



**INTERIM FINANCIAL STATEMENT
UNAUDITED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2021**

	2nd Quarter Ended		6 Months Cumulative Todate	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Revenue	523,542	1,998,645	1,979,202	3,351,182
Operating expenses	(422,705)	(602,010)	(941,269)	(915,500)
Finance costs	(881)	(1,972)	(3,400)	(4,383)
Share of profit of associated companies	(8,010)	2,577	(11,736)	15,183
Profit before tax	91,946	1,397,240	1,022,797	2,446,482
Taxation	(35,288)	(317,540)	(299,812)	(554,297)
Profit after tax	56,658	1,079,700	722,985	1,892,185
Other comprehensive income/(loss)				
Foreign currency translation	(5,031)	(11,793)	(13,405)	(21,217)
	(5,031)	(11,793)	(13,405)	(21,217)
Total comprehensive income	51,627	1,067,907	709,580	1,870,968
Profit attributable to:				
Owners of the parent	47,841	1,059,463	686,365	1,848,979
Minority interest	8,817	20,237	36,620	43,206
	56,658	1,079,700	722,985	1,892,185
Total comprehensive income attributable to:				
Owners of the parent	44,032	1,047,985	676,562	1,828,655
Minority interest	7,595	19,922	33,018	42,313
	51,627	1,067,907	709,580	1,870,968
Weighted average('000) number of Ordinary Shares in issue	2,617,639	2,581,518	2,617,639	2,581,518
EPS - Basic and diluted (sen)	1.83	41.04	26.22	71.62

This condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2021 (the latest audited accounts).



**INTERIM FINANCIAL STATEMENT
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	Unaudited 31 December 2021 RM'000	Audited 30 June 2021 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,506,702	1,449,803
Investment in associated companies	166,066	177,802
Deferred tax assets	33,011	111,674
	1,705,779	1,739,279
Current Assets		
Inventories	360,918	518,507
Trade receivables	220,504	627,711
Tax recoverable	123,588	592,253
Other receivables	262,630	137,379
Cash & bank balances	3,392,150	3,779,037
	4,359,790	5,654,887
TOTAL ASSETS	6,065,569	7,394,166
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	139,501	135,512
Treasury shares	(186,368)	(186,368)
Reserves	4,758,201	4,605,167
Shareholders Fund	5,051,411	4,894,388
Non-Current Liabilities		
Long term borrowing	55,085	63,992
Deferred tax liabilities	67,267	66,009
	122,352	130,001
Current Liabilities		
Trade payables	148,054	273,195
Other payables and accrued expenses	140,508	83,380
Prepayment received from customers	61,324	817,025
Short term borrowing	186,719	198,293
Dividend Payables	130,882	-
Provision for taxation	224,319	997,884
	891,806	2,369,777
TOTAL EQUITY AND LIABILITIES	6,065,569	7,394,166
Net Asset per share	1.88	1.82

This condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2021 (the latest audited accounts).



**INTERIM FINANCIAL STATEMENT
UNAUDITED CONDENSED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	6 Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000
Profit before tax	1,022,796	2,446,482
Adjustment for non cash items	70,805	15,664
Operating profit before changes in working capital	1,093,601	2,462,146
Changes in working capital:		
Net change in current assets	439,546	(341,320)
Net change in current liabilities	(823,713)	971,980
Income tax paid	(524,792)	(143,732)
Net cash flows from operating activities	184,642	2,949,074
Investing Activities		
Purchase of property, plant and equipment	(101,802)	(258,641)
Net cash flows from investing activities	(101,802)	(258,641)
Financing Activities		
Bank borrowings	(20,481)	(43,180)
Share buy back	-	(110,413)
Interest expenses	(3,400)	(4,383)
Interest income	1,960	1,094
Dividend paid	(421,675)	-
Net cash flows from financing activities	(443,596)	(156,882)
Net change in cash & cash equivalents	(360,756)	2,533,551
Effect of foreign exchange rate changes	(26,131)	(20,296)
Cash & cash equivalent at beginning of period	3,779,037	1,186,190
Cash & cash equivalent at end of period	3,392,150	3,699,445

Analysis of cash & cash equivalents:-

Cash & bank balances	3,392,150	3,699,445
	3,392,150	3,699,445

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 2021 (latest audited accounts).



**INTERIM FINANCIAL STATEMENT
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

Share Capital	Reserves Attributable To Capital	Translation Reserve	Retained Profits	Minority Interest	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Year Ended 30th June 2021

At 1st July 2020	340,077	(101,912)	(141,657)	1,432,558	21,475	1,550,541
Movements during the year	-	(84,456)	17,193	3,297,072	114,037	3,343,846
At 30th June 2021	340,077	(186,368)	(124,464)	4,729,630	135,512	4,894,387

Year Ended 30 June 2022

At 1st July 2021	340,077	(186,368)	(124,464)	4,729,630	135,512	4,894,387
Movements during the period	-	-	(9,802)	162,837	3,989	157,024
At 31 December 2022	340,077	(186,368)	(134,266)	4,892,467	139,501	5,051,411

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 30 June 2021 (the latest audited accounts).



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021 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 2021 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 2021. 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 2021.

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 did not conduct any share buyback activities and held 102,980,727 treasury shares as at 31 December 2021.

On 19 January 2022, the Company distributed 87,222,518 treasury shares as dividend to shareholders on the basis of 1 treasury share for every 30 existing ordinary shares held. As at 16 February 2022, the Company held a balance total of 15,758,209 treasury shares.



7. Dividend Paid

Dividends paid in respect of the last financial year-to-date are as follows:

Financial Year	Description	Payment Date(s)	Dividend per share	Value (RM'000)
2021	Interim single tier dividend	26.02.2021	3.8 sen*	99,470
	Special single tier dividend	08.06.2021	13.0 sen*	340,293
	Special single tier dividend	30.09.2021	15.0 sen*	392,646
	Final share dividend 1-for-30	19.01.2022	4.4 sen#	157,873
2022	Interim single tier dividend	03.01.2022	5.0 sen*	130,882

* The dividend rate is based on 2,720.6 million shares (less treasury shares if any) following a 1-for-1 bonus issue completed on 8 September 2020.

The dividend per share is based on the closing share price prior to the ex-date, i.e. RM1.32 on 16 December 2021. The shares distributed as final dividend in respect of FYE 2021 were treasury shares valued at the Company's average purchase cost of RM1.81 per share.

8. Segmental Reporting

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

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	-	179,611	1,730,177	69,414	-	1,979,202
Inter-segment sales	788,154	974,273	443,579	9,303	(2,215,309)	-
	<u>788,154</u>	<u>1,153,884</u>	<u>2,173,756</u>	<u>78,717</u>	<u>(2,215,309)</u>	<u>1,979,202</u>
Segmental results						1,072,445
Depreciation & Amortisation						(36,472)
Finance costs						(3,400)
Interest income						1,960
Share of profit in associated cos.						(11,736)
PBT						<u>1,022,797</u>
Tax expenses						(299,812)
PAT						<u><u>722,985</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 16 February 2022, the Group had capital commitments amounting to RM 248.5 million for the purchase of plant and equipment to be installed at its various factories in Malaysia.

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 years 2022, 2023 & 2024.

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 31 December 2021.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 16 February 2022 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	2 nd Quarter ended 31.12.2021 RM '000	2 nd Quarter ended 31.12.2020 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	523,542	1,998,645	(1,475,103)	(73.8)
EBITDA	110,775	1,414,696	(1,303,921)	(92.2)
EBITDA Margin (%)	21.2%	70.8%		(49.6)
Profit Before Tax (PBT)	91,946	1,397,240	(1,305,294)	(93.4)
PBT Margin (%)	17.6%	69.9%		(52.3)
Profit After Tax (PAT)	56,658	1,079,700	(1,023,042)	(94.7)
PAT Margin (%)	10.8%	54.0%		(43.2)

Supermax Group's revenue fell by 73.8% (RM1.47 billion) to RM 523.54 million compared to the corresponding quarter a year ago. This was mainly due to average selling prices (ASPs) and demand coming off the highs recorded a year ago when the worldwide Covid-19 pandemic driven demand was on a sharp upward trajectory. Sales was also impacted to an extent following the imposition of the Withhold Release Order (WRO) by the US Customs and Border Protection (USCBP) in October 2021.

The Group's profit margins have been significantly impacted as a result. EBITDA, PBT and PAT margins have pulled back sharply compared to a year ago. The margin regression is mainly due to:

- the fall in ASPs as competition has intensified significantly following a period of substantial capacity expansion across the industry as both existing and new players ramped up their production capacities.
- Fall in demand as the frenzied buying has abated following easing concerns over the Covid-19 pandemic as mitigation measures such as the vaccination exercises are ramped up.



2. Comparison with Preceding Quarter's Result

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

	2 nd Quarter ended 31.12.2021 RM '000	1st Quarter ended 30.9.2021 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	523,542	1,455,660	(932,118)	(64.0)
EBITDA	110,775	951,894	(841,119)	(88.4)
EBITDA Margin (%)	21.2%	65.4%		(44.2)
Profit Before Tax (PBT)	91,946	930,851	(838,905)	(90.1)
PBT Margin (%)	17.6%	63.9%		(46.3)
Profit After Tax (PAT)	56,658	666,327	(609,669)	(91.5)
PAT Margin (%)	10.8%	45.8%		(35.0)

Compared to the preceding quarter, the Group's revenue saw a sharp fall of 64.0%. The Group's profit also declined significantly with EBITDA, PBT and PAT falling by 88.4%, 90.1% and 91.5% respectively. The substantial deterioration in revenue and profits was mainly due to:

- decline in average selling prices (ASPs) as a result of intensifying competition with overall glove supply rising significantly in line with the ramping up of production capacities by existing and new glove players.
- situation made worse by the imposition of the WRO and freezing of orders from the Canadian government.

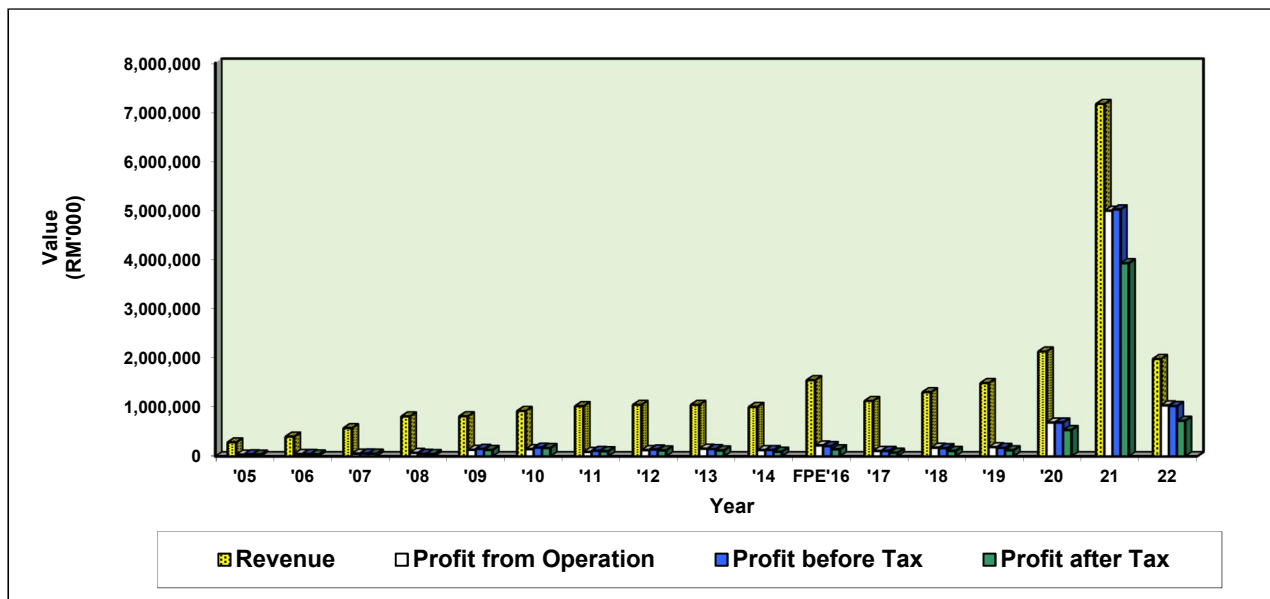


Historical & Current Financial Performance

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

Description	FYE 06/2018 (RM'000)	FYE 06/2019 (RM'000)	FYE 06/2020 (RM'000)	FYE 06/2021 (RM'000)	6 mths (July-Dec'21) FYE 06/2022 RM'000)
Revenue	1,304,460	1,538,157	2,131,808	7,164,186	1,979,202
Profit from operations	169,879	192,116	679,111	5,028,106	1,037,933
EBITDA	217,720	237,194	771,822	5,096,884	1,062,669
EBITDA Margin	16.7%	15.4%	36.2%	71.1%	53.7%
Profit before Tax (PBT)	161,894	172,408	680,163	5,019,993	1,022,797
PBT Margin	12.4%	11.2%	31.9%	70.1%	51.7%
Profit after Tax (PAT)	110,142	123,103	534,778	3,929,944	722,985
Core Profit after Tax (PAT)	110,142	118,147	534,778	3,929,944	722,985
Core PAT Margin	8.4%	7.7%	25.1%	54.9%	36.5%
No. of Shares	680,154	1,360,308	1,360,308	2,720,619	2,720,619
Net Tangible Asset (NTA)	1,022,710	1,134,226	1,550,542	4,894,388	5,051,411
NTA per share (RM)	0.38#	0.42#	0.59#	1.82	1.88
EPS (sen)	4.05#	4.70#	20.08#	147.03	26.22
Return on Assets (ROA)	6.4%	6.7%	16.7%	53.1%	N/A
Return on Equity (ROE)	10.8%	10.8%	34.5%	80.3%	N/A

The NTA per share and EPS for the financial year ended 30.6.2021 and financial year ending 30.6.2022 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) Global demand and glove selling prices are decreasing.

The rubber glove industry is coming off a period of exponential growth and has entered a challenging phase. Average selling prices for gloves had been on the decline and demand is also on a downturn. Concerns over the Covid-19 pandemic continues to ease as more and more measures to manage the Covid-19 pandemic such as the vaccination programs are rolled out by governments around the world. Many of the large buyers seen at the height of the pandemic, such as the governments and large hospital chains are full or near full in terms of their PPE stocks after a period of aggressive sourcing and buying. Buying activities have moderated in tandem with the reduced consumption levels.

We expect to see a continued normalising in the rubber glove business as ASPs and demand continue to decline from the highs seen at the peak of the Covid-19 pandemic. However, as the Covid-19 pandemic moves into an endemic phase, the structural shift triggered by the pandemic will see demand remain at a higher level compared to the pre-pandemic period and resume a longer term upward trend once a period of consolidation is over.

b) Glove Capacity Expansion in Malaysia

The Company is currently building 5 glove manufacturing plants concurrently and scheduled for completion progressively. The new plants will add 22.25 billion new capacity bringing the Group's total capacity to 48.42 billion gloves when they are fully commissioned. The Supermax Group would invest total capital expenditure of RM1.39 billion for the new plants.

c) Building Glove Manufacturing Plants Closer to Customers in the USA

The vulnerability of disruption of PPE Supply Chains or over dependence on imports have become 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. This initiative is progressing and more details will be shared when it becomes available officially.

d) Contact Lens Division

While the pandemic had been a boon for the rubber glove business segment, the same cannot be said for the contact lens segment. As many people moved to a new norm of working from home, spending more time online and engaging less in outdoor activities, this has seen consumption of contact lenses fall. Consequently, the Group has taken steps to cease its overseas contact lens divisions except in Japan. While it will continue to produce contact lenses from its manufacturing base in Malaysia, it will focus on appointing distributors and doing private labels for its customers rather than doing its own distribution.



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):

	2nd Quarter Ended 31.12.2021 RM'000	Financial Year-to-Date 31.12.2021 RM'000
Interest Expense	881	3,400
Depreciation & Amortisation	17,948	36,472
Staff costs:		
- Salaries, wages & bonus	50,167	81,852
- EPF	1,411	2,813
- Other related staff costs	2,738	4,926
Foreign Exchange		
- Realised (Gain) or Loss	(14,375)	(21,446)
- Unrealised (Gain) or Loss	11,488	12,425
Other Costs & Expenses	353,328	824,227
Total Operating Expenses	<u>422,705</u>	<u>941,269</u>

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

	2nd Quarter Ended 31.12.2021 RM '000	Financial Year-to-Date 31.12.2021 RM '000
Taxation	35,288	299,812

The effective tax rate is higher than the statutory tax rate of 24% as higher provision was made in view of the prosperity tax announced in the recent Budget 2022.

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 16 February 2022 (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 31 December 2021 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	-	186,719	186,719
Long term borrowings	-	55,085	55,085
Total borrowings	-	241,804	241,804

79% of the short-term borrowings comprise trade facilities amounting to RM 146.6 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 16 February 2022 (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 16 February 2022, being the latest practicable date.

13. Dividends Declared/Proposed

There are no dividends declared during the current quarter under review.

14. Earnings per Share (EPS)

	Current Quarter Ended 31.12.2021	Financial Year-to- Date ended 31.12.2021
Net profit / (loss) (RM'000) attributable to ordinary shareholders	47,841	686,365
Weighted average ('000) Number of ordinary shares in issue	2,617,639	2,617,639
Basic earnings per share (sen)	1.83	26.22