



INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2022

	3rd Quarter Ended		9 Months Cumulative Totade	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Revenue	407,799	1,937,516	2,387,001	5,288,698
Operating expenses	(390,157)	(610,834)	(1,331,426)	(1,526,334)
Finance costs	(714)	(1,757)	(4,114)	(6,140)
Share of profit of associated companies	1,352	17,369	(10,384)	32,552
Profit before tax	18,280	1,342,294	1,041,077	3,788,776
Taxation	(2,470)	(319,967)	(302,282)	(874,264)
Profit after tax	15,810	1,022,327	738,795	2,914,512
Other comprehensive income/(loss)				
Foreign currency translation	5,067	46,741	(8,338)	25,524
	5,067	46,741	(8,338)	25,524
Total comprehensive income	20,877	1,069,068	730,457	2,940,036
Profit attributable to:				
Owners of the parent	13,009	1,005,212	699,374	2,854,191
Minority interest	2,801	17,115	39,421	60,321
	15,810	1,022,327	738,795	2,914,512
Total comprehensive income attributable to:				
Owners of the parent	13,933	1,048,410	690,495	2,877,065
Minority interest	6,944	20,658	39,962	62,971
	20,877	1,069,068	730,457	2,940,036
Weighted average('000) number of Ordinary Shares in issue	2,636,812	2,588,702	2,636,812	2,588,702
EPS - Basic and diluted (sen)	0.49	38.83	26.52	110.26

This Unaudited Condensed 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 STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Unaudited 31 March 2022 RM'000	Audited 30 June 2021 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,544,194	1,449,803
Investment in associated companies	167,418	177,802
Deferred tax assets	39,636	111,674
	1,751,248	1,739,279
Current Assets		
Inventories	276,004	518,507
Trade receivables	183,695	627,711
Tax recoverable	346,553	592,253
Other receivables	375,530	137,379
Cash & bank balances	2,970,579	3,779,037
	4,152,361	5,654,887
TOTAL ASSETS	5,903,609	7,394,166
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	168,457	135,512
Treasury shares	(69,902)	(186,368)
Reserves	4,565,305	4,605,167
Shareholders Fund	5,003,937	4,894,388
Non-Current Liabilities		
Long term borrowing	37,889	63,992
Deferred tax liabilities	62,568	66,009
	100,457	130,001
Current Liabilities		
Trade payables	141,562	273,195
Other payables and accrued expenses	48,722	83,380
Prepayment received from customers	76,251	817,025
Short term borrowing	169,698	198,293
Provision for taxation	362,982	997,884
	799,215	2,369,777
TOTAL EQUITY AND LIABILITIES	5,903,609	7,394,166
Net Asset per share	1.81	1.82

This Unaudited Condensed Statement of Financial Position 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 STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	9 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Profit before tax	1,041,077	3,788,776
Adjustment for non cash items	75,835	(36,968)
Operating profit before changes in working capital	1,116,912	3,751,808
Changes in working capital:		
Net change in current assets	448,369	(424,501)
Net change in current liabilities	(907,064)	378,391
Income tax paid	(622,889)	(333,185)
Net cash flows from operating activities	35,328	3,372,513
Investing Activities		
Purchase of property, plant and equipment	(154,906)	(354,454)
Net cash flows used in investing activities	(154,906)	(354,454)
Financing Activities		
Bank borrowings	(54,697)	(19,375)
Share buy back	(41,407)	(164,338)
Interest expenses	(4,114)	(6,140)
Interest income	2,898	3,841
Dividend paid	(579,620)	(103,577)
Net cash flows used in financing activities	(676,940)	(289,589)
Net change in cash & cash equivalents	(796,518)	2,728,470
Effect of foreign exchange rate changes	(11,940)	71,588
Cash & cash equivalent at beginning of period	3,779,037	1,186,190
Cash & cash equivalent at end of period	2,970,579	3,986,248

Analysis of cash & cash equivalents:-

Cash & bank balances	2,970,579	3,986,248
	2,970,579	3,986,248

This Unaudited Condensed Statement of Cash Flows 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 STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR PERIOD ENDED 31 MARCH 2022

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	-	116,466	(8,878)	(30,983)	32,945	109,550
At 31 March 2022	340,077	(69,902)	(133,342)	4,698,647	168,457	5,003,937

This Unaudited Condensed Consolidated Statement 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 MARCH 2022
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 distributed 87,222,518 treasury shares as dividend to shareholders on the basis of 1 treasury share for every 30 existing ordinary shares held. Share buybacks from the open market during the quarter amounted to 39,302,800 shares. As at 31 March 2022, the Company held 55,061,009 shares in treasury.

On 27 April 2022, the Company bought a further 697,200 shares from the open market. The shares were retained in treasury, bringing the total number of treasury shares held to 55,758,209.



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 May 2022, the Group had capital commitments amounting to RM 219.0 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 March 2022.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 20 May 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	3 rd Quarter ended 31.3.2022 RM '000	3 rd Quarter ended 31.3.2021 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	407,799	1,937,516	(1,529,717)	(78.9)
EBITDA	34,485	1,363,809	(1,329,324)	(97.5)
EBITDA Margin (%)	8.5%	70.4%		(61.9)
Profit Before Tax (PBT)	18,280	1,342,294	(1,324,014)	(98.6)
PBT Margin (%)	4.5%	69.3%		(64.9)
Profit After Tax (PAT)	15,810	1,022,327	(1,006,517)	(98.5)
PAT Margin (%)	3.9%	52.8%		(48.9)

Supermax Group's revenue fell by 78.9% (RM1.53 billion) to RM 407.8 million compared to the corresponding quarter a year ago. Over this period, profitability in absolute terms and in terms of margins have fallen away significantly. This was due to a combination of factors as follows:

- Average selling prices (ASPs) and demand continue to come off the highs recorded a year ago at a time when the worldwide Covid-19 pandemic fears were at or near its peak.
- Sales continues to be adversely impacted as the Withhold Release Order (WRO) imposed by the US Customs and Border Protection (USCBP) in October 2021 remains in place and the Canadian government having suspended orders and deliveries from Supermax.
- Importers and distributors including Supermax Group's overseas distribution units having had to sell high-priced inventory at falling market prices since end-CY2021.
- The Group implemented a higher minimum wage of RM1,400 above the statutory rate of RM1,200 in February 2022 (before increasing the rate further in May 2022 in line with the Government's move to increase minimum wage to RM1,500).
- Other operating costs have come under inflationary pressure



2. Comparison with Preceding Quarter's Result

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

	3 rd Quarter ended 31.3.2022 RM '000	2 nd Quarter ended 31.12.2021 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	407,799	523,542	(115,743)	(22.1)
EBITDA	34,485	110,775	(76,290)	(68.9)
EBITDA Margin (%)	8.5%	21.2%		(12.7)
Profit Before Tax (PBT)	18,280	91,946	(73,666)	(80.1)
PBT Margin (%)	4.5%	17.6%		(13.1)
Profit After Tax (PAT)	15,810	56,658	(40,848)	(72.1)
PAT Margin (%)	3.9%	10.8%		(6.9)

Compared to the preceding quarter, the Group's revenue was lower by 22.1%. The Group's profits recorded even sharper declines with EBITDA, PBT and PAT falling by 68.9%, 80.1% and 72.1% respectively. The substantial deterioration in revenue and profits was mainly due to:

- continued decline in average selling prices (ASPs) amid intensifying competition with overall glove supply rising significantly in line with the ramping up of production capacities by existing and new glove players.
- US CBP's WRO action remains in place and together with the Canadian government suspending glove purchases from the Company, sales continue to be hampered.
- Importers and distributors including Supermax Group's overseas distribution units having to sell high-priced inventory at falling market prices since end-CY2021.
- Increase in operating costs. In the case of logistics, not only has the cost risen significantly, the task of securing sufficient shipping containers in a timely manner for glove exporting has also become a difficult challenge.

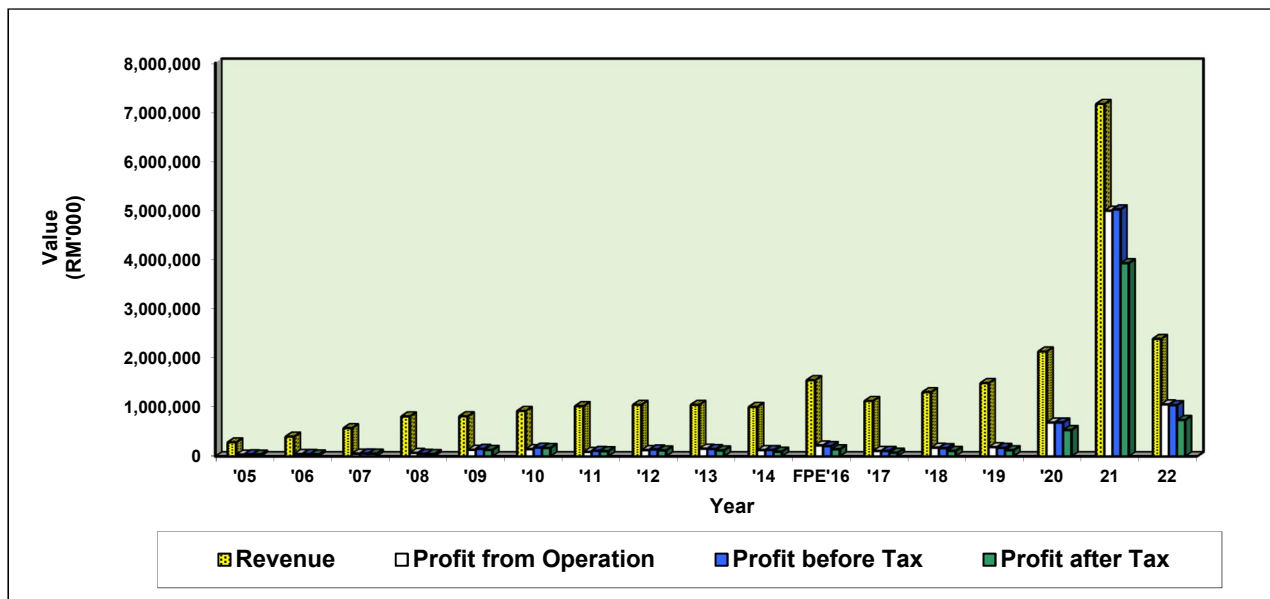


Historical & Current Financial Performance

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)	9 mths (July'21-Mar'22) FYE 06/2022 (RM'000)
Revenue	1,304,460	1,538,157	2,131,808	7,164,186	2,387,001
Profit from operations	169,879	192,116	679,111	5,028,106	1,055,575
EBITDA	217,720	237,194	771,822	5,096,884	1,097,154
EBITDA Margin	16.7%	15.4%	36.2%	71.1%	46.0%
Profit before Tax (PBT)	161,894	172,408	680,163	5,019,993	1,041,077
PBT Margin	12.4%	11.2%	31.9%	70.1%	43.6%
Profit after Tax (PAT)	110,142	123,103	534,778	3,929,944	738,795
Core Profit after Tax (PAT)	110,142	118,147	534,778	3,929,944	738,795
Core PAT Margin	8.4%	7.7%	25.1%	54.9%	30.9%
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	4,954,982
NTA per share (RM)	0.38#	0.42#	0.59#	1.82	1.81
EPS (sen)	4.05#	4.70#	20.08#	147.03	26.52
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 on the back of the Covid-19 pandemic and is now entering a more challenging phase as the coronavirus becomes endemic. Average selling prices for gloves have 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. Nevertheless, 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. Starting from May 2022, the Group has embarked on the rebuilding of old plants while new plants are ready for commissioning in stages. The progress of commissioning of the new plants shall depend on the availability of workers and the prevailing market conditions.

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.

On 16 May 2022, various permits to start the site clearing, earth works and works below ground have been obtained. We have on 18 May 2022 officially started the ground-breaking of the US plant.

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):

	3rd Quarter Ended 31.3.2022 RM'000	Financial Year-to-Date 31.3.2022 (9 months) RM'000
Interest Expense	714	4,114
Depreciation & Amortisation	15,491	51,963
Staff costs:		
- Salaries, wages & bonus	30,030	111,881
- EPF	2,909	5,721
- Other related staff costs	9,258	14,185
Foreign Exchange		
- Realised (Gain) or Loss	(7,841)	(29,287)
- Unrealised (Gain) or Loss	(8,793)	3,633
Other Costs & Expenses	349,103	1,173,330
Total Operating Expenses	<u>390,157</u>	<u>1,331,426</u>

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

	3rd Quarter Ended 31.3.2022 RM '000	Financial Year-to-Date 31.3.2022 (9 months) RM '000
Taxation	2,470	302,282

The effective tax rate for the financial year-to-date 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 20 May 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 March 2022 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	-	169,698	169,698
Long term borrowings	-	37,889	37,889
Total borrowings	-	207,587	207,587

79% of the short-term borrowings comprise trade facilities amounting to RM 134.1 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 20 May 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 20 May 2022, being the latest practicable date.

13. Dividends Declared/Proposed

The Board has declared an interim single tier dividend of 3 sen per ordinary share for the current financial year ended 30 June 2022.

14. Earnings per Share (EPS)

	Current Quarter Ended 31.3.2022	Financial Year-to- Date ended 31.3.2022
Net profit / (loss) (RM'000) attributable to ordinary shareholders	13,009	699,374
Weighted average ('000) Number of ordinary shares in issue	2,636,812	2,636,812
Basic earnings per share (sen)	0.49	26.52