



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

	2 nd Quarter Ended		6 Months Cumulative Totdate	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Revenue	145,553	174,785	323,516	422,749
Operating expenses	(204,524)	(274,964)	(377,198)	(513,507)
Finance costs	(1,228)	(1,593)	(1,615)	(2,961)
Share of results of associates	(3,046)	(3,033)	(4,803)	(4,983)
Profit before tax	(63,245)	(104,805)	(60,100)	(98,702)
Taxation	12,987	(5,574)	8,440	(7,149)
(Loss)/Profit after tax	(50,258)	(110,379)	(51,660)	(105,851)
Other comprehensive (loss)/income				
Foreign currency translation	(26,364)	(69,988)	(26,920)	(21,061)
	(26,364)	(69,988)	(26,920)	(21,061)
Total comprehensive (loss)/income	(76,622)	(180,367)	(78,580)	(126,912)
(Loss)/Profit attributable to:				
Owners of the parent	(44,361)	(108,068)	(46,414)	(102,358)
Minority interest	(5,897)	(2,311)	(5,246)	(3,493)
	(50,258)	(110,379)	(51,660)	(105,851)
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(70,817)	(171,557)	(70,792)	(114,351)
Minority interest	(5,805)	(8,810)	(7,788)	(12,561)
	(76,622)	(180,367)	(78,580)	(126,912)
Weighted average('000) number of Ordinary Shares in issue	2,576,120	2,652,984	2,576,120	2,652,984
EPS - Basic and diluted (sen)	(1.72)	(4.07)	(1.80)	(3.86)

This Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Report of the Group for the year ended 30 June 2023 (the latest audited accounts).



INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Unaudited 31 December 2023 RM'000	Audited 30 June 2023 RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	2,523,654	2,243,195
Investment in associated companies	222,435	227,239
Deferred tax assets	14,344	18,958
	2,760,433	2,489,392
Current Assets		
Inventories	139,622	157,212
Trade receivables	47,539	53,314
Tax recoverable	318,327	303,143
Other receivables	114,634	96,820
Cash & bank balances	1,603,255	2,145,966
	2,223,377	2,756,455
TOTAL ASSETS	4,983,810	5,245,847
EQUITY AND LIABILITIES		
Share capital	340,077	340,077
Minority Interest	80,769	90,099
Treasury shares	(145,535)	(145,535)
Reserves	4,336,138	4,406,931
Shareholders Fund	4,611,449	4,691,572
Non-Current Liabilities		
Long term borrowing	18,793	18,691
Deferred tax liabilities	37,967	37,967
	56,760	56,658
Current Liabilities		
Trade payables	153,827	209,533
Other payables and accrued expenses	34,901	34,663
Prepayment received from customers	22,204	27,286
Short term borrowing	64,287	85,743
Dividend Payable	-	90,164
Provision for taxation	40,382	50,228
	315,601	497,617
TOTAL EQUITY AND LIABILITIES	4,983,810	5,245,847
Net Asset per share	1.76	1.89

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 2023 (the latest audited accounts).



**INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

	6 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000
(Loss)/Profit before tax	(60,101)	(98,702)
Adjustment for non cash items	13,662	61,292
Operating (loss)/profit before changes in working capital	(46,439)	(37,410)
Changes in working capital:		
Net change in current assets	4,701	181,049
Net change in current liabilities	(60,549)	(100,119)
Income tax paid	(11,977)	(157,068)
Net cash used in operating activities	(114,264)	(113,548)
Investing Activities		
Purchase of property, plant and equipment	(319,989)	(141,815)
Proceeds from disposal of property, plant and equipment	1,710	-
Net cash flows used in investing activities	(318,279)	(141,815)
Financing Activities		
Bank borrowings	(21,354)	(92,748)
Share buy back	-	(14,734)
Interest expenses	(1,615)	(2,961)
Interest income	48,135	9,671
Dividend paid	(91,706)	(20,200)
Net cash flows used in financing activities	(66,540)	(120,972)
Net change in cash & cash equivalents	(499,083)	(376,335)
Effect of foreign exchange rate changes	(43,628)	(42,509)
Cash & cash equivalent at beginning of period	2,145,966	3,032,157
Cash & cash equivalent at end of period	1,603,255	2,613,313
Analysis of cash & cash equivalents:-		
Cash & bank balances	1,603,255	2,613,313
	1,603,255	2,613,313

Note:

- The decline in Cash & bank balances is due to expenditure for investments in new plants in Malaysia and the US.

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 2023 (latest audited accounts).



INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 2023

At 1 July 2022	340,077	(70,672)	(42,077)	4,638,234	166,563	5,032,125
Movements during the year	-	(74,863)	121,150	(310,376)	(76,464)	(340,553)
At 30 June 2023	340,077	(145,535)	79,073	4,327,858	90,099	4,691,572

Period Ended 31 December 2023

At 1 July 2023	340,077	(145,535)	79,073	4,327,858	90,099	4,691,572
Movements during the period	-	-	(24,379)	(46,414)	(9,330)	(80,123)
At 31 December 2023	340,077	(145,535)	54,694	4,281,444	80,769	4,611,449

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 2023 (the latest audited accounts).



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 2023 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 2023. 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 2023.

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 2023, the Company held a total of 144,500,000 shares in treasury.



7. Dividend Paid

No dividends were paid in the current quarter and financial year-to-date ended 31 December 2023. Dividends paid in respect of the last financial year are as follows:

Financial Year	Description	Payment Date(s)	Dividend per share	Value (RM'000)
2023	Interim single tier dividend	18.07.2023	3.5 sen	90.164

The dividend rate is based on 2.72 billion 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	-	124,548	196,882	2,086	-	323,516
Inter-Segment Revenue	12,000	161,909	45,193	2,051	(221,153)	-
	<u>12,000</u>	<u>286,457</u>	<u>242,075</u>	<u>4,137</u>	<u>(221,153)</u>	<u>323,516</u>
Segmental results						(64,086)
Depreciation & Amortisation						(37,731)
Finance costs						(1,615)
Interest income						48,135
Share of results of associates						(4,803)
Profit/(Loss) before tax						60,100
Tax expenses						(8,440)
Profit/(Loss) after tax						<u>(51,660)</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 2024, the Group had capital commitments paid &/or contracted amounting to RM 141.7 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 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. As at 16 February 2024, the capital commitments paid &/or contracted for this project with US and Malaysian suppliers/vendors amounted to US\$ 193.48 million and RM 42.0 million respectively.

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 2023.

13. Contingent liabilities and contingent assets

The Group has no outstanding contingent liabilities and contingent assets as at 16 February 2024 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 31.12.2023 RM '000	2 nd Quarter ended 31.12.2022 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	145,553	174,785	(29,232)	(16.7)
EBITDA	(43,095)	(82,918)	+39,823	+48.0
EBITDA Margin (%)	(29.6%)	(47.4%)		+17.8
Profit/(Loss) Before Tax	(63,245)	(104,805)	+41,560	+39.6
PBT/(LBT) Margin (%)	(43.5%)	(60.0%)		+16.5
Profit/(Loss) After Tax	(50,258)	(110,379)	+60,121	+54.5
PAT/LAT Margin (%)	(34.5%)	(63.2%)		+28.7

The business environment continues to be very challenging with demand and ASPs remaining on the weak side, culminating in the Supermax Group's revenue for the quarter being 16.7% or RM29.2 million lower compared to the corresponding quarter a year ago.

The main factors contributing to this quarter's performance include:

- Continued weak demand due to many buyers' continuing to run down their heavily over-stocked positions post-pandemic;
- Low average selling prices (ASPs) due to stiff competition, especially from the Chinese manufacturers who are able to leverage on low utilities costs.
- The Group continued to incur losses albeit lower losses compared to a year ago. The reduced losses were mainly contributed by significantly lower forex losses and higher interest income.



2. Comparison with Preceding Quarter's Result

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

	2 nd Quarter ended 31.12.2023 RM '000	1 st Quarter ended 30.9.2023 RM '000	Increase/(Decrease)	
			RM'000	%
Revenue	145,553	177,963	(32,410)	(18.2)
EBITDA	(43,095)	22,341	(65,436)	(292.9)
EBITDA Margin (%)	(29.6%)	12.5%		(42.1)
Profit/(Loss) Before Tax	(63,245)	3,145	(66,390)	(2,111.0)
PBT/(LBT) Margin (%)	(43.5%)	1.8%		(45.3)
Profit/(Loss) After Tax	(50,258)	(1,402)	(48,856)	(3,484.7)
PAT/LAT Margin (%)	(34.5%)	(0.8%)		(33.7)

Group sales revenue continued to decline sequentially for a 2nd quarter after an encouraging revenue uptick in the 2 prior quarters. As mentioned earlier, the continuing weak demand and ASPs are the main contributory factors.

Profitability for the current quarter was not only affected by the revenue decline but also several other factors including:

- a significant turnaround in terms of its forex position with forex losses incurred this quarter compared to forex gains registered in the preceding quarter
- a sizeable impairment for stocks made in the current quarter

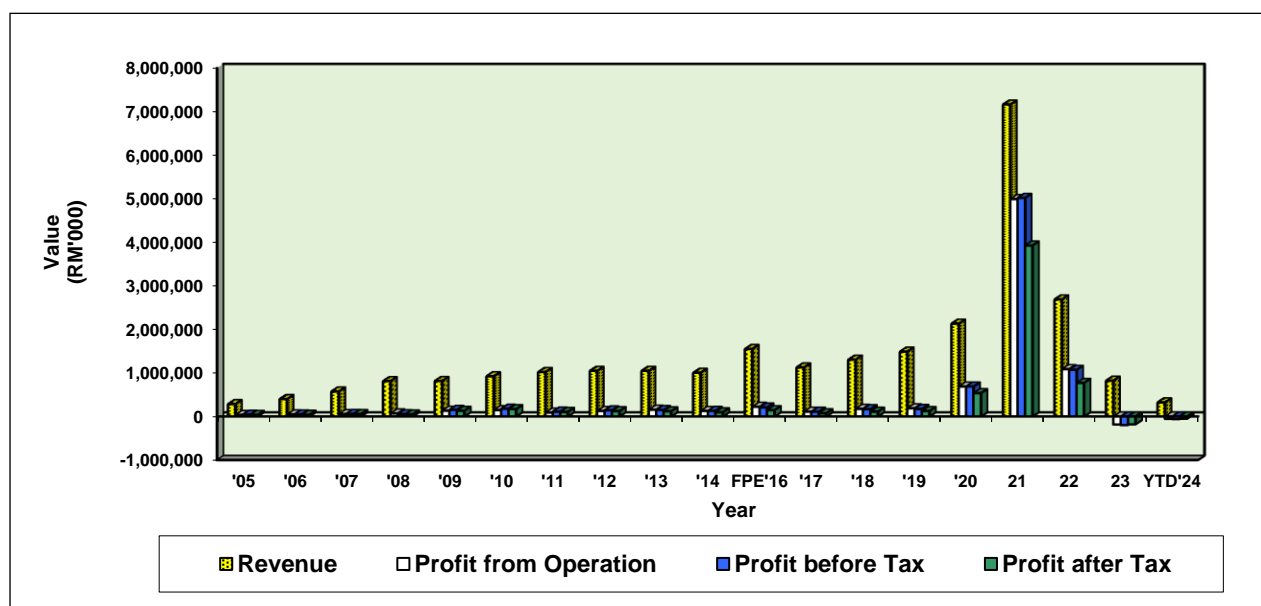


Historical & Current Financial Performance

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

Description	FYE 06/2020 (RM'000)	FYE 06/2021 (RM'000)	FYE 06/2022 (RM'000)	FYE 06/2023 (RM'000)	6 months ended 12/2023 (RM'000)
Revenue	2,131,808	7,164,186	2,687,227	821,856	323,516
Profit/(loss) from operations	679,111	5,028,106	1,065,207	(183,470)	(53,682)
EBITDA	771,822	5,096,884	1,139,068	(103,986)	(20,754)
EBITDA Margin	36.2%	71.1%	42.8%	(12.7%)	(6.4%)
Profit/(Loss) before Tax	680,163	5,019,993	1,059,501	(196,706)	(60,100)
PBT/(LBT) Margin	31.9%	70.1%	39.4%	(23.9%)	(18.6%)
Profit/(Loss) after Tax	534,778	3,929,944	757,122	(179,717)	(51,659)
Core Profit/(Loss) after Tax	534,778	3,929,944	725,165	(179,717)	(51,659)
Core PAT/(LAT) Margin	25.1%	54.9%	27.0%	(21.9%)	(16.0%)
No. of Shares	1,360,308	2,720,619	2,720,619	2,720,619	2,720,619
Net Tangible Asset (NTA)	1,550,542	4,894,388	5,032,125	4,656,185	4,611,449
NTA per share (RM)	0.59#	1.82	1.83	1.77	1.76
Earnings/(Loss) per share (sen)	20.08#	147.03	27.19	(5.67)	(1.80)
Return on Assets (ROA)	16.7%	53.1%	12.7%	(3.5%)	N/A
Return on Equity (ROE)	34.5%	80.3%	15.0%	(3.8%)	N/A

The NTA per share and EPS/(LPS) for the financial years ended 30.6.2021, 30.6.2022 & 30.6.2023 and financial year ending 30.6.2024 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 year (FYE2020) 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 market remains lacklustre and the outlook for the rest of the year 2024 is rather bleak as the prevailing unfavourable demand-supply dynamic continues to plague the industry post-pandemic. At the 2 most recent large international trade shows, the take-away was that the over-supply situation is expected to moderate gradually over an extended period as more and more of the smaller players exit the market while the bigger players are scaling back their expansion and retiring older factories and production lines. The industry is basically going through a consolidation stage at this time. Moreover, average selling prices (ASPs) remain suppressed with manufacturers from China proving to be daunting competitors and believed to have taken over the global leadership from Malaysia, at the very least in terms of pricing. Their ability to offer highly competitive pricing stems mainly from their access to low-cost utilities as opposed to the high costs of utilities incurred by Malaysian players. Under the prevailing circumstances, a meaningful recovery is likely to take place only sometime in year 2025.

For the Supermax Group itself at the present time, new contracts secured continue to be at prevailing low market prices and low margins. The Group does not expect to see a significant improvement in performance for the rest of the year 2024 due to the high volume of high-priced stocks at its overseas distribution centres. Cost management measures have helped to improve the Group's profitability to an extent but the high material costs and costs of utilities currently and going forward are expected to result in continued squeeze on margins.

For its manufacturing division, in preparing for better times ahead, Supermax has shut down 4 of its old plants over the last 2 years. Meanwhile, the plan to build 6 new modern and more efficient manufacturing blocks is still in place, with production lines being installed gradually at a pace that takes into account the current and expected market conditions.

Having seen the early signs of rising protectionism measures being taken by more and more countries in response to supply chain constraints seen during the covid-19 pandemic as well as during other significant international events such as the Russia-Ukraine and Israel-Palestine conflicts, Supermax had embarked on ventures to set up manufacturing operations overseas, the most prominent one being its USA venture which is currently well underway. This venture will put Supermax in a good position when increasing barriers to imports are put in place, higher import duties are imposed and domestic production will be the focus. The Group sees this happening not just in the US but likely in other large importing countries as well.

As the Group refreshes more of its production capacity by investing in automation technology when replacing old lines with newer high-capacity high efficiency lines which will serve to minimise costs and reduce reliance on foreign workers, expect to see Supermax continuing to put itself in a strong position to take advantage when the glove market regains its vibrancy in the next 4 – 5 quarters.

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 31.12.2023 RM'000	Financial YTD Ended 31.12.2023 RM'000
Interest Expense	1,228	1,615
Depreciation & Amortisation	18,922	37,731
Staff costs:		
- Salaries, wages & bonus	30,433	55,167
- EPF	1,655	3,310
- Other related staff costs	5,155	10,095
Foreign Exchange		
- Realised (Gain) or Loss	(4,970)	(13,141)
- Unrealised (Gain) or Loss	14,237	16,797
Other Costs & Expenses	139,093	267,239
Total Operating Expenses	<u>204,524</u>	<u>377,198</u>

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

	2nd Quarter Ended 31.12.2023 RM '000	Financial YTD Ended 31.12.2023 RM '000
Tax (Expense) / Income	12,987	8,440

The tax income arose from the recognition of deferred tax assets on the losses incurred.

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 2024 (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 2023 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	-	64,287	64,287
Long term borrowings	-	18,793	18,793
Total borrowings	-	83,080	83,080

90% of the short-term borrowings comprise trade facilities amounting to RM 57.6 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 16 February 2024 (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 2024, being the latest practicable date.

13. Dividends Declared/Proposed

The Board of Directors has not declared or proposed any dividends in the current quarter ended 31 December 2023.

14. Earnings per Share (EPS)

	Current Quarter Ended 31.12.2023	Financial YTD Ended 31.12.2023
Net (losses) / profit (RM'000) attributable to ordinary shareholders	(44,360)	(46,413)
Weighted average ('000) Number of ordinary shares in issue	2,576,120	2,576,120
Basic (losses) / profit per share (sen)	(1.72)	(1.80)