SUPERMAX
CORPORATION BERHAD
199701004909 (420405-P)
since 1989

TOWARDS A BETTER WORLD WITH SUPERMAX

ANNUAL REPORT 2022

SUPERMAX CORPORATION BERHAD
199701004909 (420405-P)

since 1989

CONTENTS ►

25th Annual General Meeting

Grand Ballroom,
Lower Ground Floor, Eastin Hotel KL,
13, Jalan 16/11, 46350 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

Thursday, 8 December 2022
at 9.30 a.m.

CORPORATE PROFILE

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 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 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.

FINANCIAL HIGHLIGHTS

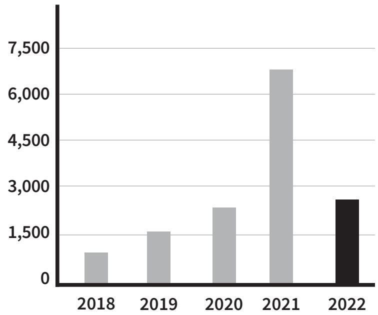
	2022 RM'000	2021 RM'000
Revenue	2,687,227	7,164,186
Pre-tax profit	1,059,501	5,019,993
After-tax profit	757,122	3,929,944
Net assets	5,032,125	4,894,388
Total assets	5,956,958	7,394,165
Paid-up capital	340,077	340,077
Shareholders' equity	4,865,561	4,758,875
Interim dividend	603,474	439,763
Final dividend	Note^	157,873*
Net assets per share (in RM)	1.83	1.82
Earnings per ordinary share (in Sen)	27.19	147.03

* *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. Which was approved by shareholders at the 24th Annual General Meeting. A total of 87,222,518 treasury shares were distributed at the cost of RM1.81 per treasury share.*

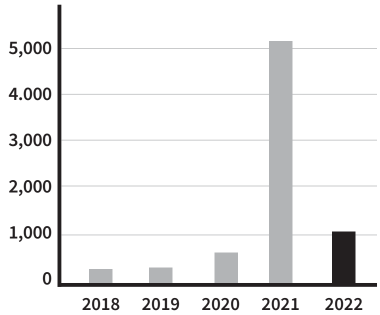
^ *For FY2022, the Board has proposed a final single-tier dividend of 3 sen per ordinary share, subject to approval of shareholders at the forthcoming Annual General Meeting.*

FIVE-YEARS FINANCIAL SUMMARY

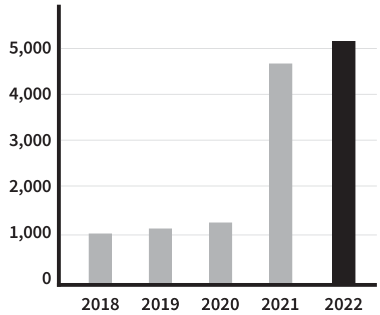
REVENUE
(RM'MILLION)



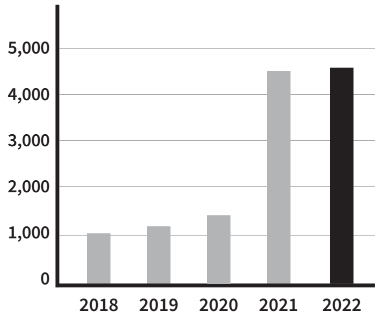
PRE-TAX PROFIT
(RM'MILLION)



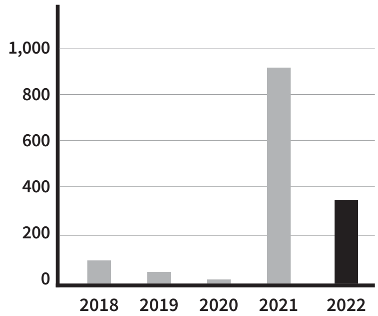
NET ASSETS
(RM'MILLION)



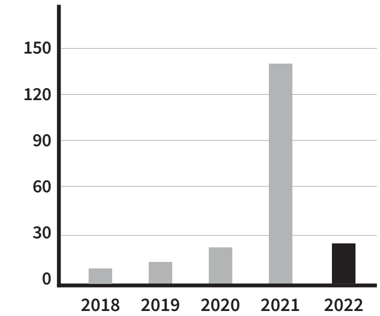
SHAREHOLDERS' EQUITY
(RM'MILLION)



DIVIDEND PAYOUT
(RM'MILLION)



BASIC EARNING PERSHARE
(IN SEN)



	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Revenue	1,304,460	1,538,157	2,131,808	7,164,186	2,687,227
Pre-tax profit	161,894	172,408	680,163	5,019,993	1,059,501
Net assets	1,022,711	1,134,226	1,550,541	4,894,388	5,032,125
Shareholders' equity	1,012,690	1,123,710	1,529,066	4,758,875	4,865,561
Dividend payout	75,725	32,783	21,946#	912,292*@	368,701+
Basic earnings per share (in Sen)	4.06^	4.70^	20.08^	147.03	27.19

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.*

+ *Dividend paid includes the FY2021 final share dividend which was distributed during the year on the basis of 1 treasury share for every 30 existing ordinary shares held. A total of 87,222,518 treasury shares were distributed at the cost of RM1.81 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.*

For FY2022, the Board has proposed a final single-tier dividend of 3 sen per ordinary share subject to shareholders' approval at the upcoming 25th Annual General Meeting.

CORPORATE STRUCTURE

SUPERMAX CORPORATION BERHAD
199701004909 (420405-P)
since 1989

100%	SUPERMAX GLOVE MANUFACTURING SDN BHD		
100%	MAXTER GLOVE MANUFACTURING SDN BHD	100%	SUPERGAMMA SDN BHD *(Formerly Known as Seal Polymer Latex Products Sdn Bhd)*
100%	SUPERMAX LATEX PRODUCTS SDN BHD		
100%	SUPERMAX INTERNATIONAL SDN BHD	100%	SUPERVISION OPTIMAX 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		
92.7%	SUPERMAX HEALTHCARE LIMITED	100%	SUPERMAX HEALTHCARE (EUROPE) LIMITED
67%	SUPERMAX HEALTHCARE CANADA INCORPORATED	49%	SUPERMAX MEDICAL INCORPORATED
100%	WHITE OAK GLOBAL PROPERTY LIMITED		
100%	SUPERMAX GROUP INVESTMENT LIMITED	100%	SUPERMAX GLOBAL (HK) LIMITED
100%	MAXTER HEALTHCARE PTE. LTD. *(Formerly Known as Aveo Vision Pte. Ltd.)*		
70%	AIME SUPERMAX KK	100%	AIME KK
100%	MAXTER HEALTHCARE INCORPORATED		

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SERI THAI KIM SIM, STANLEY
(Executive Chairman)

TAN CHEE KEONG
(Executive Director)

CECILE JACLYN THAI
(Non-Independent Non-Executive Director)

ALBERT SAYCHUAN CHEOK
(Independent Non-Executive Director)

DATO' TING HENG PENG
(Non-Independent Non-Executive Director)

DR. RASHID BIN BAKAR
(Independent Non-Executive Director)

EISEN NG KENG LIM
(Independent Non-Executive Director)

SUNG FONG FUI
(Independent Non-Executive Director)

AUDIT COMMITTEE

Albert Saychuan Cheok
Chairman, Independent Non-Executive Director

Dr. Rashid Bin Bakar
Member, Independent Non-Executive Director

Sung Fong Fui
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)

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

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
Bank of China (Malaysia) Berhad

AUDITORS

RSM Malaysia PLT
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

STOCK EXCHANGE LISTING

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

STOCK INFORMATION

Code No. : 7106
Name : SUPERMX

DATO' SERI THAI KIM SIM, STANLEY

EXECUTIVE CHAIRMAN
Founder

AGE
62

Dato' Seri Thai is the Founder of Supermax Group. He had held the posts of Chief Executive Officer cum Group Managing Director and subsequently Executive Chairman and Group Managing Director for many years until end-2017 when he relinquished his posts temporarily. He re-joined the Group on 8 December 2021 and was re-appointed as Executive Chairman.

Dato' Seri Thai graduated from the University of Windsor, Ontario, Canada with a Bachelor of Commerce degree (Hons) in 1982. He started his early business training with a multinational company before venturing into rubber glove trading and export business in 1987. Subsequently, he ventured into rubber glove manufacturing in 1989. He is a strong advocate of 'Made in Malaysia' products and had actively participated in many overseas trade promotions and programmes over the years. He has successfully built the brands Supermax, Maxter and Aurelia in global markets and was the first to launch a Malaysian brand of latex examination gloves SUPERMAX® in international markets.

Dato' Seri Thai has successfully grown Supermax Group into one of the World's largest rubber glove players with manufacturing plants in Malaysia exporting to over 165 countries and has distribution centres and operations in the United States, Canada, Brazil, UK, Ireland, Japan, Hong Kong, and Singapore. His stewardship of Supermax Group is evident in the accolades won including Malaysia's CEO of the Year Award, The Ernst & Young Entrepreneur of the Year Award, The Edge Billion Ringgit Club "Company of the Year" Award in 2010.

Dato' Seri Thai was also one of only 14 Asians to have received the American Humanitarian Service Award from the State of Illinois, US, in recognition of his humanitarian contributions and commitment to the community.

Dato' Seri Thai sat in the Board of the Malaysian Rubber Export Promotion Council (MREPC) from 2010 to 2015 and was Trustee of the Malaysian Rubber Glove Manufacturers Association (MARGMA) from 2013 to 2016.

MR TAN CHEE KEONG

EXECUTIVE DIRECTOR
Appointed on 2 January 2018

AGE
44

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.

MS CECILE JACLYN THAI

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 2 January 2018

AGE
34

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. Most recently, Ms Thai was the Chief Executive Officer of Aveo Vision, leading all aspects of the US contact lens business, and overseeing the development and implementation of Aveo Vision's integrated marketing strategy on a global level.

Ms Thai was appointed as Executive Director of Supermax Corporation Berhad on 2 January 2018, and re-designated as Non-Independent Non-Executive Director on 28 February 2022. Ms Thai was also a member of the Remuneration Committee from 3 March 2021 to 18 August 2022.

MR ALBERT SAYCHUAN CHEOK

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 19 October 2018

AGE
72

MALAYSIAN
PR

Mr Cheok holds a Bachelor of Economics Degree 1st Class Honours from the University of Adelaide. Mr Cheok was awarded a PhD scholarship to Cambridge University, which was not taken up. 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 recommended comprehensive reforms of the Australian financial 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 Berhad 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. He was the Chairman of the 5G Networks Group listed in Australia. 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 Audit Committee at China Aircraft Leasing Group Holdings, which was awarded the top aircraft leasing company in the world for 2016/2017/2018. At Supermax, he chairs the Audit Committee and is also a member of the Risk Management & ESG Committee.

PROFILE OF DIRECTORS

DATO' TING HENG PENG

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 18 June 2000

AGE 62

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 as an Independent Non-Executive Director ("INED") of Supermax Corporation Bhd on 18 June 2000 and re-designated as Non-Independent Non-Executive Director ("NINED") on 21 October 2022. Following his re-designation to NINED, he has also been re-designated from Chairman of the Risk Management & ESG Committee to Member of the Committee, in line with the Committee's Terms of Reference. He remains a Member of the Nomination & Remuneration Committee. Dato' Ting is also an Independent Non-Executive Director of Mercury Industries Bhd and recently appointed Independent Non-Executive Chairman of Daythree Digital Bhd.

DR RASHID BIN BAKAR

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 18 July 2002

AGE 64

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 currently chairs the Nomination and Remuneration Committee and is also a member of the Audit Committee.

AR. EISEN NG KENG LIM

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 19 October 2018

AGE 69

Ar. 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 Nomination & Remuneration Committee.

MS SUNG FONG FUI

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 8 December 2021

AGE
48

Ms Sung is an Independent Non-Executive Director of Supermax Corporation Berhad on 8 December 2021. She is currently Chairman of the Risk Management & ESG Committee and a member of the Audit Committee. She is also currently the Group Chief Financial Officer and an Executive Director of Padini Holdings Berhad. Prior to joining Padini Holdings Berhad, she was an Audit Technical Partner in the Audit & Assurance Department in a large international accounting firm. Ms Sung has more than twenty (20) years of experience in audit and assurance, listing, corporate and business advisory work. While working as an Audit Partner in a large international accounting firm, she was involved in the audit of companies of various industries listed on Bursa Malaysia Securities Berhad. Her client portfolio includes local and international companies covering a broad spectrum of industries, such as property development, mining, manufacturing, toll collections, securities, constructions, plantation, trading, hotel and professional service organisation.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

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 Dato' Seri Thai Kim Sim, Stanley (Executive Chairman and indirect major shareholder) and Datin Seri Tan Bee Geok, Cheryl (indirect major shareholder).
2. Tan Chee Keong is the nephew of Dato' Seri Thai Kim Sim, Stanley and Datin Seri Tan Bee Geok, Cheryl.

Key Senior Management

Dato' Seri Thai Kim Sim, Stanley and Tan Chee Keong, being the Executive Chairman and Executive Director respectively, 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 34 of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

DEAR VALUED SHAREHOLDERS,

Following the record-breaking year in FY2021 when the Group achieved its best ever performance on the back of the Covid-19 pandemic which caused demand and average selling prices (ASPs) to sky-rocket, it was inevitable that the industry would see a return to some form of normalcy as the threat posed by the pandemic waned.

While the Group did not record the same extraordinary performance in the preceding year, the follow-through positive impact from the pandemic was still evident at the start of the financial year and helped the Group to record another set of strong numbers for the full financial year, well exceeding the numbers posted prior to the Covid-19 pandemic. For the financial year ended 30 June 2022 (FY 2022), the Group is pleased to report sales revenue of close to RM2.7 billion and profit before tax of over RM1.0 billion.

The current business environment is indeed challenging, but the Supermax Group has been through many periods of adversity and it has, through extraordinary leadership, astute management and a capable and supportive work force; always met those challenges head-on and prevailed. The current challenges are on a scale not seen previously but Supermax has built up a solid balance sheet and has appropriate plans in place which will help see them through the difficult period ahead and come back in good stead when the market recovers.

MACROECONOMIC LANDSCAPE & INDUSTRY DYNAMICS

The Covid-19 pandemic has caused great disruption to the global markets and continues to do so although in varying degrees region to region and country to country as more and more markets open up their borders. While the pandemic's overall impact and threat has started to wane, we continue to see pockets of flare-ups across the world and which may well worsen again as we enter the cold season in the Northern Hemisphere. But even as the world moves gradually towards endemicity, geo-political tensions are on the rise as a result of the on-going Russia-Ukraine conflict and placing pressure on the global supply chain even as the pressure from the pandemic eases. There are already concerns that this conflict has sparked an economic recession in the European region which may well spread far beyond its borders especially if the conflict sees an escalation in the weeks and months ahead.

Over the years, global demand for gloves has been steadily rising at a rate of 8% – 10% per year on the average. The Covid-19 pandemic however saw demand surge exponentially. The buying frenzy had seen many buyers ending up in a heavily over-stocked position as pandemic concerns waned amid the roll-out of vaccination programmes across the world and the frantic demand for gloves inevitably subsided. The industry is now at a stage where demand is relatively muted as the buyers gradually clear their inventory.

The super-normal profits and huge potential of the rubber glove industry had seen many new players jump onto the bandwagon. With existing players also ramping up capacity to meet the surge in demand at the time, an over-supply situation has developed. This factor together with the aforementioned waning demand has seen increasing downward pressure being exerted on ASPs.

Besides the prevailing demand-supply dynamics, the industry is also faced with an environment of rising costs. Energy costs, in the form of electricity and natural gas costs have risen this year following rate hikes, while labour costs have also risen following the increase in minimum wages from RM1,200 to RM1,500 in May 2022. The on-going Ukraine-Russia conflict is not helping and is only adding pressure to the supply chain and driving up energy costs and other related costs.

For the near and medium term, the outlook is expected to remain gloomy and will be reflected in the business and financial performance of the Company in the quarters ahead. Nevertheless, the Company is taking all measures possible to manage best the prevailing challenging business environment for the rubber glove sector.

FINANCIAL REVIEW

Financial Performance

For the financial year ended 30 June 2022, the Supermax Group achieved another extraordinary set of results, second only to the year before when the Group recorded its best ever returns from the very favourable market conditions which lasted throughout the financial year. In this financial year, the Group achieved a very creditable performance with revenue of well over RM2.6 billion and profit before tax of over RM1.0 billion. Its net assets have continued to rise, achieving its highest ever level of over RM5.0 billion, and with a cash pile of about RM3.0 billion as at the financial year end, it is in a strong position to weather the current challenging market conditions. About RM1.3 billion has been set aside for the Group's expansion plans in Malaysia and a further USD550 million allocated for Phase #1 and Phase #2 of its manufacturing project in the US.

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 in Malaysia. The Group will need to relook its plans taking into account the latest developments in the market. As for its expansion plan in the US, it remains on course and if according to plan, the year 2023 will see the Group manufacture its first gloves in the USA.

Overall, the Group has delivered revenue growth over the years and while it will be a while before it hits the heights of FY2021 again, it is currently looking to weather the current unfavourable market conditions before setting out on a more sustainable growth path when the market recovers.

Dividend Payout

The Group is firmly committed to maximising shareholders' value. During the current financial year, Supermax paid out to its shareholders a total 23.0 cents dividend per share over 3 separate pay-outs amounting to over RM603 million. The Board of Directors has also proposed a final dividend of 3.0 cents per share the approval for which will be voted upon by the shareholders at the coming Annual General Meeting.

INDUSTRY POTENTIAL

The rubber glove industry remains 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. However, coming off a historic period for the industry sparked by a pandemic that had spread across the world over the last 2 over years and now moving into endemicity, it is inevitable that a period of consolidation would take place before the rubber glove business resumes its growth path of a sustainable 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 and about 22 billion pieces was due to have been progressively added to the Group's capacity by 2022 with RM1.3 billion having been allocated for this expansion program. The progress had been hampered during the pandemic and with the market conditions having taken a turn for the worse, the Group has had a re-look at the plans and decided to continue to build the factory buildings and structures while putting on hold the installation of the production lines and ancillary machines. The Group will monitor closely the prevailing and expected market conditions before deciding on the next steps.

The vulnerability to disrupted PPE supply chains and an over-reliance on imports to meet emergency need for personal protective equipment such as medical gloves had been thoroughly exposed by the Covid-19 pandemic and have become a primary concern of governments around the world. To address this major concern in countries where Supermax operates, the Supermax Group has made a strategic decision to reinvest the earnings derived from its distribution centres in the respective countries where Supermax operates to build manufacturing facilities within those countries, starting with its first venture of this kind in the USA. The Group had started the ground-breaking for the US plant earlier this year and construction is already underway.

Outlook

The Supermax Group has achieved a strong FY2022 and will strive to continue recording strong growth going forward over the longer term. However, the next few quarters ahead are expected to be bumpy and challenging owing to the difficult market conditions including the highly over-stocked position of many buyers, the current low demand and over-supply situation as well as the stiff market competition and prevailing low ASPs.

As mentioned earlier, the Group's strong balance sheet stands it in good stead to weather the challenging period ahead. And while it monitors the market closely for the expected turnaround following a phase of consolidation, the Group will be ready and remain sufficiently nimble to take advantage when the time comes.

The Board of Supermax remains conscious of the importance of enhancing shareholder value and has proposed a final dividend 3 cents per ordinary share which is subject to shareholders' approval at the upcoming Annual General Meeting for financial year ended 30 June 2022.

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. As a sign of its appreciation, the Board has proposed the establishment of a Long-Term Incentive Plan comprising a proposed employee share options scheme as well as proposed share grant plan of up to 15% of the issued share capital of Supermax Corporation Berhad ("SCB") (excluding treasury shares of the Company if any) for all eligible employees and directors of SCB and its subsidiaries (excluding dormant companies). This proposal is subject to shareholders' approval at the upcoming Annual General Meeting.

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. 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.

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

Mr. Albert Saychuan Cheok
Chairman of Committee, Independent Non-Executive Director

Dr. Rashid Bin Bakar
Member of Committee, Independent Non-Executive Director

Ms Sung Fong Fui
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. Mr Albert Saychuan Cheok. 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

Six (6) meetings were held during the financial year ended 30 June 2022. The record of attendance is as follows:-

Name	No. of Meetings Attended
Mr. Albert Saychuan Cheok	6/6
Dr. Rashid Bin Bakar	6/6
Ms Sung Fong Fui	3/3

* *Ms Sung Fong Fui was appointed to the Audit Committee on 8 December 2021*

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 fees, 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.

6. Reviewed the Terms of Reference of the Audit Committee and recommended the proposed revision to the Board for approval.

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 2022, 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 2022 amounted to RM388,000 (financial year ended 30 June 2021: RM383,000).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 business environment.

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 Executive Chairman who is a Non-Independent Executive Director, 1 Executive Director, 2 Non-Independent Non-Executive Directors and 4 Non-Executive Directors, all 4 of whom are Independent Directors.

Throughout the financial year ended 30 June 2022, the Board composition had been in compliance with the recommendation of the MCCG for the boards of large companies to be comprised of a majority of independent directors. However, following the recent re-designation of Dato' Ting Heng Peng from Independent Non-Executive Director to Non-Independent Non-Executive Director on 21 October 2022, half the Board is comprised of independent directors and the other half non-independent directors, thus not in line with the recommendation of the MCCG at this time. Nevertheless, the Company is already in the midst of identifying a suitable candidate to be appointed as Independent Non-Executive Director to address this departure from the MCCG recommended best practice.

The profile of each Member of the Board is presented on pages 7 to 10 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.

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 & Remuneration Committee and the Board have upon their annual assessment, concluded that the 2 long-serving Independent Non-Executive Directors, i.e. Dato' Ting Heng Peng and Dr Rashid Bin Bakar, 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 Board has nevertheless decided to re-designate Dato' Ting Heng Peng as Non-Independent Non-Executive Director while Dr Rashid has decided to retire by rotation at the upcoming Annual General Meeting.

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.

Anti-Bribery & Corruption Policy

The Supermax Group is fully committed to conducting its business and operations in an honest and ethical manner and being compliant with the law and regulatory provisions to control and prevent bribery and corrupt practices. The Group has zero-tolerance towards and does not condone any acts of bribery and corruption, which are criminal acts in nature as well as indictable offences. Towards achieving the objective of creating a bribery and corruption-free environment, the Group is fully committed towards implementing and enforcing effective systems and procedures that include:

- Working closely with employees, stakeholders and other interested parties to encourage and enforce a bribery and corruption free culture and mind-set

- Requiring employees to sign-off written expressions of agreement to the Group's policies including the Anti-Bribery & Corruption Policy

- Encouraging staff to raise their concerns via the Group's established whistleblowing channels

The Group's Anti-Bribery & Corruption 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 2022, 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. Dato' Seri Thai Kim Sim, Stanley	2	2
2. Tan Chee Keong	5	5
3. Cecile Jaclyn Thai	5	5
4. Albert Saychuan Cheok	5	5
5. Dato' Ting Heng Peng	5	5
6. Dr Rashid Bin Bakar	5	5
7. Eisen Ng Keng Lim	5	5
8. Sung Fong Fui	2	2

* *Dato' Seri Thai Kim Sim, Stanley rejoined the Board on 8 December 2021 while Ms Sung Fung Fui joined the Board on the same day.*

The Executive Chairman of the Company undertakes 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 ("NC") 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 NC 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 ("NC") consisted of the following:-

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

The duties and responsibilities of the NC include: -

a) To recommend to the Board of Directors, candidates for directorships to be filled by the Shareholders or the Board of Directors;

b) 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;

c) To recommend to the Board, Directors to fill the seats on the Board committees;

d) 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;

e) To assess the training needs of the directors; and

f) To assess the effectiveness of the Board of Directors as a whole and each individual Director/Committee of the Board;

During the year, the NC had met four (4) times. The meetings were 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; the appointment of new directors; the re-designation of directors; and the continuation in office of independent directors who have served the Company for a cumulative term of more than 9 years.

Recently in August 2022, the NC was merged with the Remuneration Committee to form the Nomination & Remuneration Committee ("NRC"). The new Committee comprised the Chairman, Dr Rashid Bin Bakar and members, Dato' Ting Heng Peng and Ar. Eisen Ng Keng Lim.

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:-

Training attended by Directors during the Financial Year Ended 30 June 2022

Director	Programmes
Dato' Seri Thai Kim Sim, Stanley	▸ Tax Governance – Why is it Important?; organised by Tricor Training Academy ▸ Asia Supply Chains: A New Era; organised by HSBC
Ms Cecile Jaclyn Thai	▸ Board Assessment – A Key Cog in an Effective Governance Structure; organised by Malaysian Institute of Accountants (MIA) ▸ Ecom World Conference 2021; organised by Strata Virtual Events
Mr Tan Chee Keong	▸ Forced Labor Round Table Discussion with CBP; organised by DHL USA ▸ Tax Governance – Why is it Important?; organised by Tricor Training Academy
Mr Albert Saychuan Cheok	▸ Board Assessment – A Key Cog in an Effective Governance Structure; organised by Malaysian Institute of Accountants (MIA) ▸ Update on Corporate Governance Code; organised by Chartered Governance Hong Kong ▸ Audit Oversight Board's Conversation with Audit Committees; organised by Securities Commission
Dato' Ting Heng Peng	▸ Updates on Amendments to the Main Market Listing Requirements and Updated Malaysian Code of Corporate Governance; organised by Archer Corporate Services Sdn Bhd ▸ Tax Governance – Why is it Important?; organised by Tricor Training Academy ▸ Audit Oversight Board's Conversation with Audit Committees; organised by Securities Commission
Dr Rashid Bin Bakar	▸ Tax Governance – Why is it Important?; organised by Tricor Training Academy ▸ Audit Oversight Board's Conversation with Audit Committees; organised by Securities Commission

Director	Programmes
Ar. Eisen Ng Keng Lim	▶ Tax Governance – Why is it Important?; organised by Tricor Training Academy
Ms Sung Fong Fui	▶ Environment, Social and Governance Training; organised by Padini ▶ Tax Budget 2021; organised by BDO ▶ IFRS Update 2021; organised by Malaysian Institute of Accountants (MIA) ▶ Audit Oversight Board's Conversation with Audit Committees; organised by Securities Commission ▶ The Future of Work for Accountants; organised by ACCA Singapore ▶ Audit Quality Enhancement Programme for SMPs; organised by Malaysian Institute of Accountants (MIA) ▶ From Integrated Reporting to Integrated Thinking; organised by Padini

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:

a) Ensuring compliance with regulatory requirements;

b) Updating the Board on changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements");

c) Providing support to the Board in ensuring adherence to board policies and procedures, rules, relevant laws and best practices on corporate governance;

d) 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

During the financial year ended 30 June 2022, the Remuneration Committee consisted of the following:-

Chairman : Dr. Rashid Bin Bakar
(Independent Non-Executive Director)
Members : Dato' Ting Heng Peng
(Non-Independent Non-Executive Director; re-designated from Independent Non-Executive Director on 21 October 2022)
Ms Cecile Jaclyn Thai
(Non-Independent Non-Executive Director)

The duties and responsibilities of the Remuneration Committee included:-

a) 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;

b) To ensure the levels of remuneration be sufficiently attractive and be able to retain Directors needed to run the Company successfully;

c) 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

d) 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						
Dato' Seri Thai Kim Sim, Stanley*	88,065	6,878,102	-	88,065	1,000	-
Tan Chee Keong	120,000	USD 608,750	-	120,000	2,500	-
Non-Executive Directors						
Cecile Jaclyn Thai^	120,000	USD 392,800	-	120,000	2,500	-
Albert Saychuan Cheok	135,677	5,500	-	135,677	5,500	-
Dato' Ting Heng Peng	120,000	4,000	-	120,000	4,000	-
Dr Rashid Bin Bakar	120,000	5,500	-	120,000	5,500	-
Eisen Ng Keng Lim	102,000	2,500	-	102,000	2,500	-
Sung Fong Fui*	57,581	2,500	-	57,581	2,500	-

* *Dato' Seri Thai Kim Sim, Stanley re-joined the Board on 8 December 2021 and Ms Sung joined the Board on the same day. The payment of their director fees are pending approval at the upcoming Annual General Meeting.*

^ *Cecile Jaclyn Thai was re-designated from Executive Director to Non-Independent Non-Executive Director on 28 February 2022.*

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 Mr Albert Saychuan Cheok 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 2022, 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 Risk Management & Internal Control furnished on pages 27 to 29 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:-

a) 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;
b) 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
c) 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 2022, 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	722,596	80,000
Non-audit fees	5,000	5,000
Total	727,596	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.

Recurrent Related Party Transactions

The Company did not seek a mandate from its shareholders for recurrent related party transactions.

Revaluation of landed properties

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Rule 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 a majority 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 and 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 based on 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 2022, 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 while 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 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, EN 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. The Executive Chairman and the Executive Director in change of financial management, have given the assurance to the Board that the risk management and internal control system currently in place is adequate and effective for the Group.

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 2022 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.

SUPERMAX
CORPORATION BERHAD
199701004909 (420405-P)
since 1989

FINANCIAL STATEMENTS

CORPORATE INFORMATION

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 Dato' Seri Thai Kim Sim, Stanley (Appointed 8 December 2021) Sung Fong Fui (Appointed 8 December 2021)
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, Malaysia
Auditors	:	RSM Malaysia PLT 202206000002 (LLP0030276-LCA) & 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 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 2022.

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 9 to the financial statements.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Net profit for the financial year	757,122,432	886,117,292
Attributable to :		
Owners of the parent	718,905,390	886,117,292
Non-controlling interests	38,217,042	-
	757,122,432	886,117,292

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 dividends on ordinary shares paid or declared by the Company since the end of the previous financial year were as follows:

	RM
In respect of the financial year ended 30 June 2021:	
- Special single-tier dividend of 15 sen per ordinary share, paid on 30 September 2021	392,645,819
- Final dividend via share dividend distribution of 87,222,518 treasury shares on the basis of 1 treasury share for every 30 existing ordinary shares held in the company, distributed on 19 January 2022	157,872,759
In respect of the financial year ended 30 June 2022:	
- Interim single-tier dividend of 5 sen per ordinary share, paid on 3 January 2022	130,881,940
- Interim single-tier dividend of 3 sen per ordinary share, paid on 28 June 2022	79,945,839
	761,346,357

The Directors propose a final single-tier dividend of 3 sen per ordinary share, in respect of the financial year ended 30 June 2022, 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 an appropriation of retained earnings in the financial year ending 30 June 2023.

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

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 held on 3 December 2021, 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 purchased 40,000,000 of its issued ordinary shares from the open market at an average price of RM1.05 per ordinary share. The total consideration paid for the shares purchased including transaction costs was RM42,177,171. The shares purchased 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 87,222,518 treasury shares on the basis of one treasury share for every thirty existing ordinary shares held in the Company.

As at 30 June 2022, the Company held a total of 55,758,209 ordinary shares of its 2,720,619,520 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM70,672,705.

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	
Tan Chee Keong	
Dato' Ting Heng Peng	
Dr. Rashid Bin Bakar	
Ng Keng Lim @ Ngooi Keng Lim	
Dato' Seri Thai Kim Sim, Stanley	(Appointed 8 December 2021)
Sung Fong Fui	(Appointed 8 December 2021)

DIRECTORS (CONT'D)

The names 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 2022 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:

	Number of ordinary shares			
THE COMPANY	**At 1.7.2021/ Date of appointment**	**Acquired**	**(Disposed)**	**At 30.6.2022**
Direct interest				
Albert Saychuan Cheok	167,690	5,589	-	173,279
Dato' Ting Heng Peng	17,528,874	408,960	(5,260,000)	12,677,834
Dr. Rashid Bin Bakar	249,107	8,303	-	257,410
Tan Chee Keong	932,266	31,075	-	963,341
Cecile Jaclyn Thai	204,444	6,814	-	211,258
Ng Keng Lim @ Ngooi Keng Lim	-	-	-	-
Indirect interest				
Dato' Seri Thai Kim Sim, Stanley*	1,004,532,278	33,484,409	-	1,038,016,687
Sung Fong Fui **	10,000	333	-	10,333

* *Indirect interest through Supermax Holdings Sdn. Bhd., a company controlled by Dato' Seri Thai Kim Sim, Stanley and his spouse.*

** *Shares held through persons connected to the Director pursuant to Section 8 of the Companies Act 2016 in Malaysia.*

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 amounts of remunerations received or receivable by the directors of the Company during the financial year are as follows:

	GROUP RM	COMPANY RM
Directors' Fees	863,323	863,323
Other emoluments	11,137,418	26,000
	12,000,741	889,323

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 amounts paid to or receivable by the auditors as remuneration for their services as auditors are as follows:

	GROUP RM	COMPANY RM
Audit Fees	722,596	80,000
Non-audit fees	5,000	5,000
	727,596	85,000

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.

AUDITORS

The auditors, Messrs RSM Malaysia PLT (converted from a conventional partnership, RSM Malaysia, on 3 January 2022) have expressed their willingness to continue in office.

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

DATO' SERI THAI KIM SIM, STANLEY

DATO' TING HENG PENG

Kuala Lumpur

Date: 26 October 2022

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 2022 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,

DATO' SERI THAI KIM SIM, STANLEY

DATO' TING HENG PENG

Kuala Lumpur

Date: 26 October 2022

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 26 October 2022

Before me

Notary Public

State of Illinois, United States of America

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUPERMAX CORPORATION BERHAD

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 2022 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 43 to 101.

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 2022, and of their financial performance and their 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
Revenue recognition 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. Revenue from sale 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 the customer.	**Our procedures included, amongst others:** • 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 the 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.
Valuation of inventories 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. Several subsidiaries conducted stock counts on a monthly basis performed by internal management personnel, whilst other subsidiaries engaged external auditors to verify stock balances.	**Our procedures included, amongst others:** • 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 2022 and noted that unit selling price exceeded cost. • Attended and observed inventory count procedures by management on 30 June 2022 at selected locations within our scope.

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
Impairment of trade and other receivables The recoverability of trade and other receivables and allowance for impairment of trade and other receivables are considered to be a significant risk due to the pervasive nature of these balances to the financial statements and affect the working capital management of the business.	**Our procedures included, amongst others:** • 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 2022. • 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 other information 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 other information and, in doing so, consider whether the other information 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 other information, 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 PLT
202206000002 (LLP0030276-LCA) & AF: 0768
Chartered Accountants

Yeoh Kian Teck
03322/08/2023 J
Chartered Accountant

Kuala Lumpur
26 October 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	GROUP 2022 RM	GROUP 2021 RM	COMPANY 2022 RM	COMPANY 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	**1,697,186,208**	1,441,458,382	**-**	-
Investment property	7	**348,947**	362,006	**-**	-
Right-of-use assets	8	**31,023,947**	7,982,355	**-**	-
Investment in subsidiaries	9	**-**	-	**841,632,220**	621,451,248
Investment in associates	10	**207,188,766**	177,801,546	**18,994,696**	18,994,696
Goodwill on consolidation	11	**-**	-	**-**	-
Deferred tax assets	12	**36,317,013**	111,673,677	**-**	-
		1,972,064,881	1,739,277,966	**860,626,916**	640,445,944
Current assets					
Inventories	13	**267,560,542**	518,506,738	**-**	-
Receivables	14	**285,293,446**	723,110,425	**-**	-
Amounts owing by subsidiaries	15	**-**	-	**9,756,028**	32,159,986
Amounts owing by associates	16	**24,548,210**	41,980,433	**294,301**	294,301
Tax recoverable		**375,333,700**	592,252,823	**1,278,698**	1,278,709
Short-term investments	17	**3,466,617**	2,952,237	**-**	-
Cash and bank balances	18	**3,028,690,111**	3,776,084,375	**63,100,775**	20,791,917
		3,984,892,626	5,654,887,031	**74,429,802**	54,524,913
TOTAL ASSETS		**5,956,957,507**	7,394,164,997	**935,056,718**	694,970,857
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	19	**340,077,440**	340,077,440	**340,077,440**	340,077,440
Treasury shares	20	**(70,672,705)**	(186,368,293)	**(70,672,705)**	(186,368,293)
Reserves	21	**4,596,156,595**	4,605,166,327	**649,731,806**	524,960,871
Equity attributable to owners of the parent		**4,865,561,330**	4,758,875,474	**919,136,541**	678,670,018
Non-controlling interests		**166,563,291**	135,512,147	**-**	-
TOTAL EQUITY		**5,032,124,621**	4,894,387,621	**919,136,541**	678,670,018
Non current liabilities					
Loans and borrowings	22	**31,042,444**	61,479,882	**-**	-
Lease liabilities	23	**21,545,213**	2,511,611	**-**	-
Deferred tax liabilities	12	**67,116,002**	66,009,416	**-**	-
		119,703,659	130,000,909	**-**	-
Current liabilities					
Payables	24	**330,536,650**	1,173,599,131	**893,018**	459,069
Amounts owing to subsidiaries	15	**-**	-	**14,938,361**	15,841,770
Loans and borrowings	22	**173,249,756**	196,048,391	**-**	-
Lease liabilities	23	**6,655,728**	2,244,730	**-**	-
Tax payables		**294,687,093**	997,884,215	**88,798**	-
		805,129,227	2,369,776,467	**15,920,177**	16,300,839
TOTAL LIABILITIES		**924,832,886**	2,499,777,376	**15,920,177**	16,300,839
TOTAL EQUITY AND LIABILITIES		**5,956,957,507**	7,394,164,997	**935,056,718**	694,970,857

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

SUPERMAX CORPORATION BERHAD
199701004909 (420405-P)
since 1989

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		GROUP		COMPANY	
		2022	2021	**2022**	2021
	Note	**RM**	RM	**RM**	RM
Revenue	25	**2,687,227,150**	7,164,186,472	**906,154,134**	1,066,000,100
Purchases		**(1,121,064,167)**	(1,735,647,970)	**-**	-
Other Operating Income		**109,480,799**	82,670,092	**12,105,998**	558,993
Share of results of Associates		**(11,435,134)**	35,049,682	**-**	-
Changes in inventories in finished goods and work in progress		**(15,307,273)**	128,132,793	**-**	-
Administrative cost					
Directors' remuneration	26	**12,000,741**	3,261,431	**889,323**	790,981
Staff costs		**159,746,343**	187,153,100	**-**	-
Depreciation of property, plant and equipment	6	**69,263,416**	66,242,489	**-**	-
Depreciation of investment property	7	**13,059**	13,071	**-**	-
Depreciation of right-of-use assets	8	**4,584,060**	2,522,251	**-**	-
Impairment loss on property, plant and equipment	6	**63,511,148**	22,024,516	**-**	-
Other operating expenses		**274,575,871**	365,068,095	**31,164,707**	92,226,844
Total administrative cost		**(583,694,638)**	(646,284,953)	**(32,054,030)**	(93,017,825)
Profit from operation		**1,065,206,737**	5,028,106,116	**886,206,102**	973,541,268
Finance costs	27	**(5,705,375)**	(8,112,721)	**-**	(904,776)
Profit before tax	28	**1,059,501,362**	5,019,993,395	**886,206,102**	972,636,492
Taxation	29	**(302,378,930)**	(1,090,048,909)	**(88,810)**	(134,130)
Net profit for the financial year		**757,122,432**	3,929,944,486	**886,117,292**	972,502,362
Attibutable to :-					
Owners of the parent		**718,905,390**	3,816,717,519	**886,117,292**	972,502,362
Non-controlling interests		**38,217,042**	113,226,967	**-**	-
Net profit for the financial year		**757,122,432**	3,929,944,486	**886,117,292**	972,502,362
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss:-					
Foreign currency translation		**82,057,866**	22,174,740	**-**	-
Total comprehensive income for the financial year		**839,180,298**	3,952,119,226	**886,117,292**	972,502,362
Total comprehensive income attributable to:-					
Owners of the parent		**801,292,280**	3,833,910,531	**886,117,292**	972,502,362
Non-controlling interests		**37,888,018**	118,208,695	**-**	-
Total comprehensive income for the financial year		**839,180,298**	3,952,119,226	**886,117,292**	972,502,362
Earnings per ordinary share attributable to owners of the parent					
Basic and diluted (sen)	30	27.19	147.03		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Attributable to Owners of the Parent						
			Non-distributable		Distributable			
GROUP	**Note**	**Share Capital RM**	**Treasury Shares RM**	**Translation Reserve RM**	**Retained Earnings RM**	**Total RM**	**Non-controlling Interests RM**	**Total Equity RM**
Balance at 1 July 2021		**340,077,440**	**(186,368,293)**	**(124,463,843)**	**4,729,630,170**	**4,758,875,474**	**135,512,147**	**4,894,387,621**
Net profit for the financial year		**-**	**-**	**-**	**718,905,390**	**718,905,390**	**38,217,042**	**757,122,432**
Other comprehensive income for the financial year		**-**	**-**	**82,386,890**	**-**	**82,386,890**	**(329,024)**	**82,057,866**
Total comprehensive income for the financial year		**-**	**-**	**82,386,890**	**718,905,390**	**801,292,280**	**37,888,018**	**839,180,298**
Transactions with owners								
Dividends paid	31	**-**	**157,872,759**	**-**	**(761,346,357)**	**(603,473,598)**	**(55,792,529)**	**(659,266,127)**
Purchases of treasury shares	20	**-**	**(42,177,171)**	**-**	**-**	**(42,177,171)**	**-**	**(42,177,171)**
Dilution of interests of a subsidiary		**-**	**-**	**-**	**(48,955,655)**	**(48,955,655)**	**48,955,655**	**-**
Total transactions with owners		**-**	**115,695,588**	**-**	**(810,302,012)**	**(694,606,424)**	**(6,836,874)**	**(701,443,298)**
Balance at 30 June 2022		**340,077,440**	**(70,672,705)**	**(42,076,953)**	**4,638,233,548**	**4,865,561,330**	**166,563,291**	**5,032,124,621**
Balance as at 1 July 2020		340,077,440	(101,912,498)	(141,656,855)	1,432,558,408	1,529,066,495	21,474,868	1,550,541,363
Net profit for the financial year		-	-	-	3,816,717,519	3,816,717,519	113,226,967	3,929,944,486
Other comprehensive income for the financial year		-	-	17,193,012	-	17,193,012	4,981,728	22,174,740
Total comprehensive income for the financial year		-	-	17,193,012	3,816,717,519	3,833,910,531	118,208,695	3,952,119,226
Transactions with owners								
Dividends paid	31	-	79,882,429	-	(519,645,757)	(439,763,328)	(4,171,416)	(443,934,744)
Purchases of treasury shares	20	-	(164,338,224)	-	-	(164,338,224)	-	(164,338,224)
Total transactions with owners		-	(84,455,795)	-	(519,645,757)	(604,101,552)	(4,171,416)	(608,272,968)
Balance at 30 June 2021		340,077,440	(186,368,293)	(124,463,843)	4,729,630,170	4,758,875,474	135,512,147	4,894,387,621

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

SUPERMAX CORPORATION BERHAD
199701004909 (420405-P)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

COMPANY	Note	Attributable to Owners of the Parent			
		Issued Share Capital RM	Treasury Shares RM	Distributable Retained Earnings RM	Total Equity RM
Balance at 1 July 2021		**340,077,440**	**(186,368,293)**	**524,960,871**	**678,670,018**
Total comprehensive income for the financial year		**-**	**-**	**886,117,292**	**886,117,292**
Transaction with owners					
Dividends paid	31	**-**	**157,872,759**	**(761,346,357)**	**(603,473,598)**
Purchases of treasury shares	20	**-**	**(42,177,171)**	**-**	**(42,177,171)**
Total transaction with owners		**-**	**115,695,588**	**(761,346,357)**	**(645,650,769)**
Balance as at 30 June 2022		**340,077,440**	**(70,672,705)**	**649,731,806**	**919,136,541**
Balance as at 1 July 2020		340,077,440	(101,912,498)	72,104,266	310,269,208
Total comprehensive income for the financial year		-	-	972,502,362	972,502,362
Transaction with owners					
Dividends paid	31	-	79,882,429	(519,645,757)	(439,763,328)
Purchases of treasury shares	20	-	(164,338,224)	-	(164,338,224)
Total transaction with owners		-	(84,455,795)	(519,645,757)	(604,101,552)
Balance as at 30 June 2021		340,077,440	(186,368,293)	524,960,871	678,670,018

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Cash flows from operating activities				
Profit before tax	**1,059,501,362**	5,019,993,395	**886,206,102**	972,636,492
Adjustments for :-				
Depreciation of investment property	**13,059**	13,071	**-**	-
Depreciation of property, plant and equipment	**69,263,416**	66,242,489	**-**	-
Depreciation of right-of-use assets	**4,584,060**	2,522,251	**-**	-
Dividend income	**-**	-	**(906,154,134)**	(1,066,000,100)
Gain on diposal of property, plant and equipment	**(31,956,630)**	-	**-**	-
Goodwill written off	**-**	28,715,854	**-**	-
Impairment loss on amounts owing by subsidiaries	**-**	-	**19,820,140**	85,065,065
Inventories written down	**1,833,940**	-	**-**	-
Impairment loss on investments in subsidiaries	**-**	-	**-**	1,616,939
Impairment loss on property, plant and equipment	**63,511,148**	22,024,516	**-**	-
Allowance for expected credit loss	**519,177**	11,685,467	**-**	-
Reversal of allowance for expected credit loss	**(10,307,006)**	-	**-**	-
Interest expenses	**5,705,375**	8,112,721	**-**	904,776
Interest income	**(5,162,160)**	(6,583,342)	**(369,993)**	(558,993)
Loss on dilution of interest in a subsidiary	**-**	-	**119,028**	-
Net (gain)/loss on unrealised foreign exchange	**(26,386,215)**	(45,054,476)	**(11,171,987)**	1,179,194
Share of results of associates	**11,435,134**	(35,049,682)	**-**	**-**
Operating profit/(loss) before working capital changes	**1,142,554,660**	5,072,622,264	**(11,550,844)**	(5,156,627)
Decrease/(Increase) in inventories	**249,112,256**	(265,270,082)	**-**	-
Decrease/(Increase) in receivables	**488,147,432**	(393,729,061)	**-**	-
Decrease/(Increase) in amount owing by/to subsidiaries	**-**	-	**13,300,330**	(28,558,054)
Decrease in amount owing by associates	**17,432,223**	4,900,094	**-**	-
(Decrease)/Increase in payables	**(841,375,380)**	44,770,746	**433,949**	101,080
Cash generated from/ (used in) operations	**1,055,871,191**	4,463,293,961	**2,183,435**	(33,613,601)
Tax paid	**(712,193,679)**	(837,060,851)	**-**	(424,994)
Net cash generated from/(used in) operating activities	**343,677,512**	3,626,233,110	**2,183,435**	(34,038,595)
Cash flows from investing activities				
Dividends received	**-**	-	**906,154,134**	1,066,000,100
Purchase of financial assets	**(339,000)**	(2,842,508)	**-**	-
Quasi loan to subsidiaries	**-**	-	**(220,300,000)**	(406,300,000)
Proceeds from the disposal of property, plant and equipment	**97,971,672**	-	**-**	-
Purchase of property, plant and equipment	**(448,650,764)**	(448,398,421)	**-**	-
Net cash (used in)/generated from investing activities	**(351,018,092)**	(451,240,929)	**685,854,134**	659,700,100

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Cash flows from financing activities				
Dividends paid	**(659,266,127)**	(443,934,744)	**(603,473,598)**	(439,763,328)
Interest received	**4,986,780**	6,473,613	**369,993**	558,993
Interest paid	**(5,705,375)**	(8,112,721)	**-**	(904,776)
Repayment of lease liabilities, net	**(4,559,817)**	(3,170,418)	**-**	-
Repayment of term loan, net	**(43,827,653)**	(29,606,098)	**-**	-
Repayment of short term borrowings, net	**(14,558,464)**	(37,044,101)	**-**	-
Purchase of treasury shares	**(42,177,171)**	(164,338,224)	**(42,177,171)**	(164,338,224)
Net cash used in financing activities	**(765,107,827)**	(679,732,693)	**(645,280,776)**	(604,447,335)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(772,448,407)**	2,495,259,488	**42,756,793**	21,214,170
EFFECT OF THE EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**25,054,143**	94,634,938	**(447,935)**	(1,499,083)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**3,776,084,375**	1,186,189,949	**20,791,917**	1,076,830
CASH AND CASH EQUIVALENTS CARRIED FORWARD (Note 32)	**3,028,690,111**	3,776,084,375	**63,100,775**	20,791,917

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Cash outflows for leases as a lessee				
Included in net cash financing activities:				
Interest paid in relation to lease liabilities	**733,678**	659,173	**-**	-
Net repayment of lease liabilities	**4,559,817**	3,170,418	**-**	-
Total cash outflows for leases	**5,293,495**	3,829,591	**-**	-

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 selfconstructed assets also includes the cost of materials and direct labour. Cost may also 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 confirmed 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 is not controlled or jointly controlled by the Group. 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 amounts of the identifiable assets acquired and the liabilities assumed at acquisition date.

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 the applicable 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. Changes, if any, 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 amounts of the identifiable assets acquired and the liabilities assumed at acquisition date.

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 thereafter pro-rate to 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 follows:

(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 that 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(viii).

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 3.19.

(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 approves the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, the Company measures 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 is 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 apply revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect 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 measure revenue from sale of goods at the fair value of the consideration received or receivable, which is usually the invoice price, net of returns and allowances, trade discounts and volume rebates given to the customer.

(ii) Rental income

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

(iii) 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 at 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 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.

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 Amendments to MFRSs adopted

For the preparation of the financial statements, the following amendments to the MFRSs issued by the MASB are mandatory for the first time for the financial year 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*

The adoption of the above-mentioned amendments to MFRSs has no significant impact on the financial statements of the Group and the Company.

4.2 Amendments to MFRSs not yet effective

The following are amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of the Group's and the Company's financial statements but have not been adopted by the Group and the Company:

Amendments to MFRSs 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*

Amendments to MFRSs 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*

Amendments to MFRSs which 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 amendments will be adopted by the Group and the Company when they become effective from the annual period beginning on 1 July 2022 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2022.

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

4.3 MFRSs and Amendments to MFRSs not adopted

- MFRS 17 *Insurance Contracts,* Amendments to MFRS 17 *Insurance Contracts*, and Amendment to MFRS 17 *Insurance Contracts – Initial Application* of MFRS 17 *and MFRS 9 Financial Instruments – Comparative Information* are not expected to be applicable to the Group and the Company.

- Amendments to MFRS 16 *Leases – COVID19–Related Consessions* is not adopted because the changes to the lease of the Group and the Company does not meet the conditions specified in the Amendment to qualify for practical expedient for a rent consession.

- Amendments to MFRS 16 *Leases – COVID19–Related Rent Consessions beyond 30 June 2021* is 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 have an 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:

(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 recovered. 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 are subject to 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 the use of judgements and estimates.

(iii) Costing of inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises the cost of purchase, cost of conversion plus other costs incurred to bring the inventories to their present locations and conditions.

Significant judgement is required to estimate the cost of finished goods and work-in-progress which consists of raw materials, consumables, direct labour and a proportion of manufacturing overhead.

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

(iv) 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 it can be utilised against the taxable profits 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.

6. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Factory buildings RM	Factory buildings under construction RM	Plant, machinery and equipment RM	Plant, machinery and equipment under installation RM	Moulds and tools RM	Electrical fittings and factory equipment RM	Office equipment, furniture and fittings RM	Renovation RM	Motor vehicles RM	Cabins RM	Total RM
GROUP												
Cost												
As at 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	-	-
Reclassification from right-of-use assets	-	-	-	-	-	-	-	-	-	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 2021/ 1 July 2021	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
Additions	23,734,294	5,807,271	-	198,515,865	199,430,067	10,188,360	6,632,291	3,235,936	104,195	1,002,485	-	448,650,764
Disposals	-	(2,646)	-	(78,478,821)	-	-	-	(124,220)	-	(250,223)	-	(78,855,910)
Reclassification	-	15,142,008	-	10,511,189	(26,591,173)	1,331	397,331	539,314	-	-	-	-
Reclassification from right-of-use assets	-	-	-	-	-	-	-	-	-	612,214	-	612,214
Exchange differences	(143,760)	4,745,087	-	1,934,611	-	-	618,425	(1,175,107)	50,831	156,273	-	6,186,360
As at 30 June 2022	297,702,916	356,620,141	1,436,663	1,064,279,168	465,541,859	102,280,119	96,802,491	36,614,140	41,946,361	13,603,708	279,288	2,477,106,854
Accumulated Depreciation												
As at 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
Disposals	-	(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	-	-
Reclassification from right-of-use assets	-	-	-	-	-	-	-	-	-	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/ 1 July 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
Charge for the financial year	-	7,448,785	-	41,114,316	-	7,334,591	7,175,043	2,786,945	1,844,216	1,559,520	-	69,263,416
Disposals	-	-	-	(12,840,868)	-	-	-	-	-	-	-	(12,840,868)
Reclassification from right-of-use assets	-	-	-	-	-	-	-	-	-	285,699	-	285,699
Exchange differences	-	1,022,889	-	(13,334)	-	-	209,009	(654,464)	48,225	39,358	-	651,683
As at 30 June 2022	-	74,832,311	-	457,051,975	-	56,637,032	43,676,313	21,195,555	18,095,173	9,710,336	279,287	681,477,982
Accumulated impairment												
As at 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/ 1 July 2021	-	13,095,899	-	20,292,108	-	545,046	133,065	85,644	785,230	-	-	34,936,992
Charge for the financial year	-	-	-	63,511,148	-	-	-	-	-	-	-	63,511,148
Exchange differences	-	-	-	-	-	-	-	(5,476)	-	-	-	(5,476)
As at 30 June 2022	-	13,095,899	-	83,803,256	-	545,046	133,065	80,168	785,230	-	-	98,442,664
Net carrying amount												
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
As at 30 June 2022	297,702,916	268,691,931	1,436,663	523,423,937	465,541,859	45,098,041	52,993,113	15,338,417	23,065,958	3,893,372	1	1,697,186,208

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	
	2022	2021
	RM	RM
Cost		
As at 1 July/30 June	**551,537**	551,537
Accumulated depreciation		
As at 1 July	**189,531**	176,460
Charge for the financial year	**13,059**	13,071
As at 30 June	**202,590**	189,531
Net carrying amount	**348,947**	362,006
Consists of :-		
Freehold office building	**348,947**	362,006

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

	GROUP	
	2022	2021
	RM	RM
Rental income	**23,902**	24,103
Direct operating expenses	**(13,059)**	(13,071)
	10,843	11,032

As at 30 June 2022, the fair value of the investment property is RM630,000 (2021: 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.

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
Reclassification to property, plant and equipment (Note 6)	(657,728)	-	-	(657,728)
Additions	-	-	1,658,417	1,658,417
Disposals	(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 July 2021	1,160,198	10,205,404	4,573,070	15,938,672
Reclassification to property, plant and equipment (Note 6)	(612,214)	-	-	(612,214)
Additions	514,330	4,023,439	23,466,648	28,004,417
Disposals	(389,263)	(3,348,202)	(98,608)	(3,836,073)
Exchange differences	(37,361)	(335,562)	97,207	(275,716)
As at 30 June 2022	635,690	10,545,079	28,038,317	39,219,086
Accumulated depreciation				
At 1 July 2020	842,099	2,869,274	508,223	4,219,596
Reclassification 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
Disposals	(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 2021/1 July 2021	684,339	4,466,542	2,805,436	7,956,317
Reclassification to property, plant and equipment (Note 6)	(285,699)	-	-	(285,699)
Charge for the financial year	230,787	1,837,743	2,515,530	4,584,060
Disposals	(389,263)	(3,348,202)	(98,608)	(3,836,073)
Exchange differences	(37,714)	(298,117)	112,365	(223,466)
As at 30 June 2022	202,450	2,657,966	5,334,723	8,195,139
Net carrying amount				
As at 30 June 2021	475,859	5,738,862	1,767,634	7,982,355
As at 30 June 2022	433,240	7,887,113	22,703,594	31,023,947

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

(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 lease arrangements is NIL (2021: RM475,859).

9. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2022	2021
	RM	RM
Unquoted shares, at cost		
As at 1 July	**216,768,187**	216,768,187
Dilution of interests in a subsidiary	**(119,028)**	-
	216,649,159	216,768,187
Less: Accumulated impairment losses	**(1,616,939)**	(1,616,939)
As at 30 June	**215,032,220**	215,151,248
Quasi loan		
As at 1 July	**406,300,000**	-
Addition	**220,300,000**	406,300,000
As at 30 June	**626,600,000**	406,300,000
Total unquoted shares and quasi loan	**841,632,220**	621,451,248

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interest 2022	2021	Principal Activities
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	**92.7%**	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 2022	Effective Equity Interest 2021	Principal Activities
Subsidiaries				
Supermax Business Park Sdn Bhd	Malaysia	**100%**	100%	Pre-operating
Supermax Specialty Gloves Sdn Bhd	Malaysia	**100%**	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%**	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 masks

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Companies	Country of Incorporation	Effective Equity Interest 2022	Effective Equity Interest 2021	Principal Activities
Subsidiary of Supermax Healthcare Limited				
Supermax Healthcare (Europe) Limited*	Republic of Ireland	**100%**	-	Marketing, importing and distributing latex gloves

* *Audited by firms other than RSM Malaysia PLT.*

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

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

	GROUP 2022 RM	GROUP 2021 RM
Carrying amount of NCI	**166,563,291**	135,512,147
Profit allocated to NCI	**38,217,042**	113,226,967

(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:-

	2022 RM	2021 RM
Assets and liabilities		
Non-current assets	**67,111,022**	32,995,242
Current assets	**879,673,324**	725,985,013
Non-current liabilities	**(35,628,137)**	(20,312,647)
Current liabilities	**(163,872,450)**	(325,346,111)
Net assets	**747,283,759**	413,321,497
Results		
Revenue	**1,469,624,587**	1,494,635,348
Net Profit and total comprehensive income for the financial year	**228,674,994**	343,729,094
Cash flows		
Cash flows from operating activities	**122,297,609**	1,538,747
Cash flows from investing activities	**(35,707,109)**	(25,159,190)
Cash flows from financing activities	**(421,420,527)**	4,314,298
Efffects of exchange rate changes on cash and cash equivalents	**(35,444,159)**	22,863,058
Net change in cash and cash equivalents	**(370,274,186)**	3,556,913

10. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**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	**338,744,143**	350,179,277	**-**	-
Exchange differences	**(150,183,619)**	(191,005,973)	**-**	-
Less: Accumulated Impairment losses	**(1,590,720)**	(1,590,720)	**(834,793)**	(834,793)
	207,188,766	177,801,546	**18,994,696**	18,994,696

Details of the associates are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interest		Principal Activities
		2022	2021	
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 PLT.*

** *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:-

	2022	2021
	RM	RM
<u>Assets and liabilities</u>		
Non-current assets	**41,969,187**	42,639,613
Current assets	**376,174,716**	328,355,789
Current liabilities	**(3,766,375)**	(15,392,311)
Net assets	**414,377,528**	355,603,091
<u>Results</u>		
Revenue	**199,421,139**	206,164,879
Net (loss)/profit and total comprehensive (expense)/ income for the financial year	**(22,870,270)**	70,099,364

11. GOODWILL ON CONSOLIDATION

	GROUP	
	2022	2021
	RM	RM
As at 1 July	**-**	28,715,854
Written off	**-**	(28,715,854)
As at 30 June	**-**	-

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.

In the previous financial year, the Group has written off the goodwill allocated to the investment in Maxwell Glove Manufacturing Berhad.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2022	2021
	RM	RM
As at 1 July	**45,664,261**	(43,585,866)
Recognised in profit or loss (Note 29)	**(76,463,250)**	89,250,127
As at 30 June	**(30,798,989)**	45,664,261

Presented after appropriate offsetting as follows:

	GROUP	
	2022	2021
	RM	RM
Deferred tax assets	**36,317,013**	111,673,677
Deferred tax liabilities	**(67,116,002)**	(66,009,416)
	(30,798,989)	45,664,261

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

	GROUP	
	2022	2021
	RM	RM
Deferred tax assets		
Unrealised profit on goods in transit	**36,096,012**	122,044,709
Unutilised capital allowances	**463,804**	-
Unrealised loss on expected credit loss	**12,195,275**	-
Unrealised loss on obselete inventories	**1,777,032**	-
	50,532,123	122,044,709

12. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

	GROUP	
	2022	2021
	RM	RM
Deferred tax liabilities		
Differences between the net carrying amounts of property, plant and equipment and their tax base	**(74,401,851)**	(71,392,030)
Unrealised gain on foreign exchange	**(6,929,261)**	(4,988,418)
	(81,331,112)	(76,380,448)

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

13. INVENTORIES

	GROUP	
	2022	2021
	RM	RM
At lower of cost and net realisable value		
Raw materials	**28,092,770**	95,259,984
Consumables	**10,658,282**	9,696,260
Work-in-progress	**30,006,486**	38,216,069
Finished goods	**198,803,004**	375,334,425
	267,560,542	518,506,738
Recognised in profit or loss:		
Inventories recognised as expense	**1,136,371,440**	1,607,515,177
Inventories written down	**1,833,940**	-

14. RECEIVABLES

	GROUP	
	2022	2021
	RM	RM
Trade receivables	**158,357,063**	643,477,755
Less : Allowance for expected credit loss ("ECL")	**(5,978,741)**	(15,766,570)
Trade receivables, net	**152,378,322**	627,711,185
Other receivables and deposits	**119,836,697**	90,448,907
Prepayments	**13,078,427**	4,950,333
	132,915,124	95,399,240
	285,293,446	723,110,425

14. RECEIVABLES (CONT'D)

Trade receivables

The credit period granted on sale of goods ranges from 30 to 120 days (2021: 30 to 120 days).

Analysis of trade receivables by currency:

	GROUP	
	2022	2021
	RM	RM
Canadian Dollars	**84,874,416**	239,876,694
United States Dollars	**43,291,589**	215,173,553
Pound Sterling	**15,718,478**	64,724,996
Japanese Yen	**8,137,908**	9,312,260
Ringgit Malaysia	**236,726**	5,796,487
Hong Kong Dollars	**74,240**	153,147
Singapore Dollars	**33,276**	69,871,546
Euro	**11,689**	22,802,502
	152,378,322	627,711,185

Ageing analysis of trade receivables:

	GROUP	
	2022	2021
	RM	RM
Neither past due nor impaired for ECL	**54,217,265**	476,139,398
1 to 30 days past due not impaired for ECL	**17,412,897**	82,447,388
More than 30 days past due not impaired for ECL	**80,748,160**	69,124,399
	98,161,057	151,571,787
Impaired for ECL	**5,978,741**	15,766,570
	158,357,063	643,477,755

<u>Receivables that are neither past due nor impaired for ECL</u>

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

<u>Receivables that are past due but not impaired for ECL</u>

Based on historical default rates, the Group believes that no allowance for impairment for ECL 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 for ECL are unsecured in nature.

14. RECEIVABLES (CONT'D)

Receivables that are impaired for ECL

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

	GROUP	
	2022	2021
	RM	RM
Individually impaired for ECL		
Trade receivables	**5,978,741**	15,766,570
Less: Allowance for ECL	**(5,978,741)**	(15,766,570)
	-	-

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

	GROUP	
	2022	2021
	RM	RM
At 1 July	**15,766,570**	4,081,103
Allowance for ECL during the year	**519,177**	11,685,467
Reversal of allowance for ECL during the year	**(10,307,006)**	-
As at 30 June	**5,978,741**	15,766,570

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	COMPANY	
	2022	2021
	RM	RM
Amounts owing by subsidiaries	**114,641,233**	117,225,051
Less: Allowance for impairment	**(104,885,205)**	(85,065,065)
	9,756,028	32,159,986
Amounts owing to subsidiaries	**(14,938,361)**	(15,841,770)

Movements in the allowance account are as follows:-

	COMPANY	
	2022	2021
	RM	RM
As at 1 July	**85,065,065**	-
Allowance for impairment during the year	**19,820,140**	85,065,065
As at 30 June	**104,885,205**	85,065,065

Amounts owing by/(to) subsidiaries are non-trade in nature, unsecured, repayable on demand and bears interest rate of 2.40% (2021: 2.35%) per annum.

16. AMOUNTS OWING BY ASSOCIATES

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Amounts owing by associates	**25,114,572**	42,546,795	**294,301**	294,301
Less: Allowance for impairment	**(566,362)**	(566,362)	**-**	-
	24,548,210	41,980,433	**294,301**	294,301

Included in amounts owing by associates of the Group and of the Company is an amount of RM294,301 (2021: 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 (2021: 120 days).

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

17. SHORT-TERM INVESTMENT

	GROUP	
	2022	2021
	RM	RM
Quoted unit trusts at market value	**3,466,617**	2,952,237

18. CASH AND BANK BALANCES

Analysis of cash and bank balances by currency:

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
United States Dollars	**2,074,971,748**	2,129,014,340	**25,840**	15,587,003
Pound Sterling	**540,549,418**	975,047,465	**949,914**	-
Singapore Dollars	**148,109,121**	206,417,183	**-**	-
Ringgit Malaysia	**116,688,196**	154,319,366	**62,125,021**	5,204,914
Canadian Dollar	**100,602,092**	215,757,830	**-**	-
Euro	**33,888,783**	77,925,722	**-**	-
Japanese Yen	**9,693,910**	6,706,981	**-**	-
Hong Kong Dollars	**4,174,684**	2,385,749	**-**	-
Chinese Yuan	**12,159**	11,794	**-**	-
Australian Dollars	**-**	8,497,945	**-**	-
	3,028,690,111	3,776,084,375	**63,100,775**	20,791,917

19. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	
	2022	2021	**2022**	2021
	Units	Units	**RM**	RM
Issued and fully paid				
As at 1 July	**2,720,619,520**	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**	2,720,619,520	**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.

In the previous 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.

Those new ordinary shares were 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			
	Number of ordinary shares		Amount	
	2022	2021	**2022**	2021
	Units	Units	**RM**	RM
As at 1 July	**102,980,727**	68,888,000	**186,368,293**	101,912,498
Bonus issue	**-**	68,888,000	**-**	-
Purchased during the financial year	**40,000,000**	22,263,600	**42,177,171**	164,338,224
Distribution as share dividends	**(87,222,518)**	(57,058,873)	**(157,872,759)**	(79,882,429)
As at 30 June	**55,758,209**	102,980,727	**70,672,705**	186,368,293

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 3 December 2021, 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 purchased 40,000,000 (2021: 22,263,600) of its issued ordinary shares from the open market at an average price of RM1.05 (2021: RM7.38) per ordinary share. The total consideration paid for the shares purchased including transaction costs was RM42,177,171 (2021: RM164,338,224).

87,222,518 treasury shares were distributed as share dividends to the shareholders on 19 January 2022 on the basis of one treasury share for every thirty existing ordinary shares held in the Company at the entitlement date on 20 December 2021.

20. TREASURY SHARES (CONT'D)

As at 30 June 2022, the Company held a total of 55,758,209 (2021: 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 RM70,672,705 (2021: RM186,368,293). As at 30 June 2022, the total number of ordinary shares in issue and fully paid net of treasury shares is therefore 2,664,861,311 ordinary shares.

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

21. RESERVES

		GROUP		COMPANY	
		2022	2021	**2022**	2021
	Note	**RM**	RM	**RM**	RM
Non-distributable reserve:					
Translation reserve	(a)	**(42,076,953)**	(124,463,843)	**-**	-
Distributable reserve:					
Retained earnings	(b)	**4,638,233,548**	4,729,630,170	**649,731,806**	524,960,871
		4,596,156,595	4,605,166,327	**649,731,806**	524,960,871

(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 2022 may be distributed as dividend under the single tier system.

22. LOAN AND BORROWINGS

	GROUP	
	2022	2021
	RM	RM
Current		
Secured:-		
Trade loans	**144,985,392**	157,589,047
Term loans	**28,264,364**	38,459,344
	173,249,756	196,048,391
Non-current		
Secured:-		
Term loans	**31,042,444**	61,479,882
	31,042,444	61,479,882
Total loans and borrowings	**204,292,200**	257,528,273

22. LOAN AND BORROWINGS (CONT'D)

The interest rates are as follows:-

	GROUP	
	2022	2021
	%	%
Trade loans	**0.50 - 1.43**	1.01 - 2.59
Revolving credit	**-**	3.53 - 4.85
Term loans	**2.01 - 2.80**	1.78 - 2.74

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

Analysis of borrowings by currency:-

	GROUP	
	2022	2021
	RM	RM
United States Dollars	**190,381,987**	255,285,713
Canadian Dollars	**11,969,813**	-
Japanese Yen	**1,940,400**	2,242,560
	204,292,200	257,528,273

23. LEASE LIABILITIES

	GROUP	
	2022	2021
	RM	RM
Future minimum lease payment:		
- not later than one year	**7,419,320**	2,345,431
- later than one year but not later than five years	**12,921,071**	2,535,324
- later than five years	**12,319,708**	-
	32,660,099	4,880,755
Less: Future finance charges	**(4,459,158)**	(124,414)
Present value of lease liabilities	**28,200,941**	4,756,341
Repayable as follows:		
Current		
- not later than one year	**6,655,728**	2,244,730
Non-current		
- later than one year but not later than five years	**11,148,834**	2,511,611
- later than five years	**10,396,379**	-
	21,545,213	2,511,611
	28,200,941	4,756,341

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	
		2022	2021	**2022**	2021
	Note	**RM**	RM	**RM**	RM
Trade payables	(a)	**144,948,822**	273,194,721	**72,341**	28,369
Other payables	(b)	**86,422,243**	65,973,083	**-**	-
Deposits received from customers	(c)	**64,724,221**	817,024,693	**-**	-
Accruals		**34,441,364**	17,406,634	**820,677**	430,700
		330,536,650	1,173,599,131	**893,018**	459,069

(a) Trade payables

Analysis of trade payables by currency:-

	GROUP	
	2022	2021
	RM	RM
Ringgit Malaysia	**79,176,698**	93,033,248
United States Dollars	**40,082,467**	62,303,074
Euro	**8,035,142**	8,778,356
Japanese Yen	**7,751,116**	6,144,602
Canadian Dollars	**7,424,956**	9,603,402
Pound Sterling	**1,575,556**	93,305,173
Singapore Dollars	**885,439**	19,370
Hong Kong Dollars	**17,448**	7,496
	144,948,822	273,194,721

The credit period granted to the Group for trade purchases ranges from 30 to 60 days (2021: 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

	GROUP	
	2022	2021
	RM	RM
Revenue from contracts with customers:		
Sale of gloves and other healthcare products	**2,687,227,150**	7,164,186,472
Timing of revenue recognition:		
At a point in time	**2,687,227,150**	7,164,186,472

25. REVENUE (CONT'D)

The disaggregated revenue information by geographical area is disclosed in Note 35.

	COMPANY	
	2022	2021
	RM	RM
Revenue from other sources:		
Dividend income received from subsidiaries	**906,154,134**	1,066,000,100

26. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Executive directors of the Company: -				
- fees	**288,065**	216,000	**288,065**	216,000
- other emoluments	**11,116,918**	2,474,950	**5,500**	4,500
	11,404,983	2,690,950	**293,565**	220,500
Non-executive directors of the Company: -				
- fees	**575,258**	541,161	**575,258**	541,161
- other emoluments	**20,500**	29,320	**20,500**	29,320
	595,758	570,481	**595,758**	570,481
Total	**12,000,741**	3,261,431	**889,323**	790,981

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

27. FINANCE COSTS

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Interest expenses on:-				
- term loans	**1,488,782**	2,473,787	**-**	-
- trade loans	**1,093,393**	1,837,242	**-**	-
- lease liabilities	**733,678**	659,173	**-**	-
- others	**2,389,522**	3,142,519	**-**	904,776
	5,705,375	8,112,721	**-**	904,776

28. PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Auditors' remuneration				
- current year:				
- RSM Malaysia PLT	**294,000**	308,000	**80,000**	80,000
- Firm other than member firm of RSM International Ltd	**428,596**	527,724	**-**	-
- others:				
- RSM Malaysia PLT	**5,000**	5,000	**5,000**	5,000
Depreciation of property, plant and equipment	**69,263,416**	66,242,489	**-**	-
Depreciation of investment property	**13,059**	13,071	**-**	-
Depreciation of right-of-use assets	**4,584,060**	2,522,251	**-**	-
Loss on dilution of interests in a subsidiary	**-**	-	**119,028**	-
Net (gain)/loss on foreign exchange:				
- realised	**(38,973,468)**	(23,262,664)	**(564,019)**	822,742
- unrealised	**(26,386,215)**	(45,054,476)	**(11,171,987)**	1,179,194
Rental of investment property	**(23,902)**	(24,103)	**-**	-
Staff costs				
- salaries, wages and bonuses	**136,906,223**	148,851,042	**-**	-
- Employees' Provident Fund	**7,668,934**	6,491,921	**-**	-
- other related staff costs	**15,171,186**	31,810,137	**-**	-
Inventories written down	**1,833,940**	-	**-**	-
Impairment loss on property, plant and equipment	**63,511,148**	22,024,516	**-**	-
Interest income	**(5,162,160)**	(6,583,342)	**(369,993)**	(558,993)

29. TAXATION

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Current financial year				
- income tax	**243,210,772**	1,193,856,334	**88,810**	134,000
- deferred tax	**82,154,280**	(94,550,446)	**-**	-
	325,365,052	1,099,305,888	**88,810**	134,000
(Over)/Under provision in prior financial year				
- income tax	**(17,295,092)**	(14,557,298)	**-**	130
- deferred taxation	**(5,691,030)**	5,300,319	**-**	-
	(22,986,122)	(9,256,979)	**-**	130
	302,378,930	1,090,048,909	**88,810**	134,130

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Profit before tax	**1,059,501,362**	5,019,993,395	**886,206,102**	972,636,492
Income tax at tax rate of 24%	**254,280,327**	1,204,798,415	**212,689,464**	233,432,758
Tax effects in respect of:				
Effects of prosperity tax	**30,750,704**	-	**-**	-
Different tax rates in foreign jurisdictions	**(16,363,303)**	(102,441,074)	**-**	-
Income not subject to tax	**(451,277)**	-	**(217,476,992)**	(255,840,015)
Share of results of associates	**2,744,432**	(8,411,924)	**-**	-
Expenses not deductible for tax purposes	**52,867,929**	3,724,120	**4,876,338**	22,541,257
Deferred tax assets not recognised	**1,536,240**	2,147,000	**-**	-
Utilisation of previously unrecognised deferred tax assets	**-**	(493,000)	**-**	-
Deferred tax recognised at different tax rates	**-**	(17,652)	**-**	-
(Over)/under provision in prior years :-				
- income tax	**(17,295,092)**	(14,557,295)	**-**	130
- deferred taxation	**(5,691,030)**	5,300,319	**-**	-
	302,378,930	1,090,048,909	**88,810**	134,130

As at 30 June 2022, 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	
	2022	2021
	RM	RM
Unabsorbed tax losses and capital allowances	**20,184,000**	18,647,000

As at 30 June 2022, the Group has unabsorbed tax losses and capital allowances of approximately RM84,100,000 (2021: RM77,699,000), 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 10 consecutive YAs to be utilised against income from any business source. Any amount which is not utilised at the end of the period of 10 YAs will be disregarded.

30. EARNINGS PER ORDINARY SHARE

(a) Basic Earnings Per Share

	GROUP	
	2022	2021
	RM	RM
Net profit attributable to owners of the parent	**718,905,390**	3,816,717,519
Number of shares in issue as of 1 July	**2,720,619,520**	1,360,309,760
Bonus issue	**-**	1,360,309,760
	2,720,619,520	2,720,619,520
Effect of treasury shares held	**(76,763,135)**	(55,814,825)
Effect of bonus issue	**-**	(68,888,000)
Weighted average number of ordinary shares in issue	**2,643,856,385**	2,595,916,695
Basic earnings per ordinary share (sen)	**27.19**	147.03

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.

(b) Diluted Earnings Per Share

The Group's diluted earnings per ordinary share during the financial years ended 30 June 2022 and 30 June 2021 were the same as the corresponding basic earnings per share as there were no potential dilutive ordinary shares in both years.

31. DIVIDENDS

	GROUP AND COMPANY	
	2022	2021
	RM	RM
Recognised during the financial year:-		
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, distributed on 5 January 2021	**-**	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	-	99,470,286
- Special single-tier dividend of 13.0 sen per ordinary share, paid on 8 June 2021	**-**	340,293,042
- Special single-tier dividend of 15 sen per ordinary share, paid on 20 September 2021	**392,645,819**	-
- Final single-tier dividend via share dividend distribution of 87,222,518 treasury shares on the basis of 1 treasury share for every 30 existing ordinary shares held in the company, distributed on 19 January 2022	**157,872,759**	-
In respect of the financial year ended 30 June 2022:		
- Interim single-tier dividend of 5 sen per ordinary share, paid on 3 January 2022	**130,881,940**	-
- Interim single-tier dividend of 3 sen per ordinary share, paid on 28 June 2022	**79,945,839**	-
	761,346,357	519,645,757

31. DIVIDENDS (CONT'D)

The Directors propose a final single-tier dividend of 3 sen per ordinary share, in respect of the financial year ended 30 June 2022, 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 an appropriation of retained earnings in the financial year ending 30 June 2023.

32. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
Cash and bank balances	**3,028,690,111**	3,776,084,375	**63,100,775**	20,791,917

33. CAPITAL COMMITMENTS

	GROUP	
	2022	2021
	RM	RM
Approved and contracted for but not provided in the financial statements		
- Purchases of property, plant and equipment	**212,600,000**	293,800,000

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 comprises 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

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

34. RELATED PARTY DISCLOSURES (CONT'D)

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

	GROUP	
	2022	2021
	RM	RM
Sales of gloves to associates	**142,385,654**	218,265,464

	COMPANY	
	2022	2021
	RM	RM
Dividend received/receivable from subsidiaries		
- Maxter Glove Manufacturing Sdn Bhd	**368,520,981**	566,559,189
- Supermax Glove Manufacturing Sdn Bhd	**381,224**	28,329,738
- Maxwell Glove Manufacturing Bhd	**140,001,299**	60,073,680
- Supermax Group Investment Ltd	**-**	402,924,485
- Supermax Healthcare Limited	**338,400,479**	-
- Supermax Healthcare Canada Inc	**58,850,151**	8,113,008
Interest charged to subsidiaries	**18,000**	-
Interest charged by subsidiaries	**-**	(903,503)

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

The compensation of the key management personnel is disclosed in Note 26.

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 to 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 four 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 2022	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	517,158,083	2,096,395,296	73,673,771	-		2,687,227,150
Inter-segment sales	906,154,134	1,244,693,570	508,940,899	17,040,093	(2,676,828,696)	(a)	-
Total revenue	906,154,134	1,761,851,653	2,605,336,195	90,713,864	(2,676,828,696)		2,687,227,150
Result							
Segment results	885,836,109	589,518,248	435,049,736	(33,942,301)	(667,610,398)	(a)	1,208,851,394
Depreciation, amortisation and impairment	-	(113,673,112)	(10,717,222)	(12,981,349)	-		(137,371,683)
Finance costs	-	(2,924,706)	(2,581,645)	(995,153)	796,129	(a)	(5,705,375)
Interest Income	369,993	3,188,749	2,378,389	21,158	(796,129)	(a)	5,162,160
Tax expense	(88,810)	(135,514,352)	(85,112,075)	(6,086,028)	(75,577,665)		(302,378,930)
Share of result of associates							(11,435,134)
Net profit for the financial year							757,122,432
Assets							
Segment assets	916,071,919	4,694,329,704	2,919,831,457	271,902,410	(3,088,683,762)	(b)	5,713,451,728
Deferred tax assets	-	-	-	-	-		36,317,013
Investment in associates	-	-	-	-	-		207,188,766
Consolidated total assets							5,956,957,507
Liabilities							
Segment liabilities	15,920,178	1,633,010,924	1,482,561,870	261,037,297	(2,534,813,385)	(c)	857,716,884
Deferred tax liabilities	-	-	-	-	-		67,116,002
Consolidated total liabilities							924,832,886

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	972,982,276	3,103,178,763	2,476,287,421	129,781,019	(1,604,954,060)	(a)	5,077,275,419
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	(a)	(8,112,721)
Interest Income	558,992	4,712,947	2,449,080	19,037	(1,156,714)	(a)	6,583,342
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

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 2021	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
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
Investment in associates							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							66,009,416
Consolidated total liabilities							2,499,777,376

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:-

	2022 RM	2021 RM
North America	**99,608,743**	66,556,762
Europe	**5,723,168**	6,122,089
Asia	**1,591,854,297**	1,368,779,531
	1,697,186,208	1,441,458,382

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:-

	2022 RM	2021 RM
North, Central and South America	**1,179,932,151**	2,865,674,589
Europe	**1,074,332,578**	3,080,600,183
Asia and Oceania	**369,442,189**	1,002,986,106
Africa	**63,520,232**	214,925,594
	2,687,227,150	7,164,186,472

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")
(iii) Fair value through profit or loss ("FVTPL")

	Carrying Amount RM	**AC RM**	**FVTPL RM**
GROUP			
30 June 2022			
Financial assets			
Receivables, net of prepayments	**272,215,019**	**272,215,019**	**-**
Amount owing by associates	**24,548,210**	**24,548,210**	**-**
Short-term investments	**3,466,617**	**-**	**3,466,617**
Cash and bank balances	**3,028,690,111**	**3,028,690,111**	**-**
	3,328,919,957	**3,325,453,340**	**3,466,617**

36. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying Amount RM	AC RM	FVTPL RM
GROUP			
30 June 2022			
Financial Liabilities			
Payables	**330,536,650**	**330,536,650**	**-**
Trade loans	**144,985,392**	**144,985,392**	**-**
Term loans	**59,306,808**	**59,306,808**	**-**
Lease liabilities	**28,200,941**	**28,200,941**	**-**
	563,029,791	**563,029,791**	**-**
COMPANY			
30 June 2022			
Financial assets			
Amounts owing by subsidiaries	**9,756,028**	**9,756,028**	**-**
Amount owing by associates	**294,301**	**294,301**	**-**
Cash and bank balances	**63,100,775**	**63,100,775**	**-**
	73,151,104	**73,151,104**	**-**
Financial liabilities			
Payables	**893,018**	**893,018**	**-**
Amount owing to subsidiaries	**14,938,361**	**14,938,361**	**-**
	15,831,379	**15,831,379**	**-**

	Carrying Amount RM	AC RM	FVTPL RM
GROUP			
30 June 2021			
Financial assets			
Receivables, net of prepayments	718,160,092	718,160,092	-
Amount owing by associates	41,980,433	41,980,433	-
Short-term investments	2,952,237	-	2,952,237
Cash and bank balances	3,776,084,375	3,776,084,375	-
	4,539,177,137	4,536,224,900	2,952,237
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			
Amounts 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	-

36. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying Amount RM	AC RM	FVTPL RM
COMPANY			
30 June 2021			
Financial liabilities			
Payables	459,069	459,069	-
Amount owing to subsidiaries	15,841,770	15,841,770	-
	16,300,839	16,300,839	-

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 expected credit loss ("ECL") is 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 for ECL 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 ECL impaired receivable when a customer is in default, in liquidation or undertaking 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 categorise 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 monitoring 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:-

	2022 **RM**	2021 RM
North, Central and South America	**89,065,672**	313,855,592
Europe	**51,311,138**	163,204,902
Asia and Oceania	**8,945,689**	131,819,355
Africa	**3,055,823**	18,831,336
	152,378,322	627,711,185

(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 RM239,533,000 (2021: RM282,444,000) 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 maintain 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
2022				
Financial liabilities				
Payables	**330,536,650**	**330,536,650**	**330,536,650**	**-**
Loans and borrowings	**204,292,200**	**204,292,200**	**173,249,756**	**31,042,444**
Lease liabilities	**28,200,941**	**32,660,099**	**7,419,320**	**25,240,779**
	563,029,791	**567,488,949**	**511,205,726**	**56,283,223**
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
COMPANY				
2022				
Financial liabilities				
Other payables	**893,018**	**893,018**	**893,018**	**-**
Amount owing to subsidiaries	**14,938,361**	**14,938,361**	**14,938,361**	**-**
Financial guarantees	**-**	**239,533,000**	**239,533,000**	**-**
	15,831,379	**255,364,379**	**255,364,379**	**-**
2021				
Financial liabilities				
Other payables	459,069	459,069	459,069	-
Amount owing to a subsidiaries	15,841,770	15,841,770	15,841,770	-
Financial guarantees	-	282,444,000	282,444,000	-
	16,300,839	298,744,839	298,744,839	-

(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.

37. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (Cont'd)

(i) Interest rate risk (Cont'd)

Sensitively 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, RM1,767,000 (2021: RM1,993,000). These impacts 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 sensitively 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. The Group also has foreign currency risk on sales and purchase that are denominated in foreign currencies. The currencies giving rise to this risk are primarily United States Dollars ("USD"), British Pound Sterling ("GBP"), Canadian Dollars ("CAD"), Singapore Dollars ("SGD"), Euro, Japanese Yen ("JPY") and Hong Kong Dollars ("HKD").

Sensitively 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 USD, GBP, CAD, SGD, Euro, JPY and HKD against the functional currency of the Group and of the Company, with all other variables held constant.

	GROUP	
	2022 RM Profit/(loss) for the year	2021 RM Profit/(loss) for the year
USD/RM		
- strengthened 3% (2021:3%)	**43,955,695**	60,740,720
- weakened 3% (2021:3%)	**(43,955,695)**	(60,740,720)
GBP/RM		
- strengthened 3% (2021:3%)	**12,682,908**	28,394,019
- weakened 3% (2021:3%)	**(12,682,908)**	(28,394,019)
CAD/RM		
- strengthened 3% (2021:3%)	**3,955,953**	13,669,036
- weakened 3% (2021:3%)	**(3,955,953)**	(13,669,036)
SGD/RM		
- strengthened 3% (2021:3%)	**3,377,647**	8,288,081
- weakened 3% (2021:3%)	**(3,377,647)**	(8,288,081)
Euro/RM		
- strengthened 3% (2021:3%)	**772,931**	2,691,219
- weakened 3% (2021:3%)	**(772,931)**	(2,691,219)
JPY/RM		
- strengthened 3% (2021:3%)	**362,324**	296,239
- weakened 3% (2021:3%)	**(362,324)**	(296,239)
HKD/RM		
- strengthened 3% (2021:3%)	**96,875**	75,942
- weakened 3% (2021:3%)	**(96,875)**	(75,942)

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 manage 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 2022 and 30 June 2021.

The Group and the Company monitor 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 include within total debts, payables, loans and borrowings and lease liabilities. Capital includes equity attributable to the owners of the parent.

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

GROUP	**2022 RM**	2021 RM
Payables	**330,536,650**	1,173,599,131
Loans and borrowings	**204,292,200**	257,528,273
Lease liabilities	**28,200,941**	4,756,341
Total debts	**563,029,791**	1,435,883,745
Equity attributable to owners of the parent	**4,865,561,330**	4,758,875,474
Capital and total debts	**5,428,591,121**	6,194,759,219
Gearing ratio	**10.4%**	23.2%

39. CAPITAL MANAGEMENT (CONT'D)

COMPANY	2022 RM	2021 RM
Payables	**893,018**	459,069
Amounts owing to subsidiaries	**14,938,361**	15,841,770
Total debts	**15,831,379**	16,300,839
Equity attributable to owners of the parent	**919,136,541**	678,670,018
Capital and total debts	**934,967,920**	694,970,857
Gearing ratio	**1.7%**	2.3%

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 as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

40. 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 26 October 2022.

LIST OF PROPERTIES

Held by the Group as at 30th June 2022

	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	24 years	1.5 acres/ (36,600sq ft)	Freehold	1,143,785
2.	Lot 6070, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Factory cum Office Building	21 years	5.0063 acres/ (127,861sq ft)	Freehold	23,171,457
3.	Lot 38, Jalan BRP9/2B, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan.	Land, Factory cum Office Building	17 years	5.6337 acres	Freehold	21,644,255
4.	Lot No. 5128, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	18 years	4.6875 acres	Freehold	8,592,477
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)	656,129
6.	Suite No. 708, 6th Floor (Level 7), Menara Atlas, (Tower A), Plaza Pantai, Off Jalan Pantai Baru, Kuala Lumpur.	Stratified office lot	20 years	1,235 sq ft	Freehold	348,948
7.	Lot 6068, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	16 years	5.00625 acres	Freehold	15,027,818
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)	3,532,457
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 Single-storey factory with annexed two-storey office buildings	 29 years	26,688sq m 18,534sq m	Leasehold - 60 years (Exp:13.1.2037)	177,548 -
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)	782,166

LIST OF PROPERTIES

Held by the Group as at 30th June 2022

	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)	842,904
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)	27,203,723
17.	Lot 6069, Mukim Kapar, Daerah Klang, Negeri Selangor.	Land and office cum factory warehouse	21 years	20,260sq m	Freehold	19,040,608
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)	2,001,485
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	23,253,258
25.	Geran No. 45719 Lot No. 6058, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building		20,209sq m	Freehold	25,853,773
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	3 years	20,234sq m	Freehold	75,623,444
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, District 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

ANALYSIS OF SHAREHOLDINGS

As at 13 October 2022

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	12,712	102	421,319	3,480	0.02	0.00
100 - 1,000	11,259	68	4,848,930	30,966	0.18	0.00
1,001 - 10,000	39,436	262	146,495,578	1,062,923	5.54	0.04
10,001 - 100,000	16,741	260	450,795,427	8,601,382	17.04	0.33
100,001 - 132,243,064 (*)	1,808	162	765,080,155	229,504,464	28.92	8.68
132,243,065 and above (**)	1	0	1,038,016,687	0	39.25	0.00
Total	**81,957**	**854**	**2,405,658,096**	**239,203,215**	**90.95**	**9.05**
	No. of Holders		No. of Holdings		%	
Grand Total	**82,811**		**2,644,861,311**		**100.00**	

* Less than 5% of issued holdings
** 5% and above of issued holdings

LIST OF TOP 30 HOLDERS AS AT 13 OCTOBER 2022

No.	Name	Holdings	%
1	SUPERMAX HOLDINGS SDN BHD	1,038,016,687	39.25
2	TAN GEOK SWEE @ TAN CHIN HUAT	25,249,493	0.95
3	TAN GEOK SWEE @ TAN CHIN HUAT	23,455,989	0.89
4	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	23,402,429	0.88
5	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	21,678,543	0.82
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	19,937,520	0.75
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG HON KONG	13,854,300	0.52
8	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	13,007,631	0.49
9	GONG WOOI TEIK	12,513,379	0.47
10	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND TCT9 FOR CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	10,298,700	0.39
11	TOH MAY FOOK	9,500,000	0.36
12	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	8,627,010	0.33
13	DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR FLORIDA RETIREMENT SYSTEM	7,318,734	0.28
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	7,312,103	0.28
15	PERTUBUHAN KESELAMATAN SOSIAL	6,754,126	0.26
16	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	6,438,401	0.24
17	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC DIVIDEND FUND	6,254,256	0.24
18	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	6,047,803	0.23

ANALYSIS OF SHAREHOLDINGS

As at 13 October 2022

No.	Name	Holdings	%
19	YII MING SUNG	5,950,200	0.22
20	EAST POINT VENTURES SDN. BHD.	5,638,414	0.21
21	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	5,513,241	0.21
22	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NONLENDABLE FUND	5,490,446	0.21
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG (14570MZ0406)	5,367,577	0.20
24	LAM HONG SHENG	5,004,546	0.19
25	LAM YUN SHENG	5,000,000	0.19
26	U GEIK KIM	5,000,000	0.19
27	CHIENG HOCK LAY	4,500,000	0.17
28	TAN BEE HONG	4,440,973	0.17
29	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND WTAU FOR WISDOMTREE EMERGING MARKETS SMALLCAP DIVIDEND FUND	4,359,926	0.16
30	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	4,314,583	0.16

INFORMATION ON DIRECTORS HOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 13 OCTOBER 2022

		No. of Ordinary Shares Held			
No.	Name	Direct	%	Indirect	%
1	DATO' SERI THAI KIM SIM, STANLEY	-	-	1,038,016,687[(1)]	39.25
2	ALBERT SAYCHUAN CHEOK	173,279	0.007	-	-
3	CECILE JACLYN THAI	211,258	0.008	-	-
4	TAN CHEE KEONG	963,341	0.036	-	-
5	DATO' TING HENG PENG	12,677,834	0.479	-	-
6	DR. RASHID BIN BAKAR	257,410	0.010	-	-
7	NG KENG LIM @ NGOOI KENG LIM	-	-	-	-
8	SUNG FONG FUI	-	-	10,333[(2)]	0.0004

INFORMATION ON SUBSTANTIAL SHAREHOLDERS' HOLDINGS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 13 OCTOBER 2022

		No. of Ordinary Shares Held			
No.	Name	Direct	%	Indirect	%
1	SUPERMAX HOLDINGS SDN BHD	1,038,016,687	39.25	-	-
2	DATO' SERI THAI KIM SIM, STANLEY	-	-	1,038,016,687[(3)]	39.25
3	DATIN SERI TAN BEE GEOK, CHERYL	-	-	1,038,016,687[(3)]	39.25

Notes:-

1. *Deemed interested in the shares held by Supermax Holdings Sdn Bhd ("SHSB") pursuant to Section 8 of the Companies Act 2016 ("the Act") and indirect interest pursuant to Section 59(11)(c) of the Act through spouse's deemed interest in shares held by SHSB pursuant to Section 8 of the Act.*
2. *Deemed Interest by virtue of shares held by her spouse, Ng Yun Vui pursuant to Section 59(11)(c) of the Act.*
3. *Deemed interested in the shares held by SHSB pursuant to Section 8 of the Act.*

SUPERMAX CORPORATION BERHAD
199701004909 (420405-P)

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting of the Company will be held at Grand Ballroom, Lower Ground Floor, Eastin Hotel KL, 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Thursday, 8 December 2022 at 9.30 a.m., for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of Directors and Auditors thereon. **[Please refer to Explanatory Note 2]**

2. To approve the payment of a final single-tier dividend of 3 sen per share in respect of the financial year ended 30 June 2022. **(Resolution 1)**

3. To approve the payment of the under provision of Directors' Fees amounting to RM125,322 for the financial year ended 30 June 2022. **(Resolution 2)**

4. To approve the payment of Directors' Fees of up to RM1,125,000 for the financial year ending 30 June 2023. **(Resolution 3)**

5. To approve the payment of Directors' benefits of up to RM36,000 for the period from 9 December 2022 until the next Annual General Meeting of the Company. **(Resolution 4)**

6. To re-elect Dato' Ting Heng Peng who retires pursuant to Clause 76(3) of the Company's Constitution. **(Resolution 5)**

7. To re-elect the following Directors who retire pursuant to Clause 78 of the Company's Constitution:-

   i) Dato' Seri Thai Kim Sim **(Resolution 6)**
   ii) Sung Fong Fui **(Resolution 7)**

8. To re-appoint Messrs RSM Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

SPECIAL BUSINESS

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

9. **ORDINARY RESOLUTION I**
   WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016 **(Resolution 9)**

   "THAT pursuant to Section 85 of the Companies Act 2016 ("the Act"), read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company.

   THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution II – Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Act."

10. **ORDINARY RESOLUTION II** **(Resolution 10)**
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"THAT contingent upon the passing of the Ordinary Resolution I on waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 ("the Act") and pursuant to Sections 75 and 76 of the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

11. **ORDINARY RESOLUTION III** **(Resolution 11)**
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

"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."

12. **ORDINARY RESOLUTION IV** **(Resolution 12)**
PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN, WHICH COMPRISES THE PROPOSED EMPLOYEES' SHARES OPTION SCHEME AND THE PROPOSED SHARE GRANT PLAN ("PROPOSED SGP") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN SUPERMAX CORPORATION BERHAD ("SCB" OR THE "COMPANY") (EXCLUDING TREASURY SHARES, IF ANY) ("PROPOSED LTIP")

"**THAT**, subject to the approvals of all relevant regulatory authorities being obtained (where applicable), and to the extent permitted by law and the Constitution of the Company, the Board of Directors of SCB ("**Board**"), be and is hereby authorised and empowered to:-

i. establish, implement and administer the Proposed LTIP during the duration of the Proposed LTIP for the eligible Directors and employees of SCB and its subsidiaries (the "**Group**") (excluding subsidiaries which are dormant, if any) who fulfil the eligibility criteria ("**Eligible Persons**") in accordance with the provisions of the by-laws governing the rules, terms and conditions of the Proposed LTIP ("**By-Laws**"), a draft of which is set out in Appendix I of the circular to the shareholders of SCB dated 31 October 2022 in relation to the Proposed LTIP ("**Circular**");

ii. allot and issue and/or transfer such number of ordinary shares in SCB ("**SCB Share(s)**" or "**Share(s)**") from time to time to the Eligible Persons upon the vesting of any award of SCB Shares in writing to the Eligible Persons at no payment by the Eligible Persons ("**SGP Award(s)**") and/or exercise of the share options awarded in writing to the Eligible Persons ("**ESOS Option(s)**") to subscribe for new SCB Shares at the prescribed exercise price, subject to the terms and conditions of the By-Laws ("**ESOS Award(s)**"), provided that the total number of such SCB Shares to be issued under the Proposed LTIP shall not in aggregate exceed 15% of the total number of issued Shares (excluding treasury shares, if any) in the Company at any point in time during the duration of the Proposed LTIP (collectively, the SGP Award(s) and ESOS Award(s) are referred to as "**LTIP Award(s)**");

Any new Shares to be issued pursuant to the exercise of ESOS Options, shall upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution where the entitlement date of such dividends, rights, allotments and/or any other forms of distribution precedes the relevant date of allotment and issuance of the new Shares. The new Shares will be subject to all provisions of the Constitution of SCB and such amendments thereafter, if any; and

Any existing Shares and/or treasury shares transferred in satisfaction of the SGP Award will rank equally in all respects with the existing Shares, including voting rights, and will be entitled to all dividends, rights, allotments and/or any other forms of distribution that may be declared subsequent to the date of transfer of such Shares;

iii. add, amend, modify and/or delete all or any part of the terms and conditions as set out in the By-Laws governing the Proposed LTIP from time to time provided that such addition, amendment, modification and/or deletion are effected in accordance with the provisions of the By-Laws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed LTIP;

iv. extend the duration of the Proposed LTIP for a period of up to another five (5) years, provided always that such extension of the Proposed LTIP made in accordance with the provisions of the By-Laws shall not in aggregate exceed a duration of ten (10) years from the date the Proposed LTIP takes effect or such other period determined by the relevant authorities;

v. do all things necessary and make the necessary applications to Bursa Malaysia Securities Berhad for the listing of and quotation for new SCB Shares that may, hereafter from time to time, be allotted and issued under the Proposed LTIP; and

vi. to appoint and authorise a committee ("**LTIP Committee**") by which the Proposed LTIP will be administered in accordance with the By-Laws by the said LTIP Committee, who will be responsible for, amongst others, implementing and administering the Proposed LTIP. The members of the LTIP Committee shall comprise such number of Directors and/or senior management personnel of the Group to be identified from time to time.

AND THAT the Board be and is hereby authorised to give effect to the Proposed LTIP with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/or expedient to implement, finalise and give full effect to the Proposed LTIP;

AND THAT pursuant to Section 85 of the Companies Act, 2016 (“**Act**”) read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to the Eligible Persons pursuant to the Proposed LTIP;

AND THAT the draft By-Laws as set out in Appendix I of the Circular and which is in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), be and is hereby approved and adopted."

13. **ORDINARY RESOLUTION V** **(Resolution 13)**
PROPOSED ALLOCATION OF LTIP AWARDS TO DATO' SERI THAI KIM SIM, EXECUTIVE CHAIRMAN OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Dato' Seri Thai Kim Sim, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. he does not participate in the deliberation or discussion of his own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares), if any; and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Dato' Seri Thai Kim Sim pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to him under the Proposed LTIP."

14. **ORDINARY RESOLUTION VI** **(Resolution 14)**
PROPOSED ALLOCATION OF LTIP AWARDS TO TAN CHEE KEONG, EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Tan Chee Keong, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. he does not participate in the deliberation or discussion of his own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Tan Chee Keong pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to him under the Proposed LTIP."

15. **ORDINARY RESOLUTION VII** **(Resolution 15)**
PROPOSED ALLOCATION OF LTIP AWARDS TO CECILE JACLYN THAI, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Cecile Jaclyn Thai, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. she does not participate in the deliberation or discussion of her own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Cecile Jaclyn Thai pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to her under the Proposed LTIP."

16. **ORDINARY RESOLUTION VIII** **(Resolution 16)**
PROPOSED ALLOCATION OF LTIP AWARDS TO ALBERT SAYCHUAN CHEOK, INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Albert Saychuan Cheok, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. he does not participate in the deliberation or discussion of his own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Albert Saychuan Cheok pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to him under the Proposed LTIP."

17. **ORDINARY RESOLUTION IX** **(Resolution 17)**
PROPOSED ALLOCATION OF LTIP AWARDS TO DATO' TING HENG PENG, NON-INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Dato' Ting Heng Peng, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. he does not participate in the deliberation or discussion of his own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Dato' Ting Heng Peng pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to him under the Proposed LTIP."

18. **ORDINARY RESOLUTION X** **(Resolution 18)**
PROPOSED ALLOCATION OF LTIP AWARDS TO NG KENG LIM @ NGOOI KENG LIM, INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT,** subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Ng Keng Lim @ Ngooi Keng Lim, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. he does not participate in the deliberation or discussion of his own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to him, if he, either singly or collectively through persons connected to him, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Ng Keng Lim @ Ngooi Keng Lim pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to him under the Proposed LTIP."

19. **ORDINARY RESOLUTION XI** **(Resolution 19)**
PROPOSED ALLOCATION OF LTIP AWARDS TO SUNG FONG FUI, INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Sung Fong Fui, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. she does not participate in the deliberation or discussion of her own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Sung Fong Fui pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to her under the Proposed LTIP."

20. **ORDINARY RESOLUTION XII** **(Resolution 20)**
PROPOSED ALLOCATION OF LTIP AWARDS TO DATIN SERI TAN BEE GEOK, MAJOR SHAREHOLDER OF THE COMPANY PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Datin Seri Tan Bee Geok, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. she does not participate in the deliberation or discussion of her own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Datin Seri Tan Bee Geok pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to her under the Proposed LTIP."

21. **ORDINARY RESOLUTION XIII** **(Resolution 21)**
PROPOSED ALLOCATION OF LTIP AWARDS TO AURELIA JOIE THAI, THE DIRECTOR OF SCB'S SUBSIDIARY COMPANY, NAMELY SUPERMAX GLOVE MANUFACTURING SDN BHD PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Aurelia Joie Thai, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. she does not participate in the deliberation or discussion of her own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Aurelia Joie Thai pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to her under the Proposed LTIP."

22. **ORDINARY RESOLUTION XIV** **(Resolution 22)**
PROPOSED ALLOCATION OF LTIP AWARDS TO TAN BEE HONG, THE SENIOR MANAGER OF THE OPERATION AND ADMINISTRATION DEPARTMENT OF SCB'S SUBSIDIARY COMPANY, NAMELY SUPERMAX GLOVE MANUFACTURING SDN BHD PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Tan Bee Hong, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. she does not participate in the deliberation or discussion of her own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Tan Bee Hong pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to her under the Proposed LTIP."

23. **ORDINARY RESOLUTION XV** **(Resolution 23)**
PROPOSED ALLOCATION OF LTIP AWARDS TO SABRINA CHAN MEI LING, OPERATIONS MANAGER OF ONE OF SCB'S SUBSIDIARY COMPANY, NAMELY SUPERMAX HEALTHCARE INC. PURSUANT TO THE PROPOSED LTIP

"**THAT**, subject to the passing of the Ordinary Resolution IV and the approvals of the relevant authorities being obtained, approval be and is hereby given to the Board to authorise the LTIP Committee, from time to time throughout the duration of the Proposed LTIP, to offer and grant Sabrina Chan Mei Ling, ESOS Options and/ or awards of SCB Shares pursuant to the Proposed SGP under the Proposed LTIP (where applicable), in accordance with the Listing Requirements (where applicable) and/ or any prevailing guidelines issued by Bursa Malaysia Securities Berhad and/ or any other relevant authorities, as amended from time to time, for the purposes as set out in the Circular and subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, provided always that:-

i. she does not participate in the deliberation or discussion of her own allocation;

ii. not more than 10% of the new SCB Shares which may be made available under the Proposed LTIP shall be allocated to her, if she, either singly or collectively through persons connected to her, holds 20% or more of the total number of issued shares of SCB (excluding treasury shares, if any); and

iii. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the By-Laws, the Listing Requirements, or any prevailing guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority, as amended from time to time;

AND THAT pursuant to Section 85 of the Act read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new SCB Shares ranking equally to the existing issued SCB Shares arising from any issuance of new SCB Shares to Sabrina Chan Mei Ling pursuant to the Proposed LTIP;

AND THAT the Board is also authorised to issue and allot new SCB Shares and/ or transfer existing SCB Shares (including treasury shares) corresponding to the number of SCB Shares arising from the exercise of the ESOS Options and/ or pursuant to the vesting of the SGP Award that may be awarded to her under the Proposed LTIP."

24. 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-Fifth Annual General Meeting to be held on 8 December 2022, a final single-tier dividend of 3 sen per share in respect of the financial year ended 30 June 2022 will be paid on 18 January 2023.

The entitlement date for the dividend is 19 December 2022.

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 19 December 2022 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.

BY ORDER OF THE BOARD

WONG WAI FOONG
SSM PC No.: 202008001472 (MAICSA 7001358)
JOANNE TOH JOO ANN
SSM PC NO. 202008001119 (LS 0008574)

Company Secretaries

Kuala Lumpur
Date: 31 October 2022

Notes:

1. APPOINTMENT OF PROXY

a) For the purpose of determining who shall be entitled to attend this Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 30 November 2022. 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the proxy appointment may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for further information. 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.

i) 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 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.

j) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

k) Last date and time for lodging the proxy form is Tuesday, 6 December 2022 at 9.30 a.m.

l) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:

    (a) Identity card (NRIC) (Malaysian), or
    (b) Police report (for loss of NRIC)/ Temporary NRIC (Malaysian), or
    (c) Passport (Foreigner).

m) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

2. ITEM 1 OF THE AGENDA – ORDINARY BUSINESS
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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, 4 AND 5 OF THE AGENDA – ORDINARY BUSINESS
PAYMENT OF DIRECTORS' FEES 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 the shortfall of Directors' fees amounting to RM125,322 for the financial year ended 30 June 2022 due to the enlarged Board size arising from the appointment of Dato' Seri Thai Kim Sim and Sung Fong Fui as Executive Chairman and Independent Non-Executive Director respectively on 8 December 2021. The Company had sought the shareholders' approval in the previous Annual General Meeting ("AGM") for an amount of up to RM738,000.

The proposed Resolution 3 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 AGM for additional fees to meet the shortfall.

The Directors' benefits proposed under Resolution 4 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 enlarged Board size or more meetings), approval will be sought at the next AGM for the shortfall.

4. ITEMS 6 AND 7 OF THE AGENDA – ORDINARY BUSINESS RE-ELECTION OF DIRECTORS

Dato' Ting Heng Peng, Dato' Seri Thai Kim Sim and Sung Fong Fui are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Twenty-Fifth Annual General Meeting.

The Board has through the Nomination and Remuneration Committee ("NRC"), considered the assessment of Dato' Ting Heng Peng, Dato' Seri Thai Kim Sim and Sung Fong Fui and agreed that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment and the NRC is satisfied with the outcome of the fit and proper assessments.

The Board had also through the NRC, conducted an annual assessment on the independence of Sung Fong Fui and is satisfied that she complied with the criteria prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board supports and recommended the abovementioned Directors to be re-elected as Directors of the Company.

Dr. Rashid Bin Bakar, who is subject to retirement by rotation pursuant to Clause 76(3) of the Company's Constitution had indicated to the Company that he would not be seeking for re-election and will retire at the conclusion of Twenty-Fifth Annual General Meeting of the Company.

5. EXPLANATORY NOTES TO SPECIAL BUSINESS

(a) ITEM 9 OF THE AGENDA
WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016

The proposed Resolution 9 is pertaining to the waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016. By voting in favour of the Resolution 9, the shareholders of the Company would be waiving their pre-emptive right. The Resolution 9 if passed, would allow the Directors to issue new shares to any person under the Proposed General Mandate without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

(b) ITEM 10 OF THE AGENDA
AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The proposed Resolution 10 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.

Subject to passing the Ordinary Resolution I on the waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016, the proposed Resolution 10, 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 shares 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 ("Proposed General Mandate").

(c) ITEM 11 OF THE AGENDA
PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

The proposed Resolution 11, 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 31 October 2022.

(d) ITEMS 12 TO 23 OF THE AGENDA
<u>PROPOSED ESTABLISHMENT OF A LONG-TERM INCENTIVE PLAN, WHICH COMPRISES THE PROPOSED EMPLOYEES' SHARES OPTION SCHEME AND THE PROPOSED SHARE GRANT PLAN OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN SUPERMAX CORPORATION BERHAD ("SCB" OR THE "COMPANY") (EXCLUDING TREASURY SHARES, IF ANY) ("PROPOSED LTIP")</u>

Ordinary Resolutions IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV and XV

The proposed Ordinary Resolutions IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV and XV in relation to the Proposed LTIP shall be read together as a whole.

Section 85(1) of the Companies Act 2016 ("the Act") provides that:-

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 12(3) of the Constitution of the Company states that:-

"(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled;

(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company; and

(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

By voting in favour of the proposed Ordinary Resolutions IV, V, VI, VII, VIII, IX, X, XI, XII, XIII, XIV and XV, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act and Clause 12(3) of the Constitution of the Company to be first offered the SCB Shares which will result in a dilution of their shareholding percentage in the Company.

For further information, please refer to the Circular to Shareholders dated 31 October 2022.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

<u>Election/Appointment as Directors</u>

There are no individuals standing for election/appointment as Directors at the Twenty-Fifth Annual General Meeting ("AGM").

The Directors who are standing for re-election at the AGM are Dato' Ting Heng Peng, Dato' Seri Thai Kim Sim and Sung Fong Fui, whose profiles are set out on Pages 7 to 10 of the 2022 Annual Report.

The Board has through the Nomination and Remuneration Committee ("NRC"), considered the assessment of Dato' Ting Heng Peng, Dato' Seri Thai Kim Sim and Sung Fong Fui and agreed that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time to effectively discharge their roles as Directors. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment and the NRC is satisfied with the outcome of the fit and proper assessments.

The Board had also through the NRC, conducted an annual assessment on the independence of Sung Fong Fui and is satisfied that she complied with the criteria prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Having considered the above, the Board supports and recommended the re-election of Dato' Ting Heng Peng, Dato' Seri Thai Kim Sim and Sung Fong Fui as Directors of the Company.

<u>General Mandate for Issue of Securities</u>

Kindly refer to items 5(a) and 5(b) of the Explanatory Notes to Special Business as contained in the Notice of AGM.

PROXY FORM

CDS Account No.
No. of Shares held

SUPERMAX
CORPORATION BERHAD
199701004909 (420405-P)
since 1989

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-Fifth Annual General Meeting of the Company to be held at Grand Ballroom, Lower Ground Floor, Eastin Hotel KL, 13, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Thursday, 8 December 2022 at 9.30 a.m. or any adjournment thereof, and to vote as indicated below:-

Items	RESOLUTIONS	Resolution	FOR	AGAINST
ORDINARY BUSINESS				
1.	Payment of a final single-tier dividend of 3 sen per share in respect of the financial year ended 30 June 2022	Resolution 1		
2.	Payment of the under provision of Directors' Fees for the financial year ended 30 June 2022	Resolution 2		
3.	Payment of Directors' Fees for the financial year ending 30 June 2023	Resolution 3		
4.	Payment of Directors' benefits for the period from 9 December 2022 until the next Annual General Meeting	Resolution 4		
5.	Re-election of Dato' Ting Heng Peng as Director	Resolution 5		
6.	Re-election of Dato' Seri Thai Kim Sim as Director	Resolution 6		
7.	Re-election of Sung Fong Fui as Director	Resolution 7		
8.	Re-appointment of Messrs RSM Malaysia PLT as auditors of the Company and authorise the Directors to fix their remuneration	Resolution 8		
AS SPECIAL BUSINESS				
9.	Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016.	Resolution 9		
10.	Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	Resolution 10		
11.	Approval for renewal of Authority for Share Buy-Back	Resolution 11		
12.	Proposed establishment of a Long-Term Incentive Plan ("LTIP"), which comprises the Proposed Employees' Shares Option Scheme and the Proposed Share Grant Plan	Resolution 12		
13.	Proposed allocation of LTIP awards to Dato' Seri Thai Kim Sim	Resolution 13		
14.	Proposed allocation of LTIP awards to Tan Chee Keong	Resolution 14		
15.	Proposed allocation of LTIP awards to Cecile Jaclyn Thai	Resolution 15		
16.	Proposed allocation of LTIP awards to Albert Saychuan Cheok	Resolution 16		
17.	Proposed allocation of LTIP awards to Dato' Ting Heng Peng	Resolution 17		
18.	Proposed allocation of LTIP awards to Ng Keng Lim @ Ngooi Keng Lim	Resolution 18		
19.	Proposed allocation of LTIP awards to Sung Fong Fui	Resolution 19		
20.	Proposed allocation of LTIP awards to Datin Seri Tan Bee Geok	Resolution 20		
21.	Proposed allocation of LTIP awards to Aurelia Joie Thai	Resolution 21		
22.	Proposed allocation of LTIP awards to Tan Bee Hong	Resolution 22		
23.	Proposed allocation of LTIP awards to Sabrina Chan Mei Ling	Resolution 23		

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

Signed this………………………………………

____
Signature*
Member

** Manner of execution:*
(a). If you are an individual member, please sign where indicated.
(b) 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.
(c) 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:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) 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. *For the purpose of determining who shall be entitled to attend this Annual General Meeting ("AGM"), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 30 November 2022. 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.*
2. *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.*
3. *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.*
4. *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.*
5. *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.*
6. *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.*
7. *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.*
8. *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 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Alternatively, the proxy appointment may also be lodged electronically via Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. Please refer to the Administrative Guide for further information. 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.*
9. *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 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.*
10. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last date and time for lodging the proxy form is Tuesday, 6 December 2022 at 9.30 a.m.*
12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:*
    (a) Identity card (NRIC) (Malaysian), or
    (b) Police report (for loss of NRIC)/ Temporary NRIC (Malaysian), or
    (c) Passport (Foreigner).
13. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.*

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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

Then fold here

SUPERMAX CORPORATION BERHAD
SUSTAINABILITY REPORT
YEAR ENDED 30 JUNE 2022

CONTENTS

ABOUT SUPERMAX

Before moving into manufacturing in 1989, Supermax Corporation Berhad (“Supermax” or the “Group” and its subsidiaries) began as a trader and exporter of latex gloves in 1987. Today, Supermax has grown to be an international manufacturer, distributor and marketer of quality medical devices, namely medical gloves and contact lenses. The Company runs factories that produce various nitrile latex and natural rubber gloves. These gloves are exported to more than 165 countries worldwide, including the United States, the European Union, the Middle East, Asia, and South Pacific nations. Various brands owned by the Group, including Supermax, Aurelia, and Maxter, are used by laboratories, hospitals, pharmacists, physicians, and surgeons all over the world.

The Supermax Group has also established itself as Malaysia's first locally owned manufacturer of contact lenses. After engaging in extensive R&D activities in the UK, it successfully launched its manufacturing facility in Malaysia in 2016 and is steadily increasing its production capacity. It has also made good strides toward obtaining the necessary licenses and approvals, which have enabled it to expand the presence of its products in more than 60 countries.

The Group does not lose sight of sustainability despite the Covid-19 pandemic, and continually tries to ensure that opportunities and risks related to Environmental, Social and Governance ("ESG") are identified, assessed, and controlled in accordance with industry best practices. In line with the expectations of stakeholders, the Group aims to establish the direction for a future-orientated business strategy that balances economic success with environmental and social responsibility. In order to avoid unfavorable environmental and social impacts resulting from its core businesses, the Group works to promote sustainable business practices, improve transparency and ensure that the Group's risk management procedures are in place. The Group has a list of planned programs that will include selected ESG awareness and briefings to provide a better understanding of what it will take to implement an effective ESG measure for the Group.

Supermax constantly strives to keep up its efforts in niche marketing and brand differentiation through the provision of superior and reliable quality control as well as product innovation. These days, consumers around the world continue to favour Supermax's brands of products because they have carved out distinctive names that are associated with superior quality. With a focus on the "pursuit of quality and excellence," Supermax is dedicated to both product innovation and research and development.

MISSION AND VISION

Our vision is to be the global market leader in the manufacture of medical devices. With this in mind, we are dedicated to satisfying the demands and expectations of interested parties to:

a) Produce gloves in accordance with customer requirements, applicable regulatory requirements, and glove standards to ensure customer satisfaction.
b) Create a positive workplace environment by encouraging teamwork and employee satisfaction.
c) Keep the Quality Management System effective and carry out ongoing improvements to the activities that make up the quality system.

Our mission is to be the global brand of choice among users of medical devices.

ABOUT THIS REPORT

REPORTING STANDARDS

This is the annual standalone Sustainability Report produced by Supermax which covers our responsibilities to our stakeholders and the contributions we have made to sustainable development during the financial year ended 2022. This Sustainability Report (the “Report”) adheres to Bursa Malaysia's revised Main Market Listing Requirements (the "Listing Requirements") covering sustainability reporting as well as the Global Reporting Initiative ("GRI") reporting guidelines.

Through increased report transparency and disclosure, we aim to strengthen trust and relationship with our stakeholders by providing them information about the ESG aspects of our Group. The Group hopes to use this report to share its commitment to sustainability with its valued stakeholders, including employees, investors, customers, business partners, suppliers and communities it operates in.

This Sustainability Report is consistent with the Company’s Annual Report and other publications including the corporate website. Other material issues such as detailed corporate governance as well as data on internal operations and business activities are reported elsewhere in other mediums, such as the Annual Report, and are not repeated here. Supermax recognizes that sustainability is an iterative and continual process, continuous effort is needed to improve on various areas including performance targets and achievements.

With regards to other information, we did not ask for or get external assurance from third parties, though in some cases third parties helped in the process of data collection, analysis, and calculating information presented.

REPORTING PERIOD & BOUNDARY

This Report covers the reporting period from 01 July 2021 to 30 June 2022. The coverage scope of this report is limited to our core operation located in Malaysia, whereas our distribution centres are located in the United States of America, Brazil, Canada, Ireland, United Kingdom, Hong Kong, Singapore and Japan. Detailed references for our company’s financial earnings can be found in the Annual Report 2022.

IDENTIFICATION AND COMMUNICATION WITH STAKEHOLDERS

As recommended through stakeholder engagements, the Group can understand wide-ranging views and identify material environmental and social issues.

The Group is committed to operating in a sustainable manner while balancing the interests of its various stakeholders, including shareholders, employees, customers, suppliers and subcontractors, regulatory authorities and the local communities whom are communicated through meetings, enquiries, interviews and discussions, in which the Group operates.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements based on Supermax management’s current assumptions and expectations, including statements regarding our ESG targets, goals, commitments and programs and other business plans, initiatives, and objectives. These statements are typically accompanied by the words “aim,” “hope,” “believe,” “forecast,” “plan,” “anticipate” or similar words.

Supermax cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. We disclaim any obligation to update these forward-looking statements to reflect events or circumstances that may arise in the future.

FEEDBACK AND COMMENTS

A softcopy of this report can be found online at http://www.supermax.com.my/. We invite our readers to share their views on our approach to sustainability and to make suggestions for the development of our sustainability efforts and programs.

Sustainability Committee
Supermax Corporation Berhad (199701004909 (420405-P))
Lot 38, Putra Industrial Park, Bukit Rahman Putra
47000 Sungai Buloh
Selangor Darul Ehsan, Malaysia

Tel: 603-6145 2328
Fax: 603-6156 2191
Email: corporate@supermax.com.my

MESSAGE FROM OUR
CHAIRMAN

"Supermax welcomes and embraces the principles of ESG. Having put it into place and seen it in action, I firmly believe that the long term success, sustainability and value creation to stakeholders of any business will increasingly depend on its ability to grow in harmony with economic circumstances, environmental challenges, social developments and good corporate governance and citizenship."

We sincerely appreciate your support and hereby present Supermax and its subsidiaries' Sustainability Report for the fiscal year 2022. This comprehensive report on non-financial performance shows our dedication to sustainability by creating and putting into practice sustainability initiatives across all of our business units. The pages that follow give a summary of our efforts, achievements, and difficulties. We are better able to anticipate and adapt to economic, social, environmental, and regulatory changes when they occur thanks to regular engagement and communication with our stakeholders.

ETHICAL AND RESPONSIBLE BUSINESS ETHICS

We are constantly improving our approach to ESG and the related investment solutions that we provide as the sustainable investing landscape changes and customer interest rises. We believe that a responsible business must be built on strong ethics and operate with integrity. We continue to work to build trust by motivating the industry, collaborating with peers, and inspiring customers to make decisions that contribute to the growth in product innovation and production technology. The evolution of the value chain we are leading and our culture both depend on customer trust in Supermax.

We want to institutionalize sustainability governance as we progress and incorporate good sustainability practices into every aspect within the Group. With this, the Board of Directors have endorsed the Group's sustainability agenda as a key priority and will strive to promote ESG practices in our strategies. We ensure that the Group complies to applicable laws and regulations, and we promote open and transparent discussions, as well as constructive challenge in the Board and across the Group. We continually strive to ensure best practices are being maintained and that governance is integral to our strategy and decision making processes for the benefit of our shareholders and other stakeholders.

PEOPLE IN SUPERMAX

The Board of Directors would like to express gratitude to Supermax Group's extremely dedicated employees for their hard work and dedication. They have aided the Group's success not only in terms of operational and financial performance, but also their roles in fighting the Covid-19 pandemic. Personal sacrifices and long hours have been devoted to ensuring that the world's most critical PPE is continuously available for supply.

The Board also sincerely appreciates the journey where shareholders and all other stakeholders, including banks, suppliers, and service providers walk hand-in-hand showing their cooperation and support during this difficult period of travel restrictions, staffing restrictions, and frequent disruptions. This proves to be a rewarding experience albeit challenges we encountered along the way. We believe that "Together, we are stronger" and we look forward to working together in building a better and successful future.

Supermax has instilled a corporate culture where sustainability is regarded as one of the key pillars across the Group, be it the Board, management staff or even factory workers, emphasizing the importance of ethical behaviour and decision-making. The Group strives to maximize stakeholder impact by emphasizing on responsibility over profitability and understands that a company's success should be measured by the satisfaction of all stakeholders, not just one stakeholder—shareholders. By doing so, there is a greater competitive advantage by being well-positioned to gain market share.

OUR EFFORTS

A major focus of our Environmental and Social Framework ("ESF") initiatives during the year has been improving the social and financial wellbeing of the Group's workforce, particularly in relation to foreign workers. Recognizing that the Group is a global supplier for its products and has global operations, the Group has accepted the needs to comply with the labour standards set by the International Labour Organization ("ILO"). The years leading to June 2022 saw the Group taking substantial measures in improving the overall social welfare, working conditions and financial rewards of its workforce.

The Group is pleased to have created a safer, more comfortable and more conducive work environment for its workforce. Besides that, the Group had taken steps to strengthen its human resources management and migrant worker policies and practices. The Group has made a number of improvements and implemented several industry-first initiatives. These include the implementation of equal pay and benefits for both its local and foreign workers, as well as a hybrid HR management approach for on-site vendors, the removal of cut-off dates for foreign ex-worker remediation, and the implementation of a higher-than-then-statutory minimum wage (RM1,400) for all new hires since December 2021 and has increased to RM1,500 from May 2022 in order to be in line with the new Minimum Wages Order 2022. As a follow through, structural adjustments were also made to all existing workers' salaries of RM1,600 and above, in order to standardize human resource and foreign worker practices across the Group.

Also, we have provided people with disabilities the chance to work with us so they can reach their full potential and have a platform to showcase their skills, which will encourage and inspire others in the community. This certainly would not work without the support of our internal team members, in such trainings were conducted to ensure smooth transition working with our new members. The Group is looking to hire more OKUs in the near future to help support local community and provide more opportunities to the disabled to be independent and equip them with skills for survival on their own.

Dato' Seri Stanley Thai
Group Executive Chairman
Supermax Corporation Berhad

SUPPORT FOR UNITED NATIONS
SUSTAINABLE DEVELOPMENT GOALS

We recognize that as one of the leading medical devices company, Supermax must contribute to addressing systemic social and environmental challenges. As a result, we have aligned our sustainability strategy with the Global Sustainable Development Agenda of the United Nations ("UN").

As part of a larger effort to eradicate poverty and strengthen peace and freedom, an internationally recognized framework such as the United Nations Sustainable Development Goals ("SDGs") address the three components of economic growth, social inclusion, and environmental protection.

There are 17 overall goals and 169 specific targets. Businesses and governments are encouraged to work together to implement measures to support these goals in order to meet the framework's ambitious goals by 2030. When determining our approach and strategy, we will keep all 17 SDGs in mind whenever possible in order to align our work with the broader global sustainability agenda:

Source: https://www.un.org/sustainabledevelopment/sustainable-development-goals/

SUSTAINABILITY GOVERNANCE

The Group has put in place a governance structure to ensure that our Global Sustainability program both meets our company's social and environmental goals to support our business.

Comprised of management representatives from various key functions, the Sustainability Management Committee (the "Committee") members supports the Chairman in chairing the Group's sustainability program. The Committee oversees the development of action plans in response to sustainability policies. Furthermore, the Committee monitors the implementation of Supermax's sustainability initiatives and recommends the approach to managing material matters for approval by the Board of Directors ("BOD").

SUSTAINABILITY GOVERNANCE STRUCTURE

Good corporate governance entails having structures and processes in place to ensure that decisions and actions are in the best interests of stakeholders. Our Board is ultimately responsible for ensuring that sustainability is considered when setting Supermax Group's strategic direction, and that it is also integrated into our day-to-day operations. The Committee, as well as other divisions/ departments as applicable, develop and implement sustainability strategies across our businesses.

The Supermax Group's sustainability matters are overseen by the Board of Directors, with assistance from the Committee. This committee is made up of senior management members who oversee the development and implementation of sustainability strategies and other related matters. The Board reviews and evaluates the strategic direction necessary to achieve the company's long-term sustainable growth goals.

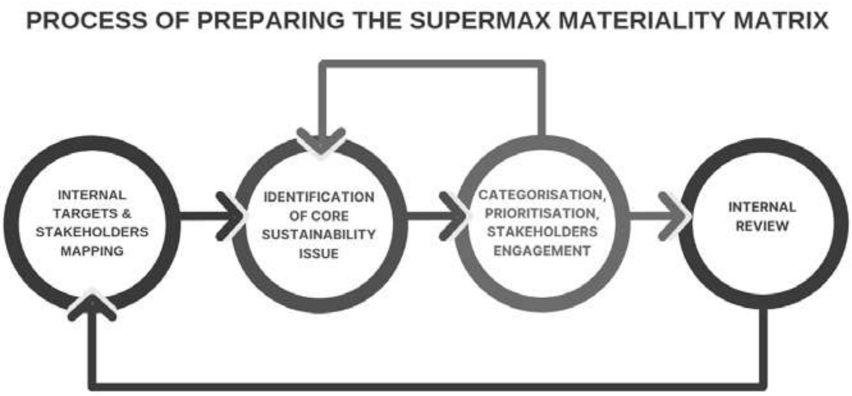
MATERIALITY ASSESSMENT

Our materiality approach is an essential component of our sustainability management process because it aids in the alignment of our strategies, performance management, and reporting.

In terms of sustainability, materiality includes not only issues that may have a significant financial impact on our business, but also issues that may impair our ability to meet current and future needs. Our definition of materiality is based on Bursa Malaysia's guidelines, which states that material issues are defined as such if they:

a) reflect an organization's significant economic, environment, and social ("EES") impacts; or
b) substantively influence the assessment and decisions of stakeholders.

We strive to recognize the needs and interests of our communities. Our customers, employees, government agencies, suppliers/ business partners and shareholders/ investors have been identified as key stakeholder groups. To build a sustainable and successful business, we must first understand and address the diverse needs of each group. One of the methods practiced by Supermax is to include our stakeholders in our materiality analysis. We conducted targeted surveys with internal and external stakeholders during the fiscal year to raise sustainability awareness and identify material issues for management to consider. Against the impact of COVID-19, we were able to ensure that our material matters remained relevant to the interests of our stakeholders and within the current business operating landscape. We have identified 20 issues as material to us through the materiality assessment process. Each of these initiatives has been categorized under the relevant sustainability prongs that manage our ESG impact.

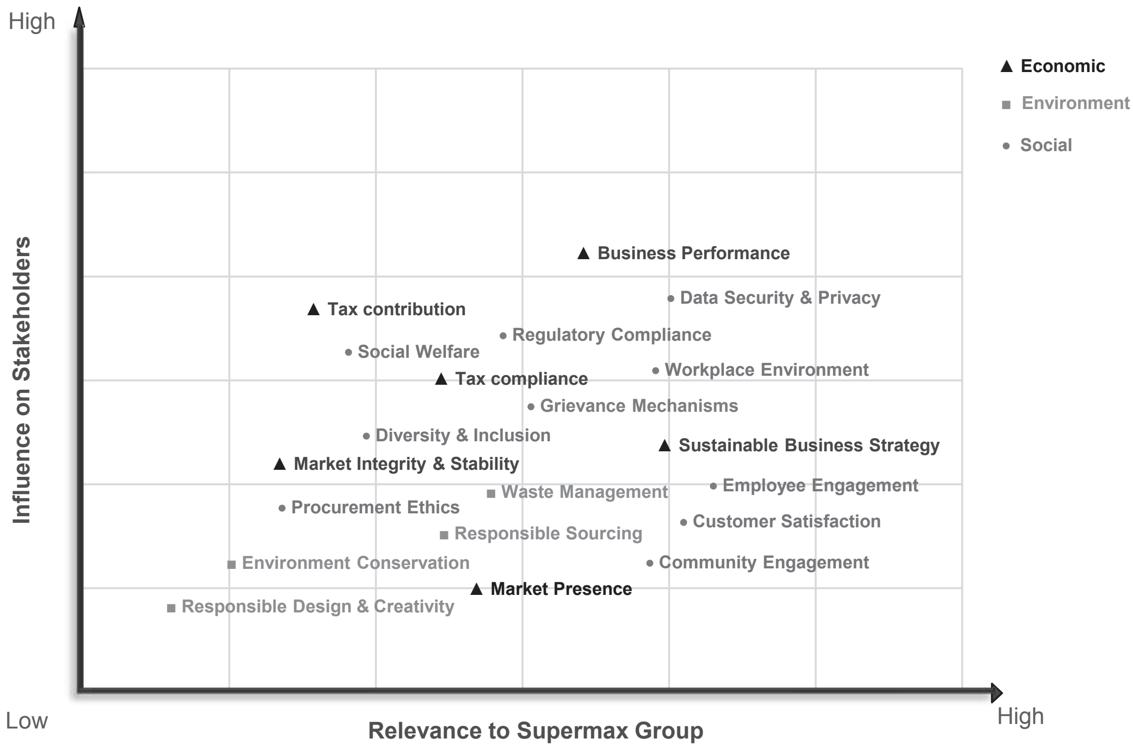


Materiality Assessment
(Cont'd)

The materiality assessment will be used in the following ways:

a) To identify the most important sustainability issues for Supermax in terms of business value, risks, and opportunities for long-term planning.
b) To comprehend the relationship between sustainability and critical business issues.
c) To guide future commitments to sustainability and resource allocation.
d) To support Supermax in its engagement with internal and external stakeholders.

MATERIALITY MATRIX



STAKEHOLDER ENGAGEMENT

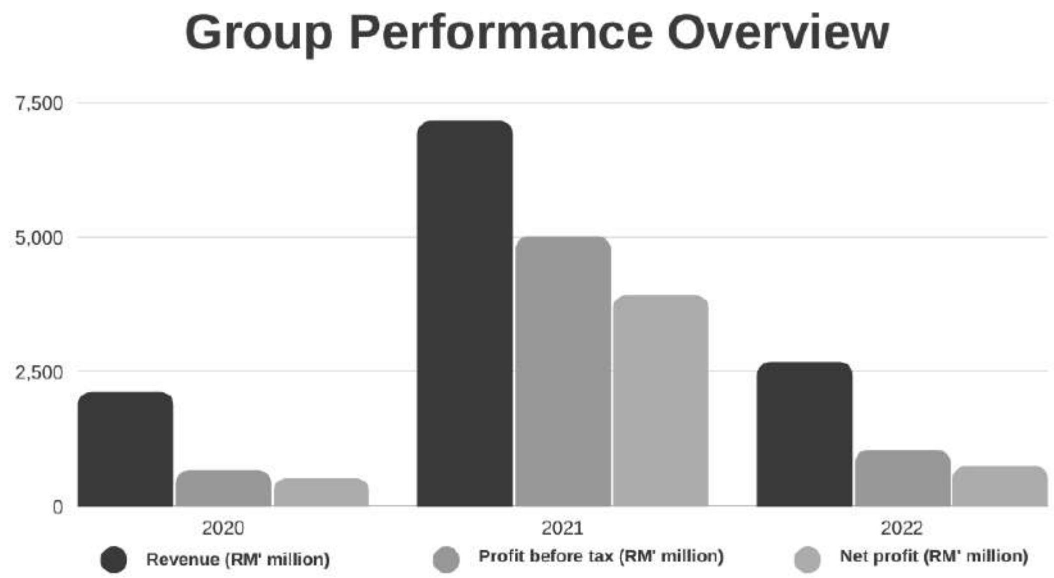
We have a long history of stakeholder engagement and are committed to engaging in constructive and meaningful dialogues with stakeholders. Gaining insights into the most urgent issues are made possible through effective communication, which also helps us establish trust and leverage on others' expertise. Stakeholder engagement aids in reinforcing the most important issues and developing Group-wide solutions to address them.

Building informed relationships through constructive bilateral communication will encourage accountability and transparency. The opinions of stakeholders on a variety of subjects are valuable and have influenced our sustainability strategy in several important areas. Stakeholders assist us in testing new concepts and addressing industry-wide problems. We also discuss important topics from our point of view, draw attention to crucial areas, and facilitate a better understanding of the Group's journey. Below is a list of the key issues for each stakeholder group in 2022 and how we will interact with them:

Key Stakeholder Group	Key Areas of Concern	Engagement Platform
Shareholders and Investors	• Business and sectoral updates • Capital market integrity • Ethics and integrity • Compliance with regulations	• Annual and quarterly reporting • Announcements on Bursa Securities • Investment conferences • Analyst briefings • Annual general meetings • Press release and coverage
Local Communities and Public	• Transparent and quality products and services • Community development and enrichment • Reaching out to the community • Employment opportunities to the disabled	• Community programs • Local sourcing • Engagement with sources for interested OKU to work with Supermax
Government and Regulatory Authorities	• Operational needs • Environmental standards compliance • Workplace safety compliance	• Emails/ letters • Periodic meetings • On-site inspections
Customers	• Products and services quality • Customer satisfaction • Data privacy • Regulatory compliance • Pricing and supplies	• Periodic meetings • Social media • International tradeshows • Exhibitions and audits
Employees	• Workplace safety • Employment welfare • Training and career development • Occupational health and safety	• Employee surveys • Employee engagement activities • Team building activities • Email communications • Meetings with management
Suppliers	• Procurement ethics • Products and services quality • Pricing and supplies • Stable quality supply and on-time delivery	• Periodic meetings • Negotiations with suppliers/ business partners

OUR
PERFORMANCE

Supermax defines economic performance as the generation of long-term financial and economic returns while creating value for stakeholders in order to ensure the long-term viability of our business. Our financial performance is evidence of how well we manage our assets and capital. It is how we transform our moral obligation to our stakeholders and fiduciary responsibility to our investors into tangible value. By combining a bold strategy with responsible asset and capital management, we aim to achieve long-term profitability.



2022 AT A GLANCE

Group Performance Overview

There is a significant increase in revenue and net profit from year 2020 to 2021 due high demands for medical devices during Covid-19. The Group achieved a revenue of RM7.16 billion for the period ended 30 June 2021, an increase of RM5.03 billion (30 June 2020: RM2.13 billion) from the same corresponding period in last financial year.

However, sales were adversely impacted in 2022 which triggered to a drop of revenue whilst net profit decreased to RM757 million from RM3.9 billion previously. This was due to a combination of factors with sales prices and demand both continued to decline from their peaks reached a year ago, when global concerns over the Covid-19 pandemic were at or near its peak. We believe that once the current demand-supply disequilibrium eventually rebalances, the structural shift brought on by the pandemic will cause demand to remain higher than it was before the outbreak and resume an upward trend over a longer period of time.

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.

Supermax Group will continue to bolster its operational and financial business fundamentals in order to deliver a steady and sustainable performance over the long-term. For more information about our financial performance, please refer to Supermax Annual Reports at http://www.supermax.com.my/.

REGULATORY COMPLIANCE

Our business practices are governed by integrity, honesty and strict adherence with applicable laws. Our group stands for lawful and ethical business practices and zero-tolerance for unethical or illegal conduct. We have created clear compliance policies that are reflected in our Code of Conduct, which all of our employees must sign before they begin working at Supermax, to ensure that our behaviour and communications are consistent with our values.

Supermax has also complied with the new requirements on Corporate Liability Section 17A of MACC Act 2009 which takes effect on 1 June 2020. We have communicated Supermax's corporate integrity pledge against corruption and our bribery policy with our vendors and our employees and it is posted in our corporate website.

Besides that, the Group has also established a whistleblowing practice to encourage any parties including employees, suppliers and stakeholders to report actual or suspected malpractice, abuse, wrongdoing or misconduct. This practice is intended to promote a culture of shared responsibility and openness among Supermax employees with the assurance that all reports are confidential, thoroughly investigated and suitable action is taken where necessary. Some non-exhaustive examples of key regulations that were applicable include Listing Requirements, Capital Markets and Services Act, Companies Act 2016, Malaysian Anti-Corruption Commission (Amendment) Act 2018, Employment Act 1955, Personal Data Protection Act 2010, and Occupational Safety and Health Act 1994.

The Group has made a commitment to uphold the International Labour Organization's ("ILO") standards for migrant workers in 2019 and has since initiated and put into action corrective measures and improvements pertaining to labour welfare. We have made a lot of progress over the years in enhancing labour practices and eliminating indicators of forced labour. To ensure that management of foreign workers is enduring and sustainable, we have included fundamental changes to the way we currently do things. We have also seized the opportunity to initiate a number of industry-leading initiatives to give workers the best possible care.

The Group is dedicated to safeguarding the personal data of its customers, employees and other stakeholders. All personal data collected by the Group is strictly used in accordance with applicable laws and regulations. Also, all employees and third-party service providers who have access to customers data are obligated to respect its confidentiality.

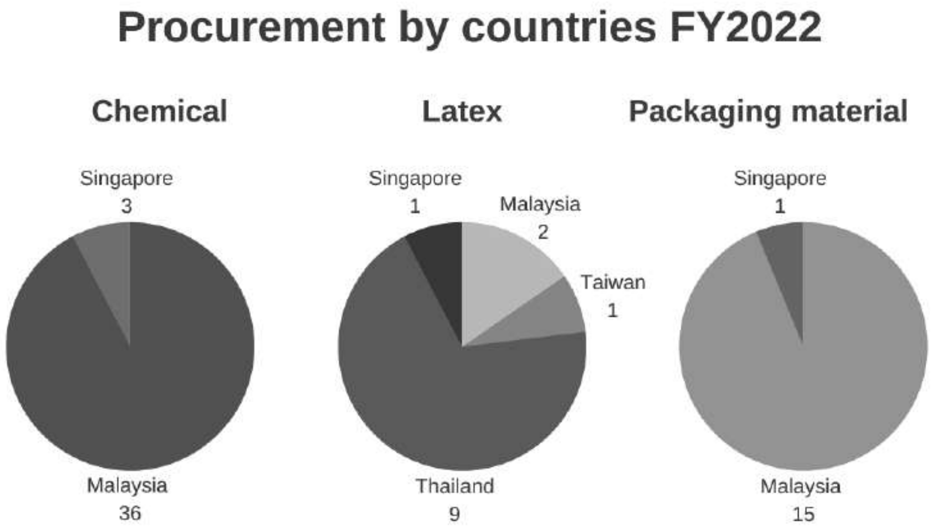
On top of that, one of the Group's subsidiary was recently awarded the "Best Taxpayer Award 2021" during one of an event organized by the Inland Revenue Board in 2022. This recognition showed that Supermax is committed to play a positive role, contributing in the form of taxes paid in order to help stabilize the country's economy and also its attitude towards tax compliance.

OUR ENVIRONMENT

SUSTAINABLE PROCUREMENT

In order to maintain a long-term relationship with suppliers, the Group believes that effective communication is essential. The Group regularly evaluates the performance of suppliers, taking into consideration their background, quality, price, delivery lead time, complaint history, and financial stability. The Group also makes every effort to conduct the necessary inspections and background checks on both current and potential suppliers.

The Group's suppliers are mainly suppliers of raw materials such as latex, chemicals, packaging material, forwarding agent, calibration service and major outsource suppliers. The raw materials are sourced from several countries, including Malaysia, Singapore, Thailand and Taiwan. Suppliers, according to Supermax, are one of the essential elements of the Group's business and are crucial to the production process. The Group also holds that it is critical to maintain strong working relationships with suppliers, in order to maintain reliable sources of raw material supplies for the production of high-quality products.



During the reporting period, the Group has 68 suppliers across the world, which mostly consists of 53 suppliers from Malaysia, 5 suppliers from Singapore, 9 suppliers from Thailand and 1 supplier from Taiwan. The Group prioritize sourcing from local suppliers who meet the required standards as we believe that by supporting local trade and business, we can help enhance the community's economy, increasing employment rates, and ensuring that customers have more money to spend. The Group was unaware of any significant negative impacts that any key suppliers may have on labour practices, environmental protection or business ethics.

We are gradually improving our supply chain management. We demand best practices in quality assurance, labour management, worker safety, and environmental impact reduction from our partners and their factories. We believe that establishing a long-term relationship with our business partners will improve our ability to streamline our operational procedures, resulting in a shorter lead-time for production.

PERIODIC VISITS TO SUPPLIERS' FACTORIES

The Group strives to source materials ethically with consideration for communities and the environment at every point in its supply chain, and it upholds human rights at all levels of that chain. We believe that factory visits are an opportunity for us to strengthen relationship with our suppliers and evaluate their capabilities. Productive factory visits can lead to improved product quality, smoother communication and fewer production delays.

Our purchasing team will conduct periodic supplier visits to evaluate their performance and supplier audits are conducted to ensure our suppliers adhere to Supermax's purchasing and quality requirements. We will continue to use a supplier shall the overall appraisal averages sixty percent and above.

The team works closely with factory management to review the volume and schedules of production orders in light of available production capacity during the visits in order to help ensure that certain ethical requirements are upheld. Meetings are also held to discuss solutions to various issues. We also communicated our stand on certain matters, for instance, child or forced labour are strictly unacceptable, we encourage safe and conducive working environment on the manufacturing grounds and some other ethical requirements.

SUSTAINABLE PRODUCT

As a supplier of medical device products, Supermax has received various certifications for its quality management system in accordance with ISO 9001:2015, ISO 13485: 2016 and ISO 13485 MDSAP. This certification is a testament of our commitment to delivering products and services of the highest quality to our customers. Apart from this certification, the Group was also awarded accreditation certificates by several countries such as Brazil, UK and Japan. The Group believes that these certifications will increase customers' trust in the products and services the Group offers.

Supermax places strong emphasis on consistently upholding the quality of its products. We have a quality assurance team in place that conducts annual audits of various departments' processes to ensure compliance with both internal standards and the requirements of relevant ISO for quality management systems.

SUSTAINABLE OPERATION

At Supermax, we are dedicated to take a holistic approach to business management, by considering the ESG risks and opportunities alongside financial. By taking this into consideration, we strive to strike a balance between ESG when we undertake our manufacturing processes and business operations. In an effort to lessen its impact on the environment, Supermax adheres to environmental ethics to the greatest extent possible. Some of the examples undertaken by the Group are as follows:

a) Biomass as an alternative environmentally friendly fuel source: We use an alternative fuel source which is renewable and sustainable to fire its heating systems to generate the heating energy for the production operation.
b) Wastewater management: We appointed and trained competent person to manage and monitor our waste water treatment plant to ensure it works efficiently to treat the water discharge from the production processes to meet the Kualiti Alam Standard before the final discharge point.
c) Chlorine gas treatment: We appointed and trained competent person to manage and monitor our scrubber systems to ensure it works efficiently to treat and neutralized the residual chlorine gas that discharged from the online chlorination processes before discharging it harmlessly into the atmosphere.
d) Go Green Building: Our 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.
e) Recycling of single-use materials: We practice 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.

OFFICE AND WAREHOUSE

Since 2013, the Group has installed solar systems for both office and warehouse of our distribution headquarters in Chicago. With environment conservation and efficient energy usage in mind, the Group is on a lookout for more sustainable implementations in the future.

As one of the global players that delivers high value-added medical devices at competitive price, the Group takes responsibility to ensure that any potential adverse impact of our operations on the environment are identified and addressed accordingly.

As a result of some of the actions we have taken, energy efficiency has significantly increased, including:

a) Turning off 1 AHU after working hour. Estimated saving of 179,258.8 kWh on 24 hour operation.
b) Turning off 2 AHU indefinitely since December 2021. Estimated saving of 664,608 kWh. The total savings from the above actions is 843,866.8 kWh.

We constantly encourage our employees to minimize electricity usage by turning off all electronic devices such as computers and laptops when they are away from their desk. We also practiced switching off lightings, air-conditioning and air handling unit ("AHU") when not in use. This has helped to boost overall energy saving.

The Group is unaware of any incident of non-compliance in 2022 with the relevant laws and regulations relating to environmental protection in the countries in which we operate that would have a significant impact on the Group.

Our Environment
(Cont'd)

MEDICAL EXAMINATION & SURGICAL GLOVES				CONTACT LENS		
Electricity (kWh) 114,033,374 kWh	Water (cubic meter) 4,398,903 m3	Diesel (litre) 72,008 litres	Gas (GJ) 3,897,619 GJ	Electricity (kWh) 4,348,574 kWh	Water (cubic meter) 9,738 m3	Others [eg. Diesel (litre), LPG (kg), etc] Nitrogen Gas = 8,336 kg

a) The Group's main consumption comes from operation and office use. We are constantly working on several energy saving initiatives in order to enhance energy savings and efficiency.
b) Water consumption mainly comes from operation and office use. The Group regularly monitors water usage in an effort to reduce water consumption. We have also encouraged our employees to increase the awareness of environmental protection through water conservation. The Group is collaborating closely with the Department of Environment for the treatment of wastewater.

WASTE RECYCLING

Supermax practices recycling of waste materials that are produced from our incoming raw materials such as paper, plastic, packaging material, latex, chemical and others. Waste bins will be placed for each type of waste, and it will be collected by our licensed waste collectors who are engaged in recycling once the bin is full.

Type of Waste	Collector	Agency	License	License Validity Period
Sludge / Rubber Waste / Rubber Lumps	1. Nanotech Recovery Sdn Bhd 2. Kualiti Alam Sdn Bhd 3. HSB Reclaimed Rubber Sdn Bhd	DOE DOE DOE	003995 003319 003918	Expiring on 30/4/2023 Expiring on 30/4/2023 Expiring on 30/4/2023
Used Diesel	1. Malik Family Resources Technology Sdn Bhd	DOE	003173	Expiring on 30/4/2023

Waste Bins Filled with Waste Materials Awaiting Collection by Appointed Waste Collectors

OUR PEOPLE

"GOOD PEOPLE MAKE GOOD BUSINESS."

People are at the heart of everything we do. We aim to make a good impression on everyone who comes into contact with Supermax, including our employees, customers, suppliers, and manufacturers. We acknowledge that all our employees play a critical role in contributing to the growth of the Group over the years. Therefore, employees' welfare is our top priority including providing a safe and conducive working environment for their growth and career progression. The Group also recognizes and acknowledges the importance of contributing back to society and has made this a part of its philosophy over the years.

Without the assistance of our most valuable asset—our employees—our business could not prosper. Supermax has produced stable and high-quality jobs in line with its consistent financial growth in recent years, which is in line with the overarching objectives outlined by the United Nations as part of its Sustainable Development Goals. Supermax has concentrated its efforts on providing its employees with stable and quality jobs that keep the business operating smoothly. We currently have close to 1,700 employees working under our umbrella.

With that in mind, the Group has since embarked on employee welfare by setting up a 24 hour in-house clinic to enable employees the convenience and access to care and medical treatment. All medical costs including hospital admission and private ambulance service managed by the clinic vendor are borne by the Group.

Opening of In-House Clinic

VALUING DIVERSITY AND EQUAL OPPORTUNITY

At Supermax, diversity is our strength. With regards to developing diverse and talented applicant pools, we strive to include Equity, Diversity and Inclusion (EDI) in our culture. Supermax supports proactive efforts to broaden diversity and give all job applicants and employees equal opportunities. By informing prospective candidates of job openings within the Group, a competitive recruitment process encourages equal opportunity and involves the sourcing, screening, and selection of employees.

As part of our initiatives to promote a positive work environment and a sense of camaraderie among employees, we frequently host various in-house events, usually around festive seasons like Hari Raya, Chinese New Year, and Deepavali, as well as staff birthdays, allowing employees from diverse backgrounds and races the opportunity to get to know each other better and have fun together.

Team Bonding Activities

Our People
(Cont'd)

Some of our on-going initiatives include:

a) Strict "No child labour" policy.
b) Supporting social activities among employees and encouraging a healthy lifestyle.
c) Equal employment opportunity in terms of gender and ethnicity across all levels of employment from the boardroom to the factory floor.

Supermax treats employees of all levels with equality, no matter they are white collar employees, in-house foreign workers or business partners' workers. We make sure that the accommodations offered to these employees adhere to all applicable rules and guidelines. Additionally, they are given access to all other necessities and comforts, such as housing, laundry services, utilities, facilities and on-site canteens that cater to their needs with a variety of wholesome and reasonably priced foods. The Company has also completed refurbishment works to upgrade facilities at its dormitories to meet, if not exceed, Malaysia's Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446) as well as to bring it in line with ILO's worker's housing standards.

Multi-storey Hostel Facility

In-House Grocery Store/ Mini Mart

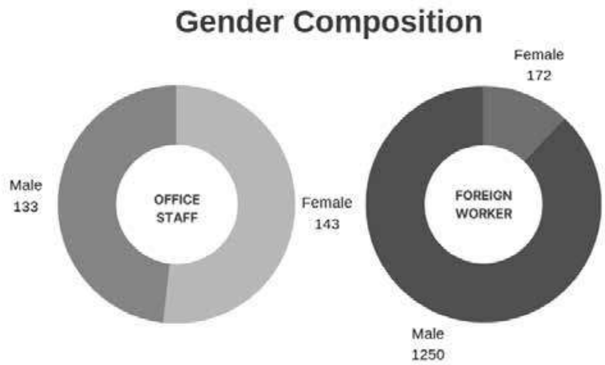
EMPLOYMENT AND REMUNERATION POLICIES

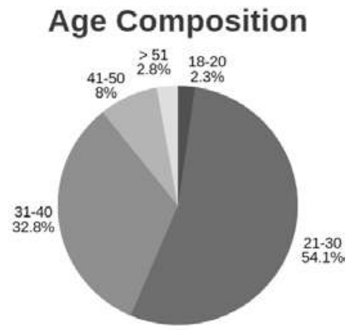
The Group aims to create positive experiences that enable their valued employees to thrive. The Group has maintained several policies which include but not limited to recruitment, compensation and benefits of employees, as well as prevention of forced labour. The Group recruit employees based on working attitude, industry experience, educational background, and interpersonal skills.

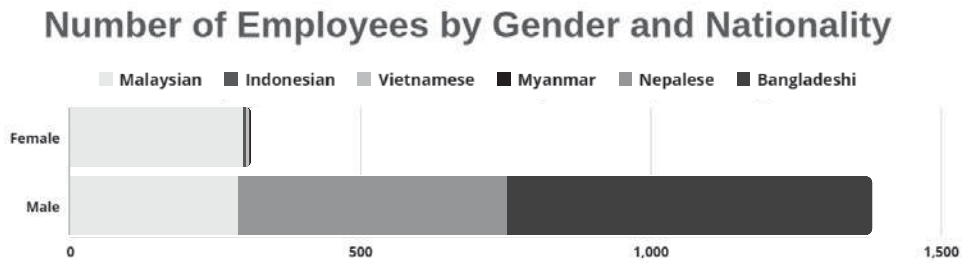
The job satisfaction of employees is something that Supermax takes seriously and values equally. We believe that our greatest asset is our people, and that employee satisfaction inspires productivity. The Group regularly assess employees' welfare to ensure that all employees have a comfortable working environment and a job they are satisfied with. The Group also rewards or promotes staff based on performance evaluations because management thinks that good employees should be amply rewarded, and such reward motivates employees to strive for strong performance each year to support the Group's overall growth. The Group believes that management policies, working environment, development opportunities and employee benefits have contributed to employees' satisfaction levels and retention level.

Besides that, the Group had taken steps to strengthen its human resources ("HR") management and migrant worker policies and practices by working with a seasoned HR consultant. Since then, the Group has made a number of improvements and implemented several industry-first initiatives. These include the implementation of equal pay and benefits for both its local and foreign workers, as well as a hybrid HR management approach for on-site vendors, the removal of cut-off dates for foreign ex-worker remediation, and the implementation of a higher-than-then-statutory minimum wage (RM1,400) for all new hires since December 2021, which is above the national minimum wage of RM1,200, and has increased to RM1,500 from May 2022 in order to be in line with the new Minimum Wages Order 2022. Structural adjustments were also made to all existing workers' salaries of RM1,600 and above. In order to standardize HR and foreign worker practices across all of its sites, the Group has also implemented new measures, such as employment contracts, a comprehensive employee handbook, and payroll guidance in various native languages.

The Group is dedicated in removing the barriers that prevent women from participating fully and equally in the workforce. We have successfully closed the workplace gender gap by opening our doors to hiring more local females in our offices, as compared to our production sites which require more male workers for heavy labour duties. The majority of the Group's employees were between the ages of 21 and 30 as we intend to create a new generation of young blood who can challenge and explore their own knowledge and skills to identify areas of improvement, and work with them to create personal and social goals and plans to achieve together.







	Malaysian	Indonesian	Vietnamese	Myanmar	Nepalese	Bangladeshi
Female	304	2	8	1	0	0
Male	287	0	0	0	464	632

EMPOWERING LOCAL TALENTS

Supermax hopes to empower individuals across all demographics and accessibilities with the skills they need to succeed in the medical devices industry. Fully empowered employees make wise decisions and resolve problems. We explore how various leadership and management styles can best support them. Furthermore, the Group is committed to fostering economic development and innovation by cultivating a pipeline of talent that is each endowed with 21st-century skills.

EMPLOYEES DEVELOPMENT AND GROWTH

As a responsible organization, we support and invest in the development of our employees. We understand the importance of a welcoming workplace that offers all the opportunities and incentives required for our employees to develop professionally and personally so they can contribute to the business and to society as a whole.

To do this, we use internal promotions and trainings as a way to develop and maximize our human capital, foster teamwork, and increase employee loyalty. All levels of employees, including new hires, frontline service employees, supervisors, right up to top management levels, receive regular and structured training.

Quarterly training sessions are conducted for operations, human resource and management team on various topics such as prevention of forced labour, grievance management, disciplinary management, workers morale and others.

Employee Internal Training Programs - throughout financial year 2022:

Target Group: All Employees

1) New Employees Orientation
2) Briefing On Covid Awareness And SOP
3) Safety Data Sheet (SDS) Training
4) Social Compliance Prevention of Force Labour Company Policies
5) Employee Handbook Briefing
6) Change in Working Hours & Minimum Wages Implementation
7) Fire Mock Drill
8) Safety Handling and Chemical Management
9) General Safety Briefing
10) Disciplinary Procedure Briefing
11) Mywave Leave Application Briefing
12) Friday Prayers

Target Group: Directors

1) Tax Governance – Why is it Important?
2) Asia Supply Chains: A New Era
3) Board Assessment – A Key Cog in an Effective Governance Structure
4) Forced Labor Round Table Discussion with CBP
5) Audit Oversight Board's Conversation with Audit Committees
6) Environment, Social and Governance Training
7) Tax Budget 2021
8) IFRS Update 2021

Target Group: All Foreign Workers

1) Addendum to Employment Contract
2) Employee Handbook Briefing
3) Payroll & Payslip Component Briefing
4) Workers Communication Session

Employee External Training Programs – throughout financial year 2022:

1) Basic forklift operator training
2) Chlorine safe handling & SCBA training
3) Chlorine handling training
4) Whistleblowing Channel
5) Essential Safe Handling and Chemical Management Training
6) Occupational Safety and Health Coordinator
7) Fire Drill & Emergency Evacuation Procedure
8) Basic Occupational First Aid, CPR and AED
9) Pematuhan Peraturan peraturan Kualiti Alam Sekeliling (Efluen Perindustrian) 2009

Online Training Programs

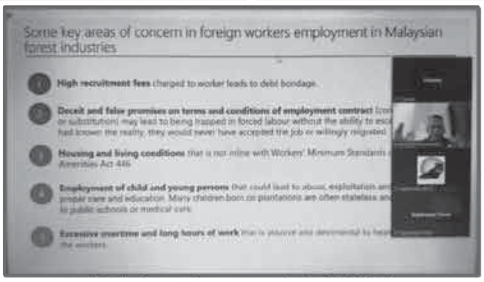
1) An introduction to Environment, Social and Governance (ESG)
2) Industri Lestari: Penyelesaian kepada masalah pencemaran sumber air di Selangor, Melaka dan Perak
3) Seminar perundangan udara bersih ke arah langit biru
4) Hazard identification, risk assessment & impact control of hazardous waste
5) The 7 tools to streamline environmental management at the workplace
6) Webinar Pematuhan Akta Kualiti Alam Sekeliling 1974 Siri 1: BHangan Terjadual
7) Webinar Pematuhan Akta Kualiti Alam Sekeliling 1974 Penganugerahan Lestari Sempena Hari Afani Sekitar Negara Peringkat Negeri Perak Tahun 2022

VOICE OF WORKERS

A Workers' Committee has also been established by Supermax to improve workers' understanding of workplace issues, strengthen dialogues and labour relations, and aid in the dissemination of information, programs, policy changes, and updates pertaining to employment and welfare-related matters. Committee members consist of all nationalities and include outsourced workers. They are elected in a fair and democratic election process by the workers. Monthly meetings are conducted between workers committee and management to discuss on various updates, improvements and issues. Continuous training and awareness are also provided to workers on the ongoing grievance management. Our workers are also offered higher than market salaries and practice non-discrimination of wages and benefits between local and foreign, internal and external workers. We provide job security to all our foreign workers who wishes to extend their duration with the issuance of an open-ended contract. Apart from that, the Group has established an independent grievance reporting channel (SUARA KAMI) that is administered by an independent party.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

In financial year ended 2022, we have recorded 32 injuries where most of the accidents were from lacerations due to workers' negligence and lack of awareness. In an effort to decrease the number of accidents, workers are required to undergo retraining on a regular basis, attend occupational health and safety trainings and internal memos has been issued to keep staff alert on safety issues.



Training Programs in FY2022

GRI CONTENT
INDEX

This report has been prepared accordingly to the "In Accordance" – Core option as provided by the GRI guidelines. This index shows each disclosure and relevant references within the report.

GENERAL STANDARD DISCLOSURES		
General Standard Disclosures	***Disclosure Descriptions***	***Page Number***
STRATEGY AND ANALYSIS		
102-14	Statement from the most senior decision-maker	Page 05 - 06
102-15	Description of key impacts, risks, and opportunities	Page 05 - 06
ORGANISATIONAL PROFILE		
102-1	The name of the organization	Page 03
102-2	The primary brands, products, and services	Page 03
102-3	The location of the organization's headquarters	Page 04
102-4	The number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Page 03 - 04
102-5	The nature of ownership and legal form	Page 03 - 04
102-6	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Page 03 - 04
102-7	The scale of the organization	Page 03 - 04
102-8	Workforce statistics	Page 19
102-9	Supply Chain	Page 14 - 16
102-11	The precautionary approach or principle is addressed by the organization.	Page 07
102-45	Entities included in the organization's consolidated financial statements or equivalent documents	Annual Report
102-46	The process for defining the report content and the Topic Boundaries	Page 04
102-47	The material topics identified in the process for defining report content	Page 09 - 10
103-1	Explanation of the material topic and its Boundary	Page 04
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups engaged by the organization	Page 11
102-42	The basis for identification and selection of stakeholders with whom to engage	Page 11
102-43	The organization's approach to stakeholder engagement	Page 11
102-44	Report key topics and concerns that have been raised through stakeholder engagement	Page 11

GRI Content Index
(Cont'd)

GENERAL STANDARD DISCLOSURES (CONT'D)		
General Standard Disclosures	***Disclosure Descriptions***	***Page Number***
REPORT PROFILE		
102-50	Reporting period	Page 04
102-51	Date of most recent report	Page 04
102-52	Reporting cycle	Page 04
102-53	The contact point for questions regarding the report or its contents.	Page 04
102-54	The claims of reporting in accordance with the GRI Standards	Page 04
102-55	GRI content index	Page 22 - 25
GOVERNANCE		
102-18	The governance structure of the organization	Page 08
102-19	The process for delegating authority	Page 08
102-20	Appoint an executive-level position report directly to the Board	Page 08
102-23	The Chair of the highest governance body is also an executive officer	Page 08
ETHICS AND INTEGRITY		
102-16	Describe the organization's value, principal, standards and norms of behaviour	Page 05 - 06
102-17	Report on mechanisms for advice and concerns about ethics	Page 04 - 06

GRI Content Index
(Cont'd)

SPECIFIC STANDARD DISCLOSURES (CONT'D)		
Material Topics and Indicators	***Disclosure Descriptions***	***Page Number***
CATEGORY: ECONOMIC		
Material Topic: Economic Performance		
103-1	Explanation of the material topic and its Boundary	Page 12 - 13
103-2	The management approach and its components	Page 12 - 13
103-3	Evaluation of the management approach	Page 12 - 13
201-1	Direct Economic Value Generated And Distributed	Page 12 - 13
201-2	Financial Implication and other risks and opportunities	Page 12 - 13
Material Topic: Market Presence		
103-1	Explanation of the material topic and its Boundary	Page 08, 17 - 19
103-2	The management approach and its components	Page 08, 17 - 19
103-3	Evaluation of the management approach	Page 08, 17 - 19
202-2	Proportion of Senior Management Hired From The Local Community At Significant Locations Of Operation	Page 08, 17 - 19
CATEGORY: ENVIRONMENT		
Material Topic: Energy and emission		
103-1	Explanation of the material topic and its Boundary	Page 14 - 16
103-2	The management approach and its components	Page 14 - 16
103-3	Evaluation of the management approach	Page 14 - 16
302-1	Energy Consumption within the organization	Page 14 - 16
302-4	Reduction Of Energy Consumption	Page 14 - 16
CATEGORY: SOCIAL		
Material Topic: Employment		
103-1	Explanation of the material topic and its Boundary	Page 13, 17 - 21
103-2	The management approach and its components	Page 13, 17 - 21
103-3	Evaluation of the management approach	Page 13, 17 - 21
401-2	Benefits Provided To Full-Time Employees That Are Not Provided To Temporary Or Part time Employees, By Significant Locations Of Operation	Page 17 - 21
Material Topic: Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	Page 21
103-2	The management approach and its components	Page 21
103-3	Evaluation of the management approach	Page 21
403-2	Type of injury and rate of injury, occupational diseases, lost days and absenteeism	Page 21

GRI Content Index
(Cont'd)

SPECIFIC STANDARD DISCLOSURES (CONT'D)		
Material Topics and Indicators	***Disclosure Descriptions***	***Page Number***
CATEGORY: SOCIAL (CONT'D)		
Material Topic: Training And Education		
103-1	Explanation of the material topic and its Boundary	Page 20 - 21
103-2	The management approach and its components	Page 20 - 21
103-3	Evaluation of the management approach	Page 20 - 21
404-1	Average Hours of training per year per employee	Page 20 - 21
404-2	Programs For Skills Management And Lifelong Learning That Support The Continued Employability Of Employees And Assist Them In Managing Career Endings	Page 20 - 21
Material Topic: Diversity And Equal Opportunity		
103-1	Explanation of the material topic and its Boundary	Page 08, 17 - 19
103-2	The management approach and its components	Page 08, 17 - 19
103-3	Evaluation of the management approach	Page 08, 17 - 19
405-1	Composition Of Governance Bodies And Breakdown Of Employees Per Employee Category According To Gender, Age Group, Minority Group Membership, And Other Indicators Of Diversity	Page 08, 17 - 19
Material Topic: Child Labour		
103-1	Explanation of the material topic and its Boundary	Page 14, 18
103-2	The management approach and its components	Page 14, 18
103-3	Evaluation of the management approach	Page 14, 18
408-1	Operations And Suppliers Identified As Having Significant Risk For Incidents Of Child Labor, And Measures Taken To Contribute To The Effective Abolition Of Child Labor	Page 14, 18
Material Topic: Local Communities		
103-1	Explanation of the material topic and its Boundary	Page 04 - 06, 09 - 10
103-2	The management approach and its components	Page 04 - 06, 09 - 10
103-3	Evaluation of the management approach	Page 04 - 06, 09 - 10
413-1	Percentage Of Operations With Implemented Local Community Engagement, Impact Assessments, And Development Programs	Page 04 - 06, 09 - 10
Material Topic: Customer Privacy		
103-1	Explanation of the material topic and its Boundary	Page 13
103-2	The management approach and its components	Page 13
103-3	Evaluation of the management approach	Page 13
418-1	Total Number Of Substantiated Complaints Regarding Breaches Of Customer Privacy And Losses Of Customer Data	Page 13

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