



INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2023

	3rd Quarter Ended		9 Months Cumulative Todate	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Revenue	175,742	407,799	598,491	2,387,001
Operating expenses	(247,831)	(390,157)	(761,338)	(1,331,426)
Finance costs	(1,672)	(714)	(4,633)	(4,114)
Share of results of associates	(1,215)	1,352	(6,198)	(10,384)
(Loss)/Profit before tax	(74,976)	18,280	(173,678)	1,041,077
Taxation	31,183	(2,470)	24,034	(302,282)
(Loss)/Profit after tax	(43,793)	15,810	(149,644)	738,795
Other comprehensive income/(expense)				
Foreign currency translation	16,527	5,067	(4,534)	(8,338)
	16,527	5,067	(4,534)	(8,338)
Total comprehensive (expense)/income	(27,266)	20,877	(154,178)	730,457
(Loss)/Profit attributable to:				
Owners of the parent	(39,918)	13,009	(142,276)	699,374
Minority interest	(3,875)	2,801	(7,368)	39,421
	(43,793)	15,810	(149,644)	738,795
Total comprehensive (expense)/income attributable to:				
Owners of the parent	(25,797)	13,933	(140,148)	690,495
Minority interest	(1,469)	6,944	(14,030)	39,962
	(27,266)	20,877	(154,178)	730,457
Weighted average('000) number of Ordinary Shares in issue	2,650,316	2,636,812	2,650,316	2,636,812
EPS - Basic and diluted (sen)	(1.51)	0.49	(5.37)	26.52

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 MARCH 2023

	Unaudited 31 March 2023 RM'000	Audited 30 June 2022 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	1,996,709	1,728,559
Investment in associated companies	200,990	207,189
Deferred tax assets	27,902	36,317
	2,225,601	1,972,065
Current Assets		
Inventories	182,902	267,561
Trade receivables	49,033	152,378
Tax recoverable	280,995	375,334
Other receivables	64,533	157,463
Cash & bank balances	2,311,819	3,032,157
	2,889,282	3,984,893
TOTAL ASSETS	5,114,883	5,956,958
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	101,996	166,563
Treasury shares	(85,407)	(70,672)
Reserves	4,376,662	4,596,157
Shareholders Fund	4,733,328	5,032,125
Non-Current Liabilities		
Long term borrowing	21,458	52,588
Deferred tax liabilities	35,743	67,116
	57,201	119,704
Current Liabilities		
Trade payables	145,701	144,949
Other payables and accrued expenses	60,075	120,864
Prepayment received from customers	35,557	64,724
Short term borrowing	68,477	179,905
Provision for taxation	14,544	294,687
	324,354	805,129
TOTAL EQUITY AND LIABILITIES	5,114,883	5,956,958
Net Asset per share	1.75	1.83

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 CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	9 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
(Loss)/Profit before tax	(173,679)	1,041,077
Adjustment for non cash items	83,301	75,835
Operating (loss)/profit before changes in working capital	(90,378)	1,116,912
Changes in working capital:		
Net change in current assets	273,969	448,369
Net change in current liabilities	(89,203)	(907,064)
Income tax paid	(184,728)	(622,889)
Net cash (used in)/generated from operating activities	(90,340)	35,328
Investing Activities		
Purchase of property, plant and equipment	(352,501)	(154,906)
Net cash flows used in investing activities	(352,501)	(154,906)
Financing Activities		
Bank borrowings	(142,558)	(54,696)
Share buy back	(14,734)	(41,407)
Interest expenses	(4,633)	(4,114)
Interest income	25,743	2,897
Dividend paid	(129,883)	(579,620)
Net cash flows used in financing activities	(266,065)	(676,940)
Net change in cash & cash equivalents	(708,906)	(796,518)
Effect of foreign exchange rate changes	(11,432)	(11,940)
Cash & cash equivalent at beginning of period	3,032,157	3,779,037
Cash & cash equivalent at end of period	2,311,819	2,970,579
Analysis of cash & cash equivalents:-		
Cash & bank balances	2,311,819	(2,970,579)
	2,311,819	(2,970,579)

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 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

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 March 2023

At 1 July 2022	340,077	(70,672)	(42,077)	4,638,234	166,563	5,032,125
Movements during the period	-	(14,735)	2,128	(221,623)	(64,567)	(298,797)
At 31 March 2023	340,077	(85,407)	(39,949)	4,416,611	101,996	4,733,328

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).



**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023
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 March 2023, the Company held 75,758,209 shares in treasury. Subsequent to the quarter end, the Company has purchased a total of 68,741,791 shares from the open market. All the shares bought back were retained as treasury shares, bringing the total to 144,500,000 as at 16 May 2023.



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 9 MONTHS	Investment Holding RM'000	Manu-facturing RM'000	Trading RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External Revenue	-	239,182	351,193	8,116	-	598,491
Inter-Segment Revenue	171,979	267,420	41,917	920	(482,236)	-
	<u>171,979</u>	<u>506,602</u>	<u>393,110</u>	<u>9,036</u>	<u>(482,236)</u>	<u>598,491</u>
Segmental results						(127,879)
Depreciation & Amortisation						(60,711)
Finance costs						(4,633)
Interest income						25,743
Share of results of associates						(6,198)
Profit/(Loss) before tax						<u>(173,678)</u>
Tax expenses						24,034
Profit/(Loss) after tax						<u>(149,644)</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 15 May 2023, the Group had capital commitments paid &/or contracted amounting to RM 201.9 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 6 blocks of manufacturing plants in the Group's manufacturing complex in Meru, Klang. The installation of the production lines at the 6 blocks are in various stages as follows:

	Capacity (pcs per annum)	Status
a.	7.92 billion	Ready for commercial production
b.	2.40 billion	Currently under various stages of installation
c.	6.48 billion	On hold but infrastructure has been completed
TOTAL	16.80 billion	

The Group will monitor closely the prevailing and expected market conditions before deciding on the rate of installation of the new production lines.

As for the manufacturing project in the USA, US\$350 million has been budgeted for Phase #1 of the project 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 paid &/or contracted for this project amounted to US\$173.1 million as at 15 May 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 31 March 2023.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 15 May 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	3 rd Quarter ended 31.3.2023 RM '000	3 rd Quarter ended 31.3.2022 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	175,742	407,799	(232,057)	(56.9)
EBITDA	(53,129)	34,485	(87,614)	(254.1)
EBITDA Margin (%)	(30.2)	8.5%		(38.7)
Profit/(Loss) Before Tax	(74,976)	18,280	(93,256)	(510.2)
PBT/(LBT) Margin (%)	(42.7%)	4.5%		(47.2)
Profit/(Loss) After Tax	(43,793)	15,810	(59,603)	(377.0)
PAT/LAT Margin (%)	(24.9%)	3.9%		(28.8)

Compared to a year ago, the worsening operating environment has seen the Supermax Group's revenue decline significantly to RM 175.7 million from RM 407.8 million; and losses recorded compared to profits previously. The weaker performance is mainly due to the continued fall in glove average selling prices (ASPs) and rising costs.

The main factors contributing to the deteriorating performance include:

- Average selling prices (ASPs) continuing to slide lower in the face of intense market competition, especially from the Chinese manufacturers in the nitrile glove segment.
- Loss of sales from a major market as the Withhold Release Order (WRO) imposed by the US Customs and Border Protection (USCBP) in October 2021 remains in place.
- Broader global market demand is slow as a result of over-stocking during the peak pandemic times.
- Increased operating costs including high energy/utilities costs (natural gas, electricity and water).
- Impairment of fixed assets amounting to RM 23 million during the quarter arising from the decommissioning of 3 older plants, 2 of which are permanent and the 3rd earmarked for rebuilding.



2. Comparison with Preceding Quarter's Result

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

	3 rd Quarter ended 31.3.2023 RM '000	2 nd Quarter ended 31.12.2022 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	175,742	174,785	+957	+0.5
EBITDA	(53,129)	(82,918)	+29,789	+35.9
EBITDA Margin (%)	(30.2)	(47.4%)		+17.2
Profit/(Loss) Before Tax	(74,976)	(104,805)	+29,829	+28.5
PBT/(LBT) Margin (%)	(42.7%)	(60.0%)		+17.3
Profit/(Loss) After Tax	(43,793)	(110,379)	+66,586	+60.3
PAT/LAT Margin (%)	(24.9%)	(63.2%)		+38.3

Compared to the preceding quarter, the Group's revenue was higher albeit by just 0.5%, ending the falling trend seen over the past 8 consecutive quarters. While profitability numbers remained in the red, the lower losses represented an improvement over the preceding quarter.

The improved performance is mainly due to the factors as follows:

- Average selling prices (ASPs) have stabilised and started to gradually move up.
- Increased capacity utilisation rate as demand has started to improve as the significant overstocking built up as a result of over-buying during the pandemic has started to deplete appreciably and some re-stocking is taking place again.
- Improving economies of scale as the capacity utilisation improves.
- A sizeable swing of close to RM 70 million in terms of unrealised forex, from a loss of RM 55 million in the preceding quarter to a gain of RM 15 million this quarter.
- If the impairment of fixed assets amounting to RM23 million for this quarter were to be excluded, the loss after tax for this quarter would be even lower at RM 20.8 million, a more substantial improvement over the previous quarter.

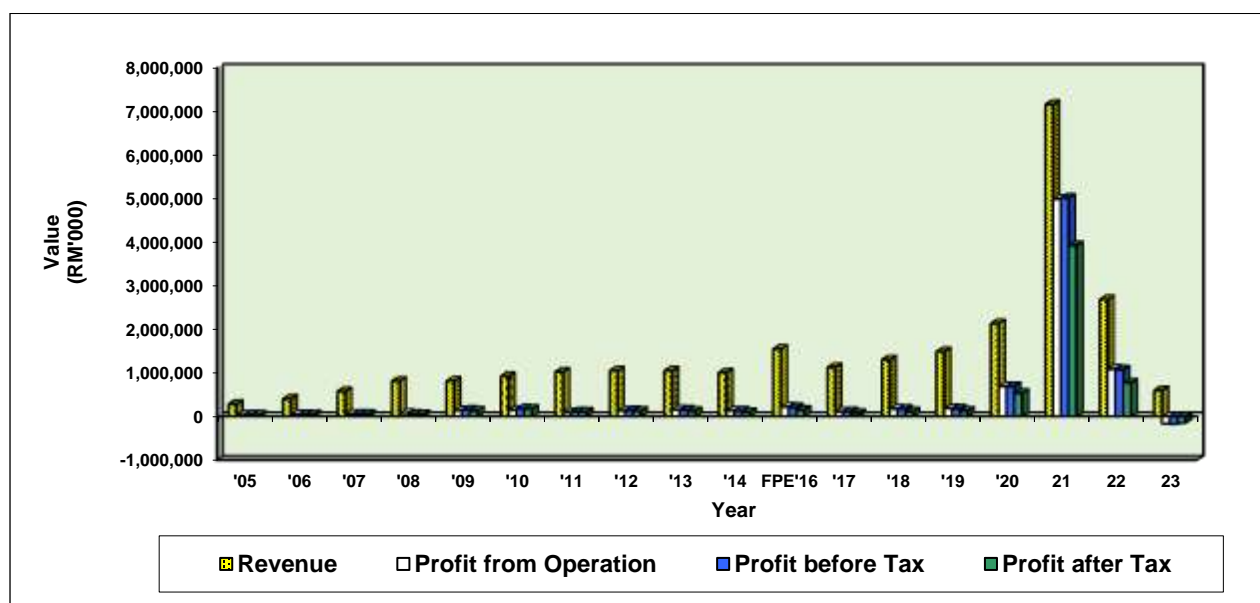


Historical & Current Financial Performance

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)	9 MTHS ENDED 3/2023 (RM'000)
Revenue	1,538,157	2,131,808	7,164,186	2,687,227	598,491
Profit/(loss) from operations	192,116	679,111	5,028,106	1,065,207	(761,338)
EBITDA	237,194	771,822	5,096,884	1,139,068	(108,334)
EBITDA Margin	15.4%	36.2%	71.1%	42.8%	(18.1%)
Profit/(Loss) before Tax	172,408	680,163	5,019,993	1,059,501	(173,678)
PBT/(LBT) Margin	11.2%	31.9%	70.1%	39.4%	(29.0%)
Profit/(Loss) after Tax	123,103	534,778	3,929,944	757,122	(149,643)
Core Profit/(Loss) after Tax	118,147	534,778	3,929,944	725,165	(149,643)
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	4,733,328
NTA per share (RM)	0.42#	0.59#	1.82	1.83	1.75
Earnings/(Loss) per share (sen)	4.70#	20.08#	147.03	27.19	(5.37)
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

The demand-supply equilibrium is showing signs of shifting favourably. The improving business dynamics although still very much small and gradual, is most welcome after 2 years of a downward trend from the peak of the covid-pandemic led surge.

Average selling prices (“ASP”) have stabilised in general although they remain close to the lows, especially in the nitrile segment where the Chinese manufacturers with their huge capacities built up during the pandemic years continue to disrupt prices, although noticeably less aggressive than before.

The stiff competition in the glove market is also seeing more and more new as well as existing smaller players exiting, especially the new players that hopped onto the bandwagon at a late stage and are simply too small to be competitive. Many existing manufacturers had also scaled down or stopped completely their capacity expansion plans, and some even have taken the opportunity to shut down the older plants and/or production lines that are no longer efficient.

At Supermax, it is gearing itself up to take advantage when the market inevitably moves up after this lengthy consolidation phase post-pandemic. It has shutdown 3 manufacturing plants this year (4 in the last 1½ years) as well as some older less efficient production lines in some of the other plants. Meanwhile, it continues to put up the building structures for 6 new blocks that have been built between 2020 and 2023. The production lines are being installed slowly and gradually with an eye on the overall glove market. The current status of those production lines are as follows:

	Capacity (pcs per annum)	Status
a.	7.92 billion	Ready for commercial production
b.	2.40 billion	Currently under various stages of installation
c.	6.48 billion	On hold but infrastructure has been completed
TOTAL	16.80 billion	

There will be no severance package required despite the plant closures as the workers can be re-deployed to its other factories, especially to the Group’s vast manufacturing complex in Meru, Klang, to operate the newer more efficient manufacturing plants and production lines there.

The construction of the Group’s USA plant is also underway and is very much in response to the steps taken by an increasing number of countries including the US which are taking steps to re-shore or shore-up domestic production to ensure security of supply especially in times of crises.

The Company is also continuing to engage with the US CBP to demonstrate the huge strides made in improving its human resource policies and procedures including actively reaching out to all former workers for the purpose of remediation. The Group has thus far paid out a total of RM 37.7 million in remediation payments to existing and former workers.

As the Group refreshes more of its production capacity by replacing old lines with newer high-capacity high efficiency lines and at the same time maintaining its existing work force through re-deployment to newer plants, expect to see productivity improve, per unit costs drop and overall competitiveness and profitability improve going forward.

**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):

	3rd Quarter Ended 31.3.2023 RM'000	Financial YTD Ended 31.3.2023 RM'000
Interest Expense	1,673	4,633
Depreciation & Amortisation	20,175	60,711
Staff costs:		
- Salaries, wages & bonus	23,597	83,654
- EPF	2,560	5,909
- Other related staff costs	4,005	12,773
Foreign Exchange		
- Realised (Gain) or Loss	4,066	(18,307)
- Unrealised (Gain) or Loss	(14,998)	7,486
Other Costs & Expenses	208,426	609,112
Total Operating Expenses	<u>247,831</u>	<u>761,338</u>

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

	3rd Quarter Ended 31.3.2023 RM '000	Financial YTD Ended 31.3.2023 RM '000
Tax Income	31,183	24,035

The Group has recorded a tax income for the quarter and year-to-date, arising from recognition of deferred tax assets.

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 15 May 2023 (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 2023 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	-	68,477	68,477
Long term borrowings	-	21,458	21,458
Total borrowings	-	89,935	89,935

89% of the short-term borrowings comprise trade facilities amounting to RM 60.9 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 15 May 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 15 May 2023, being the latest practicable date.

13. Dividends Declared/Proposed

The Board of Directors has declared an interim single tier dividend of 3.5 sen per ordinary share for the current quarter (amounting to RM 90.1 million, based on the current total Supermax share capital net of treasury shares), to be paid on 18 July 2023.

14. Earnings per Share (EPS)

	Current Quarter Ended 31.3.2023	Financial YTD Ended 31.3.2023
Net losses (RM'000) attributable to ordinary shareholders	39,918	142,276
Weighted average ('000) Number of ordinary shares in issue	2,650,316	2,650,316
Basic losses per share (sen)	1.51	5.37