had continued to rise strongly for this quarter as well. EBITDA margin continued to increase from 60.4% to 78.8%, PBT margin from 55.9% to 77.6%, and PAT margin from 43.9% to 60.1%.

Historical & Current Financial Performance

The Group's historical and current year cumulative financial performances are shown below:

Description	FYE 06/2017 (RM'000)	FYE 06/2018 (RM'000)	FYE 06/2019 (RM'000)	FYE 06/2020 (RM'000)	3 MTHS 06/2021 (RM'000)
Revenue	1,126,879	1,304,460	1,538,157	2,131,808	1,352,537
Profit from operations	107,731	169,879	192,116	679,111	1,039,047
EBITDA	160,304	217,720	237,194	758,910	1,065,702
EBITDA Margin	14.2%	16.7%	15.4%	35.6%	78.8%
Profit before Tax (PBT)	107,939	161,894	172,408	680,163	1,049,242
PBT Margin	9.6%	12.4%	11.2%	31.9%	77.6%
Profit after Tax (PAT)	70,295	110,142	123,103	534,778	812,485
Core Profit after Tax (PAT)	70,295	110,142	118,147	534,778	812,485
Core PAT Margin	6.2%	8.4%	7.7%	25.1%	60.1%
No. of Shares	680,154	680,154	1,360,308	1,360,308	2,720,616
Net Tangible Asset (NTA)	1,070,236	1,022,710	1,134,226	1,550,542	2,242,610
NTA per share (RM)	0.39#	0.38#	0.42#	0.57#	0.82
EPS (sen)	2.51#	4.05#	4.70#	20.08#	30.58
Return on Assets (ROA)	3.9%	6.4%	6.7%	16.7%	N/A
Return on Equity (ROE)	6.6%	10.8%	10.8%	34.5%	N/A

The NTA per share and EPS for the financial year ending 30.6.2021 are based on an enlarged share capital of 2.72 billion shares following a 1:1 bonus issue on 8 September 2020. For comparative purposes, the NTA per share and EPS in the prior years' have been adjusted to reflect the said bonus issue.



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.

3. Prospects

Glove Division

a) Demand Continues to Increase & Supermax is in Oversold Position

The demand for gloves as a personal protection equipment has heightened as the world fights the COVID-19 pandemic. We are seeing the emergence of new consumers and new consumption not previously seen before prior to Covid-19. Currently, we are in a grossly oversold position.

The surge in demand has resulted in a rapid rise of average selling prices (ASPs) since March 2020. Governments all over the world have increased healthcare spending budgets to contain the effects of the pandemic and in preparation of possible more waves. In light of this, we expect the demand to remain buoyant beyond 2021.

Since the founding of Supermax, we have adopted the Own Brand Manufacturing (OBM) model whereby we manufacture the products, package and market under our In-house brands.

We currently export 58% of production under our own brands via our own distribution centres and 40% through independent distributors. The remaining 2% is for OEM production. Due to the current robust demand, we are taking the opportunity to build new relationships with new customers and distributors in anticipation that they will continue with repeat orders post pandemic.

Our products are sold to over 165 countries, the largest contributor being the Americas region which contributed 51% of revenue in FY2020. Asia/Oceania and Europe each contributed 23% to FY2020 revenue. In terms of product segmentation, 68% is from



nitrile powder free gloves, followed by 25% from latex powder free, 5% from powdered latex and 2% from surgical gloves.

b) *ASP's Continue to Increase*

The Average Selling Prices (ASPs) are continuing to trend upwards and the highest ASPs have not been reflected in this current quarter. We are optimistic that our OBM cum Distribution Business Model will exhibit even healthier & stellar performances in the coming quarters.

c) *Glove Capacity Expansion in Malaysia*

Supermax is currently building 5 glove manufacturing plants concurrently and scheduled for completion progressively between now and year 2022. The new plants will add 22.25 billion new capacity bringing the Group's total capacity to 48.42 billion gloves by end-2022. The Supermax Group would invest total capital expenditure of RM1.39 billion for the new plants. Our capacity expansion plans are illustrated in the table below:

	Annual capacity as at 31.12.2018 (Million pcs/line)	New expansion (Million pcs/line)	Annual capacity as at 31.12.2020 (Million pcs/line)	New expansion (Million pcs/line)	Annual capacity as at 31.12.2021 (Million pcs/line)	New expansion (Million pcs/line)	Annual capacity as at 31.12.2022 (Million pcs/line)
SUPERMAX GROUP	21,751 (174)*		26,175 (206)		36,425 (286)		48,425 (376)
Added capacity from:							
- New lines from Plant #12 (Lot 6061)		+4,424 (32)					
- New lines from Plant #13 (Lots 6072 & 6073)				+2,750 (22)		+1,000 (8)	
- New lines from Plant #14 (Lots 6072 & 6073)				+1,000 (8)		+2,750 (22)	
- New lines from Plant #15 (Lots 6072 & 6073)				+3,750 (30)			
- New lines from Plant #16 (Lot 6062)				+1,375 (10)		+4,125 (30)	
- New lines from Plant #17 (Lot 6060)				+1,375 (10)		+4,125 (30)	
TOTAL	21,751 (174)	+4,424 (32)	26,175 (206)	+10,250 (80)	36,425 (286)	+12,000 (90)	48,425 (376)

d) *Building Glove Manufacturing Plants Closer to Customers in the USA and UK*

The vulnerability of disruption of PPE Supply Chains or over dependence on imports is the primary concern of governments around the world. To address this major concern in countries where Supermax operates, in addition to the capital expenditure that the Group is putting into Glove Manufacturing in Malaysia, we are reinvesting the earnings derived from our Distribution Centres into the respective countries where Supermax operates:

- i) Allocation of US\$300 million in Glove Manufacturing in USA for Phase #1 & US\$250 million for Phase #2.
- ii) Allocation of GBP£50 million in Glove Manufacturing in UK.



Currently, the company is working with various government agencies in the US:

- 1) To identify suitable manufacturing site.
- 2) To negotiate with various agencies, counties & local governments for providing the full infrastructure that the Company needs for production of Medical Gloves.
- 3) To provide various supports from local institutions such as on R&D, Employee Training and other support services that the company needs in Manufacturing of PPEs such as Medical Glove.

As for the UK, the company is studying the Industrial Land that Supermax UK acquired earlier is suitable for use in Glove Manufacturing.

Both Projects (Plant #18 in USA & Plant #19 in UK) would kick-start in 1H2021 and target to commission in stages starting 1H2022.

Contact Lens Division

The Group has continued to make steady progress in its contact lens business. It is continuously expanding its global marketing reach, which has extended to cover 65 countries presently. Various platforms have been employed to market its contact lenses worldwide, from wholesale distribution, to mobile trucks, to online B2C sales via websites launched in the US (aveovision.com), Malaysia (aveovision.my), the UK (aveovision.co.uk) and also in Brazil (aveovision.com.br). Top line performance is improving as a result of continued market expansion and increasing recurring revenue.

Face Mask Manufacturing

Supermax Group has decided to enter into Face Mask Manufacturing in Malaysia and in Canada. This is to complement to the existing Global Supply Chain that the Group built over the years. In addition, we are responding to the huge demand and consumption required globally. Some details are as follows:

a) Supervision Optimax Sdn Bhd:

The Facemask Manufacturing in Malaysia would be undertaken by a new division of Supervision Optimax Sdn Bhd.

- Initial capacity: 8 million pieces of Face Masks per month.
- Target market: Global Market through the existing distribution channels in over 165 countries. However, we shall supply the Made in Malaysia Facemask for the local market to fight the Covid-19 pandemic at the moment until Covid-19 is contained & until the ban of the Export Sales is lifted.
- RM8.0 million has been budgeted to start this initial project.

**b) Supermax in Canada:**

To respond to the call by the Canadian Government to be self-sufficient in PPE supply with Made in Canada PPEs products. Supermax Healthcare Canada Inc has started manufacturing of FaceMasks with the incorporation of subsidiary company, Supermax Medical Inc (SMI), and have started delivery of Masks to the Government in early October, 2020.

Supermax Canada has also been awarded contracts from Federal and Provincial governments in Canada to supply FaceMask and other PPEs. To date, millions of FaceMasks have been delivered to the government in Canada.

Investment into Renewable Energy

Supermax Group has received approval from MIDA for the investment of Renewable Energy in the form of Roof-Top Solar Energy. A total Capital Investment of **RM45 million** has been budgeted for this initiative. With the investment in renewable energy, the Group would be more efficient in terms of energy consumption and thus savings of electricity costs for the Manufacturing division.

Dual-Listing in SGX

The Company is looking to widen the Shareholder's structure base which includes foreign based institutional investors to take up future fund raising and future business expansion globally. The company will make announcement once an Investment Bank is appointed to carry out this corporate work.

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):

	1st Quarter Ended 30.9.2020 RM'000	Financial Year Ended 30.9.2020 RM'000
Interest Expense	2,411	2,411
Depreciation & Amortisation	14,050	14,050
Staff costs:		
- Salaries, wages & bonus	30,429	30,429
- EPF	1,295	1,295
- Other related staff costs	4,655	4,655



Foreign Exchange		
- Realised (Gain) or Loss	13,459	13,459
- Unrealised (Gain) or Loss	(13,395)	(13,395)
Other Costs & Expenses	262,996	262,996
Total Operating Expenses	<u>313,490</u>	<u>313,490</u>

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

	1st Quarter Ended 30.9.2020 RM '000	Financial Year Ended 30.9.2020 RM '000
Taxation	236,757	236,757

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 are no corporate proposals announced as at 21 October 2020 (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 September 2020 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	0	249,359	249,359
Long term borrowings	0	93,287	93,287
Total borrowings	0	342,646	342,646

89% of the short-term borrowings comprise trade facilities amounting to RM 222.0 million that are revolving in nature for working capital purposes.

Remaining secured bank facilities have been fully settled.

**11. Financial Instruments with Off Balance Sheet Risks**

There were no financial instruments with off balance sheet risk as at 21 October 2020 (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 21 October 2020, being the latest practicable date.

13. Dividends Declared/Proposed

The Board of Directors has proposed a final single tier dividend via a share dividend distribution on the basis of 1 treasury share for every 45 ordinary shares held in respect of the financial year ended 30 June 2020, fractions to be disregarded. The distribution would be subject to shareholder approval at the FYE 06/2020 Annual General Meeting.

Below is an **illustration** of the notional return from the proposed share dividend to a shareholder holding 450,000 shares:

Share Dividend Ratio	Assume Shareholdings of (No. of Shares)	Dividend Shares Received (No. of Shares)	Based on share price @ 20.10.2020 (RM/share)	Notional Value of Dividend Shares (RM)	Dividend per share (RM)
1 for 45	450,000	10,000	10.36	103,600	0.23

14. Earnings per Share (EPS)

	Current Quarter Ended 30.9.2020	Financial Year Ended 30.9.2020
Net profit / (loss) (RM'000) attributable to ordinary shareholders	789,516	789,516
Weighted average ('000) Number of ordinary shares in issue	2,581,518	2,581,518
Basic earnings per share (sen)	30.58	30.58