



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

	2nd Quarter Ended		6 Months Cumulative Totdate	
	31 December 2022 RM'000	31 December 2021 RM'000	31 December 2022 RM'000	31 December 2021 RM'000
Revenue	174,785	523,542	422,749	1,979,202
Operating expenses	(274,964)	(422,705)	(513,507)	(941,269)
Finance costs	(1,593)	(881)	(2,961)	(3,400)
Share of profit of associated companies	(3,033)	(8,010)	(4,983)	(11,736)
Profit before tax	(104,805)	91,946	(98,702)	1,022,797
Taxation	(5,574)	(35,288)	(7,149)	(299,812)
Profit after tax	(110,379)	56,658	(105,851)	722,985
Other comprehensive income/(loss)				
Foreign currency translation	(69,988)	(5,031)	(21,061)	(13,405)
	(69,988)	(5,031)	(21,061)	(13,405)
Total comprehensive income	(180,367)	51,627	(126,912)	709,580
Profit attributable to:				
Owners of the parent	(108,068)	47,841	(102,358)	686,365
Minority interest	(2,311)	8,817	(3,493)	36,620
	(110,379)	56,658	(105,851)	722,985
Total comprehensive income attributable to:				
Owners of the parent	(171,557)	44,032	(114,351)	676,562
Minority interest	(8,810)	7,595	(12,561)	33,018
	(180,367)	51,627	(126,912)	709,580
Weighted average('000) number of Ordinary Shares in issue	2,652,984	2,617,639	2,652,984	2,617,639
EPS - Basic and diluted (sen)	(4.07)	1.83	(3.86)	26.22

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 31 DECEMBER 2022

	Unaudited 31 December 2022 RM'000	Audited 30 June 2022 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,828,802	1,728,559
Investment in associated companies	202,206	207,189
Deferred tax assets	27,221	36,317
	2,058,229	1,972,065
Current Assets		
Inventories	206,103	267,561
Trade receivables	78,770	152,378
Tax recoverable	427,064	375,334
Other receivables	111,479	157,463
Cash & bank balances	2,613,313	3,032,157
	3,436,729	3,984,893
	5,494,958	5,956,958
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	133,802	166,563
Treasury shares	(85,407)	(70,672)
Reserves	4,402,459	4,596,157
Shareholders Fund	4,790,931	5,032,125
Non-Current Liabilities		
Long term borrowing	42,348	52,588
Deferred tax liabilities	67,052	67,116
	109,400	119,704
Current Liabilities		
Trade payables	136,694	144,949
Other payables and accrued expenses	57,581	120,864
Prepayment received from customers	36,143	64,724
Short term borrowing	97,396	179,905
Dividend Payables	79,346	-
Provision for taxation	187,467	294,687
	594,627	805,129
	5,494,958	5,956,958
TOTAL EQUITY AND LIABILITIES	5,494,958	5,956,958
Net Asset per share	1.76	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 31 DECEMBER 2022**

	6 Months Ended	
	31 December 2022 RM'000	31 December 2021 RM'000
Profit before tax	(98,702)	1,022,797
Adjustment for non cash items	61,292	70,805
Operating profit before changes in working capital	<u>(37,410)</u>	<u>1,093,602</u>
Changes in working capital:		
Net change in current assets	181,049	439,545
Net change in current liabilities	(100,119)	(823,713)
Income tax paid	(157,068)	(524,792)
Net cash flows from operating activities	<u>(113,548)</u>	<u>184,642</u>
Investing Activities		
Purchase of property, plant and equipment	(141,815)	(101,802)
Net cash flows used in investing activities	<u>(141,815)</u>	<u>(101,802)</u>
Financing Activities		
Bank borrowings	(92,749)	(20,481)
Share buy back	(14,734)	-
Interest expenses	(2,961)	(3,400)
Interest income	9,672	1,960
Dividend paid	(20,200)	(421,675)
Net cash flows used in financing activities	<u>(120,972)</u>	<u>(443,596)</u>
Net change in cash & cash equivalents	(376,335)	(360,756)
Effect of foreign exchange rate changes	(42,509)	(26,131)
Cash & cash equivalent at beginning of period	3,032,157	3,779,037
Cash & cash equivalent at end of period	<u>2,613,313</u>	<u>3,392,150</u>
Analysis of cash & cash equivalents:-		
Cash & bank balances	<u>2,613,313</u>	<u>3,392,150</u>
	<u>2,613,313</u>	<u>3,392,150</u>

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 31 DECEMBER 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 31 December 2022

At 1 July 2022	340,077	(70,672)	(42,077)	4,638,234	166,563	5,032,125
Movements during the period	-	(14,735)	(11,994)	(181,704)	(32,761)	(241,194)
At 31 December 2022	340,077	(85,407)	(54,071)	4,456,530	133,802	4,790,931

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 31 DECEMBER 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 did not conduct any share buyback activities. As at 31 December 2022, the Company held 75,758,209 shares in treasury.



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)
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
	Final single tier dividend	18.01.2023	3.0 sen	79,346

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 6 MONTHS	Investment Holding RM'000	Manu-facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External Revenue	-	161,066	256,202	5,481	-	422,749
Inter-Segment Revenue	110,704	204,715	34,599	432	(350,450)	-
	<u>110,704</u>	<u>365,781</u>	<u>290,801</u>	<u>5,913</u>	<u>(350,450)</u>	<u>422,749</u>
Segmental results						(59,894)
Depreciation & Amortisation						(40,537)
Finance costs						(2,961)
Interest income						9,673
Share of profit in associated cos.						(4,983)
PBT						(98,702)
Tax expenses						(7,149)
PAT						<u>(105,851)</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 9 February 2023, the Group had capital commitments amounting to RM 152.2 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 the manufacturing project in the USA, US\$350 million has been budgeted for Phase #1 of Plant #18 and site work, civil and structural works have started. Installation of plant and machinery shall follow once the main civil and structural works are completed in year 2023. The capital commitments for this project amounted to US\$134.8 million as at 9 February 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 9 February 2023 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 31.12.2022 RM '000	2 nd Quarter ended 31.12.2021 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	174,785	523,542	(348,757)	(66.6)
EBITDA	(82,918)	110,775	(193,693)	(174.8)
EBITDA Margin (%)	(47.4%)	21.2%		(68.6)
Profit/(Loss) Before Tax	(104,805)	91,946	(196,751)	(214.0)
PBT/(LBT) Margin (%)	(60.0%)	17.6%		(77.6)
Profit/(Loss) After Tax	(110,379)	56,658	(167,037)	(294.8)
PAT/LAT Margin (%)	(63.2%)	10.8%		(74.0)

The continued fall in glove average selling prices (ASPs) and rising per unit costs has seen the Supermax Group record financial losses for the first time.

Revenue for the current quarter ended 31 December 2022 amounted to RM 174.8 million, a contraction of 66.6% (RM 348.8 million) compared to revenue of RM 523.5 million recorded in the corresponding quarter a year ago. The adverse market conditions have led to the Group recording significant losses at operating, EBITDA, pre-tax and after tax levels.

The fall into a loss-making position was made worse by a weakening of the USD against the MYR which lead to significant unrealised forex losses.

The negative factors in the current challenging operating environment include:

- Average selling prices (ASPs) continuing to slide lower in the face of intense market competition.
- 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.
- Broader global market demand is slow as a result of over-stocking during the peak pandemic times.
- Increased operating costs including high energy 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:

	2 nd Quarter ended 31.12.2022 RM '000	1 st Quarter ended 30.9.2022 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	174,785	247,964	(73,179)	(29.5)
EBITDA	(82,918)	27,713	(110,631)	(399.2)
EBITDA Margin (%)	(47.4%)	11.2%		(58.6)
Profit/(Loss) Before Tax	(104,805)	6,103	(110,908)	(1,817.3)
PBT/(LBT) Margin (%)	(60.0%)	2.5%		(62.5)
Profit/(Loss) After Tax	(110,379)	4,528	(114,907)	(2,537.7)
PAT/LAT Margin (%)	(63.2%)	1.8%		(65.0)

Compared to the preceding quarter, the Group's revenue was lower by 29.5%, while profitability fell into the red as mentioned earlier.

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.
- Weak demand in most global markets as a result of overstocking activities.
- Increasing operating costs and pre-operating costs.
- Significant unrealised forex losses amounting to RM 55.2 million compared to unrealised forex gains of RM 32.7 million in the previous quarter.

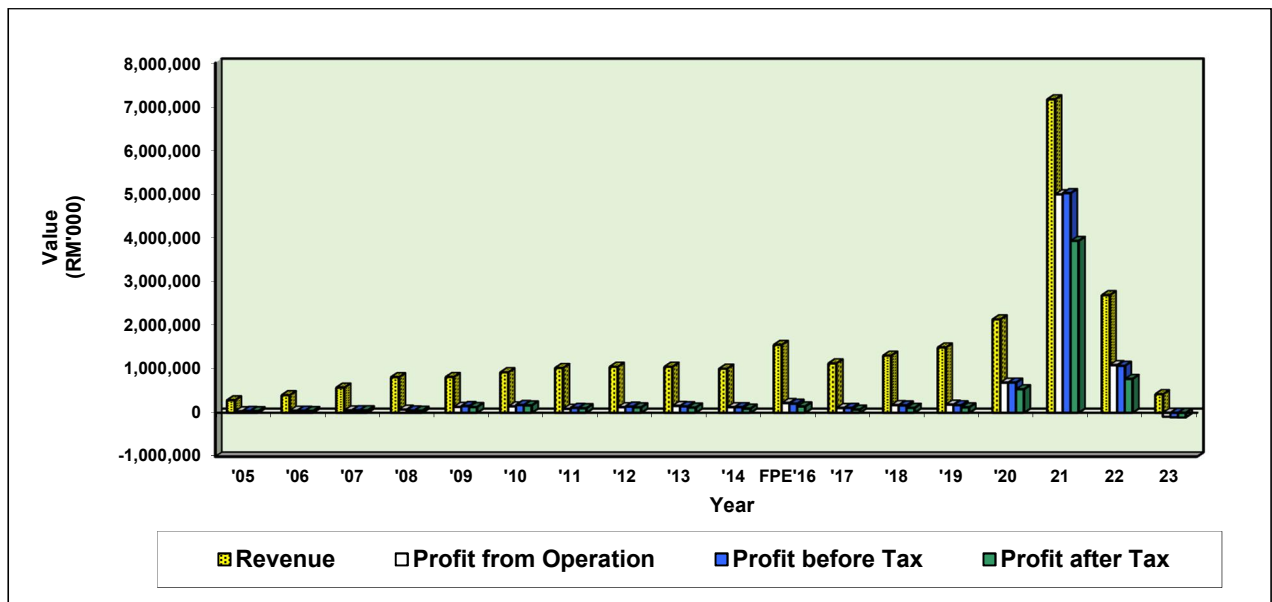


Historical & Current Financial Performance

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)	6 MTHS ENDED 12/2022 (RM'000)
Revenue	1,538,157	2,131,808	7,164,186	2,687,227	422,749
Profit/(loss) from operations	192,116	679,111	5,028,106	1,065,207	(90,758)
EBITDA	237,194	771,822	5,096,884	1,139,068	(55,204)
EBITDA Margin	15.4%	36.2%	71.1%	42.8%	(13.1%)
Profit/(Loss) before Tax	172,408	680,163	5,019,993	1,059,501	(98,702)
PBT/(LBT) Margin	11.2%	31.9%	70.1%	39.4%	(23.3%)
Profit/(Loss) after Tax	123,103	534,778	3,929,944	757,122	(105,851)
Core Profit/(Loss) after Tax	118,147	534,778	3,929,944	725,165	(105,851)
Core PAT/(LAT) Margin	7.7%	25.1%	54.9%	27.0%	25.0%
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	4,790,931
NTA per share (RM)	0.42#	0.59#	1.82	1.83	1.76
Earning/(Loss) per share (sen)	4.70#	20.08#	147.03	27.19	(3.86)
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/(LPS) for the financial years ended 30.6.2021 & 30.6.2022 and financial year ending 30.6.2023 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

As indicated in recent quarterly results announcements, the rubber glove industry is transitioning into a rationalisation and consolidation phase and is expected to remain for some time, after having experienced its strongest growth historically in 2020 and 2021 during the global Covid-19 pandemic. The sector's strong growth during the Covid-19 pandemic 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 is now coupled with demand normalising as the world comes to terms with a pandemic becoming an endemic disease. This has resulted in average selling prices (ASPs) for gloves gradually tracking down from their record highs.

We expect to see the rubber glove industry continuing to consolidate with ASPs and demand continuing to moderate from the record highs. In the foreseeable future, the market will remain weak, competition continue to be intense and profitability adversely impacted.

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/(Loss) Before Tax

Profit/(Loss) before Tax is arrived at after charging/(crediting):

	2nd Quarter Ended 31.12.2022 RM'000	Financial YTD Ended 31.12.2022 RM'000
Interest Expense	1,593	2,961
Depreciation & Amortisation	20,294	40,537
Staff costs:		
- Salaries, wages & bonus	30,776	60,057
- EPF	1,649	3,348
- Other related staff costs	5,872	8,767
Foreign Exchange		
- Realised (Gain) or Loss	(11,061)	(22,373)
- Unrealised (Gain) or Loss	55,203	22,484
Other Costs & Expenses	172,231	400,687
Total Operating Expenses	<u>274,964</u>	<u>513,507</u>

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

	2nd Quarter Ended 31.12.2022 RM '000	Financial YTD Ended 31.12.2022 RM '000
Tax Expense	5,574	7,149

The Group has made a provision for tax despite recording a loss before tax. This is because of the deferred tax effect on the unrealised profits of its inventory.

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 (“LTIP”), 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 was tabled to the shareholders at the recent 25th Annual General Meeting held on 8 December 2022. While the overall LTIP proposal was approved by the shareholders, some of the other resolutions relating to the proposed allocations thereto were not carried. The Management has decided to put the implementation of this proposal on hold at this point and will work with the advisors on revising the proposal.

10. Group Borrowings and Debt Securities

Group borrowings as at 31 December 2022 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	-	97,396	97,396
Long term borrowings	-	42,348	42,348
Total borrowings	-	139,744	139,744

78% of the short-term borrowings comprise trade facilities amounting to RM 76.0 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 9 February 2023 (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 9 February 2023, being the latest practicable date.

13. Dividends Declared/Proposed

The Board of Directors has not proposed or declared any dividends for the current financial year ending 30 June 2023.

14. Earnings per Share (EPS)

	Current Quarter Ended 31.12.2022	Financial YTD Ended 31.12.2022
Net profit/(losses) (RM'000) attributable to ordinary shareholders	(108,068)	(102,358)
Weighted average ('000) Number of ordinary shares in issue	2,652,984	2,652,984
Basic earnings/(losses) per share (sen)	(4.07)	(3.86)