



INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2022

	1st Quarter Ended		3 Months Cumulative Totodate	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Revenue	247,964	1,455,660	247,964	1,455,660
Operating expenses	(238,543)	(518,564)	(238,543)	(518,564)
Finance costs	(1,368)	(2,519)	(1,368)	(2,519)
Share of profit of associated companies	(1,950)	(3,726)	(1,950)	(3,726)
Profit before tax	6,103	930,851	6,103	930,851
Taxation	(1,575)	(264,524)	(1,575)	(264,524)
Profit after tax	4,528	666,327	4,528	666,327
Other comprehensive income/(loss)				
Foreign currency translation	48,927	(8,374)	48,927	(8,374)
	48,927	(8,374)	48,927	(8,374)
Total comprehensive income	53,455	657,953	53,455	657,953
Profit attributable to:				
Owners of the parent	5,710	638,524	5,710	638,524
Minority interest	(1,182)	27,803	(1,182)	27,803
	4,528	666,327	4,528	666,327
Total comprehensive income attributable to:				
Owners of the parent	57,206	632,530	57,206	632,530
Minority interest	(3,751)	25,423	(3,751)	25,423
	53,455	657,953	53,455	657,953
Weighted average('000) number of Ordinary Shares in issue	2,661,107	2,595,917	2,661,107	2,595,917
EPS - Basic and diluted (sen)	0.21	24.60	0.21	24.60

This Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2022 (the latest audited accounts).



INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Unaudited 30 September 2022 RM'000	Audited 30 June 2022 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,783,599	1,728,559
Investment in associated companies	205,239	207,189
Deferred tax assets	32,094	36,317
	2,020,932	1,972,065
Current Assets		
Inventories	231,481	267,561
Trade receivables	129,686	152,378
Tax recoverable	371,272	375,334
Other receivables	189,551	157,463
Cash & bank balances	2,943,741	3,032,157
	3,865,731	3,984,893
TOTAL ASSETS	5,886,663	5,956,958
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	147,519	166,563
Treasury shares	(85,408)	(70,672)
Reserves	4,653,361	4,596,157
Shareholders Fund	5,055,549	5,032,125
Non-Current Liabilities		
Long term borrowing	48,669	52,588
Deferred tax liabilities	67,049	67,116
	115,718	119,704
Current Liabilities		
Trade payables	109,265	144,949
Other payables and accrued expenses	110,765	120,864
Prepayment received from customers	37,146	64,724
Short term borrowing	157,140	179,905
Provision for taxation	301,080	294,687
	715,396	805,129
TOTAL EQUITY AND LIABILITIES	5,886,663	5,956,958
Net Asset per share	1.86	1.83

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 2022 (the latest audited accounts).



**INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	3 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000
Profit before tax	6,102	930,851
Adjustment for non cash items	(13,226)	34,434
Operating profit before changes in working capital	(7,124)	965,285
Changes in working capital:		
Net change in current assets	26,684	281,164
Net change in current liabilities	(73,361)	(767,350)
Income tax paid	13,035	(328,089)
Net cash flows from operating activities	(40,766)	151,010
Investing Activities		
Purchase of property, plant and equipment	(75,403)	(46,571)
Net cash flows used in investing activities	(75,403)	(46,571)
Financing Activities		
Bank borrowings	(26,685)	69,793
Share buy back	(14,734)	-
Interest expenses	(1,368)	(2,519)
Interest income	4,067	-
Dividend paid	(15,293)	(421,855)
Net cash flows used in financing activities	(54,013)	(354,581)
Net change in cash & cash equivalents	(170,182)	(250,142)
Effect of foreign exchange rate changes	81,766	(9,505)
Cash & cash equivalent at beginning of period	3,032,157	3,779,037
Cash & cash equivalent at end of period	2,943,741	3,519,390

Analysis of cash & cash equivalents:-

Cash & bank balances	2,943,741	3,519,390
	2,943,741	3,519,390

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 2022 (latest audited accounts).



INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30 June 2022

At 1 July 2021	340,077	(186,368)	(124,463)	4,729,630	135,512	4,894,388
Movements during the year	-	115,696	82,386	(91,396)	31,051	137,737
At 30 June 2022	340,077	(70,672)	(42,077)	4,638,234	166,563	5,032,125

Period Ended 30 September 2022

At 1 July 2022	340,077	(70,672)	(42,077)	4,638,234	166,563	5,032,125
Movements during the period	-	(14,736)	51,494	5,710	(19,044)	23,424
At 30 September 2022	340,077	(85,408)	9,417	4,643,944	147,519	5,055,549

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 2022 (the latest audited accounts).



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 2022 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 2022. 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 2022.

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 20,000,000 ordinary shares from the open market, all of which were retained in treasury. As at 30 September 2022, the Company held 75,758,209 shares in treasury.



7. Dividend Paid

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

Financial Year	Description	Payment Date(s)	Dividend per share	Value (RM'000)
2022	Interim single tier dividend	03.01.2022	5.0 sen	130,882
	Interim single tier dividend	28.06.2022	3.0 sen	79,946

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.

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 Revenue	-	77,322	167,602	3,040	-	247,964
Inter-Segment Revenue	-	136,197	23,974	111	(160,282)	-
	-	213,519	191,576	3,151	(160,282)	247,964
Segmental results						25,595
Depreciation & Amortisation						(20,242)
Finance costs						(1,368)
Interest income						4,068
Share of profit in associated cos.						(1,950)
PBT						6,103
Tax expenses						(1,575)
PAT						4,528

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 17 November 2022, the Group had capital commitments amounting to RM 178.8 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 & put aside to build 5 new Nitrile Glove Manufacturing plants, i.e. Plant #13, #14, #15, #16 & #17 in Klang, Selangor, Malaysia. The construction of its new plants are at various stages in terms of the factory buildings while the installation of the production lines and other ancillary machines are temporarily put on hold. The Group will monitor closely the prevailing and expected market conditions before deciding on the next steps.

As for USA Plant Phase #1, US\$350 million has been budgeted and site work, civil and structural works have started. Installation of plant and machineries shall follow once the main civil and structural works are completed in year 2023.

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 June 2022.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 17 November 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	1 st Quarter ended 30.9.2022 RM '000	1 st Quarter ended 30.9.2021 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	247,964	1,455,660	(1,207,696)	(83.0)
EBITDA	27,713	951,894	(924,181)	(97.1)
EBITDA Margin (%)	11.2%	65.4%		(54.2)
Profit Before Tax (PBT)	6,103	930,851	(924,748)	(99.3)
PBT Margin (%)	2.5%	63.9%		(61.4)
Profit After Tax (PAT)	4,528	666,327	(661,799)	(99.3)
PAT Margin (%)	1.8%	45.8%		(44.0)

Supermax Group's financial performance for the 1st quarter of current financial year ending 30 June 2023 saw a sharp contraction compared to a year ago. Revenue for the current quarter ended 30 September 2022 fell of 83.0% (RM1.21 billion) to RM 248.0 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.

The declining sales and profitability were due to a combination of factors as follows:

- Average selling prices (ASPs) are well off their highs and remain at current low levels in the face of intense competition from the Chinese manufacturers who are under-cutting prices in the market to gain market share.
- 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, effectively hampering efforts to import new lower cost shipments to average down inventory costs.
- Certain Supermax Group's overseas distribution units incurring losses as they continue to sell high-priced inventory at today's low market prices.
- Increased operating costs including high gas costs and increase in minimum wages.
- Incurring of pre-operating expenses for new US plant.
- Decommissioning of certain older plants which are in the process of rebuilding.



2. Comparison with Preceding Quarter's Result

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

	1 st Quarter ended 30.9.2022 RM '000	4 th Quarter ended 30.6.2022* RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	247,964	300,226	(52,262)	(17.4)
EBITDA	27,713	41,914	(14,201)	(33.9)
EBITDA Margin (%)	11.2%	14.0%		(2.8)
Profit Before Tax (PBT)	6,103	18,425	(12,322)	(66.9)
PBT Margin (%)	2.5%	6.1%		(3.6)
Profit After Tax (PAT)	4,528	18,328	(13,800)	(75.3)
PAT Margin (%)	1.8%	6.1%		(4.3)

* Adjusted

Compared to the preceding quarter, the Group's revenue was lower by 17.4%, while the Group's profits also deteriorated with EBITDA, PBT and PAT falling substantially.

The deterioration in revenue and profitability is due to the factors as mentioned earlier:

- continued decline in average selling prices (ASPs) amid intensive competition.
- US CBP's WRO action remains in place.
- Certain Supermax Group's overseas distribution units having to sell high-priced inventory at current low market prices.
- Increased operating costs and pre-operating costs.

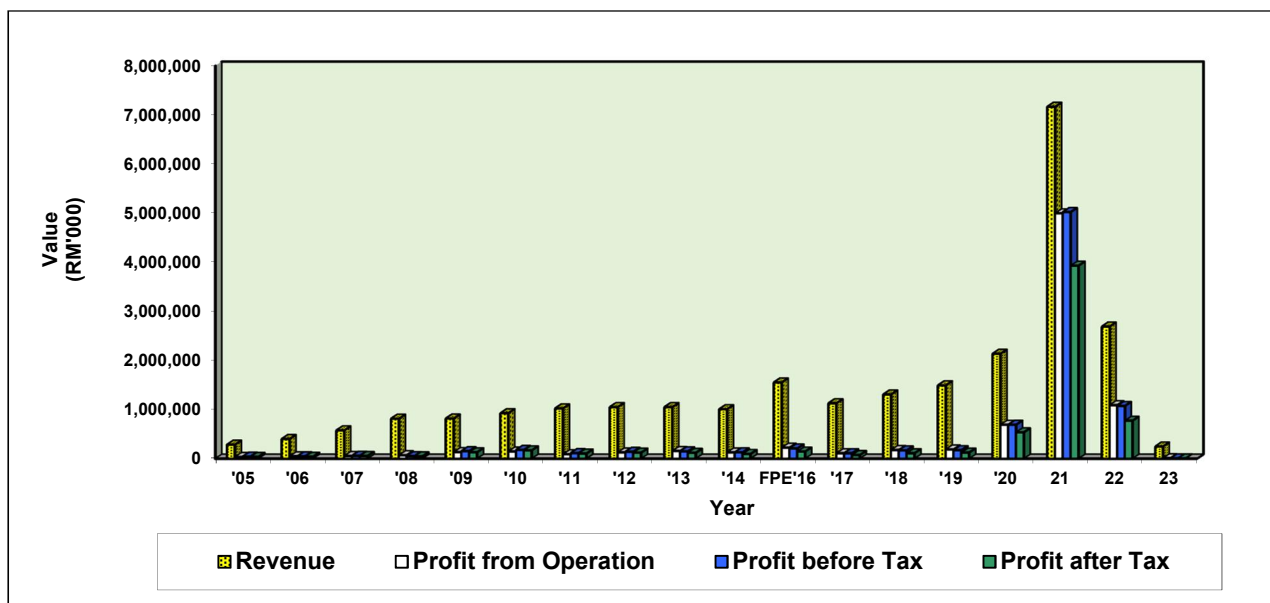


Historical & Current Financial Performance

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

Description	FYE 06/2019 (RM'000)	FYE 06/2020 (RM'000)	FYE 06/2021 (RM'000)	FYE 06/2022 (RM'000)	3 MTHS ENDED 09/2022 (RM'000)
Revenue	1,538,157	2,131,808	7,164,186	2,687,227	247,964
Profit from operations	192,116	679,111	5,028,106	1,065,207	9,421
EBITDA	237,194	771,822	5,096,884	1,139,068	27,713
EBITDA Margin	15.4%	36.2%	71.1%	42.8%	11.2%
Profit before Tax (PBT)	172,408	680,163	5,019,993	1,059,501	6,103
PBT Margin	11.2%	31.9%	70.1%	39.4%	2.5%
Profit after Tax (PAT)	123,103	534,778	3,929,944	757,122	4,528
Core Profit after Tax (PAT)	118,147	534,778	3,929,944	725,165	4,528
Core PAT Margin	7.7%	25.1%	54.9%	27.0%	1.8%
No. of Shares	1,360,308	1,360,308	2,720,619	2,720,619	2,720,619
Net Tangible Asset (NTA)	1,134,226	1,550,542	4,894,388	5,032,125	5,055,549
NTA per share (RM)	0.42#	0.59#	1.82	1.83	1.86
EPS (sen)	4.70#	20.08#	147.03	27.19	0.21
Return on Assets (ROA)	6.7%	16.7%	53.1%	12.7%	N/A
Return on Equity (ROE)	10.8%	34.5%	80.3%	15.0%	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

The rubber glove industry is currently well into a consolidation phase, after having gone through its strongest ever growth phase historically in 2020 and 2021, triggered by the Covid-19 pandemic that had spread across the globe. The sector's strong growth spurt had attracted many new players into the market and encouraged existing players to ramp up production capacity to capitalise on the surging demand. The resulting over-supply situation coupled with demand normalising as the world comes to terms with a pandemic that is transitioning to an endemic disease, has seen average selling prices (ASPs) for gloves track lower from their record highs.

We expect to see continued major consolidation in the rubber glove industry as ASPs and demand continue to moderate from the record highs seen at the peak of the Covid-19 pandemic. In the foreseeable future, the market will remain weak, competition continue to be intense and profit margins continue to moderate.

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 30.9.2022 RM'000	Financial YTD Ended 30.9.2022 RM'000
Interest Expense	1,368	1,368
Depreciation & Amortisation	20,242	20,242
Staff costs:		
- Salaries, wages & bonus	29,281	29,281
- EPF	1,699	1,699
- Other related staff costs	2,895	2,895
Foreign Exchange		
- Realised (Gain) or Loss	(11,312)	(11,312)
- Unrealised (Gain) or Loss	(32,719)	(32,719)
Other Costs & Expenses	228,457	228,457
Total Operating Expenses	<u>238,543</u>	<u>238,543</u>

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

	1st Quarter Ended 30.9.2022 RM '000	Financial YTD Ended 30.9.2022 RM '000
Tax Expense/(Income)	(1,575)	(1,575)

The effective tax rate for the quarter is higher than the statutory tax rate of 24% mainly due to different tax rates in foreign jurisdictions.

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

Supermax Corporation Berhad ("SCB" or the "Company") had on 26 August 2022 announced its proposal to establish a long-term incentive plan, which comprises the proposed employee share option scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP"), of up to 15% of the issued share capital of the Company (excluding treasury shares of SCB, if any) at any point in time during the duration of the long-term incentive plan, for eligible employees and Directors of SCB and its subsidiary companies ("SCB Group" or the "Group") which are not dormant, who fulfil the eligibility criteria as set out in the by-laws of the long-term incentive plan. The proposal is currently pending shareholder approval at the upcoming 25th Annual General Meeting scheduled to be held on 8 December 2022.

10. Group Borrowings and Debt Securities

Group borrowings as at 30 September 2022 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	-	157,140	157,140
Long term borrowings	-	48,669	48,669
Total borrowings	-	205,809	205,809

81% of the short-term borrowings comprise trade facilities amounting to RM 127.6 million that are revolving in nature for working capital purposes.



11. Financial Instruments with Off Balance Sheet Risks

There were no financial instruments with off balance sheet risk as at 17 November 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 17 November 2022, being the latest practicable date.

13. Dividends Declared/Proposed

The Board of Directors has proposed a final single tier dividend of 3 sen per ordinary share for the financial year ended 30 June 2022, subject to shareholders' approval at the upcoming Annual General Meeting to be held later this year.

14. Earnings per Share (EPS)

	Current Quarter Ended 30.9.2022	Financial YTD Ended 30.9.2022
Net profit (RM'000) attributable to ordinary shareholders	5,710	5,710
Weighted average ('000) Number of ordinary shares in issue	2,661,107	2,661,107
Basic earnings per share (sen)	0.21	0.21