



SUPERMAX
CORPORATION BERHAD
199701004909 (420405-P)

ANNUAL REPORT 2021



CARE • LOVE • PROTECT
DURING THE COVID-19 PANDEMIC



S U P E R M A X
CORPORATION BERHAD
199701004909 (420405-P)

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24th

Annual General Meeting

live streaming
from the broadcast

Supermax Boardroom,
Lot 38, Putra Industrial Park,
Bukit Rahman Putra, 40160 Sungai Buloh,
Selangor Darul Ehsan, Malaysia

Friday, 3 December 2021
at 10.00 a.m.

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FORM OF PROXY

SUPERMAX CORPORATION BERHAD is a leading international manufacturer, distributor and marketer of high quality medical devices, namely medical gloves and contact lenses.

Established in 1987, its founders started a trading business to distribute latex gloves and eventually ventured into manufacturing of latex gloves in 1989. Today, the Supermax Group has twelve factories manufacturing various types of nitrile latex and natural rubber gloves, which are exported to over 165 countries around the world, such as the United States of America, European Union, Middle East, Asia and South Pacific countries. The Group distributes its gloves through 8 distribution centres set up around the world as well as in collaboration with a wide network of over 1,200 distributors globally.

The Supermax Group has also become Malaysia's very first home-grown contact lens manufacturing company. It had in year 2016 successfully commissioned its manufacturing facility in Malaysia after carrying out extensive R&D activities in the UK, and is gradually building up its production capacity. It has also made good progress in terms of obtaining the necessary licenses and approvals which have allowed it to build up its product presence in over 60 countries.

The Group has received numerous accolades and awards over the years, including The Edge Billion Ringgit Club's inaugural Company of the Year Award in 2010, Export Excellence & Brand Excellence in the Industry Excellence Awards in 2009 and 2008, Special Award & 4th placing in the prestigious Deloitte's Top 50 Enterprise Award Malaysia in 2006, Export Excellence & Product Excellence in the Industry Excellence Awards in 2003, the National Productivity Council Award in 1999 and Andersen Consulting Top 50 Enterprise in Malaysia in 1998.

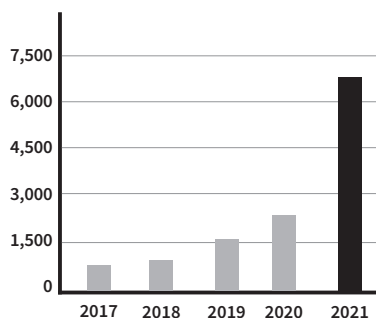
Supermax is well recognized for its commitment to deliver quality products and service to its customers. These accomplishments testify to the Group's relentless efforts in enhancing productivity in order to compete in the global market.

	2021 RM'000	2020 RM'000
Revenue	7,164,186	2,131,808
Pre-tax profit	5,019,993	680,163
After-tax profit	3,929,944	534,778
Net assets	4,894,388	1,550,541
Total assets	7,394,165	3,204,390
Paid-up capital	340,077	340,077
Shareholders' equity	4,758,875	1,529,066
Interim dividend	439,763	Nil
Final dividend	Note*	79,882
Net assets per share (in RM)	1.82	0.59 [^]
Earnings per ordinary share (in Sen)	147.03	20.08 [^]

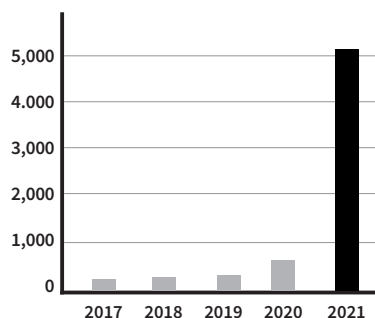
* For FY2021, the Board has proposed a distribution of treasury shares as final dividend on the basis of 1 treasury share for every 30 existing ordinary shares held. The proposal is subject to shareholders' approval at the upcoming 24th Annual General Meeting. In FY2020, the Board had proposed a distribution of 1 treasury for every 45 existing ordinary shares held as final dividend which was approved by shareholders at the 23rd Annual General Meeting. A total of 57,058,873 treasury shares were distributed at the cost of RM1.40 per treasury share.

[^] Adjusted for comparative purposes following completion of 1-for-1 bonus issue on 8 September 2020 which resulted in enlarged share capital of 2,720,619,520 ordinary shares.

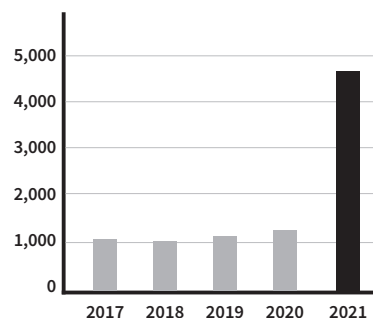
REVENUE (RM'000)



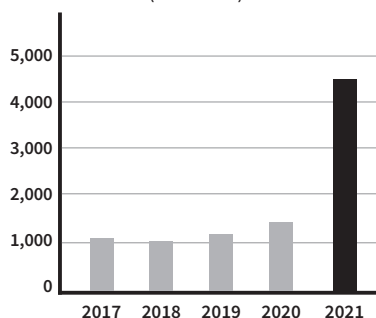
PRE-TAX PROFIT (RM'000)



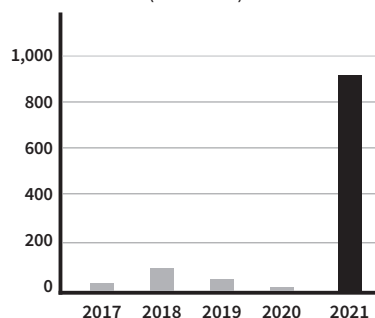
NET ASSETS (RM'000)



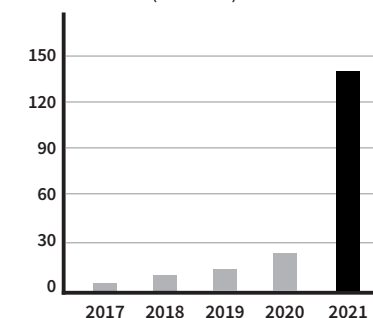
SHAREHOLDERS' EQUITY (RM'000)



DIVIDEND PAYOUT (RM'000)



BASIC EARNING PERSHARE (IN SEN)



	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	1,126,879	1,304,460	1,538,157	2,131,808	7,164,186
Pre-tax profit	107,939	161,894	172,408	680,163	5,019,993
Net assets	1,070,236	1,022,711	1,134,226	1,550,541	4,894,388
Shareholders' equity	1,067,206	1,012,690	1,123,710	1,529,066	4,758,875
Dividend payout	26,851	75,725	32,783	21,946 [#]	912,292 ^{*@}
Basic earnings per share (in Sen)	2.51 [^]	4.06 [^]	4.70 [^]	20.08 [^]	147.03

Note:

[#] Dividend paid comprises the FY2019 final share dividend which was distributed during the year on the basis of 1 treasury share for every 65 existing ordinary shares held. A total of 20,088,223 treasury shares were distributed at the cost of RM1.09 per treasury share.

^{*} Dividend paid includes the FY2020 final share dividend which was distributed during the year on the basis of 1 treasury share for every 45 existing ordinary shares held. A total of 57,058,873 treasury shares were distributed at the cost of RM1.40 per treasury share.

[@] Includes special dividend of 15.0 sen per ordinary share amounting to RM392.6 million that was paid after the current financial year ended 30 June 2021.

[^] Adjusted for comparative purposes following completion of 1-for-1 bonus issue on 8 September 2020 which resulted in enlarged share capital of 2,720,619,520 ordinary shares.

For FY2021, the Board has proposed a distribution of treasury shares as final dividend on the basis of 1 treasury share for every 30 existing ordinary shares held. The proposal is subject to shareholders' approval at the upcoming 24th Annual General Meeting.



100%	SUPERMAX GLOVE MANUFACTURING SDN BHD
100%	MAXTER GLOVE MANUFACTURING SDN BHD
100%	SUPERMAX LATEX PRODUCTS SDN BHD
100%	SUPERMAX INTERNATIONAL SDN BHD
100%	SUPERMAX ENERGY SDN BHD
100%	MAXWELL GLOVE MANUFACTURING BERHAD
100%	SUPERMAX BUSINESS PARK SDN BHD
100%	SUPERMAX SPECIALTY GLOVES SDN BHD
100%	SUPERMAX HEALTHCARE INCORPORATED
100%	SUPERMAX DEUTSCHLAND GmbH
100%	SUPERMAX GLOBAL LIMITED
100%	SUPERMAX HEALTHCARE LIMITED
67%	SUPERMAX HEALTHCARE CANADA INCORPORATED
100%	WHITE OAK GLOBAL PROPERTY LIMITED
100%	SUPERMAX GROUP INVESTMENT LIMITED
100%	MAXTER HEALTHCARE PTE. LTD. <i>(Formerly Known as Aveo Vision Pte. Ltd.)</i>
70%	AIME SUPERMAX KK
100%	MAXTER HEALTHCARE INCORPORATED

» **100%** **SUPERGAMMA SDN BHD**
(Formerly Known as Seal Polymer Latex Products Sdn Bhd)

» **100%** **SUPERVISION OPTIMAX
SDN BHD**

» **49%** **SUPERMAX MEDICAL
INCORPORATED**

» **100%** **SUPERMAX GLOBAL (HK)
LIMITED**

» **100%** **AIME KK**

BOARD OF DIRECTORS ▼

Albert Saychuan Cheok

(Independent Non-Executive Chairman)

Cecile Jaclyn Thai

(Executive Director)

Tan Chee Keong

(Executive Director)

Dato' Ting Heng Peng

(Independent Non-Executive Director)

Dr. Rashid Bin Bakar

(Independent Non-Executive Director)

Eisen Ng Keng Lim

(Independent Non-Executive Director)

CORPORATE OFFICE ▼

Supermax Corporation Berhad
Lot 38, Putra Industrial Park
Bukit Rahman Putra
40160 Sungai Buloh
Selangor Darul Ehsan
Tel : 03 – 6145 2328
Fax : 03 – 6156 2191

REGISTERED OFFICE ▼

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03 – 2783 9191
Fax : 03 – 2783 9111

AUDITORS ▼

RSM Malaysia,
5th Floor, Penthouse
Wisma RKT, Block A
No. 2, Jalan Raja Abdullah
Off Jalan Sultan Ismail
50300 Kuala Lumpur, Malaysia
Tel : 03 – 2610 2888;
Fax : 03 – 2698 6600

CORPORATE COUNSEL ▼

Shearn Delamore & Co.
7th Floor, Wisma Hamzah-Kwong Hing
No. 1, Leboh Ampang
50100 Kuala Lumpur
Tel : 03 – 2027 2727
Fax : 03 – 2078 5625/2376

AUDIT COMMITTEE ▼

Dato' Ting Heng Peng

Chairman, Independent Non-Executive Director

Dr. Rashid Bin Bakar

Member, Independent Non-Executive Director

Albert Saychuan Cheok

Member, Independent Non-Executive Director

COMPANY SECRETARIES ▼

Wong Wai Foong

SSM PC NO. 202008001472
(MAICSA 7001358)

Joanne Toh Joo Ann

SSM PC NO. 202008001119
(LS 0008574)

SHARE REGISTRAR ▼

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 – 7890 4700
Fax : 03 – 7890 4670

PRINCIPAL BANKERS ▼

OCBC Bank (Malaysia) Berhad
Citibank Berhad
Malayan Banking Berhad
HSBC Bank Malaysia Berhad
Standard Chartered Bank Malaysia Berhad
Bank of China (Malaysia) Berhad

STOCK EXCHANGE LISTING ▼

Main Market of Bursa Malaysia
Securities Berhad
Date of Listing: 2 August 2000

STOCK INFORMATION ▼

Code No. : 7106
Name : SUPERMX

CHAIRMAN

MR ALBERT SAYCHUAN CHEOK ▾

Appointed on 19 October 2018



PERMANENT
RESIDENT

Mr Cheok holds a Bachelor of Economics Degree 1st Class Honours from the University of Adelaide. He completed a Masters in Public Administration Program from the Australian Government School of Management (Mount Eliza). He is also an Associate of the Australian Society of Accountants and a Fellow at CPA Australia. Between May 1979 and February 1982, Mr Cheok was an advisor to the Australian Government inquiry into the Australian Financial System (Campbell inquiry) which included comprehensive reforms of the Australian banking system. He was the Chief Manager at the Reserve Bank of Australia from October 1988 to September 1989 before becoming the Deputy Commissioner of Banking of Hong Kong for 3½ years. He was subsequently appointed as the Executive Director in charge of Banking Supervision at the Hong Kong Monetary Authority from April 1993 to May 1995. Mr Cheok was the Chairman of Bangkok Bank Bhd in Malaysia from September 1995 to November 2005.

Mr Cheok was Chairman of Auric Pacific Group of Singapore, a food group listed in Singapore; and was Chairman of Bowsprit Capital Corporation Ltd, the Manager of First REIT, a listed healthcare REIT in Singapore. He was also Chairman of LMIR Management, the Manager of Lippo Malls Indonesia Retail Trust, a listed shopping mall REIT in Singapore. Mr Cheok was awarded by Future Times the prestigious award of the Best Performing REIT Fund Manager in Asia for 2016. Mr Cheok also sat on the Board of Governors of the Malaysian Institute of Corporate Governance.

Mr Cheok is presently Chairman of Amplefield Ltd, listed in Singapore. He is also a Director of and Chairman of the Nomination Committee at China Aircraft Leasing Group Holdings, which was awarded the top aircraft leasing company in the world for 2016/2017/2018. Mr Cheok is also the inaugural Chairman of the 5G Networks Group listed in Australia.

EXECUTIVE DIRECTOR

MS CECILE JACLYN THAI ▾

Appointed on 02 January 2018



Ms Thai holds a Bachelor of Arts (BA) degree in Economics from Northwestern University; as well as a Master of Business Administration (MBA) degree, with concentrations in Entrepreneurship, Strategic Management, and Marketing Management, from the University of Chicago Booth School of Business (Chicago Booth). Ms Thai was previously at Mercer Investments, providing investment consulting services to Fortune 500 corporations throughout the US. At Chicago Booth, Ms Thai was actively involved in supporting fellow women in business through her participation in the Chicago Women in Business organization. While pursuing her MBA, Ms Thai received further training as part of the enterprise business development team at Salesforce.

Currently, Ms Thai is the Chief Executive Officer of Aveo Vision. In her role, Ms Thai leads all aspects of the US contact lens business, including strategy, operations, finance, marketing, people, partnerships, and customer experience. Ms Thai also oversees the development and implementation of Aveo Vision's integrated marketing strategy on a global level. Ms Thai was appointed Executive Director of Supermax Corporation Berhad on 2 January 2018.

EXECUTIVE DIRECTOR

MR TAN CHEE KEONG ▼

Appointed on 02 January 2018

AGE
43



Mr Tan graduated from University of Staffordshire, UK with a Bachelor of Computing & Information Systems degree (Hons). Upon graduation, Mr Tan joined Supermax in July 2000 and had taken on the role as Executive Vice President of Aurelia Gloves, a division of Supermax Healthcare Inc. in 2010. Having more than 19 years of experience in the US Healthcare glove market, Mr Tan is currently the Chief Executive Officer of Supermax Healthcare Inc. Apart from the day-to-day operations, Mr Tan's portfolio includes the execution of the company's long-term business growth and development; as well as the strategic planning and implementation of its global marketing initiatives in Brazil, Canada, Hong Kong, Singapore, UK and USA. Mr Tan was appointed as Executive Director of Supermax Corporation Berhad on 2 January 2018.

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATO' TING HENG PENG ▼

Appointed on 18 June 2000

AGE
61



Dato' Ting graduated from University of Windsor, Ontario, Canada with a Bachelor of Commerce degree (Hons) in 1982. Upon graduation, he went to England where he read law at the University of Essex. Dato' Ting obtained his Bachelor of Law (Hons) in 1985. Following Dato' Ting's admission as a barrister by Lincoln's Inn, London in 1986, Dato' Ting came back to Malaysia and was called to the Malaysian Bar in 1987. Dato' Ting has been in active legal practice as advocate and solicitor since 1987. He is currently the managing partner of Ting Asiah & Co. Dato' Ting was appointed to the Board of Supermax Corporation Bhd in June 2000. He currently chairs the Audit Committee and is also a member of the Risk Management and Remuneration Committees. Dato' Ting is also an Independent Non-Executive Director of Mercury Industries Berhad.

INDEPENDENT NON-EXECUTIVE DIRECTOR

DR RASHID BIN BAKAR ▼

Appointed on 18 July 2002

AGE
63



Dr Rashid Bakar was born and raised in Malacca. He obtained his Dip in Public Administration in 1991 from Institut Teknologi Mara and later in 1998 he graduated with a Bachelor of Law (Hons). He also holds a Dip in Syariah Law & Practice from International Islamic University Malaysia and is a certified Syarie Counsel for Selangor, WP Kuala Lumpur & Negeri Sembilan. In 2003, he graduated with a Masters in Law (LL.M) from University Kebangsaan Malaysia and in 2015 completed his Ph.D (Law) at the same university. His business occupation is Advocates & Solicitors. Dr Rashid was appointed as an Independent Non-Executive Director of Supermax Corporation Berhad on 18 July 2002. He chairs the Risk Management and Remuneration Committees and is a member of the Audit and Nomination Committees.

INDEPENDENT NON-EXECUTIVE DIRECTOR

MR EISEN NG KENG LIM ▼

Appointed on 19 October 2018



Ar.Eisen Ng holds a Bachelor of Architecture from the University of Singapore in 1981. He is a Registered Architect of the Board of Architects Malaysia (Lembaga Arkitek Malaysia) and a Corporate Member Architect of the Malaysian Institute of Architects (Pertubuhan Arkitek Malaysia). Ar.Ng started out as an architect with the Malaysian Associate Architects (MAA Sdn Bhd) before joining Dewan Bandaraya Kuala Lumpur (DBKL) where he was involved in the design and implementation of several City Hall projects. After serving 3-years at DBKL, he started his own architectural practice, Akistudio Architects and Arkitek Studio Sdn Bhd, where he worked on the design and implementation of many commercial, industrial and residential buildings over the next 30 years. Presently he is an Associate Director of the Malaysian Alliance of Corporate Directors. Ar Ng was appointed to the Board of Supermax Corporation Bhd on 19 October 2018 and is currently a member of the Risk Management Committee..

Family relationships with any director and / or major shareholder

None of the Directors of the Company has family relationships with any Director and/or major shareholder with the exception of:-

1. Cecile Jaclyn Thai is the daughter of indirect major shareholders Dato' Seri Stanley Thai and Datin Seri Cheryl Tan
2. Tan Chee Keong is the nephew of Dato' Seri Stanley Thai and Datin Seri Cheryl Tan

Key Senior Management

Cecile Jaclyn Thai and Tan Chee Keong, being the Executive Directors, are the key senior management staff of the Company. Their relevant particulars, including qualification and working experience, have been outlined under their individual profiles.

Conflict of interest

None of the Directors of the Company have any conflict of interest with the Company.

List of convictions for offences within past 5 years other than traffic offences; and public sanction/penalty imposed by relevant regulatory bodies

None of the directors of the Company have been convicted for offences within the past five (5) years other than traffic offences, if any, nor publicly sanctioned/penalised by any relevant regulatory bodies.

Shareholdings in the Company and its subsidiaries

Details are set out on page 39 of the Annual Report.

DEAR VALUED SHAREHOLDERS,

For the financial year ended 30 June 2021 (FY 2021), the Group is pleased to report that Supermax Corporation Berhad has managed to achieve its best ever financial performance, with revenues and earnings at its highest ever levels. This breakthrough year was achieved on the back of the Covid-19 pandemic outbreak which skyrocketed the average selling prices of gloves due to the exponential growth in demand and acute shortage in supply of gloves worldwide.

The Group's revenue and profit before tax (PBT) has increased 236% and 638% to RM7.164 billion and RM5.02 billion respectively in FY2021, compared to RM2.132 billion and RM680.2 million last year. This year's tremendous improvement shows that Supermax's business model yields the highest returns compared to the traditional OEM model. The ramp up in production output and allocation of a larger percentage of its capacity to direct sales to end-users had allowed both its Manufacturing and Distribution Divisions to capture strong market share and improved profitability amid the soaring global demand. This enabled the Group to register strong performances each quarter since the onset of the pandemic.

MACROECONOMIC LANDSCAPE

The global pandemic has caused huge disruption to the global markets and has adversely affected many industries. Its severe impact continues to reverberate around the world even today. While the pandemic has been taking a huge toll on humanity and many industries, the personal protective equipment (PPE) industry has flourished as the need for face masks, gloves and the like has escalated. Prices of PPE had risen strongly since the onset of the pandemic as a result.

More recently, as the roll-out of the vaccination programs and other safety and preventive measures taken by governments around the world gathers traction, the average selling prices (ASPs) for gloves appear to have peaked in the 1st and 2nd quarters of calendar year 2021 and have started to reverse. Supply of gloves has also risen significantly with the entrance of many new players jumping onto the bandwagon and existing players ramping up production, which has added to the pressure on ASPs.

But while we are seeing ASPs gradually moving back to pre-pandemic levels, demand continues to be strong owing to the structural changes that have taken place in the markets with heightened hygiene and healthcare awareness amongst existing and new users.

INDUSTRY DYNAMICS

Rubber Glove Industry

Over the years, global demand for gloves has been steadily rising at a rate of 8 – 10% per year on the average. The calendar year 2020 and 2021 year to date has seen that demand surge exponentially due to the Covid-19 pandemic which has spread across the globe. While the demand has come off its peaks in recent months as the frantic buying abates as increasing anti-Covid-19 measures around the world take hold, demand will still likely remain at elevated levels for years to come. We have seen the emergence of new customers and new consumption not seen prior to Covid-19. Governments around the world are increasing healthcare spending substantially to shore up the weaknesses in their healthcare systems that were emphatically exposed by the Covid-19 outbreak. Away from the traditional large consumer of gloves that is the healthcare sector, many other sectors such as the food, airline, services and beauty industries are now also using more and more gloves as the importance of hygiene has been brought into sharp focus by the Covid-19 pandemic.

For the long term, the industry is optimistic that rubber glove demand growth can be sustained going forward due to various positive factors such as a growing population, an increasing number of countries imposing tighter healthcare regulations, increasing health and hygiene awareness, the lack of a viable alternative to disposable gloves and not to mention the huge growth potential in the large and growing economies such as India and China where the per capita spending on healthcare still lags behind the developed countries. The potential for growth is undoubtedly huge in the developing countries and will drive demand for the industry and the Supermax Group for many years to come.

Contact Lens Industry

In 2014, the Supermax Group started its venture into contact lens manufacturing. Market research data has shown the contact lens business to be a large and growing global business and having recognised the potential, the Group took the decision to become Malaysia's very first home-grown contact lens manufacturer engaged in the A to Z of soft contact lens manufacturing.

Unlike the rubber glove industry, the barriers to entry into the contact lens businesses are high, among which are the highly specialised technological know-how required as well as the significant financial muscle required. Another major challenge is competing with the 'Big Four' in the contact lens industry, all large multinationals, which currently dominate this industry. Not to mention that contact lenses are classified under the medical device category by FDA legislation, whereby obtaining licenses and certifications is an arduous pre-requisite before any sales can even be made. Having said that, the Supermax Group had been in a not too dissimilar position when starting out in the rubber glove business and it knows that with great effort and perseverance while leveraging on the Group's existing global distribution network, it can achieve the same success it has in the rubber glove business.

To date, the Group has obtained the necessary licenses and approvals to export its products into over 60 global markets, including the US and Japan markets which are 2 of the largest contact lens markets presently. In the past 12-month period, the business, like many other businesses, has been impacted by the Covid-19 outbreak. Nevertheless, the Group has continued with its promotional and marketing activities to build brand awareness for its contact lens brand, AVEO. It has distributed its products via its own global distribution network located in 8 countries, through joint ventures and appointment of authorized dealers in another 50-over countries as well as via e-commerce with online sites available in 4 countries, namely in the US, Malaysia, UK and Brazil. Going forward, Supermax will continue to work hard to obtain all the necessary licenses and approvals in-order to export our products to more countries across the world. The Group remains optimistic and confident that over the medium to long term, it is building a business that will be value enhancing to all the stakeholders.

FINANCIAL REVIEW

Financial Performance

For the financial year ended 30 June 2021, the Supermax Group achieved another record-breaking performance for the 2nd consecutive year, eclipsing last year's records by a significant distance. It recorded its highest ever sales revenue of RM7.164 billion and Profit Before Tax of RM5.02 billion. The Group's OBM model, which started with the vision from the Founders and long term investment from Day One into building the Supermax brand into the household name it is today, as well as the setting-up of a network of global distribution companies as well as collaborations with established distributors in many countries; had enabled the Group to tap the highest market ASPs at the height of the Covid-19 pandemic.

The Group has also been working on building its production capacity to capture greater top-line and bottom-line growth. However, the many versions of movement control orders that had been implemented to stem the worsening of the Covid-19 pandemic had hampered the Group's efforts to fast-track its expansion plans. The Group will need to relook its plans taking into account the latest developments in the market.

The Group's contact lens business, while hampered to an extent by the on-going Covid-19 pandemic, continues to come along nicely. The Group continues to spend on advertising and promotion for its contact lens business, revenues have remained steady, costs are well managed and this venture on the whole, while not quite contributing to the Group's performance yet, is becoming less of a strain on its performance which is positive for the Group.

Overall, the Group has delivered revenue growth over the years and it is confident of maintaining the growth momentum going forward. In the face of many challenges, Supermax is constantly looking into (i) organic growth to expand production capacity to capture ever-increasing global demand; (ii) rebuilding and replacing its older production lines/ plants to increase both capacity and efficiency; (iii) adapting and optimising its product mix in line with global demand trends; and (iv) expanding its global distribution network to further extend its market reach, all of which to ensure that the Supermax Group will further increase its global influence and market position in the rubber glove and contact lens industries going forward.

Dividend Payout

The Group is firmly committed to maximising shareholders' value. During the current financial year, it had distributed 57.1 million shares as a final dividend to its shareholders in respect of financial year ended 30 June 2020 at a ratio of 1 treasury share for every 45 ordinary shares held. For the financial year ended 30 June 2021, Supermax has to date already paid out to its shareholders a historical high 31.8 cents dividend per share over 3 separate payouts amounting to over RM830 million.

SEGMENTAL POTENTIAL - RUBBER GLOVES & CONTACT LENS

Rubber Gloves

The rubber glove industry is one of the few industries where Malaysia can proudly claim to be the outright indisputable leader on the world stage with over 60% global market share. As is widely known, the industry has shown itself to be a very resilient and recession-proof industry. As mentioned earlier, the Management is confident that opportunities continue to be abundant in the rubber glove industry going forward as global rubber glove demand is expected to sustain a CAGR of 8-10%.

Currently, Supermax has production capacity of about 26.0 billion pieces of gloves per annum. The Group had embarked on an ambitious program to build 5 plants (plants #13 - #17) simultaneously which was expected to progressively add about 10 billion pieces to installed capacity in calendar year 2021 and another 12 billion pieces in 2022. RM1.3 billion has been allocated for this expansion program over the next 2 years. However, the many versions of movement control orders put in place to stem the rising number of covid-19 infections had hampered the progress of the expansion plan. The Group will now re-look into its plans taking into consideration the prevailing and expected market conditions.

Contact Lens

SuperVision Optimax (Supermax Group's contact lens manufacturing arm) is Malaysia's very first home-grown contact lens manufacturer engaged in the A to Z of soft contact lens manufacturing with the vision to be a global leader in this industry. Statistics have shown the contact lens industry to be a robust, growing and lucrative industry and the Supermax Group has taken the bold move of diversifying into this high-tech manufacturing industry. Total investment to-date is in excess of RM100 million with which we have built up a state-of-the-art contact lens manufacturing facility run by a highly motivated team comprising mostly engineers of various disciplines from micro-biology to advanced robotics. Our manufacturing facilities are capable of producing a wide range of affordable lenses that are highly demanded by the market.

Contact lenses are classified under the medical device category under FDA legislation and the company is required to obtain all necessary documentations and certifications from the various authorities of each country before it can start selling its products. The Group's extensive efforts have enabled it to market its lenses in over 60 countries and efforts are ongoing to expand its marketing reach further.

Besides expanding its market coverage, the Group had also expanded its product range with the introduction of its toric lenses (which corrects astigmatism) to complement its clear aspheric contact lens. Its toric lenses are qualified for the US markets which is no small feat as only a handful of manufacturers meet the requirements. This is a great testament to the Group's manufacturing capability and the quality of its lenses.

Outlook

The Supermax Group has achieved a remarkable FY2021 and will strive to continue recording strong growth going forward. The Group is currently building 5 plants simultaneously and while its progress has been hampered due to the necessary movement control orders that have been implemented to counter the threat of the Covid-19 pandemic, its completion over the next few years will nearly double its existing production capacity and enable the Group to generate sustainable top-line and bottom-line growth.

While ASPs will be coming down off their highs, demand remains strong and sustainable following a structural shift which has seen increased use of gloves among existing users and added many new users not seen prior to the Covid-19 pandemic. Meanwhile, the US venture is in progress as we explore the various options available to the Company from the various state authorities.

With a strengthened balance sheet and improved operational abilities, we are also conscious of the importance of enhancing shareholder value. The Board of Directors has proposed a final share dividend distribution on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held in the Company for shareholders' approval at the upcoming Annual General Meeting for financial year ended 30 June 2021.

Appreciation

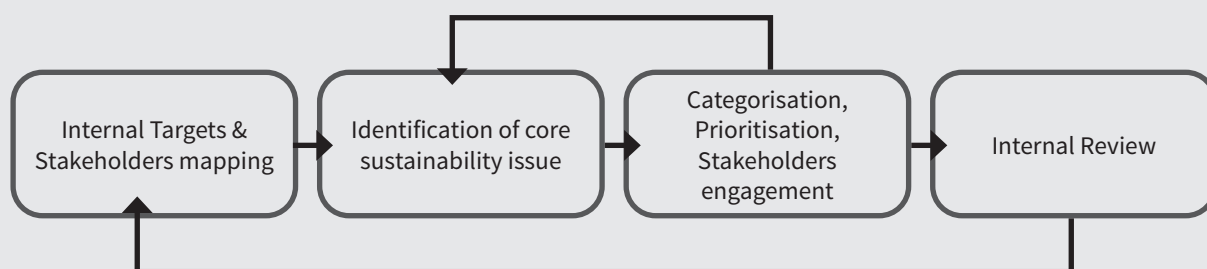
The Board of Directors wish to thank the Supermax Group's very committed employees for their hard work and devotion which have been instrumental in the Group's success, not just in terms of its operational and financial performance, but also their role in the fight against the Covid-19 pandemic where personal sacrifices were made and many hours put in to maintain the supply of a very important PPE to the world. The Board would also like to express its sincere appreciation to the shareholders and all other stakeholders including bankers, suppliers and service providers for their cooperation and support during this challenging period of movement restriction, manpower constraints and frequent disruptions. It has been a demanding but rewarding journey together and we hope to continue building a successful business and growing together for many years to come.

Sustainability has long been one of the key pillars of the Company's business foundation and in fact become a part of its culture. 'Supermax's employees, be they C-level management staff or factory workers, are reminded to act ethically across the spectrum of the Group's activities, from procurement to sales and marketing activities to financial management. Supermax adopts the Stakeholder Approach where stakeholders' welfare maximisation is emphasised rather than just the pursuit of profit maximisation. We want to be responsible to not only our shareholders but all identifiable stakeholders relating to Supermax.

Globalisation enables parties involved in transactions to be able to benefit (win-win situation) greatly to the extent that surpasses the ability of any individual firm or country could possibly do on its own. Having said that, industrialisation has caused negative by-products that are already harming our green lungs as well as creating great economic inequality such as income and information gaps that will take decades to reverse. At Supermax, we want to play a more positive role and have identified three main areas - Economical, Environmental & Societal (SSE), to focus on and be responsible for.

To discuss sustainability in greater depth, the statement looks at the 'Materiality Assessment Process', stakeholders engagement & prioritisation of sustainability issues, long-term business plans & growth potential, a green environment; and societal contributions.

I. MATERIALITY ASSESSING PROCESS



In order to tackle material sustainability-related events and issues, Supermax has adopted a materiality assessing process, which is guided by Bursa Malaysia's Sustainability Reporting Guide and Toolkits.

Starting off with identifying and engaging with key and identifiable stakeholders, we are able to take important sustainability issues into consideration. Next, facts and opinions from both identifiable stakeholders and Supermax's management will be used as threshold internal objectives that Supermax will pay special attention on.

Identification of core sustainability issues is a dynamic process – it involves repeating efforts and interactions between management and respective stakeholders in identifying, assessing and refining issues relating to sustainability. This process is repeated to prioritise on uttermost important matters to Supermax and its stakeholders.

II. SUPERMAX SUSTAINABILITY CULTURE

Supermax constantly strives to maximise stakeholders' share of the pie. At Supermax, we have identified our stakeholders and are constantly engaging with them be it via tradeshow, exhibitions, audits and other channels. Supermax believes that communication is the bridge between itself and its respective stakeholders to share and discuss issues, with the ultimate aim of value enhancement to all parties. A brief, summarised table which lists out the key stakeholder groups, engagement type and possible material sustainability issues is provided below:

KEY STAKEHOLDER GROUP	ENGAGEMENT TYPE	POSSIBLE MATERIAL SUSTAINABILITY ISSUES
Customers	Periodic meetings; international tradeshow; exhibitions & audits	Consistency of product quality, pricing & supplies; Compliance to regulations and agreed standards
Employees (All Levels)	Employee surveys; engagement sessions & in-house events	Workplace safety; employment welfare
Government Agencies	Periodic meetings; on-site inspections	Operational needs; environmental standards compliance; workplace safety compliance
Suppliers/Business Partners	Periodic meetings	Consistency on product quality, pricing & supply; procurement ethics
Shareholders/ Investors	Quarterly reporting; investment conferences; analyst briefings; annual general meetings	Business & sectorial updates; capital market integrity

With scarcity comes the need for effective allocation of resources. The Group prioritises and tackles issues in terms of importance. Through the application of Materiality Assessing Process mentioned above, the Supermax Group has identified (listed in table below) a few crucial sustainability issues which need to be addressed going forward and on an on-going basis. Supermax is at the same time mindful that managing and tackling sustainability issues is a dynamic process where the Management team will need to remain focused to sustain and manage better the ever-changing business environment and to overcome the challenges faced.

MATERIAL SUSTAINABILITY ISSUES

Capacity Expansion for its Rubber Glove and Contact Lens Divisions

Business Ethics and Transparency

Industrial 4.0 & Continuous Production Automation

Human Capital Related Welfare & Issues

Environmental Compliance

Communication with Shareholders & Investors

III. MANAGING SUSTAINABILITY-RELATED ISSUES

ECONOMIC SUSTAINABILITY

The Supermax Group believes that capital deployment is one of the more crucial investment decisions to be made that will affect the long-term sustainability and value creation. Back in 2014, the Group made an important decision - diversifying into contact lens manufacturing. The intuition behind this decision is simple and clear - creating a portfolio of medical devices (rubber gloves & contact lens) which has both the characteristics of recession-proof demand and high return to asset and equity. In year 2020, the Group has ventured into face mask manufacturing as part of efforts to expand its personal protective equipment (PPE) product offerings to complement its rubber glove products.

III. MANAGING SUSTAINABILITY-RELATED ISSUES (CONT'D)

ECONOMIC SUSTAINABILITY (CONT'D)

Contact Lens Division

To date, we have successfully installed and commissioned our contact lens manufacturing facility. We are already marketing our contact lenses in Malaysia as well as overseas markets and are making inroads as we draw on our knowledge and experience on global distribution and leverage on the distribution network established thus far. To-date, our contact lenses are sold in over 60 countries worldwide. The Group continues to invest on advertising and promotion to build brand awareness for our contact lens and to penetrate the global markets.

The process of obtaining the necessary approvals and certifications for our contact lenses continues for other countries in the world in order to further widen the Company's global footprint. In 2018, the Group successfully obtained from the Pharmaceutical and Medical Device Authority (PMDA) of Japan the product license to export contact lenses under its house brand to the Japanese market. This is a proud achievement as the PMDA's vetting process is one of the most stringent vetting processes around. The Group has built on that success to also meet the requirements of the US FDA for its toric lenses. This is another notable achievement as only a handful of manufacturers are able to produce lenses that meet the standards required.

Going forward, the Group will continue efforts to secure the necessary approvals and licenses for the other targeted countries and regions to extend its marketing reach and at the same time also focus on market penetration through active advertising and promotional campaigns.

Rubber Glove Division

While the Group is investing some of its resources into the contact lens division, it remains committed to its rubber glove division. Towards the end of calendar year 2020, the Group had commissioned the 2nd block of its latest plant, i.e. Plant #12, adding a further 2.2 billion pieces to the Group's installed capacity. This brings the Group's total installed capacity to just over 26 billion pieces per annum.

For its capacity expansion over the next few years, the Group had acquired several pieces of land in the vicinity of their cluster of plants in Meru, Klang to build its newest plants. Work has already commenced at these locations to build 5 new factories simultaneously. The plan was to roll out new capacity amounting to 10 million pieces in CY2021 and a further 12 million pieces in CY2022. The plan has since been hampered due to the various movement control orders in place over the past year and a half and the timeline for completion is being revisited. When completed, these new plants will help sustain the Group's business growth in the years to come. While adding to the Group's installed capacity, the building of these new plants next to its existing cluster of plants will facilitate assimilated and shared facilities and resources that will enable the Group to extract maximum synergies from its integrated manufacturing complex.

For all the above glove capacity expansion plans, the Group expects to invest RM1.3 billion in capital expenditure, which will be funded through a combination of internally generated funds and bank borrowings.

Regulatory Compliance and Technological Advancement

Besides operational activities, the Supermax Group will continue to devote time and energy into areas such as corporate governance and technology-related investment. Supermax will look into further improving its reporting standards, transparency and ethical standards over time. Stepping into the era of a digitalised economy, the Supermax Group will continue to work on incorporating technologies such as Internet-of-Things (IoT), Big Data and the like, into its manufacturing processes.

III. MANAGING SUSTAINABILITY-RELATED ISSUES (CONT'D)

ECONOMIC SUSTAINABILITY (CONT'D)

Bridging the gap between Supermax and Investors

During the financial year, Supermax had participated in investment conferences, analyst briefings, one-on-one and group meetings, mostly through tele-conference and through video- conferencing calls as part of precautionary measures taken to impede the spread of Covid-19 infection. Supermax aims to keep the investing community updated on the current status and prospects of the broader rubber glove and contact lens industries, before presenting and discussing the Group's latest business operations status, its financial performance to-date, as well as its medium-to-longer term plans.

ENVIRONMENTAL SUSTAINABILITY

At Supermax, we strive to achieve a balance between economic, environmental and social considerations when we undertake our manufacturing processes and business operations. Supermax practices environmental ethics as far as possible in an effort to reduce its environmental footprint.

Biomass as an alternative environmentally friendly fuel source

The Supermax Group has a "Protect your Health, Protect the Environment" philosophy, the daily practice of which is encouraged and instilled among all levels of its organisation. Among its major ongoing initiatives which emphasises environmental preservation is the use of an alternative fuel source which is renewable and sustainable to fire its heating systems and for power generation. With this in mind, the Group has implemented biomass systems at several of its factories. The fuel used is basically the waste from the oil palm industry (e.g. palm kernel shells and empty fruit bunches) and the wood-based industry (e.g. wood chips and odd bits and pieces from the furniture industry and even the tree trimmings from pruning work done by the local councils). The need for depleting and non-renewable energy sources is therefore reduced. The Group has spent close to RM24 million over the years to build up, upgrade and maintain its biomass facilities.

Waste Water Management

Another ongoing 'green' project undertaken by the Supermax Group is the treatment of wastewater. Wastewater from the Supermax Group's manufacturing facilities is treated on site in effluent treatment plants utilising a chemical flocculation, anaerobic digestion and activated sludge process. The Group collaborates closely with the Department of Environment to conduct regular checks to ensure that the final discharge is clean and safe. The Supermax Group spares no expense or effort to ensure that all of its manufacturing facilities do not pollute the environment nor endanger the health of its employees or the communities residing within the vicinity. The Group has spent over RM12 million on this project.

Chlorine Gas Treatment

Chlorine gas, a by-product resulting from the Group's manufacturing process is known to be hazardous to living beings on earth. As with waste water, the Group is very stringent on its processes when it comes to discharging any by-products into the environment. All our plants are installed with effective scrubber systems that filter and remove all toxic chlorine particles from the gas before discharging it harmlessly into the atmosphere.

Go Green Building!

In 2013, we completed the setting up of our distribution headquarters in Chicago, Illinois. This warehouse and office facility in Aurora was designed and built with environment conservation in mind and had received the LEED (Leadership in Energy & Environmental Design) Gold Certification recognized by the U.S. Green Building Council. The facility has many environmentally-friendly features such as photovoltaic solar panels and other energy saving fixtures such as full LED lighting to improve energy-usage efficiency.

III. MANAGING SUSTAINABILITY-RELATED ISSUES (CONT'D)

ENVIRONMENTAL SUSTAINABILITY (CONT'D)

Recycling of Single-use Materials

One of our main components in the Group's contact lens production process is the homo polymer polypropylene resin which is used to manufacture the medical grade polypropylene mould, the design of which determines the specifications such as the shape, size and power of the contact lens. The mould is a single use item which is discarded after the lens has been extracted from it. However, conscious of the potential harm to the environment should the non-bio-degradeable moulds be improperly disposed where it could end up in landfills and oceans, the Company has made it a policy to collect the dispensed moulds and to send them to recycling plants where they are broken down into non-medical grade polypropylene resin and used to manufacture products such as plastic chairs, baskets and tables.

SOCIAL SUSTAINABILITY

The Supermax Group recognizes the efforts and contributions of its employees to its progress over the years and realises that they remain an integral part of the Group's growth engine going forward. Thus, it is imperative that the employees' welfare is well taken care of including providing them a safe and conducive working environment to grow and further progress in their respective career paths. The Group also recognises and acknowledges the need to contribute back to society and has made this a part of its philosophy over the years.

Human capital - core assets of Supermax Group

Supermax places great emphasis on employee health and safety and making the Supermax workplace a conducive working environment for its entire workforce. It currently holds the ISO 9001:2015 and ISO 13485:2016 certification on product quality as well as other quality management system certifications which showcases its commitment to providing stakeholders an assurance of quality in fulfilling requirements whilst optimising environmental performance. Training and re-training of staff are conducted on a regular basis. Its policies are also non-bias in nature, be they in terms of gender, ethnicity, etc.

On-going initiatives include:

- a) Strict "No child labour" policy
- b) Encouraging a healthy lifestyle and building camaraderie among staff by providing support for social activities
- c) Equal employment opportunity in terms of gender and ethnicity across all levels of employment from the boardroom to the factory floor.

Besides the executive and other white collar workers, Supermax has also taken good care of its line workers, including its foreign workers, be they in-house or business partners' workers. We ensure that accommodation provided to these workers is all in compliance with regulations and standards. All other necessary requirements and conveniences are also provided to them, including lodging, laundry, utilities and in-house canteens that provide nutritious and affordable food for their needs.

In line with our efforts to encourage a healthy work environment and camaraderie among employees, we have often organised various in-house events, usually around festive periods like Hari Raya, Chinese New Year and Deepavali, and staff's birthdays aimed at allowing employees from diverse backgrounds and races to get to know each other better and to understand each other's cultures better, although such activities have had to be scaled back during the current Covid-19 pandemic.

III. MANAGING SUSTAINABILITY-RELATED ISSUES (CONT'D)

SOCIAL SUSTAINABILITY (CONT'D)

Capital Market Integrity

Supermax also recognises the importance of practicing the highest standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance stakeholders' value and has taken all reasonable steps to ensure that the best practices are adopted and implemented wherever possible.

Supermax has ensured that all of Bursa Malaysia's listing requirements are duly complied with such as timely reporting of quarterly results, share buy-backs and major acquisitions if any. Supermax also regularly engages with stakeholders including analysts, fund managers, investors and other shareholders wherever possible. Various means and platforms from investor conferences and road shows had been used in the past but throughout the Covid-19 pandemic, this has been restricted to virtual means mostly via video-conferencing to provide updates on the Company as well as the industry.

Contributing towards Social Welfare

Last year, Supermax came to the fore when the Covid-19 virus first broke out at its epicentre of Wuhan, China. The Supermax Group had donated a total of 3 million gloves and co-sponsored a further 8.9 million gloves to China to aid them in their fight against the deadly virus. Closer to home, Supermax also aided Malaysia's efforts in combating the Covid-19 threat by donating and co-sponsoring a total of 6 million gloves to the frontliners such as the doctors and nurses as well as the police and army personnel.

This year, Supermax donated RM75 million to the government's Covid-19 fund as part of Supermax's contribution to help the country combat coronavirus. This was to fund the cost of vaccines and health equipment expenses.

In an action to curb the spread of Covid-19, Supermax has also taken the initiative to fully vaccinate all its workers, with the 2nd dose administered to all workers in September 2021. The Group is also conducting testing on all employees on a bi-weekly basis to ensure early detection of any Covid-19 positive cases. This is in addition to all the prescribed SOPs including social distancing, temperature checks and hand sanitisers strategically placed throughout the workplace.

The Group has also conducted a remediation exercise to reimburse to all of the Group's eligible foreign workers agreed amounts depending on nationality for the recruitment fees incurred by the foreign workers in securing work to the Supermax Group. The Group has set aside RM23 million for this exercise. This is but a part of the Group's efforts in ensuring better work and living conditions for its migrant workforce.

MEMBERS OF AUDIT COMMITTEE

Dato' Ting Heng Peng

Chairman of Committee, Independent Non-Executive Director

Dr. Rashid Bin Bakar

Member of Committee, Independent Non-Executive Director

Mr. Albert Saychuan Cheok

Member of Committee, Independent Non-Executive Director

TERMS OF REFERENCE OF AUDIT COMMITTEE

Constitution

The Board had constituted and established an Audit Committee with authority, responsibilities and specific duties as described below.

Composition

- (1) The Audit Committee is composed of 3 non-executive directors, all of whom are independent directors;
- (2) All the Audit Committee members are financially literate, and at least one member meets the following requirements:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (iii) fulfils such other requirements as prescribed or approved by the Exchange;
- (3) No alternate director has been appointed as a member of the Audit Committee.
- (4) The members of the Audit Committee have elected from among themselves an Independent Director to be the Chairman, i.e. Dato' Ting Heng Peng. The Chairman together with the other committee members have engaged on a continuous basis with Senior Management, the Head of Internal Audit and the external auditors in order to be kept informed of matters affecting the company.
- (5) All members of the Audit Committee, including the Chairman, have held office only so long as they served as Directors of the Company. The Board is to review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee has carried out its duties in accordance with its terms of reference.

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee shall review and report the same to the Board on the following key matters:-

- (i) To review the appointment, resignation, conduct and audit plans of the Internal and External Auditors;
- (ii) To review the assistance given by the employees of the Company to the external auditors and the internal auditors;
- (iii) To review the quarterly results and year-end financial statements, prior to the approval by the Board;
- (iv) To review any related party transaction and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- (v) To oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance.

RIGHTS AND AUTHORITY OF THE AUDIT COMMITTEE

In carrying out its duties and responsibilities, the Audit Committee will:-

- (1) have the authority to investigate any matter within its terms of reference;
- (2) have the resources which are required to perform its duties;
- (3) have full and unrestricted access to any information pertaining to the Company;
- (4) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
- (5) be able to obtain independent professional or other advice and to invite outsiders with relevant experience and expertise to attend the Audit Committee meetings (if required) and to brief the Audit Committee; and
- (6) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

ATTENDANCE OF MEETINGS

Seven (7) meetings were held during the financial year ended 30 June 2021. The record of attendance is as follows:-

Name	No. of Meetings Attended
Dato' Ting Heng Peng	7/7
Dr. Rashid Bin Bakar	7/7
Mr. Albert Saychuan Cheok	3/3

* Mr. Albert Saychuan Cheok was appointed to the Audit Committee on 2 December 2020 following the retirement of Mr Gong Wooi Teik, Felix on the same day

SUMMARY OF ACTIVITIES

The Audit Committee has discharged its duties as set out in its Terms of Reference. During the financial year, the activities undertaken by the Audit Committee included the following:

1. Reviewed and recommended the quarterly financial results to the Board for approval;
2. Reviewed and recommended the audited financial statements to the Board for approval;
3. Reviewed and deliberated on the internal and external auditors' audit plans, audit reports and the progress and outcomes of audits conducted including issues raised and remedial actions taken;
4. Reviewed and assessed the suitability and independence of the external auditors.
5. Reviewed the Statement of Risk Management & Internal Control and the Audit Committee Report for recommendation to the Board for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Board considers the audit function to be an integral and important part of the governance process. The Internal Audit Department carried out the internal audit function for Supermax Group during the financial year under review. The internal auditors conduct reviews on systems of controls and the effectiveness of the processes which Management has in place to identify, manage and control proper conduct of business within the Group. During the financial year ended 30 June 2021, the Internal Audit Department covered key risk areas ranging from procurements and payments, production and packing productivity efficiency, human resources management and upkeep of machineries.

The total costs incurred for the Internal Audit function for the financial year ended 30 June 2021 amounted to RM383,000 (financial year ended 30 June 2020: RM355,000).

The Board of Directors recognises the importance of practicing the highest standards of Corporate Governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of Supermax Corporation Berhad.

With this in mind, measures and efforts have and shall be taken to ensure as far as practicable the adoption and implementation of the Principles and Best Practices set out in the Malaysian Code on Corporate Governance ("the Code") and in the Main Market Listing Requirement ("MMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities").

Set out below is a description of how the Group has applied the Principles of the Code and how the Board of Directors has complied with the Best Practices set out in the Code. The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report ("CG Report") which is available on Supermax's website: www.supermax.com.my.

SECTION A – THE BOARD OF DIRECTORS

Size and Composition of the Board

An experienced and effective Board consisting of members with a wide range of skills including legal, accounting and international trade; and a wealth of experience from financial and business backgrounds, leads and controls the Group. The Directors bring depth and diverse expertise to the leadership of the challenging and highly competitive glove and contact lens businesses.

The Board continues to give close consideration to its size, composition and spread of experience and expertise. No individual or group of individuals dominates the Board's decision making and the number of Directors reflects fairly the investment of the shareholders. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account long-term interest of stakeholders of the Company.

The Board comprises the Chairman who is an independent non-executive director, 2 Executive Directors and 3 Non-Executive Directors, all 3 of whom are Independent Directors. The composition is in line with the recommendations of the Malaysian Code of Corporate Governance for the boards of large companies to be comprised of a majority of independent directors. The Board has identified Dato' Ting Heng Peng as the senior independent non-executive director to whom concerns if any may be conveyed.

The profile of each Member of the Board is presented on pages 7 to 9 of this annual report.

Duties and Responsibilities of the Board

The Board Charter clearly outlines the duties and responsibilities of the Board of Directors including the Chairman and the Board Committees; as well as the executive directors who are supported by the management team. [The Board Charter is available on the Company's website at www.supermax.com.my.]

The responsibilities of the Board of Directors of the Company include:-

- Reviewing and adopting a strategic plan for the Company which will enhance the future growth of the Company. The Executive Directors discuss the Company's business plans and strategic directions with the Board to seek their insights and feedback before adoption. The Executive Directors then focus on implementing the business plans and strategies and updates the Board on the progress and status periodically.
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed. The Board receives feedback from the Management and is also briefed by the Audit Committee (AC). The AC receives reports and feedback from the Internal Audit Department which conducts independent audits of the Group's operations.

- Identifying principal risks of the business and ensure the implementation of appropriate systems to manage these risks; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Board Balance and Independence of Directors

The Board members have a wealth of experience as well as skills and knowledge, which are relevant to the Group. Although the Chairman and the Executive Directors are jointly responsible for the Group's strategic business direction, their roles are separate with clearly defined responsibilities to ensure the balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board as well as communication with shareholders and other stakeholders whilst the Executive Directors are responsible for the day-to-day and overall operation of the business and the implementation of Board strategy and policy.

All the Independent Non-Executive Directors are independent of Management and are free from any business or other relationship that could materially interfere with the exercise of their independent judgment. They have the calibre to ensure that the strategies proposed by the Management are fully deliberated and examined in the long-term interest of the Group, as well as shareholders, employees and customers.

The Nomination Committee and the Board have upon their annual assessment, concluded that each of the 2 long-serving Independent Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicators of independence and continues to fulfil the definition of independence as set out in the Bursa Malaysia Main Market Listing Requirements. While the 2 directors are found to have remained objective and independent in expressing their views, the Company has nevertheless adopted the recommendation of the Malaysian Code of Corporate Governance (MCCG) to seek shareholder approval through a 2-tier voting process to retain the 2 directors as independent directors should they seek to be re-elected.

The Committee also finds that each of the directors possess and continue to gain and develop the necessary experience and core competencies to discharge their duties as directors individually, as a Board and within the relevant sub-committees in which they serve. They have also devoted sufficient time to carry out their duties and responsibilities and to further their knowledge and skills required.

Code of Business Ethics

The Directors observe a code of ethics in accordance with the code of conduct expected of Directors in the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

The Board of Directors has formalised a Code of Business Ethics that outlines the standards of conduct expected of all Directors and staff of the Group with the objective of ensuring proper behaviour and ethical conduct within the Group. This is in line with the Board's commitment towards upholding the spirit of accountability and responsibility within the Group. The document can be viewed from the Group's website www.supermax.com.my.

Whistle-blowing Policy

Supermax Group's whistle blowing policy is aimed at protecting the integrity, transparency, impartiality and accountability in all business operations conducted by the Supermax Group. The policy provides a structured reporting channel and guidance to all employees as well as external parties to whistle-blow without fear of victimization.

The Group's Whistle-blowing Policy has been posted on its website www.supermax.com.my for easy accessibility.

Board Meetings and Supply of Information to the Board

During the financial year ended 30 June 2021, five (5) board meetings were held. Details of the Directors' attendance at these meetings are as follows:-

Name	Meetings Attended	No. of Meetings Held
1. Albert Saychuan Cheok	5	5
2. Cecile Jaclyn Thai	4	5
3. Tan Chee Keong	5	5
4. Dato' Tan Geok Swee @ Tan Chin Huat*	3	3
5. Dato' Ting Heng Peng	5	5
6. Gong Wooi Teik, Felix*	3	3
7. Dr Rashid Bin Bakar	5	5
8. Eisen Ng Keng Lim	5	5

* Dato' Tan Geok Swee @ Tan Chin Huat and Mr Gong Wooi Teik, Felix resigned and retired respectively at the 23rd Annual General Meeting held on 2 December 2020.

The Executive Directors of the Company undertake the responsibility to ensure that the agenda and full set of Board papers (including qualitative information of the Company) for consideration are distributed well before each meeting of the Board to ensure that the Directors have sufficient time to study them and be properly prepared for discussion and decision making. Minutes of Board meetings are maintained by the Company Secretary.

All Directors of the Company whether in full Board or in their individual capacity, have access to all information within the Company and to seek independent professional advice where necessary and in appropriate circumstances, in furtherance of their duties.

The Directors also have access to the advice and services of the Company Secretary who is responsible for ensuring the Board meeting procedures are followed and that applicable rules and regulations are complied with.

New Appointment and re-election of Directors

The Nomination Committee established by the Board is responsible for assessing the nominee(s) for directorship and Board Committee membership and thereupon submitting their recommendation to the Board for decisions.

For any new appointment and/or re-election of directors, the Nomination Committee conducts a rigorous selection process by applying established criteria which included the assessment of essential skill sets such as relevant industry experience and experience in developing corporate growth strategies, knowledge on legal and regulatory requirements, ability to read, analyse and interpret financial statements and also working knowledge and experience in business development; before recommending the appointment and/or re-election to the Board for approval.

Each Director must retire from office at least once in every three years and can offer himself/herself for re-election. Directors who are appointed by the Board are subject to election by the shareholders at the next Annual General Meeting ("AGM") held following their appointment.

Nomination Committee

The Nomination Committee consists of the following:-

- Chairman : Albert Saychuan Cheok
(Independent Non-Executive Director)
- Member : Dr Rashid Bin Bakar
(Independent Non-Executive Director)

The duties and responsibilities of the Nomination Committee are as follows: -

- To recommend to the Board of Directors, candidates for directorships to be filled by the Shareholders or the Board of Directors;
- To consider, in making its recommendations, candidates for directorships proposed by the Executive Directors and, within the bounds of practicability, by any other senior executive or any Director or Shareholder;
- To recommend to the Board, Directors to fill the seats on the Board committees;
- To assist the Board to annually review its required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board;
- To assess the training needs of the directors
- To assess the effectiveness of the Board of Directors as a whole and each individual Director/Committee of the Board; and
- To consider and examine such other matters as the Nomination Committee considers as appropriate.

During the year, the Nomination Committee had met once. The meeting was fully attended by all the members and matters considered included the performance and effectiveness of the directors as a whole, as sub-committees and individually; the directors' training needs; and the continuation in office of independent directors who have served the Company for a cumulative term of more than 9 years.

Directors' Training

All the Directors of the Company have attended the Mandatory Accreditation Program (MAP) prescribed by Bursa Securities for directors of public listed companies. The Directors have also attended training sessions to keep abreast with developments in relation to the capital markets, relevant changes in laws and regulations and/or the business environment from time to time.

During the financial year, the Directors attended the following conferences, seminars and briefings conducted by the regulatory authorities and members of professional bodies, in order to stay abreast with the latest developments in the relevant industries and to better enable them to fulfil their responsibilities:-

Director	Programmes
Mr Albert Cheok	<ul style="list-style-type: none"> ▶ Fraud Risk Management Workshop; organised by PWC Consulting Services (M) Sdn Bhd ▶ Working from Home: Organizational Culture; by PWC Hong Kong ▶ Cybersecurity; by PWC Hong Kong ▶ Climate Change: SolarWinds Supply Chain Compromise; by PWC Hong Kong ▶ Sustainable Finance: Making Better Financial Decisions; by KPMG Board Leadership Center

Director	Programmes
Ms Cecile Jaclyn Thai	<ul style="list-style-type: none"> ▶ SubSummit 2020: The New World Economy; by Subscription Trade Association (SUBTA) ▶ Sustainable Finance: Making Better Financial Decisions; by KPMG Board Leadership Center
Mr Tan Chee Keong	<ul style="list-style-type: none"> ▶ Cloud: Game Changer; by EY ▶ Board and Audit Committee Priorities 2021; by KPMG
Dato' Ting Heng Peng	<ul style="list-style-type: none"> ▶ Environmental, Social and Governance (ESG): What Matters to You; by Tricor Axcelasia ▶ Navigating Tax Audit and Investigation; by Grant Thornton Malaysia Taxation Sdn Bhd ▶ Board and Audit Committee Priorities 2021; by KPMG
Dr Rashid Bin Bakar	<ul style="list-style-type: none"> ▶ Environmental, Social and Governance (ESG): What Matters to You; by Tricor Axcelasia
Mr Eisen Ng Keng Lim	<ul style="list-style-type: none"> ▶ Fraud Risk Management Workshop; by PWC Consulting Services (M) Sdn Bhd ▶ Environmental, Social and Governance (ESG): What Matters to You; by Tricor Axcelasia ▶ Sustainable Finance: Making Better Financial Decisions; organised by KPMG Board Leadership Center

Company Secretary

The Board of Directors is ably supported by the Company Secretaries appointed. The Company Secretaries, who are qualified under Section 236 of the Companies Act 2016, play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures, and compliance with the relevant regulatory requirements, codes or guidance and legislations.

The role of the Company Secretary includes:

- Ensuring compliance with regulatory requirements;
- Updating the Board on changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements");
- Providing support to the Board in ensuring adherence to board policies and procedures, rules, relevant laws and best practices on corporate governance;
- Ensuring that deliberations at the Board meetings are recorded in the minutes, minutes are well documented, following-up on matters arising, maintaining a secure retrieval system which stores meeting papers and minutes of board meetings.

SECTION B – DIRECTORS’ REMUNERATION

Remuneration Committee

The Remuneration Committee consists of the following:-

- Chairman : Dr. Rashid Bin Bakar
(Independent Non-Executive Director)
- Members : Dato’ Ting Heng Peng
(Independent Non-Executive Director)
Ms Cecile Thai
(Executive Director)

The duties and responsibilities of the Remuneration Committee are as follows:-

- To review and assess the remuneration packages of the Executive Directors in all forms, with or without other independent professional advice or other outside advice;
- To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors needed to run the Company successfully;
- To structure the component parts of remuneration so as to link rewards to corporate and individual performance and to assess the needs of the Company for talent at Board level at a particular time; and
- To consider and examine such other matters as the Remuneration Committee considers appropriate.

The remuneration of the non-executive directors is determined in accordance with their experience and level of responsibilities assumed. Non-executive directors are remunerated in the form of directors’ fees as approved by the shareholders.

The aggregate Directors’ remuneration paid or payable or otherwise made available to all directors of the Company during the financial year are as follows:

Category	GROUP			COMPANY		
	Fees (RM)	Salaries & other emoluments (RM)	Benefit In Kind (RM)	Fees (RM)	Salaries & other emoluments (RM)	Benefit In Kind (RM)
Executive Directors						
Tan Chee Keong	108,000	USD336,000	-	108,000	2,000	-
Cecile Thai	108,000	USD264,000	-	108,000	2,500	-
Non-Executive Directors						
Albert Saychuan Cheok	144,000	4,000	-	144,000	4,000	-
Dato’ Tan Geok Swee @ Tan Chin Huat	45,580	1,500	-	45,580	1,500	-
Dato’ Ting Heng Peng	108,000	6,000	-	108,000	6,000	-
Gong Wooi Teik, Felix*	45,580	1,500	-	45,580	1,500	-
Dr Rashid Bin Bakar	108,000	6,000	-	108,000	6,000	-
Eisen Ng Keng Lim	90,000	2,500	-	90,000	2,500	-

* Dato’ Tan Geok Swee @ Tan Chin Huat and Mr Gong Wooi Teik, Felix resigned and retired respectively at the 23rd Annual General Meeting held on 2 December 2020.

SECTION C – SHAREHOLDERS

Dialogue with investors and shareholders

The Annual General Meeting (AGM) is the principal forum for dialogue with shareholders. At the AGM, the Board can highlight the progress and performance of the business and encourages the active participation of shareholders in question and answer sessions.

The Company also engages with shareholders and investors through various means and platforms. In the past, the majority of the engagements were in-person participation in established events such as Invest Malaysia and the International Rubber Gloves Conference and Exhibition, attending road shows and investor conferences organised by the various research and financial houses, and attending face-to-face meetings and briefings, in addition to making appropriate announcements to Bursa and press releases. In light of the Covid-19 pandemic that has swept across the world since early 2020, the Company has had to adapt accordingly by making use of various online platforms to conduct virtual meetings.

SECTION D – ACCOUNTABILITY AND AUDIT

Directors' Responsibility Statements

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

Financial Reporting

The Directors are responsible for the preparation of the annual audited financial statements and ensure that the accounts and other financial reports of the Company are prepared in accordance with Approved Accounting Standards and present a balanced and comprehensive assessment of the Company's position and prospects, to all the shareholders.

The Company's Annual Report and quarterly announcements of results give an updated financial performance of the Company periodically.

Audit Committee

The Audit Committee comprises three Independent Non-Executive Directors with Dato' Ting Heng Peng as the Chairman of the Committee. The composition is as mentioned earlier and Terms of Reference of the Audit Committee are available on the Company's website www.supermax.com.my.

The Audit Committee has explicit authority from the Board to investigate any matter and is given full responsibility within its Terms of Reference and necessary resources which it needs to do so and full access to information. During the financial year ended 30 June 2021, the Audit Committee had also met with the External Auditors without the presence of the Executive Board members on 2 occasions.

Internal Control

The Statement of Internal Control furnished on page 32 to 34 of the annual report provides an overview of the internal controls within the Group.

Internal Audit

The Company set up its Internal Audit Department on 8 December 2003. Internal auditors adopt a risk – based approach in the planning and conduct of its audits and focuses on the key areas of business risk.

The main responsibilities of the Internal Auditors are to:-

- Assist in reviewing the adequacy, integrity and effectiveness of the Company's internal control system for the Board to make an accurate Statement on Internal Control in the annual report;
- Support the Audit Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritised action plan to further enhance the internal control system; and
- Perform a risk assessment of the Company to identify the business processes within the Company that internal audit should focus on.

Relationship with External Auditors

The Board ensures that there is transparent arrangement for the achievement of objectives and maintenance of professional relationship with the External Auditors.

OTHER INFORMATION REQUIRED BY THE MMLR OF BURSA SECURITIES

Audit & Non-Audit Fees

For the financial year ended 30 June 2021, audit fees and non-audit fees paid/payable to the External Auditors are detailed in the table below.

Type of Fee	Group (RM)	Company (RM)
Audit fees	835,724	80,000
Non-audit fees	5,000	5,000
Total	840,724	85,000

Material contracts

During the year under review, the Company and its subsidiaries did not enter into any material contracts involving Directors' and major shareholders' interest.

Contract relating to loans

There were no contracts relating to loans entered into by the Company involving Directors' and major shareholders' interest.

Related Party Transactions

A list of the significant related party transactions between the Company and its subsidiaries, and between the Group and other related parties including relevant Key Management personnel for the financial year ended 30 June 2021 is set out on pages 95 - 96 of the Annual Report.

Revaluation of landed properties

The Company does not have a revaluation policy on landed properties.

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements which require listed issuers to include in its Annual Report a statement detailing the state of risk management and internal control of the Company and its subsidiaries. The Malaysian Code on Corporate Governance (“MCCG”) requires listed companies to maintain a sound system of risk management and internal control to safeguard the shareholders’ investments and the Companies’ assets.

The Board of Directors of Supermax Corporation Berhad is committed to maintain a sound system of risk management and internal control within the Group. Set out below is the Board of Directors’ “Statement on Risk Management and Internal Control” which has been prepared in accordance with the Guidance for Directors of Public Listed Companies on the Statement on Risk Management and Internal Control.

RESPONSIBILITY OF THE BOARD

The Board of Directors (“Board”) is responsible for the adequacy and effectiveness of the Supermax Group’s (“the Group”) risk management and internal control system. The Board manages the Group’s key areas of risk within an acceptable risk profile to increase the likelihood that the Group’s policies, business objectives and strategies will be achieved. The Board continually reviews the system to ensure it provides a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines.

The Board through the Risk Management Committee (“RMC”) maintains overall responsibility for risk oversight within the Group. Pursuant to MCCG requirements, the RMC is made up of Independent Non-Executive directors.

Management assists the Board in the implementation of the Board’s policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders’ investment, the interests of customers, regulators and employees, and the Group’s assets.

The following outlines the nature and scope of risk management and internal control of the Group.

RISK MANAGEMENT

The Board regards risk management as an integral part of all business operations. Hence the Board explicitly assumes the responsibility of identifying principal risks and ensures the implementation of a dynamic system to manage risk exposure within the acceptable level of tolerance and in line with the risk management policy, describing the Group’s commitment to embedding risk management into its processes and structure to create and maintain an environment that enables the Group to meet performance objectives.

To fulfill its oversight responsibility, the Board through delegation to the RMC reviews the adequacy and integrity of Group’s risk management system which encapsulates the key processes of risk identification, assessment, treatment, monitoring and reporting. Whilst the Risk Working Committee (“RWC”) which reports to the RMC, serves as the driving force behind the routine risk management activity to facilitate the Group-wide risk management initiatives from an operational perspective.

The RWC is headed by a General Manager and comprises heads of departments or support functions, who are risk owners themselves, as members.

The Board has established a risk management framework for identifying, monitoring, reviewing and continually improving risk management. The risk management framework is being adopted as a standardized approach in implementing risk management in the Group for timely identification, reporting and management of principal risks. The implementation of the risk management framework promotes an effective risk culture.

The key features of the risk management framework provide a risk control environment that includes:

- A Governance and Risk Organisation Structure identifying the Board in retaining the overall risk management responsibility and the delegation of authority and responsibility of the management and reporting mechanism;
- A Risk Register containing risk profiles of the business operation within the Group which have been developed and communicated to the Board. The development of such risk profiles involved identification of key risks faced by the Group's core business units, potential impact and likelihood of those risks occurring, the control effectiveness and the action plans being taken to manage those risks to the desired level;
- A Risk Management Committee ("RMC"), established by the Board to provide assurance concerning the Group's risk management. The RMC is represented by members of the Board and is tasked with overall responsibility for establishing a strategic approach to implementing risk management within the Group.

At the Group level, inherent risk factors arising from business operation are continually identified. These identified risk factors are incorporated into the risk register and individually rated. The rating process is guided by a matrix of "probability of occurrence" and the associated "severity", of which both financial and non-financial consequences are duly considered. Thereafter, owners of these risk factors will drive the implementation of risk mitigation measures towards achieving a residual risk that is within the acceptable tolerance.

INTERNAL CONTROL

The Board is aware that a sound system of internal control should be embedded in the operations of the Group and form part of its culture. This system should be capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It should include procedure for reporting immediately to appropriate levels of management any significant control failings or weaknesses that are identified together with details of corrective action being taken.

The key processes in reviewing the adequacy and effectiveness of the risk management and internal control system includes the following:

The Audit Committee is assisted by the Risk Management Committee and the Internal Audit Department, performs the duty of reviewing and evaluating the adequacy and effectiveness of the Group's system of risk management and internal control; The RMC has been established by the Board to provide assurance concerning the Group's risk management. The RMC performs periodic review of risk management processes and oversee the development of appropriate guidelines and policies for implementation.

The Group has in place an on-going process for identifying, monitoring and managing significant risks that may affect the achievement of business objectives. Management is continually reviewing potential risk areas through discussions held at monthly staff meetings. Where a particular risk is identified, it will be monitored with counter measures taken to mitigate the risk wherever possible;

The in-house Internal Audit Department was established in 2003. The Internal Auditors review the internal controls on the key activities of the Group on the basis of a detailed annual internal audit plan. The internal audit functions are carried out to minimize the Company's exposure to risk and problems.

For the financial year ended 30 June 2021, the Internal Audit Department performed financial and operational audits of business and operations activities for the Supermax Group. This covered key risk areas ranging from procurements and payments, production and packing productivity efficiency, human resources management and upkeep of machineries.

Internal audit reports were issued and tabled to the Audit Committee regularly at Audit Committee Meetings.

The Internal Auditors will continue to come up with proactive measures or corrective actions to manage and mitigate potential business and operational risks noted in the course of carrying out their duties. In the case of any unavoidable cases, the Internal Auditors will do a thorough review and resolve the issues immediately.

The External Auditor provides further assurance to the Audit Committee in the form of annual statutory audit of the financial statements. Areas of concern identified during the course of external audit examination will be brought up to the attention of the Audit Committee.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

Apart from the above, the other key elements of the Group's internal control systems are as follows:-

- a) Clearly documented internal policies and procedures including those that are ISO 9001:2015, ISO 13485:2016 and MDSAP compliant are in place and regularly updated to reflect changing risk or resolve operational deficiencies,
- b) Regular and comprehensive information provided to Management for monitoring of performance against strategic plan, covering all key financial and operational indicators,
- c) Whistle Blowing policy to provide an avenue for whistleblowing report and promote good corporate governance,
- d) On quarterly basis, the Board reviews all issues covering strategy and performance of the Group.

CONCLUSION

The overall system of risk management and internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require public disclosure.

The Board is dedicated to operating a sound system of risk management and internal control, and remains committed towards keeping abreast with the ever-changing business environment in order to support the Group's business and size of operations.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in the annual report of the Company for the financial year ended 30 June 2021 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

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FINANCIAL STATEMENTS

Board of Directors	: Albert Saychuan Cheok Cecile Jaclyn Thai Tan Chee Keong Dato' Ting Heng Peng Dr. Rashid Bin Bakar Ng Keng Lim @ Ngooi Keng Lim
Company Secretaries	: Wong Wai Foong (MAICSA 7001358) Joanne Toh Joo Ann (LS 0008574)
Registered Office	: Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No.8, Jalan Kerinchi 59200 Kuala Lumpur Wilayah Persekutuan, Malaysia
Principal Place of Business	: Lot 38, Putra Industrial Park Bukit Rahman Putra 40160 Sungai Buloh Selangor Darul Ehsan
Auditors	: RSM Malaysia (AF: 0768) 5th Floor, Penthouse, Wisma RKT Block A, No. 2, Jalan Raja Abdullah Off Jalan Sultan Ismail 50300 Kuala Lumpur Wilayah Persekutuan, Malaysia
Corporate Counsel	: Shearn Delamore & Co (50601-K) 7th Floor, Wisma Hamzah-Kwong Hing No.1, Leboh Ampang 50100 Kuala Lumpur Wilayah Persekutuan, Malaysia
Principal Banks	: OCBC Bank (Malaysia) Berhad Citibank Berhad Malayan Banking Berhad HSBC Bank Malaysia Berhad Standard Chartered Bank Malaysia Berhad Bank of China (Malaysia) Berhad

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities and other information of the subsidiaries are set out in Note 10 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	3,929,944,486	972,502,364
Attributable to :		
Owners of the parent	3,816,717,519	972,502,364
Non-controlling interests	113,226,967	-
	3,929,944,486	972,502,364

In the opinion of the directors, the financial results of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The dividend on ordinary shares paid or declared by the Company since the end of the previous financial year were as follow:

In respect of the financial year ended 30 June 2020:

RM

- Final single-tier dividend via share dividend distribution of 57,058,873 treasury shares on the basis of 1 treasury share for every 45 existing ordinary shares held in the company 79,882,429

In respect of the financial year ended 30 June 2021:

- Interim single-tier dividend of 3.8 sen per ordinary share, paid on 26 February 2021 99,470,285
- Special single-tier dividend of 13.0 sen per ordinary share, paid on 8 June 2021 340,293,043

519,645,757

A special dividend of 15.0 sen per ordinary share, amounting to RM392,645,820 was paid on 30 September 2021, for the current financial year ended 30 June 2021. The financial statements for the current financial year do not reflect this dividend.

The Directors propose a final single-tier dividend via the share dividend distribution on the basis of one treasury share for every thirty existing ordinary shares held in the Company in respect of the current financial year, subject to approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as a distribution of treasury shares in the financial year ending 30 June 2022.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased the number of its ordinary shares by way of bonus issue of 1,360,309,760 ordinary shares on the basis of one (1) new ordinary share for every one (1) existing ordinary share held.

These new ordinary shares are issued as fully paid, at nil consideration and without capitalisation from the Company's reserves and ranked pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any debentures during the financial year.

TREASURY SHARES

During the financial year, shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting on 2 December 2020, approved the Company's plan to purchase its own shares up to a maximum of 10% of the total number of issued shares of the Company. The directors of the Company are committed towards the enhancement of the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 22,263,600 of its issued ordinary shares from the open market at an average price of RM7.38 per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM164,338,224. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company distributed share dividend of 57,058,873 treasury shares on the basis of one treasury share for every forty-five existing ordinary shares held in the Company.

As at 30 June 2021, the Company held a total of 102,980,727 ordinary shares of its 2,720,619,520 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM186,368,292.

Further details are disclosed in Note 20 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The directors of the Company who held office during the financial year until the date of this report are:-

Albert Saychuan Cheok
Cecile Jaclyn Thai
Dato' Ting Heng Peng
Dr. Rashid Bin Bakar
Ng Keng Lim @ Ngooi Keng Lim
Tan Chee Keong
Dato' Tan Geok Swee @ Tan Chin Huat (vacated 2 December 2020)
Gong Wooi Teik (vacated 2 December 2020)

DIRECTORS (CONT'D)

The name of directors of subsidiaries are set out in the respective subsidiaries' statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, were as follows:

THE COMPANY	Number of ordinary shares				
	At 1.7.2020	Adjustment for bonus issue*	Acquired	(Disposed)	At 30.6.2021
Direct interest					
Albert Saychuan Cheok	76,153	76,153	15,384	-	167,690
Dato' Ting Heng Peng	8,573,906	8,573,906	381,062	-	17,528,874
Dr. Rashid Bin Bakar	121,846	121,846	5,415	-	249,107
Tan Chee Keong	456,000	456,000	20,266	-	932,266
Cecile Jaclyn Thai	100,000	100,000	4,444	-	204,444
Ng Keng Lim @ Ngooi Keng Lim	200,000	150,000	6,666	(356,666) [#]	-

* Adjustment to reflect the bonus issue of 1-for-1 existing ordinary shares which was completed on 8 September 2020.

[#] Includes disposal of 50,000 shares before bonus issue. Further information as follows:

	Number of ordinary shares
At 1.7.2020	200,000
Disposal before bonus issue	(50,000)
	150,000
Adjustment on 1-for-1 bonus issue	150,000
Acquisition after bonus issue	6,666
Disposal after bonus issue	(306,666)
At 30.06.2021	-

By virtue of their interests in the ordinary shares of the Company, the directors are also deemed to have interest in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the notes to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with a director or with a firm of which a director is a member or with a company in which the director has a substantial financial interest.

DIRECTORS' REMUNERATION

The directors' remuneration is disclosed in Note 26 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Group and of the Company.

AUDITORS' REMUNERATION

The auditors' remuneration is disclosed in Note 28 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that the current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances:
 - (i) which would require the write off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
 - (iv) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the Company's financial statements misleading.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to substantially affect the results of the operations of the Group and of the Company for the current financial year.

SUBSEQUENT EVENT

Subsequent event has been disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, Messrs RSM Malaysia, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

ALBERT SAYCHUAN CHEOK

Kuala Lumpur

Date: 25 October 2021

DATO' TING HENG PENG

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, the undersigned, being two of the directors of **SUPERMAX CORPORATION BERHAD (Registration No. 199701004909 (420405-P))** do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2021 and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

ALBERT SAYCHUAN CHEOK

DATO' TING HENG PENG

Kuala Lumpur

Date: 25 October 2021

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **TAN CHEE KEONG**, being the director primarily responsible for the financial management of **SUPERMAX CORPORATION BERHAD (Registration No. 199701004909 (420405-P))** do solemnly and sincerely declare that the accompanying financial statements are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Illinois Notary Public Act.

TAN CHEE KEONG

Subscribed and solemnly declared
by the abovenamed at Aurora, Illinois
on 25 October 2021

Before me:

Notary Public

State of Illinois, United States of America

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Supermax Corporation Berhad, which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 48 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>Revenue recognition is identified as a key audit matter as the Group's revenue transactions are voluminous with different terms and pricing for different customers. There is a risk that revenue may be recognised before the significant risks and rewards of ownership of the goods sold have been transferred to and received by the customers.</p> <p>Revenue from sales of goods is recognised at the point in time when the significant risks and rewards of ownership have been transferred to the customer, usually in the form of an executed purchase order and when the goods are delivered to customers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessed and evaluated the appropriateness of the design and implementation of controls in the revenue cycle with no exception noted. Performed test of operating effectiveness on the relevant controls identified within the revenue cycle with no exception noted. Verified revenue transactions to respective sales invoices and acknowledged delivery orders that evidenced the transfer of risks and rewards of ownership of the goods to customers based on selected samples. Verified the credit notes and sales returns post the year-end date to ascertain if revenue was recognised in the correct financial period. Selected revenue transactions pre and post year-end date and agreed the selected sales invoices and acknowledged delivery orders that evidenced the transfer of risks and rewards of ownership of goods and confirmed that these transactions were recognised in the correct financial periods.
<p>Valuation of inventories</p> <p>Inventories are carried at the lower of cost and net realisable value. The carrying amount of the inventories requires significant management's judgement and estimates in determining an appropriate costing basis and assessing the net realisable value of the inventories.</p> <p>Several subsidiaries conducted stock count on monthly basis performed by internal management personnel, whilst other subsidiaries engaged external auditors to verify stock balances.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Reviewed the costing of inventories with no material exception noted. Reviewed management's process in identifying slow moving or obsolete inventories and understood that the process is adequately in place. Performed net realisable value test on finished goods by comparing against expected/planned selling price in July 2021 and noted that unit selling price is more than cost. Attended and observed inventory count procedures by management on 30 June 2021 at all locations within our scope.

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment of trade and other receivables</p> <p>The recoverability of trade and other receivables and allowance for impairment of trade and other receivables are considered to be significant risk due to the pervasive nature of these balances to the financial statements and affect the working capital management of the business.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reviewed the design and implementation of management's process in assessing impairment of trade and other receivables. • Assessed the adequacy of impairment of trade and other receivables as at 30 June 2021. • Assessed the recoverability of significant outstanding balances exceeding the credit term granted and the adequacy of allowance for impairment of trade and other receivables.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Management Discussion and Analysis, Statement on Sustainability, Audit Committee Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

RSM Malaysia

AF: 0768
Chartered Accountants

Kuala Lumpur
25 October 2021

Yong Kam Fei

02562/07/2022 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	1,441,458,382	1,082,053,674	-	-
Investment property	7	362,006	375,077	-	-
Right-of-use assets	8	7,982,355	10,070,954	-	-
Investment in subsidiaries	9	-	-	621,451,248	216,768,187
Investment in associates	10	177,801,546	168,206,113	18,994,696	18,994,696
Goodwill on consolidation	11	-	28,715,854	-	-
Deferred tax assets	12	111,673,677	20,076,537	-	-
		1,739,277,966	1,309,498,209	640,445,944	235,762,883
Current assets					
Inventories	13	518,506,738	253,236,656	-	-
Receivables	14	723,110,425	341,066,831	-	-
Amounts owing by subsidiaries	15	-	-	32,159,986	135,229,323
Amounts owing by associates	16	41,980,433	46,880,527	294,301	294,301
Tax recoverable		592,252,823	86,350,204	1,278,710	987,846
Short-term Investment	17	2,952,237	-	-	-
Cash and bank balances	18	3,776,084,375	1,186,189,949	20,791,917	1,076,830
		5,654,887,031	1,913,724,167	54,524,914	137,588,300
TOTAL ASSETS		7,394,164,997	3,223,222,376	694,970,858	373,351,183
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	340,077,440	340,077,440	340,077,440	340,077,440
Treasury shares	20	(186,368,292)	(101,912,497)	(186,368,292)	(101,912,497)
Reserves	21	4,605,166,326	1,290,901,552	524,960,871	72,104,266
Equity attributable to owners of the parent		4,758,875,474	1,529,066,495	678,670,019	310,269,209
Non-controlling interests		135,512,147	21,474,868	-	-
TOTAL EQUITY		4,894,387,621	1,550,541,363	678,670,019	310,269,209
LIABILITIES					
Non current liabilities					
Loans and borrowings	22	61,479,882	100,118,342	-	-
Lease liabilities	23	2,511,611	1,914,855	-	-
Deferred tax liabilities	12	66,009,416	63,662,403	-	-
		130,000,909	165,695,600	-	-
Current liabilities					
Payables	24	1,173,599,131	1,128,828,385	459,069	357,989
Amount owing to subsidiaries	15	-	-	15,841,770	62,723,985
Loans and borrowings	22	196,048,391	224,060,130	-	-
Lease liabilities	23	2,244,730	4,353,487	-	-
Tax payables		997,884,215	149,743,411	-	-
		2,369,776,467	1,506,985,413	16,300,839	63,081,974
TOTAL LIABILITIES		2,499,777,376	1,672,681,013	16,300,839	63,081,974
TOTAL EQUITY AND LIABILITIES		7,394,164,997	3,223,222,376	694,970,858	373,351,183

The annexed notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Revenue	25	7,164,186,472	2,131,807,991	1,066,000,100	65,000,000
Purchases		(1,735,647,970)	(1,003,763,306)	-	-
Other Operating Income		82,670,092	47,653,863	558,992	2,430,583
Share of results of Associates		35,049,682	18,129,412	-	-
Changes in inventories in finished goods and work in progress		128,132,793	(18,322,277)	-	-
Administrative cost					
Directors' Remuneration	26	3,261,431	3,434,200	790,981	909,000
Staff costs		187,153,100	132,624,195	-	-
Depreciation of property, plant and equipment		66,242,489	59,247,038	-	-
Depreciation of investment property		13,071	13,071	-	-
Depreciation of right-of-use assets		2,522,251	2,409,957	-	-
Impairment loss on property, plant and equipment		22,024,516	12,912,316	-	-
Other operating expenses		365,068,095	267,624,599	92,226,843	1,257,375
Total administrative cost		(646,284,953)	(478,265,376)	(93,017,824)	(2,166,375)
Profit from operation		5,028,106,116	697,240,307	973,541,268	65,264,208
Finance costs	27	(8,112,721)	(17,076,906)	(904,776)	(2,077,304)
Profit before tax	28	5,019,993,395	680,163,401	972,636,492	63,186,904
Taxation	29	(1,090,048,909)	(145,384,938)	(134,130)	(8,003)
Net profit for the financial year		3,929,944,486	534,778,463	972,502,362	63,178,901
Attributable to :-					
Owners of the parent		3,816,717,519	524,795,452	972,502,362	63,178,901
Non-controlling interests		113,226,967	9,983,011	-	-
Net profit for the financial year		3,929,944,486	534,778,463	972,502,362	63,178,901
Other comprehensive income/(expense), net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		22,174,740	(51,253,707)	-	-
Total comprehensive income for the financial year		3,952,119,226	483,524,756	972,502,362	63,178,901
Total comprehensive income attributable to:-					
Owners of the parent		3,833,910,531	473,311,108	972,502,362	63,178,901
Non-controlling interests		118,208,695	10,213,648	-	-
Total comprehensive income for the financial year		3,952,119,226	483,524,756	972,502,362	63,178,901
Earnings per ordinary share attributable to owners of the parent					
Basic and diluted (sen)	30	147.03	20.08		

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Group	Attributable to Owners of the Parent			Distributable		Total Equity RM
	Share Capital RM	Treasury Shares RM	Translation Reserve RM	Retained Earnings RM	Non-controlling Interests RM	
Balance as at 1.7.2020	340,077,440	(101,912,497)	(141,656,855)	1,432,558,407	21,474,868	1,550,541,363
Net profit for the financial year	-	-	-	3,816,717,519	113,226,967	3,929,944,486
Other comprehensive income for the financial year	-	-	17,193,012	-	4,981,728	22,174,740
Total comprehensive income for the financial year	-	-	17,193,012	3,816,717,519	118,208,695	3,952,119,226
Transactions with owners						
Dividends paid (Note 31)	-	79,882,429	-	(519,645,757)	(4,171,416)	(443,934,744)
Purchases of treasury shares (Note 20)	-	(164,338,224)	-	-	-	(164,338,224)
Total transactions with owners	-	(84,455,795)	-	(519,645,757)	(4,171,416)	(608,272,968)
Balance as at 30.6.2021	340,077,440	(186,368,292)	(124,463,843)	4,729,630,169	135,512,147	4,894,387,621
Balance at 1.7.2019	340,077,440	(56,648,642)	(90,172,511)	930,454,054	10,515,626	1,134,225,967
Net profit for the financial year	-	-	-	524,795,452	9,983,011	534,778,463
Other comprehensive (expense)/income for the financial year	-	-	(51,484,344)	-	230,637	(51,253,707)
Total comprehensive (expense)/income for the financial year	-	-	(51,484,344)	524,795,452	10,213,648	483,524,756
Transactions with owners						
Dividends paid (Note 31)	-	21,945,505	-	(21,945,505)	-	-
Acquisition of equity interest of a subsidiary from non-controlling interests	-	-	-	(745,594)	745,594	-
Purchases of treasury shares (Note 20)	-	(67,209,360)	-	-	-	(67,209,360)
Total transactions with owners	-	(45,263,855)	-	(22,691,099)	745,594	(67,209,360)
Balance as at 30.6.2020	340,077,440	(101,912,497)	(141,656,855)	1,432,558,407	21,474,868	1,550,541,363

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Company	Attributable to Owners of the Parent			Total Equity RM
	Non-distributable Issued Share Capital RM	Treasury Shares RM	Distributable Retained Earnings RM	
Balance as at 1.7.2020	340,077,440	(101,912,497)	72,104,266	310,269,209
Total comprehensive income for the financial year	-	-	972,502,362	972,502,362
Transaction with owners				
Dividends paid (Note 31)	-	79,882,429	(519,645,757)	(439,763,328)
Purchases of treasury shares (Note 20)	-	(164,338,224)	-	(164,338,224)
Total transaction with owners	-	(84,455,795)	(519,645,757)	(604,101,552)
Balance as at 30.6.2021	340,077,440	(186,368,292)	524,960,871	678,670,019
Balance as at 1.7.2019	340,077,440	(56,648,642)	30,870,870	314,299,668
Total comprehensive income for the financial year	-	-	63,178,901	63,178,901
Transaction with owners				
Dividends paid (Note 31)	-	21,945,505	(21,945,505)	-
Purchases of treasury shares (Note 20)	-	(67,209,360)	-	(67,209,360)
Total transaction with owners	-	(45,263,855)	(21,945,505)	(67,209,360)
Balance as at 30.6.2020	340,077,440	(101,912,497)	72,104,266	310,269,209

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	5,019,993,395	680,163,401	972,636,492	63,186,904
<i>Adjustments for :-</i>				
Depreciation of investment property	13,071	13,071	-	-
Depreciation of property, plant and equipment	66,242,489	59,247,038	-	-
Depreciation of right-of-use assets	2,522,251	2,409,957	-	-
Dividend income	-	-	(1,066,000,100)	(65,000,000)
Impairment loss on property, plant and equipment	22,024,516	12,912,316	-	-
Impairment loss on investment in subsidiary	-	-	1,616,939	-
Impairment loss on trade receivables	11,685,467	2,148,218	-	-
Goodwill written off	28,715,854	-	-	-
Interest income	(7,740,056)	(1,343,507)	(558,993)	(20,457)
Interest expenses	8,112,721	17,076,906	904,776	2,077,304
Net (gain)/loss on unrealised foreign exchange	(45,054,476)	(44,115,837)	1,179,194	(2,410,126)
Share of results of associates	(35,049,682)	(18,129,412)	-	-
Operating profit/(loss) before working capital changes	5,071,465,550	710,382,151	(90,221,692)	(2,166,375)
(Increase)/Decrease in inventories	(265,270,082)	(71,296,339)	-	-
(Increase)/Decrease in receivables	(393,729,061)	(169,265,933)	-	226,998
Decrease/(Increase) in Amount owing by associates	4,900,094	(15,345,103)	-	-
Increase/(Decrease) in payables	44,770,746	911,347,966	101,080	(16,436)
Cash generated from/(used in) operations	4,462,137,248	1,365,822,742	(90,120,612)	(1,955,813)
Tax paid	(837,060,851)	(61,832,507)	(424,994)	(594,053)
Net cash generated from/(used in) operating activities	3,625,076,396	1,303,990,235	(90,545,606)	(2,549,866)
Cash flows from investing activities				
Repayment from/(Advances to) subsidiaries	-	-	103,389,226	(7,755,314)
Dividend received	-	-	1,066,000,100	65,000,000
Purchase of financial assets	(2,842,508)	-	-	-
Payments to non-controlling interest for the acquisition of interest in a subsidiary	-	(100,000)	-	-
Subscription of shares in subsidiaries	-	-	(406,300,000)	-
Purchase of property, plant and equipment	(448,398,421)	(186,147,302)	-	-
Net cash (used in)/generated from investing activities	(451,240,929)	(186,247,302)	763,089,326	57,244,686

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from financing activities				
Dividends paid	(443,934,745)	-	(439,763,328)	-
Interest received	7,630,327	1,343,507	558,993	20,457
Interest paid	(8,112,721)	(17,076,906)	(904,776)	(2,077,304)
(Repayment to)/Advances from subsidiaries	-	-	(46,882,215)	46,529,830
Repayment of lease liabilities, net	(3,170,418)	(5,561,612)	-	-
(Repayment)/Drawdown of term loan, net	(29,606,098)	24,761,611	-	(31,648,045)
Repayment of short term borrowings, net	(37,044,101)	(91,497,872)	-	-
Purchase of treasury shares	(164,338,224)	(67,209,360)	(164,338,224)	(67,209,360)
Net cash used in financing activities	(678,575,979)	(155,240,632)	(651,329,550)	(54,384,422)
Net Increase in cash and cash equivalents carried forward	2,495,259,488	962,502,301	21,214,170	310,398
Effect of exchange rates changes on cash and cash equivalents	94,634,938	49,873,943	(1,499,083)	(3,569)
Cash and cash equivalents brought forward	1,186,189,949	173,813,705	1,076,830	770,001
Cash and cash equivalents carried forward (Note 32)	3,776,084,375	1,186,189,949	20,791,917	1,076,830

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash outflows for leases as a lessee				
<i>Included in net cash financing activities:</i>				
Interest paid in relation to lease liabilities	659,173	126,967	-	-
Net repayment of lease liabilities	3,170,418	5,561,612	-	-
Total cash outflows for leases	3,829,591	5,688,579	-	-

The annexed notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad.
- (b) The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
- (c) The principal place of business of the Company is located at Lot 38, Putra Industrial Park, Bukit Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan, Malaysia.
- (d) The principal activity of the Company is investment holding. The principal activities and other information of the subsidiaries are set out in Note 9 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the applicable approved Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5. Although these estimates and assumptions are based on the directors' best knowledge of events and actions, actual results could differ from those estimates.

3.2 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

After initial recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment losses.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (Cont'd)

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over its principal depreciation rate as follows:

Factory buildings	2%
Plant, machinery and equipment	5%
Moulds and tools	10%
Electrical fittings and factory equipment	10%
Office equipment, furniture and fittings	5 - 33%
Renovation	5 - 20%
Motor vehicles	10 - 20%
Cabins	15%

Freehold land is not depreciated. Factory buildings under construction are not depreciated until the assets are ready for their intended use.

Useful lives, residual values and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.3 Investment property

Investment properties are properties which are owned or right-of-use assets held under a lease contract to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Building is depreciated on a straight line basis to write off the cost over its estimated useful life at an annual rate of 2%.

An investment property is derecognised on disposal when the investment property is permanently withdrawn from use and no future economic benefit is expected from its continued use. Any gain or loss arising from derecognition, determined as the difference between any net disposal proceeds and the carrying amount of the investment property, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases (Cont'd)

(ii) Recognition and initial measurement (Cont'd)

As a lessee (Cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Basis of consolidation

(i) Subsidiaries

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of potential voting rights that the Group has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Group controls another entity.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Supermax Corporation Berhad and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

The non-controlling interests in the net assets and net results of consolidated subsidiaries are shown separately in the consolidated statement of financial position and consolidated statement of profit or loss and consolidated statement of comprehensive income.

Total comprehensive income (i.e. profit or loss and each component of other comprehensive income) is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control are accounted for as transactions with owners in their capacity as owners (i.e. equity transactions). The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Upon loss of control of a subsidiary, the Group's profit or loss is calculated as the difference between (i) the fair value of the consideration received and of any investment retained in the former subsidiary and (ii) the previous carrying amount of the assets (including any goodwill) and liabilities of the subsidiary and any non-controlling interests.

Investment in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments excludes transaction costs.

(ii) Associates

Associates are entities over which the Group has the power to participate in their financial and operating policy decisions, but which is not control or joint control. Associates are accounted for using the equity method of accounting.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Basis of consolidation (Cont'd)

(ii) Associates (Cont'd)

Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of comprehensive income of the associate. On acquisition of the investment, the associate's identifiable assets and liabilities are measured at fair value. Any excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill and included in the carrying amount of the investment. Goodwill is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Distributions received from an investee reduce the carrying amount of the investment.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group does not provide for additional losses, unless it has incurred obligations or made payments on behalf of the associate.

Profits or losses on Group transactions with associates are eliminated to the extent of the Group's interest in the relevant associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments excludes transaction costs.

(iii) Translation of financial statements of foreign entities

The assets and liabilities of foreign operations are translated into Ringgit Malaysia ("RM") using exchange rates at the reporting date. The components of shareholders' equity are stated at historical value.

Average exchange rates for the period are used to translate income and expense items of foreign operations. However, if exchange rates fluctuate significantly, the exchange rates at the dates of the transactions are used.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Basis of consolidation (Cont'd)

(iii) Translation of financial statements of foreign entities (Cont'd)

All resulting exchange differences are recognised in other comprehensive income and accumulated in currency translation reserve, a separate component of equity.

Any goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and, as such, translated at the closing rate.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss. The cumulative amount of the exchange differences relating to that foreign operation that had been attributed to the non-controlling interests are derecognised, but without reclassification to profit or loss. The same applies in case of loss of control, joint control or significant influence.

On the partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of exchange differences accumulated in the separate component of equity are re-attributed to non-controlling interests (they are not recognised in profit or loss). For any other partial disposal of foreign entity (i.e. associates or jointly controlled entities without loss of significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(iv) Business combinations

The Group applies the acquisition method to account for all acquired businesses, whereby the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair values (with few exceptions as required by MFRS 3 Business Combinations).

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group.

Acquisition-related costs (e.g. finder's fees, consulting fees, administrative costs, etc.) are recognised as expenses in the periods in which the costs are incurred and the services are received.

On acquisition date, goodwill is measured as the excess of the aggregate of consideration transferred, any non-controlling interests in the acquiree, and acquisition-date fair value of the Group's previously held equity interest in the acquiree (if business combination achieved in stages) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after appropriate reassessment, the amount as calculated above is negative, it is recognised immediately in profit or loss as a bargain purchase gain.

At acquisition date, non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made separately for each business combination. Other components of non-controlling interests are measured at their acquisition-date fair values, unless otherwise required by MFRS.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Basis of consolidation (Cont'd)

(iv) Business combinations (Cont'd)

The acquisition-date fair value of any contingent consideration is recognised as part of the consideration transferred by the Group in exchange for the acquiree. Changes in the fair value of contingent consideration that result from additional information obtained during the measurement period (maximum one year from the acquisition date) about facts and circumstances that existed at the acquisition date are adjusted retrospectively against goodwill. Other changes resulting from events after the acquisition date are adjusted at each reporting date, only when the contingent consideration is classified as an asset or a liability, and the adjustment is recognised in profit or loss.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss. If any, changes in the value of the Group's equity interest in the acquiree that have been previously recognised in other comprehensive income are reclassified to profit or loss, if appropriate had that interest been disposed of directly.

(v) Transactions eliminated on consolidation

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.6 Goodwill

Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

3.7 Impairment of non-financial assets

The carrying amounts of such assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through profit or loss to its estimated recoverable amount. Recoverable amount is the higher of value in use and the fair value less costs to sell of the individual asset or the cash-generating unit. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Value in use is the present value of the estimated future cash flows of that unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the unit which impairment is being measured.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment of non-financial assets (Cont'd)

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the unit.

Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is measured based on first-in-first-out basis.

The cost of inventories comprises the costs of purchase, costs of conversion plus other costs incurred to bring the inventories to their present locations and conditions. The costs of manufactured finished goods and work-in-progress consist of raw materials, consumables, direct labour and a proportion of manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

3.9 Financial instruments

(i) Initial recognition and measurement

The Group and the Company recognise a financial asset or a financial liability (including derivative instruments) in the statements of financial position when, and only when, an entity in the Group and the Company become a party to the contractual provisions of the instruments.

On initial recognition, all financial assets (including intra-group loans and advances) and financial liabilities (including intra-group payables at below market interest rates) are measured at fair value plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of financial instruments

For derecognition purposes, the Group and the Company first determine whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Group and the Company transfer the contractual rights to receive cash flows of the financial asset, including circumstances when the Group and the Company act only as a collecting agent of the transferee, and retain no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

(ii) Derecognition of financial instruments (Cont'd)

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Group and the Company consider a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate is different by 10% or more when compared with the carrying amount of the original liability.

(iii) Regular-way purchases and sales of financial assets

The Group and the Company recognise a regular-way purchase or sale of a quoted equity or debt instrument at trade date, which is the date the purchase or sale transaction is entered into, rather than recognising the forward contract between trade date and settlement date.

(iv) Financial assets

For the purpose of subsequent measurement, the Group and the Company classifies financial assets into three measurement categories, namely: (i) financial asset at amortised cost ("AC"); (ii) financial assets at fair value through other comprehensive income ("FVOCI") and (iii) financial assets at fair value through profit or loss ("FVPL"). The classification is based on the Group's and the Company's business model objective for managing the financial assets and the contractual cash flow characteristics of the financial instruments.

After initial recognition, the Group and the Company measure financial assets, as follow:

(i) Financial assets at AC

A financial asset is measured at amortised cost if: (a) it is held within the Group's and the Company's business objective to hold the asset only to collect contractual cash flows, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(ii) Financial assets at FVOCI

A financial asset is measured at FVOCI if: (a) it is held within the Groups' and the Company's business objective to hold the asset both to collect contractual cash flows and selling the financial asset, and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest in principal outstanding.

(iii) Financial asset at FVPL

A financial asset is measured at FVPL if it is an equity investment, held for trading (including derivative assets) or if it does not meet any of the condition specified for the AC or FVOCI model.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.9(vii).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

(v) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for:

- (i) Financial liabilities at fair value through profit or loss (including derivatives that are liabilities) are measured at fair value.
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Paragraph 3.2.15 and 3.2.17 of MFRS 9 apply to the measurement of such financial liabilities.
- (iii) Financial guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of: (a) the amount of the loss allowance; and (b) the amount initially recognised less, when appropriate, the cumulative of income recognised in accordance with the principles in MFRS 15 *Revenue from Contracts with Customers*.

(vi) Fair value measurement

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique as described in Note 3.20.

(vii) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets mandatorily measured at FVOCI, interest income (calculated using the effective interest rate method), impairment losses, and exchange gains or loss are recognised in profit or loss. All other gains or losses are recognised in other comprehensive income and retained in a fair value reserve. On derecognition of the financial assets, the cumulative gain or loss recognised in OCI is reclassified to profit or loss as a reclassification adjustment.

For financial assets and financial liabilities carried at amortised cost, interest income and interest expense are recognised in profit or loss using the effective interest method. A gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(viii) Impairment of financial assets

The Group and the Company apply the expected credit loss ("ECL") model of MFRS 9 to recognise impairment losses of financial assets measured at amortised cost or at fair value through other comprehensive income. Except for trade receivables, a 12-month ECL is recognised in profit or loss on the date of origination or purchase of the financial assets. At the end of each reporting period, the Group and the Company assess whether there has been a significant increase in credit risk of a financial asset since its initial recognition or at the end of the prior period. Other than for financial assets which are considered to be of low risk grade, a lifetime ECL is recognised if there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group and the Company have availed the exception to the 12-month ECL requirement to recognise only lifetime ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial instruments (Cont'd)

(viii) Impairment of financial assets (Cont'd)

The assessment of whether credit risk has increased significantly is based on quantitative and qualitative information that include financial evaluation of the creditworthiness of the debtors or issuers of the instruments, ageing of receivables, defaults and past due amounts, past experiences with the debtors, current conditions and reasonable forecast of future economic conditions. For operational simplifications: (a) a 12-month ECL is maintained for financial assets which investment grades that are considered as low credit risk, irrespective of whether credit risk has increased significantly or not; and (b) credit risk is considered to have increase significantly if payments are more than 120 days past due if no other borrower-specific information is available without undue cost or effort.

The ECL is measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, discounted for the time value of money and applying reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecast of future economic conditions. The ECL for a financial asset (when assessed individually) or a group of financial assets (when assessed collectively) is measured at the present value of the probability-weighted expected cash shortfalls over life of the financial asset or group of financial assets. When a financial asset is determined as credit-impaired (based on objective evidence of impairment), the lifetime ECL is determined individually.

For trade receivable, the lifetime ECL is determined at the end of each reporting period using a provision matrix. For each significant receivable, individual lifetime ECL is assessed separately. For significant receivables which are not impaired and for all other receivables, they are grouped into risk classes by type of customers and businesses, and the ageing of the receivables. Collective lifetime ECLs are determined using past loss rates, which are updated for effects of current conditions and reasonable forecasts for future economic conditions. In the event that the economic or industry outlook is expected to worsen, the past loss rates are increased to reflect the worsening economic conditions.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, on demand deposits and any highly liquid debts instruments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

3.11 Equity

(i) Share capital

Ordinary shares issued that carry no mandatory contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, is classified as equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Equity (Cont'd)

(i) Share capital (Cont'd)

When ordinary shares and other equity instruments are issued in a public offering or in a rights issue to existing shareholders, they are recorded at the issue price.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at a date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from retained earnings in equity, net of any related income tax benefit.

(ii) Dividend distribution

The Company establishes a distribution policy whereby cash dividends can only be paid out of retained earnings. Other distributions, such as stock dividends and distribution in specie, may be paid out of any reserve to the extent that the utilisation is permitted by company laws and regulations.

Distributions to holders of an equity instrument are debited directly in equity, net of any related income tax benefit.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, the Company measure the dividend payable at the fair value of the assets to be distributed.

3.12 Foreign currencies transactions and balances

(i) Functional and presentation currency

The Group's functional currency are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company. Each entity of the Group determines its own functional currency and items included in its financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, foreign currency monetary assets and liabilities are translated into the functional currency using the exchange rates at the reporting date (i.e. the closing rate).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction (i.e. historical rate). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss (except for loans and advances that form part of the net investment in a foreign operation and transactions entered into in order to hedge foreign currency risks of net investments in foreign operations).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Provisions

Where, at reporting date, the Group and the Company have a present obligation (legal or constructive) as a result of a past event and it is probable that the Group and the Company will settle the obligation, a provision is made in the statements of financial position. Provisions are made using best estimates of the amount required to settle the obligation and are discounted to present values using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Changes in estimates are reflected in profit or loss in the period they arise.

Any reimbursement attributable to a recognised provision from a counter-party (such as an insurer) is not off-set against the provision but recognised separately as an asset when, and only when, the reimbursement is virtually certain.

3.14 Revenue from contracts with customers

Revenue recognition of the Group and of the Company is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The following describes the performance obligations in contracts with customers:

(i) Sale of goods

Revenue from sale of goods is recognised at a point in time when control of the goods is passed to the customer, which is the point in time when the significant risks and rewards are transferred to the customer and the transaction has met the probability of inflows and measurement requirements of MFRS 15.

The Group and the Company measures revenue from a sale of goods at the fair value of the consideration received or receivables, which is usually the invoice price, net of returns and allowances, trade discounts and volume rebates given to the customer.

(ii) Interest income

Interest income is recognised using the effective interest rate method.

(iii) Rental income

Rental income is recognised on an accrual basis unless collectability is in doubt.

(iv) Dividend income

Dividend income represents gross dividends from investments and is recognised when the shareholders' right to receive payment is established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Employees benefits

(i) Short-term benefit

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absence such as paid annual leave are recognised when services are rendered by employees and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees' Provident Fund ("EPF"). The contributions are recognised as a liability after deducting any contribution already paid and as an expense in profit or loss in the period in which the employee render their services. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3.16 Income tax

Tax currently payable is calculated using the tax rates in force or substantively enacted at the reporting date. Taxable profit differs from accounting profit either because some income and expenses are never taxable or deductible, or because the time pattern that they are taxable or deductible differs between tax law and their accounting treatment.

Using the statements of financial position liability method, deferred tax is recognised in respect of all temporary differences between the carrying value of assets and liabilities in the statements of financial position and the corresponding tax base, with the exception of goodwill not deductible for tax purposes and temporary differences arising on initial recognition of assets and liabilities that do not affect taxable or accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that the Group and the Company consider that it is probable (i.e. more likely than not) that there will be sufficient taxable profits available for the asset to be utilised within the same tax jurisdiction.

Unused tax credits do not include unabsorbed reinvestments allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities, they relate to the same tax authority and the Group's and the Company's intention is to settle the amounts on a net basis.

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except if it arises from transactions or events that are recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. Where tax arises from the initial accounting for a business combination, it is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.18 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Executive Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.19 Contingencies

Contingent liabilities of the Group and the Company are not recognised but disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. They are not recognised because it is not probable that an outflow of resources will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

3.20 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, the Group and the Company use market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Group and by the Company (working closely with external qualified valuers) using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Fair value measurements (Cont'd)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Group and by the Company at the end of the reporting period during which the change occurred.

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS

4.1 MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards, amendments and interpretations of the MFRS framework issued by the MASB are mandatory for the first time for the financial year beginning on or after 1 January 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 *Business Combination – Definition of a Business*
- Amendments to MFRS 101 *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

During the financial year, the Group and the Company have early adopted the Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concessions*.

4.2 New / Revised MFRSs, Amendments to MFRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the MASB but have not been adopted by the Group and the Company:

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosure*, MFRS 4 *Insurance Contracts* and MFRS 16 *Leases – Interest Rate Benchmark Reform Phase 2*

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16 *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

4. ADOPTION OF MFRSs, AMENDMENTS TO MFRSs AND INTERPRETATIONS (CONT'D)

4.2 New / Revised MFRSs, Amendments to MFRSs and Interpretations not adopted (Cont'd)

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts– Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018–2020

MFRSs, Amendments to MFRSs and Interpretations effective for annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, Amendments to MFRSs and Interpretations effective date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The directors anticipate that the above-mentioned accounting standards, amendments and interpretations will be adopted by the Group and the Company when they become effective from the annual period beginning on 1 July 2021 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2021.

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts* have not been taken into consideration because they are not applicable to the Group and the Company.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Group and the Company periodically monitor such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The judgements made in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(i) Loss allowances of financial assets

The Group and the Company recognise impairment losses for trade receivables under the expected credit loss model. Individually significant trade receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Group's and the Company's past experience of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Group's and the Company's financial positions and results.

(ii) Impairment of non-financial assets

The Group tests whether non-financial assets have suffered any impairment, in accordance with the accounting policy stated in Note 3.7 above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require use of judgements and estimates.

(iii) Depreciation of property, plant and equipment, investment property and right-of-use assets

The cost of an item of property, plant and equipment, investment property and right-of-use assets are depreciated on a straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment, investment property and right-of-use assets may differ from the estimates applied.

(iv) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is written down to their estimated realisable value when their cost may no longer be recoverable such as when inventories are damaged or become wholly or partly obsolete or their selling prices have declined. In any case, the realisable value represents the best estimate of the recoverable amount, is based on the most reliable evidence available at the reporting date and inherently involves estimates regarding the future expected realisable value. The benchmarks for determining the amount of write-downs to net realisable value include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and may materially affect the carrying amount of inventories at the reporting date.

(v) Income tax and deferred tax estimation

Management judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits being available in the future. Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deferred tax asset can be utilised and it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the Group and the Company making assumptions within its overall tax-planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(vi) Measurement of lease liabilities and right-of-use assets

The measurement of a lease liability and the corresponding right-of-use assets includes in-substance fixed payments, variable lease payments linked to an inflation-related index or rate, estimates of lease term, option to purchase, payments under residual value guarantee and penalties for early termination. The actual payments may not coincide with these estimates. The Group and the Company reassess the lease liability for any change in the estimates and any corresponding adjustment is made to the right-of-use assets.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

6. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Factory buildings	Factory buildings under construction	Plant, machinery and equipment	Plant, machinery and equipment under installation	Moulds and tools	Electrical fittings and equipment	Office equipment, furniture and fittings	Renovation	Motor vehicles	Cabins	Total
Cost	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
As at 1 July 2019	155,130,775	284,354,391	1,462,563	751,817,272	88,486,179	59,093,772	44,613,659	25,459,376	41,186,055	10,275,429	279,288	1,462,158,759
Additions	89,244,873	781,988	3,016,375	3,804,232	76,479,061	6,839,454	2,402,280	1,723,763	1,003,409	851,867	-	186,147,302
Disposals	(2,300,000)	-	-	(47,778)	-	-	(572)	(51,443)	-	-	-	(2,399,793)
Written off	-	-	-	-	-	(17,260)	-	-	-	-	-	(17,260)
Reclassified to right-of-use assets (Note 8)	-	-	-	-	-	-	-	-	-	(1,269,943)	-	(1,269,943)
Exchange differences	127,065	3,327,867	-	6,375	-	-	(355,040)	5,893,924	38,215	(742,972)	-	8,295,434
As at 30 June 2020/1 July 2020	242,202,713	288,464,246	4,478,938	755,580,101	164,965,240	65,915,966	46,660,327	33,025,620	42,227,679	9,114,381	279,288	1,652,914,499
Additions	31,582,942	1,153,380	-	80,623,275	299,703,975	4,044,650	24,607,116	3,480,028	1,018,376	2,184,679	-	448,398,421
Disposals	-	(3,646)	-	-	-	-	-	(37,844)	-	-	-	(41,490)
Reclassification	-	43,944,961	(3,042,275)	94,935,697	(171,966,250)	22,129,812	17,071,537	(1,779,344)	(1,428,597)	134,459	-	-
Reclassified from right-of-use assets (Note 8)	-	-	-	-	-	-	-	-	-	657,728	-	657,728
Exchange differences	326,727	(2,630,520)	-	657,251	-	-	815,464	(550,243)	(26,123)	(8,288)	-	(1,415,732)
As at 30 June 2020	274,112,382	330,928,421	1,436,663	931,796,324	292,702,965	92,090,428	89,154,444	34,138,217	41,791,335	12,082,959	279,288	2,100,513,426
Accumulated Depreciation												
As at 1 July 2019	-	57,942,691	-	359,193,192	513,772	23,469,377	23,498,591	12,941,633	12,679,238	6,436,539	259,635	496,934,668
Charge for the financial year	-	6,967,516	-	31,471,544	-	11,885,746	4,815,314	1,920,411	1,944,718	222,137	19,652	59,247,038
Disposal	-	-	-	-	(29,679)	-	-	(47,742)	-	(103,795)	-	(181,216)
Written off	-	-	-	-	-	(805)	-	-	-	-	-	(805)
Reclassification	-	-	-	(2,022,235)	-	1,141,424	880,811	-	-	-	-	-
Reclassified to right-of-use assets (Note 8)	-	-	-	-	-	-	-	-	-	(671,311)	-	(671,311)
Exchange differences	-	551,230	-	2,478	-	-	(340,055)	2,313,302	27,872	65,308	-	2,620,135
As at 30 June 2020/1 July 2020	-	65,461,437	-	388,644,979	484,093	36,495,742	28,854,661	17,127,604	14,651,828	5,948,878	279,287	557,948,509
Charge for the financial year	-	7,678,824	-	39,030,206	-	8,043,015	6,742,363	2,361,243	1,958,360	428,478	-	66,242,489
Disposal	-	(3,646)	-	-	-	-	-	(37,844)	-	-	-	(41,490)
Reclassification	-	(6,376,951)	-	1,026,307	(484,093)	4,763,684	598,960	(45,805)	(385,744)	903,642	-	-
Reclassified from right-of-use assets (Note 8)	-	-	-	-	-	-	-	-	-	571,809	-	571,809
Exchange differences	-	(399,027)	-	90,369	-	-	96,277	(342,124)	(21,712)	(27,048)	-	(603,265)
As at 30 June 2021	-	66,360,637	-	428,791,861	-	49,302,441	36,292,261	19,063,074	16,202,732	7,825,759	279,287	624,118,052
Accumulated impairment												
As at 1 July 2019	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	-	-	12,791,187	-	-	5,317	526	115,286	-	-	12,912,316
As at 30 June 2020/1 July 2020	-	-	-	12,791,187	-	-	5,317	526	115,286	-	-	12,912,316
Charge for the financial year	-	13,095,899	-	7,500,921	-	545,046	127,748	84,958	669,944	-	-	22,024,516
Exchange differences	-	-	-	-	-	-	-	160	-	-	-	160
As at 30 June 2021	-	13,095,899	-	20,292,108	-	545,046	133,065	85,644	785,230	-	-	34,936,992
Net carrying amount												
As at 30 June 2020	242,202,713	223,002,809	4,478,938	354,143,935	164,481,147	29,420,224	17,800,349	15,897,490	27,460,565	3,165,503	1	1,082,053,674
As at 30 June 2021	274,112,382	251,471,885	1,436,663	482,712,355	292,702,965	42,242,941	52,729,118	14,989,499	24,803,373	4,257,200	1	1,441,458,382

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The remaining purchase consideration for the acquisition of factory buildings under construction and plant, machinery and equipment under installation is disclosed as capital commitments in Note 33 to the financial statements.

7. INVESTMENT PROPERTY

	Group	
	2021	2020
	RM	RM
Cost		
As at 1 July/30 June	551,537	551,537
Accumulated depreciation		
As at 1 July	176,460	163,389
Charge for the financial year	13,071	13,071
As at 30 June	189,531	176,460
Net carrying amount	362,006	375,077
Consists of :-		
Freehold office building	362,006	375,077

The following are recognised in the statement of profit or loss in respect of the investment property:

	Group	
	2021	2020
	RM	RM
Rental income	24,103	24,519
Direct operating expenses	(13,071)	(13,071)
	11,032	11,448

As at 30 June 2021, the fair value of the investment property is RM630,000 (2020: RM630,000). The fair value of the Group's investment property was determined by directors' assessment based on the current market value of similar properties in the vicinity.

7. INVESTMENT PROPERTY (CONT'D)

Fair value information

Level 3 fair value

The investment property of the Group are categorised under the Level 3 fair value. Level 3 fair value is estimated using unobservable input for the investment property.

Valuation method and key input	Significant unobservable input	Relationship of unobservable input and fair value
Information available through internal research and director's best estimate	Estimated sale price of comparable properties in close proximity	The higher the estimated sales price, the higher the fair value

8. RIGHT-OF-USE ASSETS

Group	Motor vehicles RM	Leasehold land RM	Office premises RM	Total RM
Cost				
As at 1 July 2020	2,604,534	9,051,385	2,634,631	14,290,550
Reclassified to property, plant and equipment (Note 6)	(657,728)	-	-	(657,728)
Additions	-	-	1,658,417	1,658,417
Disposal	(104,137)	-	-	(104,137)
Reclassification	(735,039)	735,039	-	-
Exchange differences	52,568	418,980	280,022	751,570
As at 30 June 2021	1,160,198	10,205,404	4,573,070	15,938,672
Accumulated depreciation				
As at 1 July 2020	842,099	2,869,274	508,223	4,219,596
Reclassified to property, plant and equipment (Note 6)	(571,809)	-	-	(571,809)
Charge for the financial year	312,227	1,641,928	568,096	2,522,251
Disposal	(104,137)	-	-	(104,137)
Reclassification	180,371	(226,182)	45,811	-
Exchange differences	25,588	181,522	1,683,306	1,890,416
As at 30 June 2021	684,339	4,466,542	2,805,436	7,956,317
Net carrying amount				
As at 30 June 2021	475,859	5,738,862	1,767,634	7,982,355

8. RIGHT-OF-USE ASSETS (CONT'D)

Group	Motor vehicles RM	Leasehold land RM	Office premises RM	Total RM
Cost				
As at 1 July 2019	-	-	-	-
Reclassified from property, plant and equipment (Note 6) and prepaid land lease payments	1,269,943	5,283,684	-	6,553,627
Additions	1,334,591	3,767,701	2,634,631	7,736,923
As at 30 June 2020	2,604,534	9,051,385	2,634,631	14,290,550
Accumulated depreciation				
As at 1 July 2019	-	-	-	-
Reclassified from property, plant and equipment (Note 6) and prepaid land lease payments	671,311	1,151,584	-	1,822,895
Charge for the financial year	170,788	1,730,940	508,229	2,409,957
Exchange differences	-	(13,250)	(6)	(13,256)
As at 30 June 2020	842,099	2,869,274	508,223	4,219,596
Net carrying amount				
As at 30 June 2020	1,762,435	6,182,111	2,126,408	10,070,954

(a) Short-term leases and low value assets

For short-term leases with lease term of 12 months or less and for leases of low-value assets of less than RM21,000, the Group has availed the exemption in MFRS 16 not to recognise the right-of-use assets and lease liabilities. Instead, payments made for these leases are recognised as expense when incurred.

(b) Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

(c) The net carrying amount of motor vehicles acquired under finance lease arrangements is RM475,859 (2020: RM1,762,435).

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Unquoted shares, at cost		
As at 1 July	216,768,187	216,768,187
Addition	406,300,000	-
Less: Accumulated impairment losses	(1,616,939)	-
As at 30 June	621,451,248	216,768,187

Details of the subsidiaries are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interest		Principal Activities
		2021	2020	
Subsidiaries				
Supermax Latex Products Sdn. Bhd.	Malaysia	100%	100%	Trading and exporting latex gloves
Supermax Glove Manufacturing Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and sale of latex glove
Maxter Glove Manufacturing Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and sale of latex glove
Supermax Healthcare Incorporated**	United States of America	100%	100%	Marketing, importing and distributing latex gloves
Maxwell Glove Manufacturing Berhad*	Malaysia	100%	100%	Manufacturing and sale of latex glove
Supermax International Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Supermax Energy Sdn. Bhd.	Malaysia	100%	100%	Generation of biomass energy
Supermax Deutschland GmbH**	Germany	100%	100%	Marketing, importing and distributing latex gloves
Supermax Global Limited**	Bermuda	100%	100%	Global trading and marketing of medical device including gloves
Supermax Healthcare Limited*	United Kingdom	100%	100%	Marketing, importing and distributing latex gloves
Supermax Healthcare Canada Incorporated*	Canada	67%	67%	Marketing, importing and distributing latex gloves
Whiteoak Global Property Limited**	United States of America	100%	100%	Property holding
Supermax Group Investments Limited*	Hong Kong, China	100%	100%	Investment holding

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (Cont'd):-

Name of Companies	Country of Incorporation	Effective Equity Interest		Principal Activities
		2021	2020	
Subsidiaries				
Supermax Business Park Sdn Bhd	Malaysia	100%	100%	Pre-operating
Supermax Specialty Gloves Sdn Bhd	Malaysia	100%	-	Pre-operating
Aime Supermax K.K.**	Japan	70%	70%	Investment holding
Maxter Healthcare Pte. Ltd.*	Singapore	100%	100%	Marketing, importing and distributing of related healthcare products and medical devices
Maxter Healthcare Incorporated**	United States of America	100%	-	Pre-operating
Subsidiary of Maxter Glove Manufacturing Sdn. Bhd.				
Supergamma Sdn. Bhd.	Malaysia	100%	100%	Trading and exporting latex gloves
Subsidiary of Supermax International Sdn. Bhd.				
SuperVision Optimax Sdn. Bhd.	Malaysia	100%	100%	Manufacturing, sales, marketing and distribution of related healthcare products
Subsidiary of Supermax Group Investments Limited				
Supermax Global (HK) Limited*	Hong Kong, China	100%	100%	Marketing, importing and distribution of related healthcare products and medical devices
Subsidiary of Aime Supermax K. K.				
Aime K. K.**	Japan	100%	100%	Marketing, importing and distribution of related healthcare products and medical devices
Subsidiary of Supermax Healthcare Canada Incorporated				
Supermax Medical Incorporated**	Canada	49%	49%	Manufacturing and sale of face mask

* Audited by other professional firms of accountants other than RSM Malaysia.

** The audited financial statements and auditor's report for the financial year were not available. However, the financial statements of the subsidiaries used for consolidation purposes were reviewed by RSM Malaysia.

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (a) The total carrying amount of non-controlling interest ("NCI") and profit allocated to NCI are as follows:-

	2021	Group
	RM	2020
		RM
Carrying amount of NCI	135,512,147	21,474,868
Profit allocated to NCI	113,226,967	9,983,011

- (b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting year are as follows:-

	2021	2020
	RM	RM
Assets and liabilities		
Non-current assets	32,995,242	10,742,920
Current assets	725,985,013	306,635,415
Current liabilities	(325,346,111)	(249,045,459)
Net assets	433,634,144	68,332,876
Results		
Revenue	1,494,635,348	223,270,976
Net profit and total comprehensive income for the financial year	343,729,094	30,284,674
Cash flows		
Cash flows from operating activities	1,538,747	14,713,750
Cash flows from investing activities	(25,159,189)	(1,578,029)
Cash flows from financing activities	4,314,298	2,661,153
Effects of exchange rate changes on cash and cash equivalents	22,863,058	6,756,193
Net change in cash and cash equivalents	3,556,914	22,553,067

10. INVESTMENT IN ASSOCIATES

	2021	Group	2021	Company
	RM	2020	RM	2020
		RM		RM
Unquoted shares, outside Malaysia	20,218,962	20,218,962	19,829,489	19,829,489
Share of post-acquisition result, net of dividend received	350,179,277	315,129,595	-	-
Exchange differences	(191,005,973)	(165,551,724)	-	-
Less: Impairment	(1,590,720)	(1,590,720)	(834,793)	(834,793)
	177,801,546	168,206,113	18,994,696	18,994,696

10. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associates are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interest		Principal Activities
		2021	2020	
Supermax Brasil Impotadora S/A [#]	Brazil	50%	50%	Marketing, importing and distributing latex gloves
Supermax Europe NC/SA ^{**}	Belgium	50%	50%	Marketing, importing and distributing latex gloves
Supermax Canada Inc. ^{**}	Canada	50%	50%	Marketing, importing and distributing latex gloves

[#] Audited by firms other than RSM Malaysia.

^{**} The audited financial statements and auditor's report for the financial year were not available. The Group has not recognised losses relating to these associates where these had been fully impaired in the previous financial year and their share of losses exceeds the Group's interest in these associates.

The summarised financial information of the material associates is as follows:-

	2021 RM	2020 RM
<u>Assets and liabilities</u>		
Non-current assets	42,639,613	40,338,477
Current assets	328,355,789	310,635,381
Current liabilities	(15,392,311)	(14,561,633)
Net assets	355,603,091	336,412,225
<u>Results</u>		
Revenue	206,164,879	254,586,992
Net profit/total comprehensive income for the financial year	70,099,364	36,258,825

11. GOODWILL ON CONSOLIDATION

	2021 RM	Group 2020 RM
As at 1 July	28,715,854	28,715,854
Written off	(28,715,854)	-
As at 30 June	-	28,715,854

Goodwill arising from business combination has been allocated to a cash-generating unit ("CGU") for impairment testing purpose. The carrying amount of goodwill has been allocated to the investment in Maxwell Glove Manufacturing Berhad.

During the financial year, the Group has written off the goodwill allocated to the investment in Maxwell Glove Manufacturing Berhad as the original assets that gave rise to the goodwill at the time of investment were fully impaired during the financial year.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	2021 RM	Group 2020 RM
As at 1 July	(43,585,866)	(44,169,317)
Recognised in profit or loss (Note 29)	89,250,127	583,451
As at 30 June	45,664,261	(43,585,866)

Presented after appropriate offsetting as follows:

	2021 RM	Group 2020 RM
Deferred tax assets	111,673,677	20,076,537
Deferred tax liabilities	(66,009,416)	(63,662,403)
	45,664,261	(43,585,866)

The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	2021 RM	Group 2020 RM
<u>Deferred tax assets</u>		
Unrealised loss foreign exchange	-	3,907,623
Unrealised profit on goods in transit	122,044,709	18,930,929
Unutilised capital allowances	-	1,244,608
Unutilised tax losses	-	2,227,000
	122,044,709	26,310,160

	2021 RM	Group 2020 RM
<u>Deferred tax liabilities</u>		
Differences between the carrying amounts of property, plant and equipment and their tax base	(71,392,030)	(69,023,456)
Unrealised foreign exchange gain	(4,988,418)	(872,570)
	(76,380,448)	(69,896,026)

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

13. INVENTORIES

	2021 RM	Group 2020 RM
At cost		
Raw materials	95,259,984	28,871,794
Consumables	9,696,260	14,419,720
Work-in-progress	38,216,069	27,635,925
Finished goods	375,334,425	182,309,217
	518,506,738	253,236,656

During the financial year, inventories of the Group recognised as cost of goods sold amounted to RM1,607,515,177 (2020: RM1,022,085,583).

14. RECEIVABLES

	2021 RM	Group 2020 RM
Trade receivables	643,477,755	246,848,996
Less: Allowance for impairment	(15,766,570)	(4,081,103)
Trade receivables, net of impairment	627,711,185	242,767,893
Other receivables and deposits	90,448,907	82,521,305
Prepayments	4,950,333	15,777,633
	95,399,240	98,298,938
	723,110,425	341,066,831

Trade receivables

The credit period granted on sale of goods ranges from 30 to 120 days (2020: 30 to 120 days).

Analysis of trade receivables by currency:

	2021 RM	Group 2020 RM
Canadian Dollars	239,876,694	-
Euro	22,802,502	-
Hong Kong Dollars	153,147	37,493
Japanese Yen	9,312,260	12,462,958
Pound Sterling	64,724,996	662,411
Ringgit Malaysia	5,796,487	372,669
Singapore Dollars	69,871,546	503,134
United States Dollars	215,173,553	228,729,228
	627,711,185	242,767,893

14. RECEIVABLES (CONT'D)

Ageing analysis of trade receivables:

	2021 RM	Group 2020 RM
Neither past due nor impaired	476,139,398	117,701,180
1 to 30 days past due not impaired	82,447,388	42,565,898
More than 30 days past due not impaired	69,124,399	82,500,815
	151,571,787	125,066,713
Impaired	15,766,570	4,081,103
	643,477,755	246,848,996

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Based on historical default rates, the Group believes that no allowance for impairment in respect of trade receivables that are past due is required. These receivables are mainly arising from trade receivables that have a good credit record with the Group.

The trade receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the end of reporting date are as follows:-

	2021 RM	Group 2020 RM
Individually impaired		
Trade receivables	15,766,570	4,081,103
Less: Allowance for impairment	(15,766,570)	(4,081,103)
	-	-

Movements in the allowance for impairment account are as follows:-

	2021 RM	Group 2020 RM
As at 1 July	4,081,103	2,575,096
Additional impairment during the financial year	11,685,467	2,148,218
Reversal of impairment losses	-	(642,211)
As at 30 June	15,766,570	4,081,103

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company
	2021
	RM
Amounts owing by subsidiaries	32,159,986
Amounts owing to subsidiaries	(15,841,770)

Amounts owing by subsidiaries are non-trade in nature, unsecured, interest free and are repayable on demand.

Amounts owing to subsidiaries are non-trade in nature, unsecured, repayable on demand and bear interest rate of 2.35% (2020: 4.0%) per annum.

16. AMOUNTS OWING BY ASSOCIATES

	Group		Company
	2021	2020	2021
	RM	RM	RM
Amounts owing by associates	42,546,795	47,446,889	294,301
Less: Allowance for impairment	(566,362)	(566,362)	-
As at 30 June	41,980,433	46,880,527	294,301

Included in amounts owing by associates of the Group and of the Company is an amount of RM294,301 (2020: RM294,301) which is non-trade in nature, unsecured, interest free and repayable on demand.

Amounts owing by associates arose from trade transactions with repayment term of 120 days (2020: 120 days).

The amounts owing by associates are denominated in United States Dollars.

17. SHORT-TERM INVESTMENT

	Group
	2021
	RM
Quoted unit trusts at market value	2,952,237

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

18. CASH AND BANK BALANCES

Analysis of cash and bank balances by currency:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Canadian Dollars	215,757,830	25,192,311	-	-
Chinese Yuan	11,794	12,125	-	-
Euro	77,925,722	15,989,934	-	-
Hong Kong Dollars	2,385,749	3,078,249	-	-
Japanese Yen	6,706,981	642,557	-	-
Pound Sterling	975,047,465	470,533,657	-	-
Ringgit Malaysia	154,319,366	55,035,684	5,204,914	989,690
Singapore Dollars	206,417,183	99,334,156	-	-
United States Dollars	2,129,014,340	501,415,748	15,587,003	87,140
Australian Dollars	8,497,945	14,955,528	-	-
	3,776,084,375	1,186,189,949	20,791,917	1,076,830

19. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2021 Units	2020 Units	2021 RM	2020 RM
Issued and fully paid				
As at 1 July	1,360,309,760	1,360,309,760	340,077,440	340,077,440
Issued during the financial year – bonus issue	1,360,309,760	-	-	-
As at 30 June	2,720,619,520	1,360,309,760	340,077,440	340,077,440

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and is entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company increased the number of its ordinary shares by way of bonus issue of 1,360,309,760 ordinary shares on the basis of one (1) new ordinary share for every one (1) existing ordinary share held.

These new ordinary shares are issued as fully paid, at nil consideration and without capitalisation from the Company's reserves and ranked pari passu in all respects with the existing ordinary shares of the Company.

20. TREASURY SHARES

	Group and Company		Amount	
	2021 Units	2020 Units	2021 RM	2020 RM
As at 1 July	68,888,000	53,812,200	101,912,497	56,648,642
Bonus issue	68,888,000	-	-	-
Repurchased during the financial year	22,263,600	35,164,023	164,338,224	67,209,360
Distribution as share dividends	(57,058,873)	(20,088,223)	(79,882,429)	(21,945,505)
As at 30 June	102,980,727	68,888,000	186,368,292	101,912,497

Treasury shares relate to ordinary shares of the Company that are held by the Company via the Company's plan on purchase of own shares. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 2 December 2020, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed towards the enhancement of the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 22,263,600 (2020: 35,164,023) of its issued ordinary shares from the open market at an average price of RM7.38 (2020: RM1.91) per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM164,338,224 (2020: RM67,209,360).

57,058,873 treasury shares were distributed as share dividends to the shareholders on 5 January 2021 on the basis of one treasury share for every forty-five existing ordinary shares held in the Company at the entitlement date on 9 December 2020.

As at 30 June 2021, the Company held a total of 102,980,727 (2020: 68,888,000) ordinary shares of its 2,720,619,520 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM186,368,292 (2020 RM101,912,497). As at 30 June 2021, the total number of ordinary shares in issue and fully paid net of treasury shares is therefore 2,617,638,793 ordinary shares.

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

21. RESERVES

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable reserve:					
Translation reserve	(a)	(124,463,843)	(141,656,855)	-	-
Distributable reserve:					
Retained earnings	(b)	4,729,630,169	1,432,558,407	524,960,871	72,104,266
		4,605,166,326	1,290,901,552	524,960,871	72,104,266

21. RESERVES (CONT'D)

(a) Translation reserve

Translation reserve arose from the exchange differences on the translation of foreign operations.

(b) Retained earnings

The entire retained earnings of the Company as at 30 June 2021 may be distributed as dividend under the single tier system.

22. LOAN AND BORROWINGS

	2021 RM	Group 2020 RM
Current		
Secured:-		
Trade loans	157,589,047	194,633,148
Term loans	38,459,344	29,426,982
	196,048,391	224,060,130
Non-current		
Secured:-		
Term loans	61,479,882	100,118,342
	61,479,882	100,118,342
Total loans and borrowings	257,528,273	324,178,472

The interest rates are as follows:-

	2021 %	Group 2020 %
Trade loans	1.01-2.59	2.15-3.08
Revolving credit	3.53-4.85	3.53-4.85
Terms loans	1.78-2.74	2.48-5.10

The term loans, revolving credit and trade loans are secured by way of corporate guarantee by the Company.

Analysis of borrowings by currency:-

	2021 RM	Group 2020 RM
Euro	-	120,787
Japanese Yen	2,242,560	-
Ringgit Malaysia	-	275,846
United States Dollars	255,285,713	320,192,880
Pound Sterling	-	3,588,959
	257,528,273	324,178,472

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

23. LEASE LIABILITIES

	2021	Group
	RM	2020
		RM
Future minimum lease payment:		
- not later than one year	2,345,431	4,487,204
- later than one year and not later than five years	2,535,324	2,002,368
	4,880,755	6,489,572
Less: Future interest charges	(124,414)	(221,230)
Present value of lease liabilities	4,756,341	6,268,342
Repayable as follows:		
Current		
- not later than one year	2,244,730	4,353,487
Non-current		
- later than one year and not later than five years	2,511,611	1,914,855
	4,756,341	6,268,342

The average term for lease liabilities ranges from 3 to 5 years and the effective interest rate on lease liabilities ranges from 2.38% to 4.72%.

24. PAYABLES

		Group	Company
		2021	2021
		RM	RM
	Note	2020	2020
		RM	RM
Trade payables	(a)	273,194,721	189,672,080
Other payables	(b)	65,973,083	17,054,879
Deposits received from customers	(c)	817,024,693	892,370,731
Accruals		17,406,634	29,730,695
		1,173,599,131	1,128,828,385
		459,069	226,000
		357,989	

24. PAYABLES (CONT'D)

(a) Trade payables

Analysis of trade payables by currency:-

	2021 RM	Group 2020 RM
Canadian Dollars	9,603,402	-
Euro	8,778,356	8,378,911
Hong Kong Dollars	7,496	2,151,355
Japanese Yen	6,144,602	6,946,548
Pound Sterling	93,305,173	427,124
Ringgit Malaysia	93,033,248	115,717,628
Singapore Dollars	19,370	10,623,535
United States Dollars	62,303,074	45,426,979
	273,194,721	189,672,080

The credit period granted to the Group for trade purchases ranges from 30 to 60 days (2020: 30 to 60 days).

(b) Other payables

Other payables which mainly arose from other operating expenses payable are interest free and are repayable on demand.

(c) Deposits received from customers

Deposits received from customers are mainly denominated in United States Dollars.

25. REVENUE

	2021 RM	Group 2020 RM
Revenue from contracts with customers:		
Sale of gloves and other healthcare products	7,164,186,472	2,131,807,991
Timing of revenue recognition:		
At a point in time	7,164,186,472	2,131,807,991

There is no significant financing component in the revenue arising from sale of products as the products are sold based on the normal credit terms.

	2021 RM	Company 2020 RM
Dividend income received from subsidiaries and associates	1,066,000,100	65,000,000

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26. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive directors of the Company: -				
- fees	216,000	216,000	216,000	216,000
- other emoluments	2,474,950	2,530,200	4,500	5,000
	2,690,950	2,746,200	220,500	221,000
Non-executive directors of the Company: -				
- fees	541,161	666,000	541,161	666,000
- other emoluments	29,320	22,000	29,320	22,000
	570,481	688,000	570,481	688,000
Total	3,261,431	3,434,200	790,981	909,000

Key management personnel of the Group and of the Company comprise of only executive directors of the Company.

27. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest expenses on:-				
- trade loans	1,837,242	6,607,894	-	-
- lease liabilities	659,173	126,967	-	-
- term loans	2,473,787	7,472,019	-	575,023
- others	3,142,519	2,870,026	904,776	1,502,281
	8,112,721	17,076,906	904,776	2,077,304

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

28. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):-

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Auditors' remuneration				
- current year:				
- RSM Malaysia	308,000	226,000	80,000	60,000
- Firm other than member firm of RSM International Ltd.	527,724	243,170	-	-
- others:				
- RSM Malaysia	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	66,242,489	59,247,038	-	-
Depreciation of investment property	13,071	13,071	-	-
Depreciation of right-of-use assets	2,522,251	2,409,957	-	-
Net loss/(gain) on foreign exchange:				
- realised	(23,262,664)	42,673,998	822,742	-
- unrealised	(45,054,476)	(44,115,837)	1,179,194	(2,410,126)
Rental of investment property	(24,103)	(24,519)	-	-
Staff costs				
- salaries, wages and bonuses	148,851,042	121,335,205	-	-
- Employees' Provident Fund	6,491,921	5,602,400	-	-
- other related staff costs	31,810,137	5,686,590	-	-
Impairment loss on property, plant and equipment	22,024,516	12,912,316	-	-

29. TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current financial year				
- income tax	1,193,856,334	152,236,339	134,000	4,704
- deferred taxation	(94,550,446)	(702,926)	-	-
	1,099,305,888	151,533,413	134,000	4,704
(Over)/Under provision in prior financial year				
- income tax	(14,557,298)	(6,267,950)	130	3,299
- deferred taxation	5,300,319	119,475	-	-
	(9,256,979)	(6,148,475)	130	3,299
	1,090,048,909	145,384,938	134,130	8,003

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial year. Tax expense for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

29. TAXATION (CONT'D)

A reconciliation of tax expense on financial results with the applicable statutory income tax rate is as follows:-

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit before tax	5,019,993,395	680,163,401	972,636,492	63,186,904
Income tax at tax rate of 24%	1,204,798,415	163,239,216	233,432,758	15,164,857
Tax effect in respect of:				
Non-allowable expenses	3,724,120	541,060	22,541,257	440,039
Income not subject to tax	-	-	(255,840,015)	(15,600,192)
Export allowances	-	(11,085,402)	-	-
Deferred tax recognised at different tax rates	(17,652)	(854)	-	-
Different tax rates in foreign jurisdictions	(102,441,074)	2,276,595	-	-
Share of profits of associates	(8,411,924)	(4,351,059)	-	-
Different tax assets not recognised	2,147,000	913,857	-	-
Utilisation of previously unrecognised deferred tax assets	(493,000)	-	-	-
(Over)/Under provision in prior financial year				
- income tax	(14,557,295)	(6,267,950)	130	3,299
- deferred taxation	5,300,319	119,475	-	-
Tax expense	1,090,048,909	145,384,938	134,130	8,003

As at 30 June 2021, the Group has the following deferred tax assets which are not recognised in the financial statements because it is not probable that future taxable income will be available to allow the assets to be utilised:

	Group	
	2021	2020
	RM	RM
Unabsorbed tax losses and capital allowances	18,647,000	16,993,000

As at 30 June 2021, the Group has unabsorbed tax losses and capital allowances of approximately RM77,699,000 (2020: RM70,807,000), which are available to set off against future chargeable income.

With effect from year of assessment ("YA") 2019, unabsorbed tax losses can only be carried forward for a maximum period of 7 consecutive YAs to be utilised against income from any business source. Any amount which is not utilised at the end of the period of 7 YAs will be disregarded.

30. EARNINGS PER ORDINARY SHARE

(a) Basic Earnings Per Share

	2021 RM	Group 2020 (Restated) RM
Net profit attributable to owners of the parent	3,816,717,519	524,795,452
Number of shares in issue as of 1 July	1,360,309,760	1,360,309,760
Bonus issue	1,360,309,760	1,360,309,760
	2,720,619,520	2,720,619,520
Effect of treasury shares held	(55,814,825)	(53,485,207)
Effect of bonus issue	(68,888,000)	(53,485,207)
Weighted average number of ordinary shares in issue	2,595,916,695	2,613,649,106
Basic earnings per ordinary share (sen)	147.03	20.08

The basic earnings per ordinary share is calculated by dividing the consolidated net profit attributable to equity owners of the Company by the weighted average number of ordinary shares (adjusted for treasury shares) during the financial year.

The restated basic Earnings Per Share for the previous financial year was arrived at after reflecting the retrospective adjustments as required by MFRS 133: *Earnings Per Share* arising from the Company's bonus issue of 1,360,309,760 ordinary shares which was completed during the financial year.

(b) Diluted Earnings Per Share

The diluted earnings per ordinary share of the Group for the financial year ended 30 June 2021 and 30 June 2020 are same as the basic earnings per ordinary share of the Group as the Group has no dilutive potential ordinary shares.

31. DIVIDENDS

	Group and Company 2021 RM	2020 RM
Recognised during the financial year:-		
In respect of the financial year ended 30 June 2019		
- Final single-tier dividend via share dividend distribution of 20,088,223 treasury shares on the basis of 1 treasury shares for every 65 existing ordinary shares held in the Company	-	21,945,505
In respect of the financial year ended 30 June 2020		
- Final single-tier dividend via share dividend distribution of 57,058,873 treasury shares on the basis of 1 treasury share for every 45 existing ordinary shares held in the company	79,882,429	-
In respect of the financial year ended 30 June 2021		
- Interim single-tier dividend of 3.8 sen per ordinary share	99,470,285	-
- Special single-tier dividend of 13.0 sen per ordinary share	340,293,043	-
	519,645,757	21,945,505

31. DIVIDENDS (CONT'D)

A special dividend of 15.0 sen per ordinary share, amounting to RM392,645,820 was paid on 30 September 2021, for the current financial year ended 30 June 2021. The financial statements for the current financial year do not reflect this dividend.

The Directors propose a final single-tier dividend via the share dividend distribution on the basis of one treasury share for every thirty existing ordinary shares held in the Company in respect of the current financial year, subject to approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as a distribution of treasury shares in the financial year ending 30 June 2022.

32. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	3,776,084,375	1,186,189,949	20,791,917	1,076,830

33. CAPITAL COMMITMENTS

	Group	
	2021	2020
	RM	RM
Approved and contracted for but not provided for in the financial statements		
- Purchases of property, plant and equipment	293,800,000	235,000,000

34. RELATED PARTY DISCLOSURES

(a) Identity of related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:-

- (i) subsidiaries;
- (ii) associates;
- (iii) key management personnel which comprise persons (including directors of the Group and of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly; and

34. RELATED PARTY DISCLOSURES (CONT'D)

(a) Identity of related parties (Cont'd)

- (iv) directors related companies refer to companies in which directors of the Group and of the Company have substantial financial interest.

	Group	
	2021	2020
	RM	RM
Sales of gloves to associates	218,265,464	173,542,751
	Company	
	2021	2020
	RM	RM
Dividend received/receivable from subsidiaries and associates		
- Maxter Glove Manufacturing Sdn. Bhd.	566,559,189	55,000,000
- Supermax Glove Manufacturing Sdn. Bhd.	28,329,738	-
- Supermax Latex Products Sdn. Bhd.	-	-
- Seal Polymer Latex Products Sdn. Bhd.	-	-
- Maxwell Glove Manufacturing Berhad	60,073,680	10,000,000
- Supermax Group Investment Ltd	402,924,486	-
- Supermax Healthcare Canada Inc	8,113,008	-
Interest charged to subsidiaries	-	-
Interest charged by subsidiaries	(903,503)	(1,502,281)

Information regarding outstanding balances arising from related parties' transactions of each reporting date are disclosed in Notes 15 and 16.

35. SEGMENT REPORTING

MFRS 8 Operating Segments requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order allocate resources to the segments and assess their performance.

General information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has three main reportable operating segments as follows:-

- (a) Investment holding
- (b) Manufacturing of gloves
- (c) Trading of gloves
- (d) Others

Measurement of reporting segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Segment results are profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, share of result of associates and income tax expense. There are no significant changes from prior financial year in the measurement method used to determine reported segment profit or loss.

35. SEGMENT REPORTING (CONT'D)

Group 2021	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	1,938,970,378	4,621,154,533	288,232,882	315,828,679		7,164,186,472
Inter-segment sales	1,066,000,100	3,137,914,640	2,957,609,162	5,458,580	(7,166,982,482)	(a)	-
Total revenue	1,066,000,100	5,076,885,018	7,578,763,695	293,691,462	(6,851,153,803)		7,164,186,472
Result							
Segment results	972,380,264	3,103,178,765	2,476,287,421	129,781,019	(1,605,508,762)	(a)	5,076,118,707
Depreciation, amortisation and impairment	-	(72,648,602)	(7,936,243)	(10,217,482)	-		(90,802,327)
Finance costs	(904,776)	(5,619,435)	(1,697,787)	(1,047,437)	1,156,714		(8,112,721)
Interest income	558,992	4,712,945	2,449,080	19,037	-		7,740,054
Tax expense	(134,130)	(723,246,219)	(438,884,661)	(21,617,486)	93,833,587		(1,090,048,909)
Share of result of associates							35,049,682
Net profit for the financial year							3,929,944,486
Assets							
Segment assets	675,374,149	5,113,622,731	4,327,091,544	565,316,264	(3,576,714,914)	(b)	7,104,689,774
Deferred tax assets	-	-	-	-	111,673,677		111,673,677
Investment in associates	18,994,696	-	-	-	158,806,850		177,801,546
Consolidated total assets							7,394,164,997
Liabilities							
Segment liabilities	16,300,839	1,911,019,646	2,787,304,876	504,036,544	(2,784,893,945)	(c)	2,433,767,960
Deferred tax liabilities	-	65,230,998	778,418	-	-		66,009,416
Consolidated total liabilities							2,499,777,376

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

35. SEGMENT REPORTING (CONT'D)

Group 2020	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	1,029,808,532	1,080,857,877	21,141,582	-		2,131,807,991
Inter-segment sales	65,000,000	989,522,455	398,976,347	11,457,019	(1,464,955,821)	(a)	-
Total revenue	65,000,000	2,019,330,987	1,479,834,224	32,598,601	(1,464,955,821)		2,131,807,991
Result							
Segment results	65,264,209	613,482,828	224,063,613	(2,357,454)	(146,759,919)	(a)	753,693,277
Depreciation, amortisation and impairment	-	(63,686,477)	(5,704,367)	(5,191,538)	-		(74,582,382)
Finance costs	(2,077,304)	(15,501,875)	(1,038,062)	(1,571,192)	3,111,527		(17,076,906)
Tax expense	(8,003)	(111,048,437)	(52,656,911)	(508,826)	18,837,239		(145,384,938)
Share of result of associates							18,129,412
Net profit for the financial year							534,778,463

The Group's assets are allocated to reportable segments other than deferred tax assets and investment in associates.

The Group's liabilities are allocated to reportable segments other than deferred tax liabilities.

Group 2020	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Assets							
Segment assets	354,356,487	1,967,932,918	1,889,946,485	320,102,751	(1,497,398,915)	(b)	3,034,939,726
Deferred tax assets							20,076,537
Investment in associates							168,206,113
Consolidated total assets							3,223,222,376
Liabilities							
Segment liabilities	63,081,974	838,687,641	1,573,335,795	356,871,664	(1,222,958,464)	(c)	1,609,018,610
Deferred tax liabilities	-	79,288,928	968,957	-	(16,595,482)		63,662,403
Consolidated total liabilities							1,672,681,013

35. SEGMENT REPORTING (CONT'D)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- (a) Inter-segment transactions and revenue are eliminated on consolidation;
- (b) Inter-segment assets are eliminated on consolidation; and
- (c) Inter-segment liabilities are eliminated on consolidation.

Geographical segments

The following is an analysis of the Group's property, plant and equipment based on the geographical location of the property, plant and equipment:-

	2021 RM	2020 RM
America	66,556,762	45,434,661
Europe	6,122,089	5,384,343
Asia	1,368,779,531	1,031,234,670
	1,441,458,382	1,082,053,674

The Group operates predominantly in Malaysia and accordingly, the segment assets and capital additions are located in Malaysia.

The following is an analysis of the Group's sales by geographical market according to the continents:-

	2021 RM	2020 RM
North, Central and South America	2,865,674,589	1,065,903,995
Europe	3,080,600,183	554,270,078
Asia and Oceania	1,002,986,106	447,679,678
Africa	214,925,594	63,954,240
	7,164,186,472	2,131,807,991

36. FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at amortised costs ("AC")
- (ii) Financial liabilities measured at amortised costs ("AC")

Group	Carrying Amount RM	AC RM
30 June 2021		
Financial assets		
Receivables, net of prepayments	718,160,092	718,160,086
Amount owing by associates	41,980,433	41,980,433
Cash and bank balances	3,776,084,375	3,776,084,375
	4,536,224,900	4,536,224,894

36. FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):

Group	Carrying Amount RM	AC RM
Financial Liabilities		
Payables	1,173,599,131	1,173,599,131
Trade loans	157,589,047	157,589,047
Term loans	99,939,226	99,939,226
Lease liabilities	4,756,341	4,756,341
	1,435,883,745	1,435,883,745
Company		
30 June 2021		
Financial assets		
Amount owing by subsidiaries	32,159,986	32,159,986
Amount owing by associates	294,301	294,301
Cash and bank balances	20,791,917	20,791,917
	53,246,204	53,246,204
Financial liabilities		
Payables	459,069	459,069
Amount owing to subsidiaries	15,841,770	15,841,770
	16,300,839	16,300,839
Group	Carrying Amount RM	AC RM
30 June 2020		
Financial assets		
Receivables, net of prepayments	275,809,681	275,809,681
Amount owing by associates	46,880,527	46,880,527
Cash and bank balances	1,186,189,949	1,186,189,949
	1,508,880,157	1,508,880,157
Financial Liabilities		
Payables	1,128,828,385	1,128,828,385
Trade loans	194,633,148	194,633,148
Term loans	129,545,324	129,545,324
Lease liabilities	6,268,342	6,268,342
	1,459,275,199	1,459,275,199
Company		
30 June 2020		
Financial assets		
Amount owing by subsidiaries	135,229,323	135,229,323
Amount owing by associates	294,301	294,301
Cash and bank balances	1,076,830	1,076,830
	136,600,454	136,600,454

36. FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):

Company	Carrying Amount RM	AC RM
Financial liabilities		
Payables	357,989	357,989
Amount owing to subsidiaries	62,723,985	62,723,985
	63,081,974	63,081,974

37. FINANCIAL RISK MANAGEMENT

The Group and the Company have exposure to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from capital financing, trade receivables, bank balances and short term funds. The Company's exposure to credit risk arises principally from bank balances, amount due from subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Allowance for impairment losses are made in accordance with the relevant accounting policies or when deemed necessary based on estimates of expected losses that may arise from non-collection of debts from its business. Write off of debts against individual assessment are made only when avenues of recovery have been exhausted and the debts are deemed to be irrecoverable in the foreseeable future.

(i) Trade receivables

The Group's sales to customers are on credit terms of 30 to 120 days. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount. Based on the credit evaluation, the customers are rated into three risk categories, namely low risk, medium risk and high risk.

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group.

When an account is more than 120 days past due, the credit risk is considered to have increased significantly since the initial recognition. The Group identifies as a default account if it is more than 120 days past due and the customer is having significant financial difficulties (analysed by financial measures of reported losses, negative cash flows, and qualitative evaluation of the customer's characteristics). The Group classifies an impaired receivable when a customer is in default, in liquidation or other financial reorganisation.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

For each significant receivable that is credit-impaired, individual lifetime ECL is recognised using the probability of default technique. The inputs used are: (i) the percent chance of default, and (ii) the expected cash shortfalls. The lifetime ECL is measured at the probability-weighted expected cash shortfalls by reference to the Company's past experience, current conditions and forecast of future economic benefits.

For significant receivables that are not individually credit-impaired and all other receivables, the Group uses a provision matrix that categories the different risk classes (low risk, medium risk and high risk) and the ageing profiles. The collective lifetime ECLs are measured based on the Group's past lost rate experiences, current conditions and forecast of future economic conditions. The past lost rates are adjusted upward in the measurement in worsening current conditions and forecasts of future macroeconomic conditions.

A receivable is written off only if there is no reasonable expectation of recovery. This is when an account is 120 days past due or the customer is experiencing significant financial difficulties, undertaking financial reorganisation or has gone bankrupt.

Concentration of credit risk

The Group determines concentrations of credit risk by monitor the country of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's net trade receivables by geographic region at the reporting date is as follows:-

	2021	2020
	RM	RM
North, Central and South America	313,855,592	121,383,946
Europe	163,204,902	63,119,650
Asia and Oceania	131,819,355	50,981,260
Africa	18,831,336	7,283,037
	627,711,185	242,767,893

(ii) Inter-company balances

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are only provided to subsidiaries which are wholly owned by the Company.

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries. Nevertheless, an appropriate allowance will be made subsequently if the debt-owing company's financial condition is considered not satisfactory, regardless of whether it still carries on business operation, and there is insufficient evidence to indicate that its financial condition would improve in the foreseeable future.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

(iii) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the repayments made by the subsidiaries and its financial performance.

The maximum exposure to credit risk amounts to RM368,083,000 (2020: RM390,261,000) representing the outstanding borrowings of subsidiaries guaranteed by the Company at the reporting date. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (b) The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available. As at the end of reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



37. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amounts RM	Contractual undiscounted cash flows RM	Repayable within 1 Year RM	Repayable 1 to 5 Years RM
2021				
Financial liabilities				
Payables	1,173,599,131	1,173,599,131	1,173,599,131	-
Loans and borrowings	257,528,273	257,528,273	196,048,391	61,479,882
Lease liabilities	4,756,341	4,880,755	2,345,431	2,535,324
	1,435,883,745	1,436,008,159	1,371,992,953	64,015,206
2020				
Financial liabilities				
Payables	1,128,828,385	1,128,828,385	1,128,828,385	-
Loans and borrowings	324,178,472	330,446,814	224,060,130	61,112,783
Lease liabilities	6,268,342	6,489,572	4,487,204	2,002,368
	1,459,275,199	1,465,764,771	1,357,375,719	63,115,151
Company				
2021				
Financial liabilities				
Other payables	459,069	459,069	459,069	-
Amount owing to subsidiaries	15,841,770	15,841,770	15,841,770	-
Financial guarantees	-	368,083,000	368,083,000	-
	16,300,839	384,383,839	384,383,839	-
2020				
Financial liabilities				
Other payables	357,989	357,989	357,989	-
Amount owing to subsidiaries	62,723,985	62,723,985	62,723,985	-
Financial guarantees	-	390,261,000	390,261,000	-
	63,081,974	453,342,974	453,342,974	-

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's and the Company's financial position or cash flows.

(i) Interest rate risk

Interest rate risk arises from borrowings at fixed and variable rates to finance its capital expenditure and working capital requirements. The management monitors the prevailing interest rates at regular intervals.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 1% lower/higher, with all other variables held constant, the Group's profit net of tax would have been higher/lower, for external borrowings, RM1,993,363 (2020: RM2,511,396). These impact arise mainly as a result of lower/higher of interest expenses from pre-determined rate of borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

There is exposure to foreign currency movements on financial assets and financial liabilities denominated in foreign currencies. It also has foreign currency risk on sales and purchase that denominated in foreign currencies. The currencies giving rise to this risk are primarily Canadian Dollars ("CND"), EURO, British Pound Sterling ("GBP"), United States Dollars ("USD"), Hong Kong Dollars ("HKD") and Japanese Yen ("JPY").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group and of the Company's profit net of tax to a reasonably possible change in the exchange rates of CND, EURO, GBP, USD, HKD and JPY against the functional currency of the Group and of the Company, with all other variables held constant.

	Group	
	Profit/(loss)	Profit/(loss)
	for the year	for the year
	2021	2020
	RM	RM
CND/RM		
- strengthened 3% (2020: 3%)	13,669,036	755,769
- weakened 3% (2020: 3%)	(13,669,036)	(755,769)
EUR/RM		
- strengthened 3% (2020: 3%)	2,691,219	474,009
- weakened 3% (2020: 3%)	(2,691,219)	(474,009)
GBP/RM		
- strengthened 3% (2020: 3%)	28,394,019	13,772,762
- weakened 3% (2020: 3%)	(28,394,019)	(13,772,762)
USD/RM		
- strengthened 3% (2020: 3%)	60,740,720	7,965,315
- weakened 3% (2020: 3%)	(60,740,720)	(7,965,315)
HKD/RM		
- strengthened 3% (2020: 3%)	75,942	93,274
- weakened 3% (2020: 3%)	(75,942)	(93,274)
JPY/RM		
- strengthened 3% (2020: 3%)	296,239	208,414
- weakened 3% (2020: 3%)	(296,239)	(208,414)

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (Cont'd)

(iii) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group and of the Company's financial instruments will fluctuate because of changes in market price (other than interest or exchange rates).

The Group has in place policies to manage the Group's exposure to fluctuations in the selling price of the Group's products and purchase prices of the key raw materials used in the operations. The management conducts constant survey of the global market price and trend in order to determine the selling price.

38. FAIR VALUE MEASUREMENT

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings approximate fair values due to the relatively short-term nature of these financial instruments. As borrowings are obtained from licensed financial institution at prevailing market rate, the carrying amount of these financial liabilities approximate the fair value.

39. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it is able to continue as a going concern to support the business of the Group and of the Company and to maximise shareholders' value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or take additional or repay its loans and borrowings. No changes were made in the objectives, policies and processes during the financial year ended 30 June 2021 and 30 June 2020.

The Group and the Company monitors capital using a gearing ratio, which is total debts divided by total capital plus total debts. The Group's and the Company's policy is to keep the gearing ratio between 20% to 40% and 10% to 30% respectively. The Group and the Company includes within total debts, trade and other payables, loans and borrowings. Capital includes equity attributable to the owners of the parent.

The gearing ratio of the Group and of the Company is as follows:

Group	2021 RM	2020 RM
Payables	1,173,599,131	1,128,828,385
Loans and borrowings	257,528,273	324,178,472
Lease liabilities	4,756,341	6,268,342
Total debts	1,435,883,745	1,459,275,199
Equity attributable to owners of the parent	4,758,875,474	1,529,066,495
Capital and total debts	6,194,759,219	2,988,341,694
Gearing ratio	23.2%	48.8%

39. CAPITAL MANAGEMENT (CONT'D)

Company	2021 RM	2020 RM
Payables	459,069	357,989
Amounts owing to subsidiaries	15,841,770	62,723,985
Total debts	16,300,839	63,081,974
Equity attributable to owners of the parent	678,670,019	310,269,209
Capital and total debts	694,970,858	373,351,183
Gearing ratio	2.3%	16.9%

The Group is required to maintain a minimum Consolidated Total Equity of RM620 million, a minimum Consolidated Earnings before interest, tax, depreciation and amortisation to Consolidated Interest Expense ratio of 1.30 – 1.75 and a maximum Consolidated Debt to Consolidated Total Equity ratio of 1.0 to comply with two bank covenants, failing which, the bank may call an event of default. The Group had complied with these covenants.

The Group is also required to comply with the disclosure and necessary capital requirements and prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

40. SUBSEQUENT EVENTS

On 21 October 2021, the U.S. Customs and Border Protection (“US CBP”) has issued a Withhold Release Order (“WRO”) on importing disposable rubber gloves produced by certain subsidiaries of the Group for the alleged use of forced labour in manufacturing operations.

On 21 October 2021, the Group has announced to Bursa Malaysia that its U.S. representatives has been in touch with the US CBP to obtain further clarity and information on the WRO issued and the measures required from the Group going forward.

The Group is committed to meet the International Labour Organisation (“ILO”) standards for migrant workers. Since 2019, the Group has initiated and implemented corrective measures and improvements towards labour welfare and will continue to commit to meet the ILO standards.

On 11 October 2021, the Group has appointed an independent consultant to conduct an audit on its foreign workers in its manufacturing facilities. The audit is based on the ILO Indicators of Forced Labour and is currently ongoing.

The U.S. market contributes to approximately 20% of the Group’s total revenue. The Group is committed to take immediate and necessary steps to resolve on this matter expeditiously.

41. COMPARATIVE FINANCIAL STATEMENTS

The following comparative figures, none of which impact the earnings for ordinary shares of the Group, have been reclassified to conform to current year's presentation:

Earnings per share

Earnings per share were restated retrospectively to reflect the Company's bonus issue of 1,360,309,760 ordinary shares which was completed during the financial year, as required by MFRS 133: *Earnings Per Share*.

	As restated	Group As previously reported
Net profit attributable to owners of the parent	524,795,452	524,795,452
Weighted average number of ordinary shares in issue	2,613,649,106	1,306,824,553
Basic earnings per ordinary share (sen)	20.08	40.16

42. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 October 2021.

LIST OF PROPERTIES

Held by the Group as at 30th June 2021

	Location	Existing Use	Age of Building	Land Area/ (Build-up Area)	Tenure	Net Book Value (RM)
1.	Lot 42, Jalan BRP9/2B, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan.	Land and Building	23 years	1.5 acres/ (36,600sq ft)	Freehold	6,409,032
2.	Lot 6070, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Factory cum Office Building	20 years	5.0063 acres/ (127,861sq ft)	Freehold	23,096,256
3.	Lot 38, Jalan BRP9/2B, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan.	Land, Factory cum Office Building	16 years	5.6337 acres	Freehold	22,162,469
4.	Lot No. 5128, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	17 years	4.6875 acres	Freehold	8,807,799
5.	Lot 512 & Lot 1784, Mukim of Ijok, District of Kuala Selangor, Selangor Darul Ehsan.	Agricultural Land (pending conversion to industrial land)		Lot 512: 3.8438 acres Lot 1784: 1.98 acres	Lot 512-freehold Lot 1784-leasehold 99 years (Exp:3.8.2057)	659,054
6.	Suite No. 708, 6th Floor (Level 7), Menara Atlas, (Tower A), Plaza Pantai, Off Jalan Pantai Baru, Kuala Lumpur.	Stratified office lot	19 years	1,235 sq ft	Freehold	362,727
7.	Lot 6068, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	15 years	5.00625 acres	Freehold	15,392,981
8.	Lot 55, Jalan Industri 13, Kaw. Perindustrian Kelemak, 78000 Alor Gajah, Melaka.	Land and Building		18,408 sq m	Leasehold - 99 years (Exp:18.6.2088)	3,610,517
9.	Lot 72706 Jalan Lahat, Kawasan Perindustrian Bukit Merah, 31500 Lahat, Perak Darul Ridzuan. HS(D)KA 70399 Lot 72706, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Industrial Land		26,688sq m	Leasehold - 60 years (Exp:13.1.2037)	189,517
		Single-storey factory with annexed two-storey office buildings	28 years	18,534sq m		7,830,652
10.	PN 123155, Lot 207171, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and building		639sq m	Leasehold - 90 years (Exp:15.11.2083)	277,208
11.	PN 123156, Lot 207172, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and building		465sq m	Leasehold - 90 years (Exp:15.11.2083)	188,712
12.	PN 123161, Lot 207177, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and building		465sq m	Leasehold - 90 years (Exp:15.11.2083)	201,377
13.	PN 123162, Lot 207178, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and Building		650sq m	Leasehold - 90 years (Exp:15.11.2083)	257,203
14.	HS(D) 11530, PT 11574, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Industrial Land		15,054sq m	Leasehold - 99 years (Exp:07.12.2097)	792,641

	Location	Existing Use	Age of Building	Land Area/ (Build-up Area)	Tenure	Net Book Value (RM)
15.	HS(D) 11531, PT 11575, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Industrial Land		16,187sq m	Leasehold - 99 years (Exp:07.12.2097)	854,193
16.	PT 11574 & PT 11575, Jalan Logam 7, Kawasan Perindustrian Kamunting Raya, 34600 Kamunting Raya, Mukim Asam Kumbang, Perak Darul Ridzuan.	Single-storey factory with annexed two-storey office buildings		17,636sq m	Leasehold - 99 years (Exp:07.12.2097)	27,777,705
17.	Lot 6069, Mukim Kapar, Daerah Klang, Negeri Selangor.	Land and office cum factory warehouse	20 years	20,260sq m	Freehold	19,050,595
18.	HS(D) 143519, PT 207093, Lot 72314, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Industrial Land		9,359sq m	Leasehold - 99 years (Exp:19.05.2104)	2,025,993
19.	PN 123157, Lot 207173, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and Building Single-storey semi-detached factory		465sq m	Leasehold - 90 years (Exp:15.11.2083)	217,560
20.	PN 123158, Lot 207174, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and Building Single-storey semi-detached factory		465sq m	Leasehold - 90 years (Exp:15.11.2083)	217,560
21.	PN 123159, Lot 207175, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and Building Single-storey semi-detached factory		465sq m	Leasehold - 90 years (Exp:15.11.2083)	217,560
22.	PN 123160, Lot 207176, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Land and Building Single-storey semi-detached factory		465sq m	Leasehold - 90 years (Exp:15.11.2083)	217,560
23.	HS(D) 129442, PT 62957 Mukim Kapar, District of Klang, Selangor Darul Ehsan.	Industrial Land		123,080sq m	Freehold	14,607,750
24.	Geran No. 45720 Lot No. 6059, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building		20,234sq m	Freehold	24,790,291
25.	Geran No. 45719 Lot No. 6058, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building		20,209sq m	Freehold	27,388,907
26.	Geran No. 28698 Lot No. 1858, Mukim Serendah, Daerah Ulu Selangor, Negeri Selangor.	Land		404,685sq m	Freehold	80,809,480
27.	Geran No. 45722 Lot No. 6061, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building	2 years	20,234sq m	Freehold	60,176,011
28.	Geran No. 68913 Lot No. 43816, Mukim Kapar, District Klang, Selangor.	Land		65,550sq m	Freehold	67,753,806
29.	HS(D) 145228, PT70824, Mukim Kapar, Distruct of Klang, Selangor.	Land		16,654sq m	Freehold	20,838,067
30.	Geran No. 47521 Lot No. 6060, Mukim Kapar, Daerah Klang Negeri Selangor.	Land		20,234sq m	Freehold	28,231,834

Issued and Fully Paid-up : RM340,077,440
Class of Shares : Ordinary Shares
Voting Rights : 1 vote per Ordinary Share

Size of Holdings	No. of Holders		No. of Holdings		%	
	Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
1 - 99	9,824	70	297,449	2,282	0.01	0.00
100 - 1,000	15,945	116	9,248,079	66,252	0.35	0.00
1,001 - 10,000	38,157	309	147,040,169	1,376,575	5.62	0.05
10,001 - 100,000	11,987	386	322,921,795	16,266,379	12.34	0.62
100001 - 130881938 (*)	1,119	456	574,978,030	540,909,505	21.97	20.66
130881939 and above (**)	1	0	1,004,532,278	0	38.38	0.00
Total	77,033	1,337	2,059,017,800	558,620,993	78.67	21.33
	No. of Holders		No. of Holdings		%	
Grand Total	78,370		2,617,638,793		100.00	

* Less than 5% of issued holdings

** 5% and above of issued holdings

LIST OF TOP 30 HOLDERS AS AT 18 OCTOBER 2021

No.	Name	Holdings	%
1	SUPERMAX HOLDINGS SDN BHD	1,004,532,278	38.38
2	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	29,215,547	1.12
3	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	28,892,882	1.10
4	TAN GEOK SWEE @ TAN CHIN HUAT	25,046,394	0.96
5	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	22,647,512	0.87
6	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	20,979,236	0.80
7	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	19,353,002	0.74
8	HSBC NOMINEES (ASING) SDN BHD BNY MELLON FOR MACKENZIE EMERGING MARKETS FUND	15,278,259	0.58
9	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG HON KONG	13,407,388	0.51
10	TAN GEOK SWEE @ TAN CHIN HUAT	13,106,797	0.50
11	GONG WOUI TEIK	12,109,722	0.46
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	11,303,345	0.43
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	11,302,506	0.43
14	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	10,220,926	0.39
15	HSBC NOMINEES (ASING) SDN BHD MORGAN STANLEY & CO. INTERNATIONAL PLC (FIRM A/C)	10,044,281	0.38
16	PERTUBUHAN KESELAMATAN SOSIAL	10,015,864	0.38
17	TAN GEOK SWEE @ TAN CHIN HUAT	10,000,000	0.38
18	CITIGROUP NOMINEES (ASING) SDN BHD MERRILL LYNCH INTERNATIONAL	9,634,316	0.37

No.	Name	Holdings	%
19	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	7,333,171	0.28
20	HSBC NOMINEES (ASING) SDN BHD NTGS LUX FOR ANDRA AP-FONDEN	7,316,228	0.28
21	HSBC NOMINEES (ASING) SDN BHD TNTC FOR FUTURE FUND BOARD OF GUARDIANS	7,162,717	0.27
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG (14570MZ0406)	6,954,430	0.27
23	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND SCV6 FOR OMERS ADMINISTRATION CORPORATION	6,796,582	0.26
24	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	6,741,198	0.26
25	AMANAH RAYA TRUSTEES BERHAD PUBLIC ASIA ITTIKAL FUND	6,642,482	0.25
26	AMANAH RAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	6,230,711	0.24
27	PERMODALAN NASIONAL BERHAD	6,180,035	0.24
28	DB (MALAYSIA) NOMINEE (ASING) SDN BHD BNYM SA/NV FOR 1895 WERELD MULTIFACTOR AANDELEN FONDS	6,176,831	0.24
29	MAYBANK INVESTMENT BANK BERHAD IVT (16)	6,100,000	0.23
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	6,076,620	0.23

INFORMATION ON DIRECTORS HOLDINGS AS AT 18 OCTOBER 2021

No.	Name	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1	ALBERT SAYCHUAN CHEOK	167,690	0.01	-	-
2	DATO' TING HENG PENG	14,528,874	0.56	-	-
3	DR RASHID BIN BAKAR	249,107	0.01	-	-
4	CECILE JACLYN THAI	204,444	0.01	-	-
5	TAN CHEE KEONG	932,266	0.04	-	-
6	NG KENG LIM @ NGOOI KENG LIM	-	-	-	-

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 18 OCTOBER 2021

No.	Name	No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1	SUPERMAX HOLDINGS SDN BHD	1,004,532,278	38.38	-	-
2	DATO' SERI THAI KIM SIM	-	-	1,004,532,278	38.38
3	DATIN SERI TAN BEE GEOK	-	-	1,004,532,278	38.38

NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fourth Annual General Meeting of the Company will be conducted entirely through live streaming from the broadcast venue at Supermax Boardroom, Lot 38, Putra Industrial Park, Bukit Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan on Friday, 3 December 2021 at 10.00 a.m., for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2021 together with the Reports of Directors and Auditors thereon. **[Please refer to Explanatory Note 2]**
2. To approve payment of the final dividend via share dividend distribution on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held in the Company in respect of the financial year ended 30 June 2021. **(Resolution 1)**
3. To approve payment of Directors' Fees of up to RM738,000 for the financial year ending 30 June 2022. **(Resolution 2)**
4. To approve the payment of Directors' benefits of up to RM32,000 for the period from 4 December 2021 until the next Annual General Meeting of the Company. **(Resolution 3)**
5. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution: –
 - i) Tan Chee Keong **(Resolution 4)**
 - ii) Ng Keng Lim @ Ngooi Keng Lim **(Resolution 5)**
6. To re-appoint Messrs RSM Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

7. **ORDINARY RESOLUTION I** **(Resolution 7)**
AUTHORITY TO ALLOT AND ISSUE SHARES

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued on the Bursa Securities AND FURTHER THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting."

**8. ORDINARY RESOLUTION II
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

(Resolution 8)

THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”)

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;

- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- (viii) To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

9. **ORDINARY RESOLUTION III CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS**

- 9.1 "THAT approval be and is hereby given to Dato' Ting Heng Peng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 9)**
- 9.2 "THAT approval be and is hereby given to Dr Rashid Bin Bakar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 10)**

- 10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Twenty-Fourth Annual General Meeting to be held on 3 December 2021, a final dividend will be paid via share dividend distribution on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held in the Company in respect of the financial year ended 30 June 2021. The share dividend will be credited into Central Depository Securities ("CDS") account of shareholders whose name appears in the Record of Depositors on 20 December 2021. Any fraction entitlement arising from the computation of share dividend entitlement will be disregarded.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 20 December 2021 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

Subject to the approval of Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) for the transfer of treasury shares under Share Buy-Back Account via bulk transfer method of debiting and crediting, the treasury shares to be distributed under the share dividend will be credited into the entitled CDS account maintained with Bursa Depository on 18 January 2022.

BY ORDER OF THE BOARD

WONG WAI FOONG

SSM PC No.: 202008001472 (MAICSA 7001358)

JOANNE TOH JOO ANN

SSM PC No.: 202008001119 (LS 0008574)

Secretaries

Kuala Lumpur

Date: 29 October 2021

Notes:

1. APPOINTMENT OF PROXY

- a) The broadcast venue **is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016**, which requires the Chairman of the Annual General Meeting (“AGM”) to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend this AGM in person at the broadcast venue on the day of the Company’s AGM. Therefore, shareholders are strongly advised to participate and vote remotely at the AGM through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company’s Share Registrar, namely Boardroom Share Registrars Sdn Bhd.

Please read these Notes carefully and follow the Procedures in the Administrative Guide for the AGM in order to participate remotely.

- b) For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 26 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- c) A member entitled to attend, participate, speak and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- d) A member of the Company who is entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
- e) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- f) Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- g) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”) which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- h) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

- i) The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment made via Boardroom Smart Investor Portal, please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
- j) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or via email to bsr.helpdesk@boardroomlimited.com, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- k) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- l) Last date and time for lodging the proxy form is Wednesday, 1 December 2021 at 10.00 a.m.

2. ITEM 1 OF THE AGENDA – ORDINARY BUSINESS AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act, 2016. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

3. ITEMS 3 AND 4 OF THE AGENDA – ORDINARY BUSINESS PAYMENT OF DIRECTORS' FEE AND BENEFITS

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

The Proposed Resolution 2 is to facilitate the payment of Directors' fees on a current financial year basis, calculated based on the current board size. In the event the Directors' fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

The Directors' benefits proposed under Resolution 3 are calculated based on the current Board size and the number of scheduled Board and Committee meetings for the period commencing from the date immediately after this AGM up to the date of the next AGM. In the event the proposed amount is insufficient (due to enlarge Board size or more meetings), approval will be sought at the next AGM for the shortfall.

4. ITEM 5 OF THE AGENDA – ORDINARY BUSINESS RE-ELECTION OF DIRECTOR

The Nomination Committee and the Board of Directors had conducted the annual assessment on the independence of Mr Ng Keng Lim @ Ngooi Keng Lim who is seeking for re-election pursuant to the Constitution of the Company at the forthcoming Twenty-Fourth Annual General Meeting. The above assessment had been disclosed in the Corporate Governance Overview Statement of the Company's 2021 Annual Report.

5. EXPLANATORY NOTES TO SPECIAL BUSINESS

(A) ITEM 7 OF THE AGENDA AUTHORITY TO ALLOT AND ISSUE SHARES

The proposed Resolution 7 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

The proposed Resolution 7, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's current and/or future investment project(s), working capital, repayment of borrowings and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the total number of issued share of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.



NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

(B) **ITEM 8 OF THE AGENDA**
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The proposed Resolution 8, if passed, will empower the Company to purchase up to ten per centum (10%) of the issued share capital of the Company through Bursa Malaysia Securities Berhad.

For further information, please refer to the Statement to Shareholders dated 29 October 2021.

(C) **ITEM 9 OF THE AGENDA**
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the Malaysian Code on Corporate Governance, the Board of Directors has via the Nomination Committee assessed the independence of Dato' Ting Heng Peng and Dr Rashid Bin Bakar who each has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

- (i) each of them fulfills the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (ii) each of them is familiar with the Company's business operations as he has been with the Company for more than 9 years;
- (iii) each of them has devoted sufficient time and attention to his responsibilities as an Independent Non-Executive Director of the Company; and
- (iv) each of them has exercised due care during his tenure as an Independent Director of the Company and carried out his duty in the interest of the Company and shareholders.

The proposed Resolutions 9 and 10, if passed, will enable Dato' Ting Heng Peng and Dr Rashid Bin Bakar to continue to act as Independent Non-Executive Directors of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Company will adopt the two-tier voting process in seeking shareholders' approval for the proposed Resolutions 9 and 10.

CDS Account No.
No. of Shares held

I/We _____ Tel No. _____
(Full name in block and NRIC No. / Company No.)

of _____
(Address)

being a member of **SUPERMAX CORPORATION BERHAD** hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No:			
Email Address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Contact No:			
Email Address:			

or failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be conducted entirely through live streaming from the broadcast venue at Supermax Boardroom, Lot 38, Putra Industrial Park, Bukit Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan on Friday, 3 December 2021 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:-

Items	RESOLUTIONS	Resolution	FOR	AGAINST
1.	Payment of Final Dividend via share dividend distribution on the basis of one treasury share for every thirty existing ordinary shares	Ordinary		
2.	Payment of Directors' Fees for the financial year ending 30 June 2022	Ordinary		
3.	Payment of Directors' Benefits for the period from 4 December 2021 until the next Annual General Meeting	Ordinary		
4.	Re-election of Tan Chee Keong as Director.	Ordinary		
5.	Re-election of Ng Keng Lim @ Ngooi Keng Lim as Director.	Ordinary		
6.	Re-appointment of RSM Malaysia as auditors of the Company and authorise the Board of Directors to fix their remuneration.	Ordinary		
7.	Authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.	Ordinary		
8.	Approval for renewal of Authority for Share Buy-Back	Ordinary		
9.	Approval for Dato' Ting Heng Peng to continue in office as Independent Non-Executive Director.	Ordinary		
10.	Approval for Dr Rashid Bin Bakar to continue in office as Independent Non-Executive Director.	Ordinary		

Please indicate with an 'X' in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this.....

Signature*
Member

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

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Notes:

1. The broadcast venue **is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016**, which requires the Chairman of the AGM to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend this AGM in person at the broadcast venue on the day of the Company's AGM. Therefore, shareholders are strongly advised to participate and vote remotely at the AGM through live streaming and online remote voting using the Remote Participation and Voting facilities provided by the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd.

Please read these Notes carefully and follow the Procedures in the Administrative Guide for the AGM in order to participate remotely.

2. For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 26 November 2021. Only a member whose name appears on this Record of Depositors shall be entitled to attend this AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
3. A member entitled to attend, participate, speak and vote at this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at the AGM may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. The appointment of a proxy may be made in a hard copy form and submit to the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment made via Boardroom Smart Investor Portal, please refer to the Administrative Guide for further information on submission via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. All proxy form submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, or via email to bsr.helpdesk@boardroomlimited.com not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is Wednesday, 1 December 2021 at 10.00 a.m.

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AFFIX STAMP

SUPERMAX CORPORATION BERHAD
C/O BOARDROOM SHARE REGISTRARS SDN BHD
11TH FLOOR, MENARA SYMPHONY
NO.5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13, 46200 PETALING JAYA
SELANGOR DARUL EHSAN

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