SUPERMAX
CORPORATION BERHAD
199701004909 (420405-P)
since 1989

Continuing to focus on Excellence

ANNUAL REPORT **2023**

26th
ANNUAL
GENERAL
MEETING

LOT 38,
PUTRA INDUSTRIAL PARK,
BUKIT RAHMAN PUTRA,
40160 SUNGAI BULOH,
SELANGOR DARUL EHSAN,
MALAYSIA

FRIDAY,
8 DECEMBER 2023
AT 10.00 A.M.

CONTENTS

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

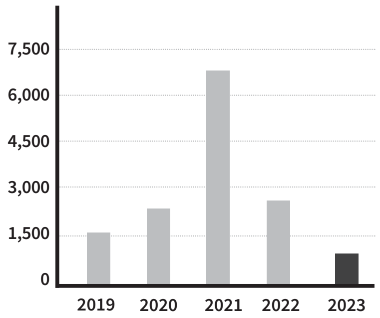
	2023 RM'000	2022 RM'000
Revenue	821,092	2,687,227
Pre-tax (loss)/profit	(189,486)	1,059,501
After-tax (loss)/profit	(171,418)	757,122
Net assets	4,691,572	5,032,125
Total assets	5,245,847	5,956,958
Paid-up capital	340,077	340,077
Shareholders' equity	4,601,473	4,865,561
Interim dividend	90,164	603,474
Final dividend	Note*	79,345^
Net assets per share (in RM)	1.79	1.83
(Loss)/Earnings per ordinary share (in Sen)	(5.34)	27.19

* *For FY2023, the Board did not recommend a final dividend.*

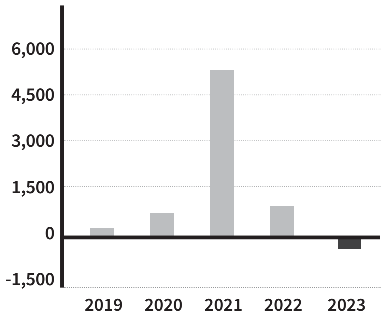
^ *For FY2022, the Board had proposed a final single-tier dividend of 3 sen per ordinary share, which was approved by the shareholders at the 25th Annual General Meeting and paid on 18 January 2023.*

FIVE-YEARS FINANCIAL SUMMARY

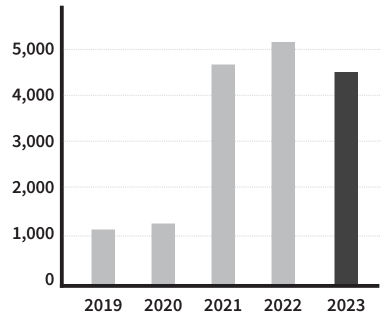
REVENUE
(RM'MILLION)



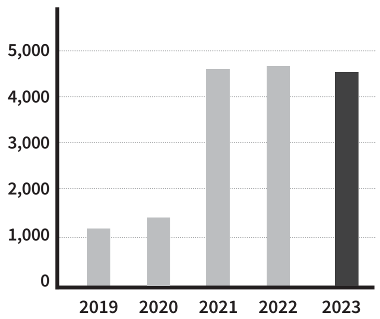
PRE-TAX PROFIT
(RM'MILLION)



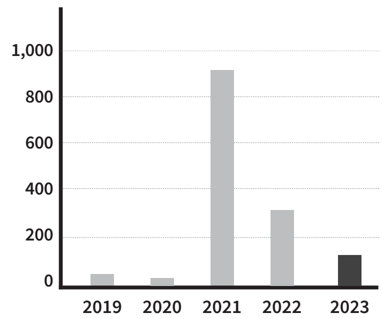
NET ASSETS
(RM'MILLION)



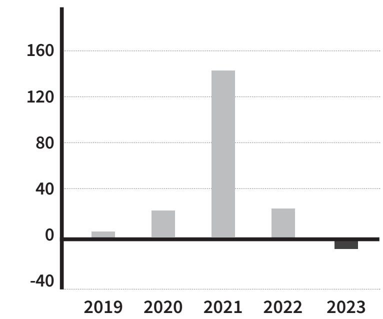
SHAREHOLDERS' EQUITY
(RM'MILLION)



DIVIDEND PAYOUT
(RM'MILLION)



BASIC EARNING PERSHARE
(IN SEN)



	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	1,538,157	2,131,808	7,164,186	2,687,227	821,092
Pre-tax profit/(loss)	172,408	680,163	5,019,993	1,059,501	(189,486)
Net assets	1,134,226	1,550,541	4,894,388	5,032,125	4,691,572
Shareholders' equity	1,123,710	1,529,066	4,758,875	4,865,561	4,601,473
Dividend payout	32,783	21,946[#]	912,292[*@]	368,701[+]	169,510[**]
Basic earnings/(loss) per share (in Sen)	4.70[^]	20.08[^]	147.03	27.19	(5.34)

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.*

[**] *Includes interim single tier dividend of 3.5 sen per ordinary share amounting to RM90 million that was paid on 18 July 2023.*

For FY2023, the Board did not recommend a final dividend.

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% SUPERVISION OPTIMAX SDN BHD
- 100% SUPERMAX INTERNATIONAL SDN BHD
- 100% SUPERMAX ENERGY SDN BHD
- 100% MAXWELL GLOVE MANUFACTURING BERHAD
- 100% SUPERMAX BUSINESS PARK SDN BHD
- 100% SUPERMAX SPECIALTY GLOVES SDN BHD
- 100% SUPERMAX HEALTHCARE INCORPORATED
- 100% SUPERMAX DEUTSCHLAND GMBH
- 100% SUPERMAX GLOBAL LIMITED
- 92.7% SUPERMAX HEALTHCARE LIMITED
  - 100% GLOVEPAQ UK LIMITED
  - 100% SUPERMAX (HEALTHCARE) IRELAND LIMITED
  - 100% SUPERMAX VISION UK 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
- 100% SUPERMAX INC
- 100% SUPERMAX PROPERTY HOLDINGS SDN BHD

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

TAN CHEE KEONG
(Executive Director)

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

ALBERT SAYCHUAN CHEOK
(Independent Non-Executive Director)

EISEN NG KENG LIM
(Independent Non-Executive Director)

ROZITA BINTI ABDUL RAHMAN
(Independent Non-Executive Director)

TAN POH CHAN
(Independent Non-Executive Director)

AUDIT COMMITTEE

Albert Saychuan Cheok
Chairman,
Independent Non-Executive Director

Rozita Binti Abdul Rahman
Member,
Independent Non-Executive Director

Tan Poh Chan
Member,
Independent Non-Executive Director

COMPANY SECRETARY

Tai Yit Chan
SSM PC NO. 202008001023
(MAICSA 7009143)

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

12th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 – 7890 4800
Fax : 03 – 7890 4650
Email :
boardroom-kl@boardroomlimited.com

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
HSBC Bank Malaysia Berhad
RHB Bank Berhad
Malayan Banking 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

PROFILE OF DIRECTORS

DATO' SERI THAI KIM SIM, STANLEY

EXECUTIVE CHAIRMAN
Founder

AGE
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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
45

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 20 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.

PROFILE OF DIRECTORS

DATO' TING HENG PENG

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

AGE
63

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.

MR ALBERT SAYCHUAN CHEOK

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 19 October 2018

AGE
73

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 China Aircraft Leasing Group Holdings, which was awarded the top aircraft leasing company in the world for 2016/2017/2018. Mr Cheok is presently the "honorary" Chairman of the Hong Kong Blockchain Association. At Supermax, he chairs the Audit Committee and is also a member of the Risk Management & ESG Committee.

PROFILE OF DIRECTORS

AR. EISEN NG KENG LIM

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 19 October 2018

AGE
70

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 Chairman of the Nomination & Remuneration Committee.

ROZITA BINTI ABDUL RAHMAN

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 3 January 2023

AGE
50

Puan Rozita was born and raised in Kuala Lumpur. She graduated with a Bachelor of Law [LL.B(Hons)] from Institut Teknologi Mara in 1999. In year 2000, she was called to the Bar in Kuala Lumpur High Court. She also holds a Diploma In Shariah Law & Practice from International Islamic University Malaysia (IIUM). She has been practicing as an Advocate & Solicitor in Selangor and Kuala Lumpur for over 20 years. Rozita was appointed as an Independant Non-Executive Director of Supermax Corporation Berhad on 3 January 2023. She is a member of the Audit Committee and the Nomination & Remuneration Committee.

TAN POH CHAN

INDEPENDENT NON-EXECUTIVE DIRECTOR
Appointed on 1 July 2023

AGE
63

Ms Tan graduated from the University of Malaya in 1984 with a Bachelor of Accounting and is a member of the Malaysian Institute of Accountants. She is an Independent Non-Executive Director of Supermax Corporation Berhad appointed on 1 July 2023. She is currently Chairman of the Risk Management & ESG Committee and a member of the Audit Committee. She has over 35 years of corporate management experience in audit, financial reporting, taxation, risk management, treasury, investor relations and corporate finance. She was active in business management, working closely with the respective Managing Directors of several public listed companies (“PLCs”) involved in various industries such as property development, property investment including shopping malls and hotel operations, construction, manufacturing, quarry and healthcare services. She has had more than 25 years’ experience being a part of the senior management teams in large and prominent PLCs, and hence she is very familiar with the Bursa listing guidelines as well as the approved accounting standards.

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:-

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

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 66 of the Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

DEAR VALUED SHAREHOLDERS,

The post-pandemic slowdown that started in the second half of last year has continued deep into 2023. The rubber glove market has continued to be very lacklustre as the prevailing demand-supply dynamic continues to re-balance itself after the record highs achieved in the preceding years from 2020 to 2022 as Covid-19 swept across the world. The current scenario does not lend itself to a quick recovery anytime soon and still needs to run its course well beyond this year.

MACROECONOMIC LANDSCAPE & INDUSTRY DYNAMICS

The financial year ended 30 June 2023 has seen a stark turnaround in fortunes after record-breaking performances over the past few years driven by the Covid-19 pandemic. The pandemic had put in motion significant forces on the demand supply equilibrium that was positive to the glove industry at the start of the pandemic but by the end had turned negative. The strong demand for gloves seen at the outset has since waned as buyers currently struggle with their grossly over-stocked positions amid the reduced need for gloves post-pandemic. Meanwhile, the supply side saw a huge build-up as not only did existing manufacturers ramp up their production capacities, but there had also been a huge influx of new players jumping onto the bandwagon attracted to the huge profit opportunities at the time. This has led to the imbalance affecting the industry today.

FINANCIAL REVIEW

Financial Performance

The Supermax Group has not been spared, with revenue in the current financial year falling sharply to RM821.09 million from RM2.69 billion the year before. The Group also recorded losses for the first time since its listing back in the year 2000, with Losses before Tax and Losses after Tax amounting to RM189.49 million and RM171.42 million respectively. The year before, the Group recorded Profit before Tax and Profit after Tax of RM1.06 billion and RM757.12 million respectively. Nevertheless, the Group's balance sheet remains healthy with net assets of RM4.69 billion and a cash stockpile of RM2.15 billion which will stand the Group in good stead during these challenging times.

Dividend Payout

The Group is firmly committed to maximising shareholders' value. During the current financial year, Supermax has paid out to its shareholders a total of 6.5 cents dividend per share amounting to RM169.5 million.

Going forward, the Group will continue to balance its cash flow management between its working capital and capex requirements, and maximising shareholders' value through dividend payouts.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

INDUSTRY POTENTIAL

The rubber glove industry remains one of the few industries where Malaysia can proudly claim to be a foremost global leader. This is despite its global market share having been diminished to an extent in the face of intense competition especially from the Chinese manufacturers who have made great inroads into the industry during the Covid-19 pandemic years. The Chinese have leveraged on cheaper fuel costs for heating in the form of coal and have also greatly improved their rubber glove production capabilities in terms of their technological and technical know-how in recent times. The Malaysian manufacturers meanwhile rely on the cleaner natural gas for its fuel needs but it comes at significantly higher costs, especially under the current pricing mechanism.

As mentioned earlier, there is a significant demand-supply imbalance plaguing the industry at present and it is going through a period of sustained consolidation that is necessary at this time. Nevertheless, the industry has proven itself to be very resilient over the years and it is a matter of time before the rubber glove business resumes its growth path of a sustainable CAGR of 8% - 10%.

The Group has had to revisit its expansion plans in light of the prevailing market conditions. It had set aside about RM1.3 billion for its expansion plans in Malaysia and a further USD550 million allocated for Phase #1 and Phase #2 of its manufacturing project in the US. For the local expansion, works to put up the building structures and infrastructure continues at a moderate pace with an eye on the global markets, while production lines are being installed at a cautious but gradual rate, replacing the old lines that have been shut down.

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. Construction work started on its US plant in 2022 and is well underway this year.

Outlook

The Supermax Group has suffered a setback in FY2023, incurring losses for the first time since its listing back in year 2000 as the industry goes through a sustained consolidation phase. The quarters and likely the year ahead are expected to remain extremely 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.

One positive during this gloomy period is the modification of the Withhold Release Order (“WRO”) on Supermax and its subsidiaries by the US Customs and Border Protections (“USCBP”) which took effect from 18 September 2023. This means that the Supermax Group can resume the exportation of its gloves to the US, which is an important and large market for glove manufacturers. It may not help much at this time in view of the current depressed markets, but will be significant when the market eventually recovers.

In the meantime, 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.

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. 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.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

(GRI 2-1; GRI 2-2; GRI 2-3; GRI 2-4; GRI 2-13)

Supermax (hereinafter referred to as 'Supermax' or the 'Company') and its subsidiaries (hereinafter referred to as the 'Group') are committed to environmental sustainability, social responsibility, and corporate governance, which encompasses sustainability efforts in these three pillars. The Group acknowledges the interconnectivity among these pillars and their impact on community well-being, natural resource conservation, and overall business resilience, while actively pursuing a range of sustainability initiatives, goals, targets, and proactively identifying associated risks and opportunities. The Group strives to be upfront about its sustainability programs, goals, and results. The present sustainability report offers information on the Group's sustainability strategy, as well as its plans, guidelines, and operational procedures for tackling major sustainability problems and opportunities. Through its sustainability report, Supermax aims to inspire and engage all its stakeholders, including employees, investors, customers, and partners, in its journey towards sustainability. This report serves as a guiding document that reflects the company's continuing endeavors to create sustainable value and make a positive impact on society and the environment.

REPORTING SCOPE & BOUNDARIES

This Report serves as our Sustainability Report, in accordance with the definition set forth by Malaysian law. It encompasses an evaluation of our non-financial performance, as well as the opportunities, risks, and outcomes related to key stakeholders who exert a significant influence on our value creation. This present report focuses solely on our core operations situated in Malaysia, while our distribution centers strategically positioned in the United States of America, Brazil, Canada, Ireland, the United Kingdom, Hong Kong, Singapore, and Japan will be addressed in future reports.

REPORTING FRAMEWORK

This is Supermax's second annual standalone Sustainability Report, underscoring our unwavering commitment to stakeholders and the substantial strides we have taken towards sustainable development during the financial year ending 2023. The report aligns with Bursa Malaysia's revised Main Market Listing Requirements concerning sustainability reporting, Malaysian Code on Corporate Governance (“MCCG”) principles on corporate governance, and strictly adheres to the reporting guidelines set forth by the Global Reporting Initiative (“GRI”). Our report highlights the importance of transparent sustainability reporting and our alignment with the United Nations Sustainable Development Goals (“UN SDGs”). It offers comprehensive insights into our responsibilities and showcases the significant contributions we have made towards shaping a sustainable future. By enhancing transparency and disclosure in our reports, we aim to foster trust and strengthen relationships with our stakeholders by providing them information about the environmental, social and governance (“ESG”) aspects of our Group. Through this report, we seek to share our dedication to sustainability with valued stakeholders, including employees, investors, customers, business partners, suppliers, and the communities in which we operate. This Report complies with rigorous governance frameworks and reporting procedures to ensure accurate reporting of all information and data, including both financial and non-financial aspects. We have not obtained external assurance for this report and will consider doing so as our sustainability reporting matures over time.

SUSTAINABILITY REPORT

REPORTING PERIOD

This Report provides a comprehensive overview of our sustainability initiatives during the period from 1 July 2022 to 30 June 2023. For more detailed information on material issues such as corporate governance, internal operations, and business activities, we encourage referring to the corresponding sections in Supermax's Annual Report 2023 and other relevant sources.

IDENTIFICATION AND COMMUNICATION WITH STAKEHOLDERS

By actively engaging with stakeholders, the Group gains insight into a diverse range of perspectives and identifies significant environmental and social issues. The Group remains dedicated to conducting its operations in a sustainable manner, prioritizing the interests of its various stakeholders, including shareholders, employees, customers, suppliers, subcontractors, regulatory authorities, and local communities. Effective communication channels, such as meetings, inquiries, interviews, and discussions, are established to facilitate dialogue with these stakeholders in the locations where the Group operates.

FORWARD-LOOKING STATEMENTS

Contained within this report are distinct forward-looking statements that reflect Supermax management's present assumptions and expectations. These statements pertain to our ESG targets, goals, commitments, programs, as well as other business plans, initiatives, and objectives. Typically, these statements are accompanied by words such as "aim," "hope," "believe," "forecast," "plan," "anticipate," or similar expressions. It is important to note that Supermax does not warrant that the results reflected or implied by any forward-looking statement will be achieved or, even if achieved, that they will have the forecasted or expected consequences and effects. We do not undertake any obligation to update these forward-looking statements to reflect events or circumstances that may occur 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. Your input is highly valued as we continually work towards improving our sustainability practices and programs.

Sustainability Committee
Supermax Corporation Berhad (199701004909 (420405-P))
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MESSAGE FROM OUR CHAIRMAN

"Our commitment to sustainability at Supermax is an ongoing journey of continuous efforts. We believe that sustainable practices are vital for the well-being of our planet and future generations. It is through our unwavering dedication and consistent actions that we can make a significant impact."

At Supermax, we recognize the significance of sustainable practices in addressing climate change, conserving resources, and promoting social well-being. We are dedicated to minimizing our ecological footprint by implementing energy-efficient measures, reducing waste generation, and embracing the use of eco-friendly materials.

Equally important is our focus on social responsibility. We place utmost importance on the wellbeing of our workforce. Towards this objective, we prioritize the health, safety and positive working conditions of our employees, foster a diverse and inclusive work environment, and actively contribute to the better welfare of our communities. Through the various initiatives, we aim to enrich lives, support education, and empower individuals for a better future.

Supermax places a strong emphasis on governance within its sustainability efforts, highlighting its commitment to integrity, transparency, and accountability in all business dealings. The company recognizes the significance of adhering to sound corporate governance practices, including responsible management practices and adequate "checks and balances", complying with regulations, and upholding ethical standards.

Sustainability is not merely an obligation but a strategic imperative for us. We firmly believe that integrating sustainable business practices is key to ensuring long-term success and resilience in a rapidly changing world. We will continue to innovate, collaborate, and lead by example, driving positive change not only within our industry but also beyond.

Together, let us forge ahead on this sustainable path, by embracing the principles of sustainability across our decision making process and business practices.

Dato' Seri Stanley Thai
Group Executive Chairman
Supermax Corporation Berhad

SUSTAINABILITY REPORT

SUSTAINABILITY JOURNEY

December 1995
- Ongoing wastewater management project for environmental sustainability.
- On-site treatment using advanced processes.
- Collaboration with Department of Environment for regular checks and compliance.

December 2001
- Stringent measures in place to handle chlorine gas, a hazardous by-product of Supermax Group's manufacturing process.
- Effective scrubber systems installed at all plants to filter and remove toxic chlorine particles from the gas.
- Ensuring environmentally safe discharge of by-products into the atmosphere, minimizing harm to living beings on Earth.

May 2004
- "Protect your Health, Protect the Environment" philosophy embedded at all levels of Supermax Group.
- Implementation of biomass systems at multiple factories, utilizing renewable and sustainable fuel sources like palm kernel shells, empty fruit bunches, wood chips, and biomass waste.
- Investment of approximately RM24 million to establish, upgrade, and maintain biomass facilities, reducing reliance on depleting and non-renewable energy sources.

August 2013
- Warehouse and office facility in Aurora designed and built with a focus on environmental conservation.
- Achieved LEED Gold Certification from the U.S. Green Building Council.
- Features include photovoltaic solar panels and energy-saving fixtures like full LED lighting to enhance energy efficiency.

October 2019
- Implemented zero-cost recruitment policy.

February 2022
- Implement a one-off RM5,000 ex-gratia payment to all its workers.
- Engaged Elevate to ensure that all entitled former workers receive their remediation payments.
- RM5 million to a sinking fund designated for this purpose. The amount allocated will be evaluated regularly and will be increased as necessary.

May 2022
- To ensure accountability, set up a Sinking Fund Governance Committee (“SFGC”) to oversee the disbursements out funds (6 members, of which, 4 are members of the Group’s management and 2 independent special advisors to representing migrant workers’ rights.)

June 2022
- All active workers who are with the Group have been fully remediated.
- The Group has made a total payout amounting to RM26.22 million (78% from its estimated payout amounts), in remediation covering past recruitment fees, ex-gratia and other related costs to its workers.

SUSTAINABILITY JOURNEY (CONT'D)

July 2022

- The implementation of the sludge dryer at Lot 6061 exemplifies the Group's commitment to sustainability and innovation in manufacturing.
- This progressive approach sets a positive industry and community example, promoting economically and environmentally beneficial solutions.

April 2023

- Press release to urging its former migrant employees who has yet to respond to Supermax ex-gratia offer of remediation payments to apply for reimbursement of any recruitment fees that had been imposed on them by “unscrupulous” recruitment agents.

SUSTAINABILITY HIGHLIGHTS

Environmental

- Introduced energy-effecient measures, including the integration of LED lighting, utilization of electric forklifts, implementation of electric buggies, and promotion of commuting bicycles, all geared towards reducing energy consumption and propelling sustainability endeavors.

Social

- Number of reported injuries for FY2023 reduced by 16.28% compared to FY2022.
- As of the cut-off date on 30 April 2023, 85% had been disbursed, while around RM6.2 million in pending payments was actively being processed as of 30 June 2023.

Governance

- Zero reported incidents on PDPA, ABAC and whistleblowing for FY2023.

SUSTAINABILITY REPORT

Awards And Recognition

Astounding Growth Fuelled by Unprecedented Demand for Rubber Gloves
Justin Lim / The Edge Malaysia
November 07, 2022

In addition to our sustainability efforts, we are proud to announce that one of Supermax's subsidiaries has been honored with the esteemed "Goodpaymaster 2022" award by Tenaga Nasional Berhad, a prominent utilities company in Malaysia. We are grateful for this recognition and view it as a driving force to continue our pursuit of excellence in all aspects of our operations, including financial stewardship. As we move forward, we remain committed to upholding the highest standards of financial responsibility, fostering trust and confidence among our stakeholders.

Supermax's Association Memberships

Federation of Malaysian Manufacturers

Malaysian Rubber Glove Manufactures Association

OUR APPROACH TO SUSTAINABILITY

Sustainability Framework

Our sustainability framework provides a cohesive structure that aligns our sustainability objectives, contributions to the UN SDGs, and the Group Mission. It serves as a robust foundation that enhances and reinforces our overarching sustainability strategy, ensuring consistent and integrated sustainability practices across all areas of our operations.

Vision

To be the global market leader in the manufacture of Medical Gloves.

Mission

To be the global brand of choice among users of Medical Gloves.

Stakeholder Group

- Customers
- Employess
- Government and Regulatory Authorities
- Local Communities and Public
- Shareholders and Investors
- Suppliers

Sustainability Framework

Supermax actively evaluates and assesses our performance in relation to the United Nations Sustainable Development Goals ("SDGs"). By Tracking relevant indicators, we align our efforts with the SDGs and work towards making a positive impact on social, economic, and environmental issues. Through continuous monitoring and improvement, we strive to contribute to the achievement of the global sustainability agenda.

Economic

- Sustainable Business Growth
- Job Creation and Employment
- Supply Chain Governance and Local Procurement
- Economic Empowerment

Mission

- Resource Effeciency and Conservation

Social

- Employee Well-being and Development
- Diversity and Inclusion
- Community Engagement and Support

Governance

- Regulatory Compliance
- Ethics & Integrity

Strategy For Sustainability

Supermax is in the bussiness of health protection and we believe in sustainable business practices where protectiong resources of the environment is an integral part of achieving business efficiency and cost-savings. This translates to better performance and greater returns to shareholders. Employee well-being is a top priority, with efforts to provide a safe and inclusive work environment, prioritize health and safety, and support proffesional development. Additionally, the company actively engages stakeholders and values their input to address sustainability challenges effectively. Through this strategy, Supermax strives to create long-term value, make a positive societal impact, and contribute to a more sustainable future.

SUSTAINABILITY REPORT

3 GOOD HEALTH AND WELL-BEING

- Prioritizing the health and safety of its employees and foreign workers by implementing robust occupational health and safety measure, promoting a safe work environment, and ensuring compliance with relevant regulations and standards.
- Supporting the well-being of its employees and foreign workers through various initiative, such as wellness programs and transition to five-day work week to enhance employees and foreign workers' physical and mental well-being

6 CLEAN WATER AND SANITATION

- Supermax Group treats wastewater from its manufacturing facilities on-site using advanced effluent treatment plants and a multi-step process. Regular checks in collaboration with the Department of Environment ensure compliance with discharge standards, maintaining a healthy environment.

8 DECENT WORK AND ECONOMIC GROWTH

- Providing competitive wages and benefits to its employees, ensuring fair compensation across the Group that aligns with industry standards and local regulations.
- Playing an active role in promoting local economic growth by providing more than 75% support to local suppliers, businesses, and communities.

10 REDUCED INEQUALITIES

- Providing fair and equitable employment opportunities for individuals, ensuring equal access to jobs, training, and career development.
- Promoting the empowerment of individuals with disabilities through the provision of neccesary support and opportunities.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Promotes recycling and circular economy by collecting reject gloves and rubber waste from production. These materials are sent to rubber recycling companies for processing, contributing to the reuse of rubber as raw materials.

13 CLIMATE ACTION

- Implementation of LED lighting throughout its facilities leads to substantial reductions in energy consumption and greenhouse gas emissions. This transition aligns with the Group's sustainability commitment and contributes to the fight against climate change. By adopting LED technology, Supermax showcases its dedication to responsible environmental practices and plays a role in promoting a more sustainable future.

SUSTAINABILITY GOVERNANCE STRUCTURE

(GRI 2-9; GRI 2-12; GRI 2-14)

Our commitment to transparency and accountability drives us to guide the Group's direction with a strong focus on sustainability. We have ingrained sustainable practices throughout our operations, adhering to best practices and utilizing comprehensive frameworks that cover ESG aspects. These frameworks support our sustainability targets and enable us to effectively integrate sustainability into every aspect of our business.

Sustainability Management Committee

Supermax Board of Directors

- Offer strategic guidance for sustainability initiatives.
- Monitor Progress and provide oversight on sustainability performance.
- Set long-term sustainability goals and targets.
- Ensure alignment of sustainability pratices with the Group's overall strategy.

Board Risk Management & Environmental, Social and Governance Committee

- Spearhead sustainability initiatives and drive ESG performance.
- Develop and implement policies and frameworks for managing ESG related risks.
- Monitor compliance with relevant regulations and standards.
- Provide recommendations and guidance on sustainability practices.

Working Committee Business & Operation Unit

- Seamlessly integrate sustainability considerations into day-to-day operations.
- Identify and implement sustainable practices and initiatives across business units.
- Monitor and report on sustainability performance indicators.
- Collaborate with stakeholders to ensure sustainability best practices are followed.

In December 2022, Supermax established an ESG working committee to spearhead sustainability initiatives within the organization. This committee takes on the responsibility of defining ESG objectives, implementing associated policies, and monitoring performance across environmental, social, and governance aspects. By collaborating with different departments, the committee ensures the integration of sustainability practices into business operations, compliance with relevant standards and regulations, and effective communication of sustainability efforts to stakeholders. Moreover, it fosters a culture of responsible and ethical business practices throughout the entire organization.

MATERIALITY ASSESSMENT

Supermax conducts an annual materiality assessment to identify and evaluate the most relevant and impactful ESG issues for the Group and its stakeholders. This assessment enables the Group to concentrate its efforts and resources on addressing these significant sustainability concerns. By effectively managing risks, setting strategic priorities, and creating value for stakeholders, Supermax advances its sustainability agenda.

The materiality assessment process undertaken by the Group follows a four-step approach, as outlined below:

Internal Target and Stakeholders Mapping

- Identify and prioritize material sustainability issues relevant to the operations and business strategy.
- Identify and engage with relevant stakeholders, including employees, investors, customers, suppliers, local communities, and regulatory authorities.

Identification of Core Sustainability Issues

- Collect and analyze data on various ESG aspects to identify potential sustainability risks and opportunities.

Categorization, Prioritization, Stakeholders Engagement

- Categorize sustainability issues based on their relevance and significance to the operations, considering ESG aspects.
- Prioritize the identified sustainability issues based on their impact on Supermax's business, stakeholders, and broader sustainability goals.

Internal Review

- Conduct a thorough internal review of the identified sustainability issues and their alignment with business strategy and objectives.
- Use the outcomes of the internal review to identify areas for improvement, refine sustainability targets, and enhance the effectiveness of sustainability initiatives.

STAKEHOLDER ENGAGEMENT
(GRI 2-29)

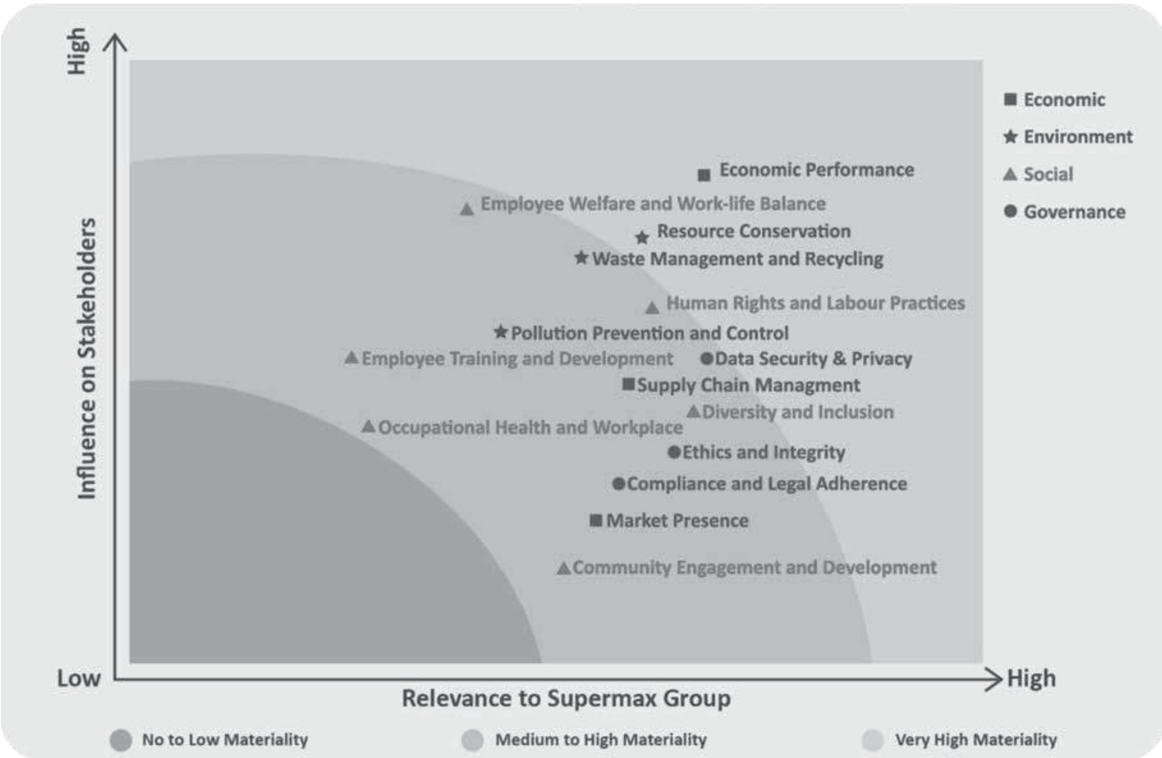
Key Stakeholder Group	Key Areas of Concern	Methods of Engagement	Frequency of Engagement
Customers	• Products and services quality • Customer satisfaction • On-time delivery • Pricing and supplies	• Customer service • Customer surveys	• Ad hoc • Ad hoc
Employees	• Employee welfare and benefits • Training and professional development • Occupational health and workplace safety	• Employee surveys • Meetings with management • Employee engagement activities	• Annually • Ad hoc • Ad hoc
Government and Regulatory Authorities	• Regulatory compliance • Workplace safety • Labour rights	• Emails/ letters • Periodic meetings • On-site inspections	• Ad hoc • Monthly/Quarterly • Ad hoc
Local Communities and Public	• Job creation • Community development and enrichment • Environment impact and compliance	• Local hiring • Community programs	• Ad hoc • Ad hoc
Shareholders and Investors	• Company financial performance • Ethics and integrity • Compliance with regulations	• Quarterly and Annual reporting • Announcements on Bursa Securities • Investment conferences and analyst briefings • Annual general meetings • Corporate website and press release	• Quarterly/Annually • Ad hoc • Ad hoc • Annually • Ad hoc
Suppliers	• On-time payment • Business continuity • Procurement ethics • Products and services quality	• Negotiations with suppliers/ business partners • Periodic meetings • Performance evaluation	• Ad hoc • Ad hoc • Ad hoc

SUSTAINABILITY REPORT

MATERIALITY MATRIX
(GRI 3-2)

Supermax adopts a comprehensive approach to materiality assessment, which incorporates the creation of a materiality matrix. This matrix plays a crucial role in identifying and prioritizing the key ESG factors that hold the utmost importance for both our stakeholders and our business. By leveraging the valuable insights derived from our materiality matrix, we can strategically direct our sustainability initiatives towards the areas that yield the most significant impact. This ensures that our actions align with the needs and expectations of our stakeholders, while also contributing to the creation of long-term value.

Our Sustainability Report for the financial year 2023 presents the key areas of focus identified through our materiality matrix. This matrix encompasses 15 significant sustainability matters that guide our commitment to responsible and sustainable practices. These priorities shape our actions and reporting efforts for the year, demonstrating our dedication to addressing the most relevant sustainability issues.



PROMOTING SUSTAINABLE ECONOMIC GROWTH

At Supermax, we are committed to promoting sustainable economic growth through our business practices and initiatives. We recognize that economic growth must be achieved in a way that is environmentally responsible and socially inclusive. Through responsible management, we endeavor to drive economic growth that is inclusive, environmentally conscious, and socially impactful. By placing sustainability at the forefront, we firmly believe that we can create long-term value for our stakeholders and contribute to the overall improvement of society.

Economic Performance
(GRI 201-1)

Items	Stakeholders	2023 (RM'000)
Revenue from		
- Sales of goods		RM 821,092
- Financial investments		RM -
- Other operating income		RM 138,298
Direct Economic Value Generated		**RM 959,390**
- Operating expenses	Local suppliers and contractors	(RM 583,970)
- Salaries and benefits	Employees	(RM 137,085)
- Payments to providers of capital	Shareholders and investors	(RM 169,510)
- Taxes[1]	Government and authorities	RM 18,068
Economic Value Distributed[2]		**(RM 872,497)**
Economic Value Retained		**RM 86,893**

1 Reversal of overprovision of taxes from previous years was reflected in FY2023 financial statements.
2 Economic value distributed is the allocation of profits and benefits among stakeholders, encompassing suppliers, employees, shareholders and government authorities. It showcases how an organization handles its finances for the collective advantage.

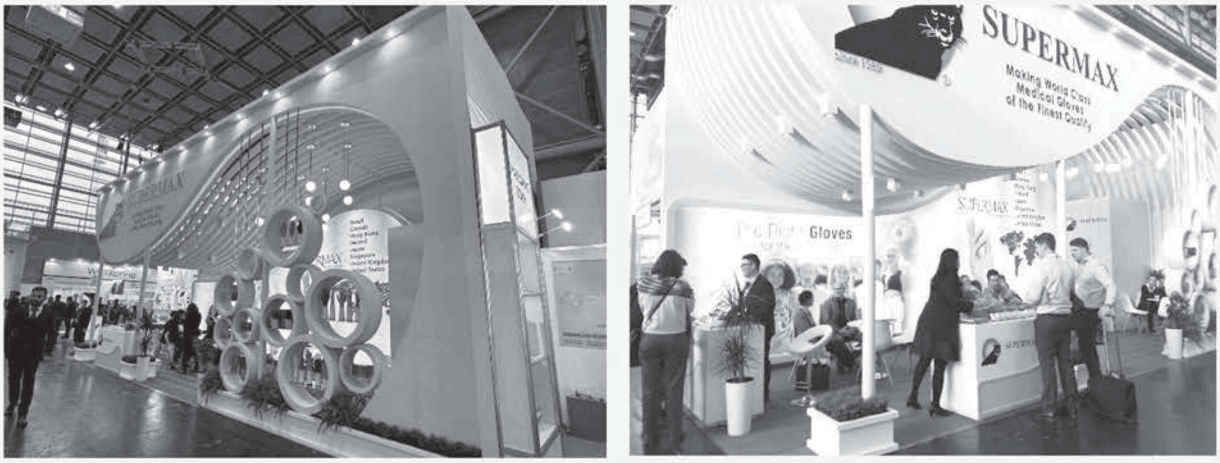
Supermax upholds its commitment to ensuring employment security and creating career opportunities for our workforce. As part of our corporate responsibility, we prioritize the support of local communities and economies by purchasing 59% of our raw materials and packaging materials from local vendors and suppliers. The Group sourced specific materials from foreign suppliers due to various factors, including cost-effectiveness, the need for specialized materials, maintaining consistent quality, and enhancing production capacity. Furthermore, we acknowledge the imperative of addressing climate change as a substantial environmental and economic risk. For more comprehensive details on Supermax performance, please refer to our Annual Report.

Market Presence

As a dominant player in the global glove sector, Malaysia leads the way. At Supermax, we strive to expand our market presence in a sustainable manner by integrating essential ESG measures into our business practices.

SUSTAINABILITY REPORT

In November 2022, Supermax participated in the Medica Trade Fair, a prominent event in the medical industry. By joining this trade fair, Supermax demonstrated its commitment to advancing healthcare solutions, showcasing its innovative medical products, and engaging with industry peers and experts. Upon the introduction of a new product, we will provide new samples at trade shows and to potential as well as existing customers. To ensure a thorough collection of feedback before the product's launch, communication will take place through email channels.



Medica Trade Fair in Dusseldorf, Germany

The company participates in events like the MIDO Eyewear Show, appreciating the significant worth of these exhibitions in spotlighting our cutting-edge eyewear products and establishing meaningful connections with industry colleagues, prospective customers, and current partners. Our presence at this esteemed event serves as a platform to not only showcase our dedication to offering top-tier eyewear solutions but also to collect invaluable input and cultivate enduring relationships that play a pivotal role in the continuous expansion and achievement of our eyewear division.

MIDO Eyewear Show in Milan, Italy

Supply Chain Management
(GRI 204-1; GRI 308-1; GRI 414-1)

The Group recognizes the importance of fostering strong supplier relationships through effective communication. Regular supplier performance evaluations are conducted, considering factors such as:

1. Price
2. Delivery Lead Time
3. Quality
4. Quantity
5. Responsiveness/ Reliability

Thorough inspections and background checks are undertaken for both existing and prospective suppliers to ensure compliance and reliability. By prioritizing these practices, the Group aims to establish and maintain long-term partnerships with suppliers based on trust and mutual benefit. Upon encountering issues, Supermax will raise a complaint to the supplier, initiating an investigation process. The supplier will respond with feedback and implement corrective and preventive actions accordingly.

Supermax is dedicated to nurturing a sustainable supply chain that promotes local job creation. By localizing our supply chain, we not only enhance cost optimization and efficiency, but also provide opportunities for local talent through job openings and collaborations with local suppliers. We strive to actively engage with our supply chain to promote adherence to robust environmental and social compliance practices.

Through the implementation of stringent measures, we aim to effectively manage and mitigate any potential environmental and social impacts throughout our supply chain. Our commitment to these practices ensures that we maintain responsible and sustainable operations while safeguarding the well-being of the environment and communities. As evidence of our commitment, our procurement spending on local suppliers is 79% during the financial year, with international procurement accounting for 21% of our total spending.

Periodic Supplier Visits

At Supermax, we are committed to ethical sourcing and upholding human rights throughout our supply chain. As part of this commitment, we conduct periodic visits to our suppliers' factories. These visits serve as an opportunity to enhance our relationships with suppliers, evaluate their capabilities, and ensure adherence to our purchasing and quality requirements. During these visits, our purchasing team assesses supplier performance and conducts audits to verify compliance with Supermax's standards. Suppliers who meet or exceed an overall appraisal average of sixty percent will be retained for continued collaboration.

In FY23, all suppliers successfully met and exceeded the evaluation requirements, with none failing to meet the criteria.

EMPOWERING SUSTAINABLE GOVERNANCE

Compliance and Legal Adherence
(GRI 2-27)

Supermax places a strong emphasis on compliance and legal adherence throughout all aspects of its operations. Our unwavering commitment to conducting business with the highest standards of integrity is reflected in our adherence to applicable laws, regulations, and industry best practices. To ensure ethical conduct, we have a dedicated compliance team that works diligently to educate employees about their responsibilities and obligations. Relevant department heads will regularly review and update our compliance policies and procedures to ensure alignment with evolving regulatory requirements.

SUSTAINABILITY REPORT

Ethics and Integrity
(GRI 205-1; GRI 206-1)

At Supermax, we place utmost importance on upholding ethics and integrity throughout our operations. Our commitment is reflected in a robust code of conduct that strictly prohibits bribery, corruption, and unethical practices. To ensure compliance and foster ethical behavior, we have implemented comprehensive policies and conducted training programs for our employees. By adhering to these high ethical standards, we aim to build trust, maintain credibility, and contribute to the establishment of sustainable business practices.

The following are some of the Group policies established by Supermax:

Policy	Purpose
Data Protection and Privacy Policy	Supermax highly values stakeholders' privacy and prioritize the protection of personally identifiable information. We have strict policies in place to ensure that we do not disclose, sell, rent, or share any customer information with unaffiliated third parties. Our commitment to safeguarding personal information is reflected in our comprehensive privacy policy, which encompasses data protection laws, stringent security measures, and a commitment to handling data with the utmost care and transparency. We regularly review and enhance our practices to remain compliant and maintain the privacy and confidentiality of individuals' information. The Group did not record any reported breaches in FY2023.
Code of Business Ethics	The Code of Business Ethics outlines the ethical standards that all employees are expected to adhere to. It embodies the Group's core values and establishes clear expectations for behavior in interactions with customers, investors, public officials, business partners, and fellow employees. This code serves as a guide for maintaining integrity and upholding ethical practices throughout all levels of the organization.
Grievance Reporting & Management	The Grievance policy establishes a formal process for employees to raise any concerns or complaints related to their employment. The policy aims to ensure that grievances are addressed in a timely, fair, and consistent manner, in alignment with other relevant organizational policies. By providing a clear mechanism for employees to voice their concerns, the policy promotes transparency, accountability, and a positive working environment. An independent grievance reporting channel, known as SUARA KAMI, was established and administered by an independent third party. This platform provides a confidential and impartial avenue for stakeholders to report grievances, concerns, or any unethical behavior they may encounter.
Workers' Committee	The Workers' Committee policy outlines the roles and responsibilities of the committee, which serves as a platform for foreign workers to express their views and concerns to management. The committee plays a vital role in enhancing the understanding of workplace issues and matters related to the welfare of the workers, both for management and the workers themselves. By fostering open communication and creating a sense of mutual trust, this policy aims to improve workplace relations and cultivate a positive working environment, ultimately positioning the company as an employer of choice. Regular monthly interactive sessions are organized to facilitate discussions and the exchange of knowledge, promoting effective communication between workers and management. Furthermore, a dedicated WhatsApp channel is set up to promptly address immediate concerns and distribute crucial announcements.

Policy	Purpose
Anti-Bribery and Anti-Corruption (“ABAC”)	Supermax has a zero-tolerance approach towards corruption, fraud, and bribery. Our ABAC policy, aligned with relevant laws and regulations, applies to all employees, directors, and those in our value chain. Compliance with the policy is mandatory, supported by declarations. We are committed to upholding the highest ethical standards across our business operations. The ABAC declaration form was distributed to various suppliers, and a significant number of them have responded by signing the form. Moreover, the Group has also ensured that employees have demonstrated their support through signing the ABAC policy pledge.
Whistleblowing	The Whistleblowing policy is designed to uphold the values of integrity, transparency, impartiality, and accountability within the Group. It establishes a formal framework that encourages and protects individuals who wish to report any wrongdoing, misconduct, or unethical behavior. The policy provides clear guidelines and a confidential reporting channel for both employees and external parties, ensuring that whistleblowers can come forward without fear of victimization or retaliation. By implementing this policy, the Group fosters a culture of openness, accountability, and ethical conduct, promoting a safe and responsible work environment for all. No reported cases were noted for the Group in FY2023.

Resource Conservation
(GRI 301-2; GRI 302-2; GRI 302-4; GRI 303-4; GRI 303-5; GRI 305-1; GRI 305-2)

Supermax is deeply committed to resource conservation and sustainable practices as part of our efforts to minimize our environmental impact. We understand the significance of preserving natural resources and are dedicated to reducing our overall resource consumption. The Group continually seeks to optimize resource utilization in its manufacturing processes. Our initiatives revolve around minimizing waste generation, promoting recycling and reuse, and embracing eco-friendly alternatives.

The Group has installed a sludge dryer at one of the manufacturing plant in July 2022. The sludge dryer offers numerous advantages, including being environmentally friendly, energy-efficient, and fire hazard-free. It eliminates the need for a scrubber system and minimizes dust generation, providing a safe and efficient alternative to conventional drying methods. With this dryer, the wet sludge's moisture and weight can be reduced by 40% to 60%, contributing to lower disposal costs and eliminating hazard risks associated with handling sludge.

Supermax sources nitrile latex from a supplier known for its strong commitment to ESG compliance. In their glove manufacturing process, gas is used as the primary energy source for glove dipping. The nitrile latex provided by the supplier demonstrated an impressive 11% reduction in gas consumption and lowered the main oven temperature by 20°C. This innovative latex formulation not only saves energy but also generates less heat during the glove dipping process, making it more efficient than conventional nitrile.

In response to lower demand, the two manufacturing plants equipped with biomass boilers were closed in May 2022 and September 2022. These older machines were considered less efficient, and the cost-cutting measure was taken to optimize operations and focus on using the more efficient plants. Should the demand increase in the future, there is a possibility of reviving these plants.

By utilizing renewable energy, including LED light bulbs, and implementing rubber glove waste recycling, we actively contribute to a cleaner environment and optimize resource utilization. Our focus on resource conservation aims to minimize our ecological footprint and create a positive impact on a more sustainable future.

SUSTAINABILITY REPORT

The ongoing digitalization is significantly transforming both our world and the industrial landscape. As the data volume in glove manufacturing plants continues to grow, so does the challenge of effectively managing the data and enhancing the consistency and quality of glove production. However, with the implementation of Supervisory Control and Data Acquisition ("SCADA") system in one of our manufacturing plant, we have successfully centralized the monitoring and control of production line parameters, enabled full automation and ensured higher data accuracy and traceability. This advanced system efficiently processes, distributes, and displays data, facilitating analysis by Production Technical Staff and supporting critical decision-making. With SCADA, organizations can centralize monitoring and control, increase automation, and respond quickly to changing conditions, ultimately leading to enhanced productivity and resource management.

Supermax holds two important certifications: Certificate SGSHK-COC-450080 and Certificate SGSHK-COC-450055, both related to FSC Chain-of-Custody. These certifications reflect Supermax's commitment to responsible sourcing and the use of FSC-certified materials in its operations. The assessments were conducted based on standards such as FSC-STD-40-004 V3-1 for Chain of Custody Certification and FSC-STD-50-001 for Requirements for use of the FSC trademarks by Certificate Holders.

Certificate SGSHK-COC-450080

Supermax ensures responsible practices in purchasing FSC Mix and FSC Recycled Paper, as well as the manufacturing and sales of FSC Mix and FSC Recycled Corrugated Cartons and Plain Boards. This certification covers the use of the Percentage System as a Single Site Certification Holder.

Certificate SGSHK-COC-450055

Encompasses the purchase of FSC Mix and FSC Recycled Linerboard, FSC Recycled Fluting, and the manufacturing, printing, and sale of FSC Mix and FSC Corrugated Fibreboards and Packaging Cartoon Boxes using the transfer system.

This Certification demonstrates Supermax's commitment to sustainability, responsible sourcing, and transparent business practices. They contribute to the integrity and traceability of FSC-certified products, aligning with Supermax's efforts to promote environmental stewardship and the use of recycled materials. By including these certifications in our Sustainability Report, we aim to showcase our dedication to responsible sourcing and sustainable practices, fostering transparency and accountability in our operations.

SCS Global Services

Conducting assessment, certifying Supermax to sell products as FSC 100%, FSC Mix, and FSC Recycled in accordance with the protocols of the Forest Stewardship Council. This certification reflects Supermax's commitment to responsible sourcing and sustainable forestry practices.

ISO Certification

Furthermore, the Group has consistently regarded quality control and assurance as our core competency, enabling us to distinguish ourselves in the industry. Our commitment to excellence is not limited to the following areas, as we ensure our adherence to internationally recognized standards and rigorous quality controls by obtaining various FDA 510K and ISO certifications.

Company Name	Certificate Number	ISO Certification	Description
Maxter Glove Manufacturing Sdn. Bhd.	MY00/51618	ISO 13485:2016 EN ISO 13485:2016	Manufacture and distribution of sterile latex surgical gloves, non-sterile natural latex and nitrile rubber examination gloves.
	MY21/1811030640	-	Natural latex, nitrile rubber glove, chemical protective gloves.
	MY00/51619	ISO 9001:2015	Manufacture and distribution of sterile latex surgical gloves, non-sterile natural latex and nitrile rubber examination gloves.
Maxwell Glove Manufacturing Berhad	MY01/5332B	ISO 9001:2015	Manufacture of non-sterile latex & nitrile examination gloves.
	MY01/53329	ISO 13485:2016 EN ISO 13485:2016	Manufacture of non-sterile latex & nitrile examination gloves.
	MY15/01792	ISO 13485:2016	Manufacture of non-sterile latex & nitrile examination gloves.
Supermax Glove Manufacturing Sdn. Bhd.	QS6 103966 0001 Rev.01	ISO 13485:2016	Manufacturing and distribution of examination and surgical gloves.
	MY14/01646	ISO 13485:2016	Manufacture of sterile/non-sterile natural latex examination gloves. Manufacture of sterile latex surgical gloves.
	MY00/51449	ISO 9001:2015	Manufacture of sterile/non-sterile natural latex examination gloves. Manufacture of sterile latex surgical gloves.
	MY00/51448	ISO 13485:2016 EN ISO 13485:2016	Manufacture of sterile/non-sterile natural latex examination gloves. Manufacture of sterile latex surgical gloves.
Supervision Optimax Sdn Bhd	Q2MYS 097247 0012 Rev. 01	ISO 13485:2016	Manufacturing and distribution of soft contact lenses.
	Q6 097247 0010 Rev. 02	EN ISO 13485:2016	Manufacturing and distribution of soft contact lenses.
	QS5 097247 0008 Rev. 03	ISO 9001:2015	Design and development, manufacturing and distribution of soft contact lenses.
	QS6 097247 0011 Rev. 01	ISO 13485:2016	Design and development, manufacturing and distribution of soft contact lenses.

SUSTAINABILITY REPORT

Energy

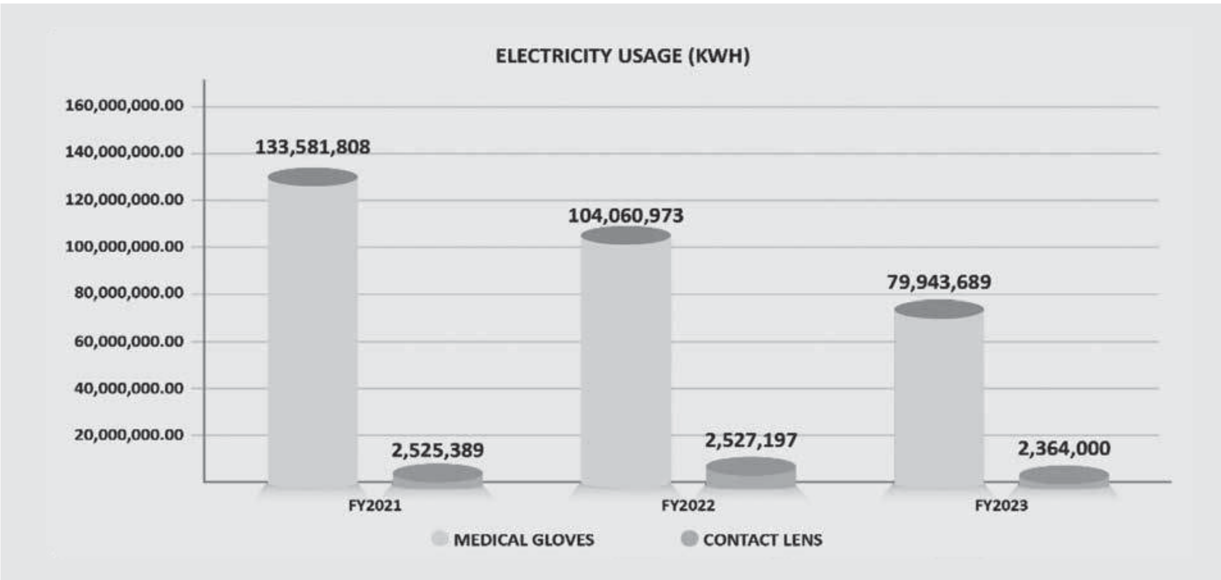
We recognize that effective energy management goes beyond cost reduction and operational efficiency—it also involves safeguarding our planet's resources and mitigating the impacts of climate change. Through our commitment to sustainable energy practices, we strive to make a positive environmental impact while delivering value to our stakeholders.

As part of our sustainability efforts, we have replaced conventional lighting with energy-efficient LED light bulbs in our manufacturing plants. These advanced bulbs utilize cutting-edge technology, resulting in significant energy savings and a reduction in greenhouse gas emissions, in line with our commitment to combat climate change. The transition to LED bulbs not only supports a more sustainable future but also leads to substantial cost savings in energy consumption. Based on our estimations, the yearly energy savings for our manufacturing plants amount to 3,299,210.16 (KWh).

In May 2023, we began implementing measures to save electricity usage at our hostel. With the collaborative efforts of the HR Department and the Hostel Worker Committee, we successfully achieved a 16% reduction in electricity usage since its implementation, decreasing it from 259.7 kWh per day to 217.9 kWh per day. Looking ahead, we are exploring the possibility of installing solar panels to further enhance our energy savings initiatives.

As shown in the graph below, the significant decrease in electricity consumption during FY2023, in contrast to FY2022, results from a combination of energy conservation initiatives and a reduction in overall production capacity.

Electricity Consumption (kWh)



A distinct meter was set up to monitor the real usage at both the workers' hostel and the canteen. The Group is currently exploring the possibility of installing solar panels in the future and is in talks with several service providers.

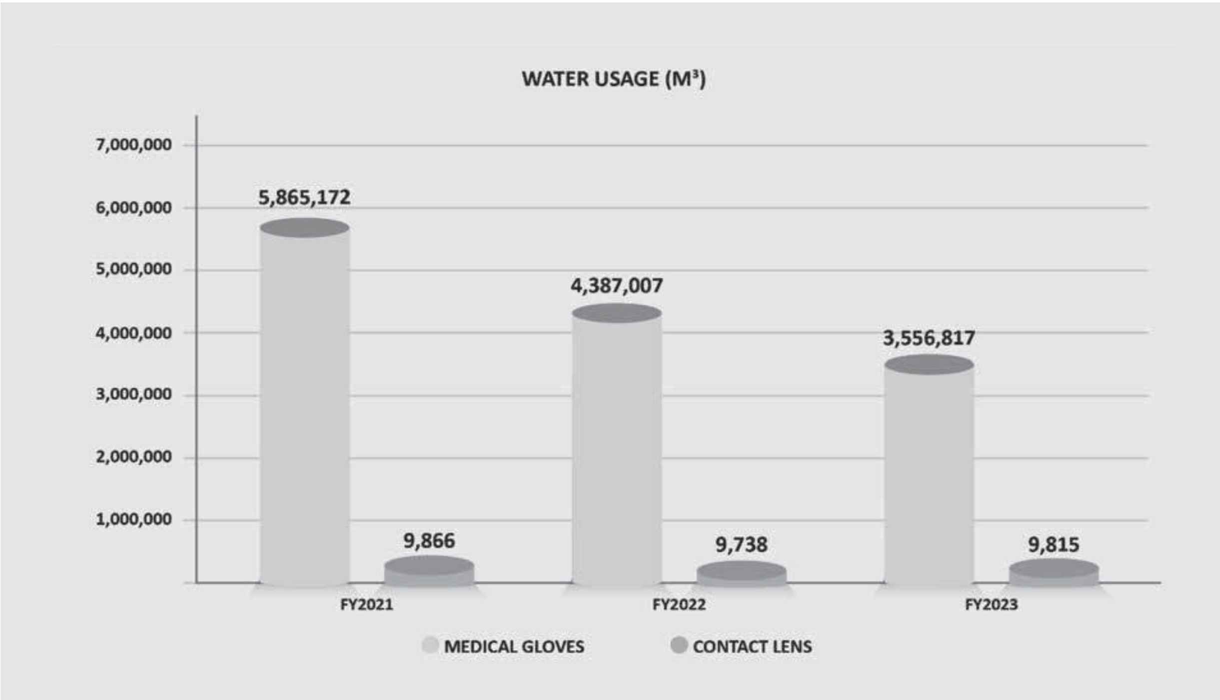
Water

Supermax upholds a strong commitment to water conservation and responsible water management practices. We understand the significance of preserving this precious resource and actively work towards reducing water usage in all aspects of our operations. To ensure responsible water management, the wastewater generated by all our manufacturing plants undergoes treatment on-site using advanced processes such as chemical flocculation, anaerobic digestion, and activated sludge. This treatment is carried out in effluent treatment plants that comply with stringent standards set by the Department of Environment ("DOE"). Regular updates done by the Group to the DOE was done in order to ensure our adherence to these standards and our dedication to sustainable water management. By prioritizing water conservation, Supermax aims to safeguard this essential resource for the benefit of future generations.

Since 1 April 2023, we have implemented water consumption monitoring and conservation practices for our hostels. With the joint efforts of the HR Department and the Hostel Worker Committee, we successfully reduced water usage from an initial 553 liters per capita per day to 404 liters per capita per day, representing a significant 27% reduction in water consumption since its implementation. While the Malaysian standard water usage stands at 245 liters per capita per day, we have set our baseline target at 300 liters per capita per day for now, with the goal of further improving to the national standard of 245 liters per capita per day in the future.

As shown in the graph below, the significant decrease in water consumption during FY2023, in contrast to FY2022, results from a combination of water conservation initiatives and a reduction in overall production capacity.

Water Consumption (m3)

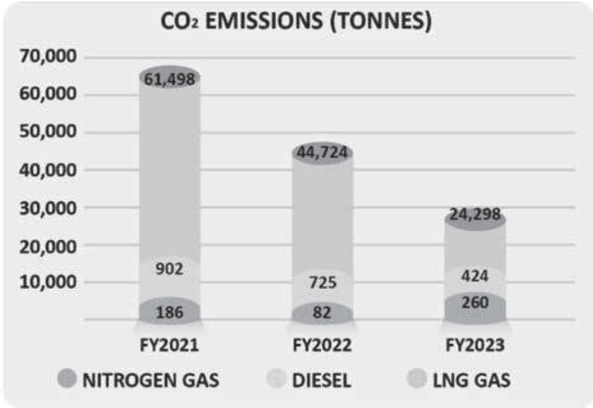
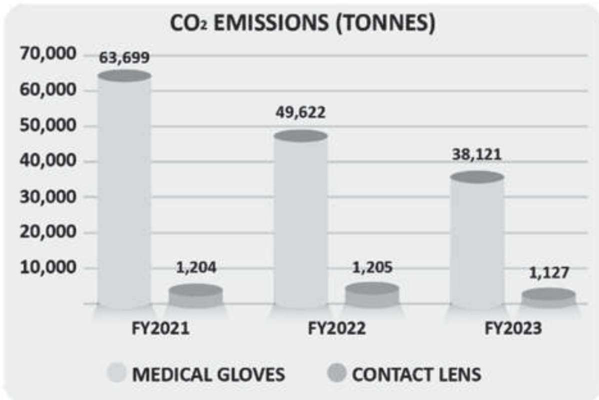


Greenhouse Gas Emissions (“GHG”)

In FY2023, Supermax demonstrated its commitment to greenhouse gas emission reduction by aligning its initiatives with the globally recognized GHG Protocol developed by the World Business Council for Sustainable Development ("WBCSD") and World Research Institute ("WRI"). This protocol provides a comprehensive framework for categorizing emissions into direct and indirect sources, enabling effective emissions accounting.

By adopting the GHG Protocol, Supermax establishes a solid basis for tracking and monitoring emissions, with the ultimate goal of enhancing environmental performance and minimizing operational costs associated with emissions.

It is evident that efforts to conserve energy and water resources, along with a reduction in overall production capacity, have significantly contributed to a substantial decrease in greenhouse gas emissions during FY2023. These actions underscore our dedication to environmental responsibility and the importance of optimizing resource usage while maintaining operational efficiency, further aligning with our broader sustainability goals.

Scope	Category	Indicators Measured	Emissions Performance
Scope 1	Direct GHG Emissions	Nitrogen Diesel LNG	
Scope 2	Indirect GHG Emissions	Electricity	
Scope 3	Other Indirect GHG Emissions	Air Travel and Employee Commuting	In FY2023, Supermax has yet to monitor Scope 3 emissions. However, acknowledging the significance of overseeing and controlling these emissions, Supermax intends to involve external consultants to provide guidance on data collection and monitoring methods in the future. Through harnessing the expertise of these external consultants, the Group aims to establish resilient systems for monitoring Scope 3 emissions and amplify its sustainability efforts.

Waste Management and Recycling
(GRI 306-3; GRI 306-4)

Supermax places great importance on responsible waste management as a key aspect of our sustainability efforts. We have established robust waste management practices throughout our operations to minimize our environmental footprint and contribute to a circular economy. Through our rigorous quality management system and meticulous process control, we maintain a low rate of 0.85% product rejection. Any gloves that are rejected, along with rubber waste and lumps generated during the production process, are collected and sent to rubber recycling companies. These companies process the waste materials and convert them into reusable rubber, which can be incorporated back into the manufacturing process as raw materials. By implementing these waste management practices, Supermax aims to reduce waste, conserve resources, and promote sustainable practices within the industry.

Type of Waste	Collector	Agency	License No.	License Validity Period
Sludge/ Rubber Waste/ Rubber Lumps	1. HSB Reclaimed Rubber Sdn Bhd 2. Kualiti Alam Sdn Bhd 3. Nanotech Recovery Sdn Bhd	DOE DOE DOE	003918 003319 003995	Expiring on 30/04/24 Expiring on 30/04/24 Expiring on 30/04/24
Used Diesel	1. Malik Family Resources Technology Sdn Bhd	DOE	003173	Expiring on 30/04/24
Plastic waste Recycling	1. YJ Global Industry Sdn. Bhd.	MBSA	U19012520100001	Expiring on 31/12/23

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

Pollution Prevention and Control

Supermax is firmly committed to pollution prevention and control as an integral part of our sustainability initiatives. We place great emphasis on minimizing our environmental impact and safeguarding the well-being of our employees, communities, and ecosystems. To achieve this, we have implemented stringent pollution prevention measures throughout our manufacturing processes.

On 11 November 2022, Supermax has conducted comprehensive audiometric tests for all its manufacturing plants. These tests were conducted with the primary aim of assessing the hearing ability of employees who are exposed to high noise levels in their respective work environments. By regularly conducting audiometric tests, the Group prioritizes the monitoring and protection of its employees' hearing health, ensuring a safe and healthy workplace for everyone.

In addition to the initiatives mentioned earlier, we have also taken steps to enhance our operations' sustainability by incorporating two electric forklifts in our manufacturing plants. These electric forklifts are more environmentally friendly, contributing to reduced carbon footprint and improved air quality. Moreover, we have made investments in a fleet of electrically operated buggies, which serve as efficient and eco-friendly transportation options for plant visits and interplant movements. These efforts not only align with our commitment to sustainability but also demonstrate our dedication to adopting innovative technologies that promote a greener future and minimize our impact on the environment.

SUSTAINABILITY REPORT

Electric forklifts and electric buggies

In our workplace, we prioritize sustainability and eco-friendly commuting for our employees. As a part of this commitment, we offer bicycles for convenient transportation within the premises. These bicycles are readily available near the main entrance, ensuring easy access for all employees. By utilizing bicycles, we actively contribute to reducing our carbon footprint while promoting a healthy and enjoyable means of getting around the workplace. It allows employees to break away from sedentary routines and incorporate exercise into their workday, promoting overall well-being.

Commuting Bicycles

A dedicated and trained team oversees the management and monitoring of our scrubber systems, ensuring their optimal functionality in treating and neutralizing residual chlorine gas generated during our online chlorination processes. By effectively controlling and treating these emissions, we can safely discharge them into the atmosphere without causing harm.

Furthermore, we have functional industrial effluent treatment systems and a meticulously organized scheduled waste management program. Our environmental committee currently operates under the supervision of the Health, Safety, and Environment ("HSE") Department, and its members hold certifications such as CePSO, CePIETSO, and CePSWaM. While the initial certification is a one-time process, we diligently secure annual renewals by accumulating Continuous Professional Development ("CPD") points. These collective endeavors affirm Supermax's unwavering dedication to safeguarding the environment, fostering sustainable development, and showcasing our responsibility as a conscientious corporate entity.

FOSTERING SUSTAINABLE RELATIONSHIPS

At Supermax, fostering meaningful relationships is a cornerstone of our sustainability approach. We place great importance on cultivating strong connections that align with our sustainability goals and drive positive change. By building relationships based on shared values and a commitment to sustainability, we can collaborate effectively with stakeholders, including customers, suppliers, and communities, to create lasting impact. Through these partnerships, we aim to advance sustainable practices, drive innovation, and contribute to a more sustainable future.

Diversity and Inclusion

(GRI 401-1; GRI 401-2; GRI 405-1)

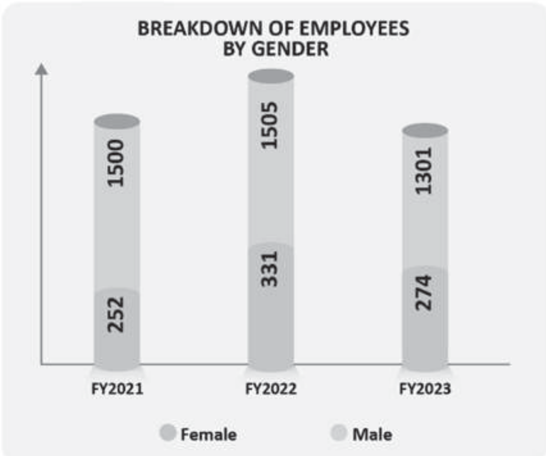
At Supermax, we are fully dedicated to cultivating a culture of diversity and inclusion across the Group. We firmly believe that embracing diversity enhances innovation, fosters creativity, and leads to better decision-making. We are committed to creating an inclusive and equitable work environment where every employee is valued, respected, and provided with equal opportunities for growth and advancement.

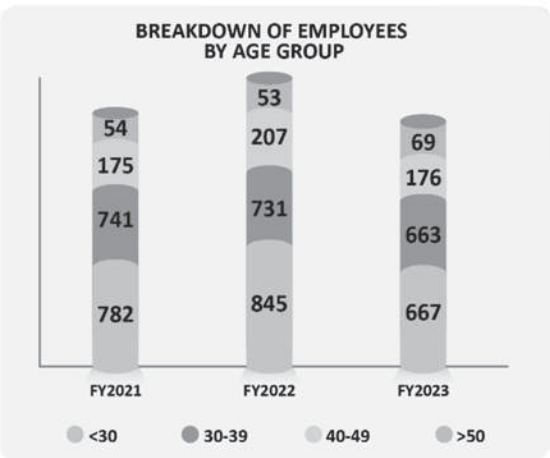
Our focus on diversity encompasses various dimensions, including age, gender, ethnicity, race, and religion. Through our ongoing diversity and inclusion initiatives, we strive to build a diverse workforce that reflects the communities we serve. By fostering a culture of belonging, we are better equipped to understand and meet the diverse needs of our customers.

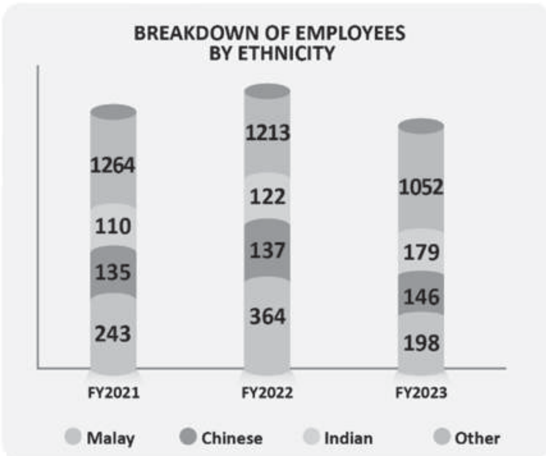
The Group is firmly committed to eliminating the obstacles that hinder women's full and equitable participation in the workforce. In FY2023, our Group had 131 women working as office staff, and the number of male office staff was 122. We have effectively addressed the gender gap within the workplace by actively hiring more local women for our office roles.

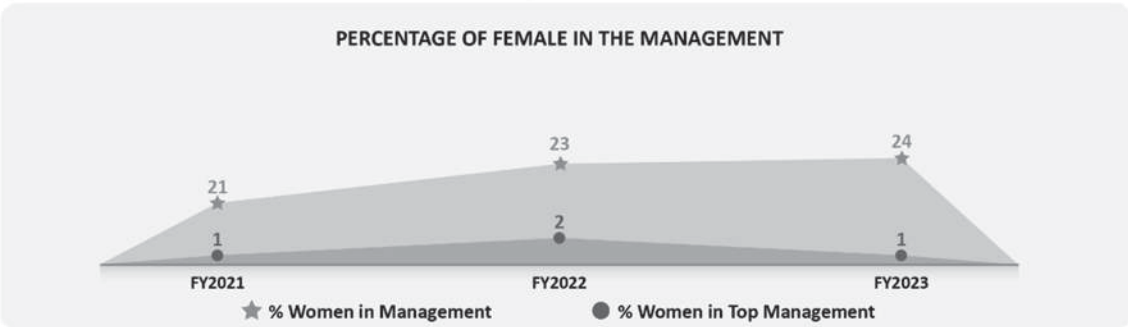
In contrast, our production sites primarily require male workers for physically demanding tasks. The majority of our workforce falls within the 21 to 30 age range, reflecting our emphasis on nurturing a fresh generation of dynamic individuals. This younger workforce is encouraged to challenge norms, harness their expertise, and identify avenues for enhancement.

SUSTAINABILITY REPORT









Employee Welfare and Work-life Balance
(GRI 403-4; GRI 403-6)

Supermax places great importance on the welfare, safety, and work-life balance of our employees. We firmly believe that their well-being is a key factor in driving our organization's success. To support their ongoing health and wellness, we have launched a wellness program that includes blood tests for all staff. Participating staff have the opportunity to undergo blood tests at designated clinics, such as Klinik Christina Chea, Klinik Phong, Klinik Mediviron Setia Alam, and Klinik Anda 24 Jam Kamunting. This program is part of our comprehensive employee care initiatives, ensuring that their health is prioritized.

We also recognize the significance of work-life balance and its positive impact on employee engagement. To support this, we offer flexible work hours, allowing employees to have greater control over their schedules. This not only contributes to employee satisfaction but also reduces peak-hour commuting and has environmental benefits. At Supermax, we are committed to fostering a positive work environment that values and supports our employees, ensuring their well-being and promoting a healthy work-life balance.

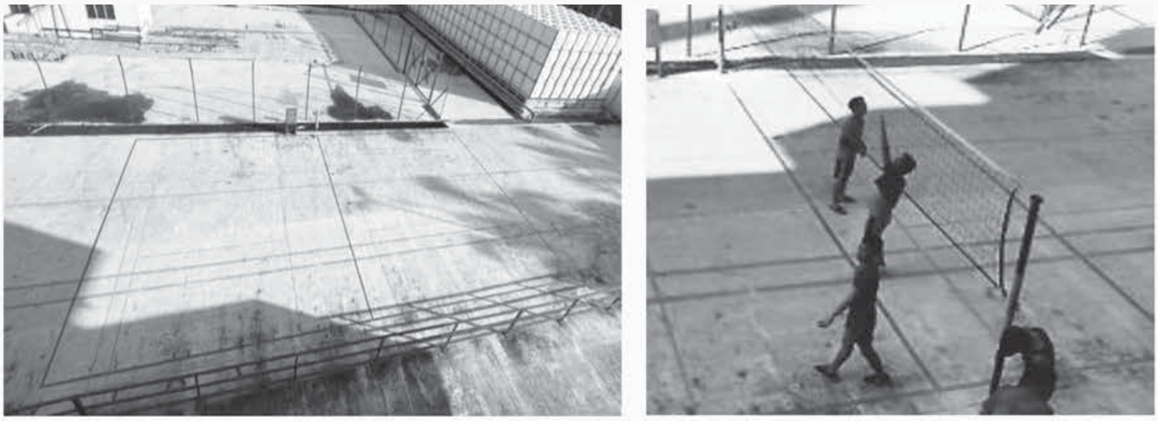
Supermax demonstrates its commitment to employee welfare and inclusivity by providing dedicated facilities for pregnant employees. This includes offering specially designated parking spaces near the entrance exclusively for pregnant women and mother nursing room. By providing convenient and easily accessible parking spaces, Supermax ensures the comfort and safety of pregnant employees as they commute to and from work. Additionally, the mother nursing room at Supermax is a serene and inviting space, thoughtfully created to offer mothers a cozy and discreet environment for breastfeeding and caring for their infants. Furnished with essential amenities, this dedicated room is designed to cater to the needs of both mothers and their babies, ensuring a comforting experience for both. This initiative reflects the company's dedication to supporting its employees during pregnancy and promoting a positive and caring work environment.

Pregnant Parking Spaces for Pregnant Women

SUSTAINABILITY REPORT

Mother Nursing Room

Supermax has proactively prioritized the enhancement of employee well-being and physical fitness through the provision of exclusive recreational zones within its premises. Notable among these offerings are volleyball court and gym room. These facilities play a pivotal role in not just nurturing a culture of healthy and active living among the staff but also in cultivating a sense of togetherness and unity within the company. This strategic provision aligns with Supermax's goal of fostering an environment conducive to employees engaging in leisure activities, unwinding, and upholding their holistic health and fitness.



Volleyball court

Gym Room Facilities

Occupational Health and Workplace
(GRI 403-1; GRI 403-2; GRI 403-5; GRI 403-9)

Supermax priority on occupational health and safety in the workplace. We believe that providing a safe and healthy work environment is crucial for the well-being of our employees and the overall success of our organization. Through robust health and safety programs, regular training, and compliance with relevant regulations, we aim to minimize workplace hazards and prevent accidents or injuries.

Supermax organized an internal fire-fighting training session aimed at enhancing employees' knowledge and skills in dealing with fire emergencies. The training aimed to equip employees with the necessary tools and techniques to respond effectively to fire incidents, ensuring the safety of everyone in the workplace. Through this initiative, Supermax demonstrated its commitment to creating a safe and prepared work environment for all its employees.

In FY2023, Supermax conducted a comprehensive Safety & Health Week campaign, addressing various aspects of well-being and safety. The campaign featured engaging sessions led by esteemed organizations, such as a fire safety demonstration by the Fire and Rescue Department (“Bomba”), road safety awareness by the Road Transport Department (“JPJ”), respiratory health awareness by Poly Scientific, and a dengue prevention talk by the Majlis Perbandaran Klang. Additionally, a blood donation drive was organized to contribute to the community's health needs. Through these impactful initiatives, Supermax aimed to foster a safe and health-conscious workplace, educate employees about potential risks, and emphasize the importance of personal well-being.

Internal Fire Fighting Training

SUSTAINABILITY REPORT

Fire Safety by Bomba

Road Safety by JPJ

Respiratory Awareness by Poly Scientific

SUSTAINABILITY REPORT

Dengue Talk by MPK

Blood Donation

Supermax's Safety Statistics at a Glance

Description	FY2021	FY2022	FY2023
No. of Injury Cases	57	43	36
No. of Days Lost	163	295	207

For every accident case, corresponding corrective and preventive actions are undertaken, which include the implementation of Hazard Identification, Risk Assessment, Risk Control ("HIRARC"), as well as the creation or review of Standard Operating Procedures ("SOPs"). HIRARC and SOP are consistently established or reviewed in response to accidents. Additional training or refresher courses are provided as needed and workers are retrained where necessary. Moreover, we conduct annual and triennial training programs, encompassing activities such as fire safety training conducted by Bomba, noise awareness refreshers, safe handling of forklifts, first aid training, chlorine safe handling training, and more. During FY2023, no reported fatalities or major accidents were identified within the Group.

SUSTAINABILITY REPORT

Human Right and Labour Practices

(GRI-409-1)

Supermax issued a press release on April 13, 2023, urging former foreign workers to apply for reimbursement of any recruitment fees paid. This initiative underscores the company's unwavering commitment to fully transforming its labor policies. Through a comprehensive outreach campaign, Supermax aims to connect with former workers who incurred recruitment fees, providing them with the opportunity to seek reimbursement. This endeavor builds upon prior successful initiatives conducted in Nepal and Bangladesh, emphasizing Supermax's steadfast dedication to promoting fair and responsible labor practices. The closing date for applications was 30 April 2023, with approximately RM6.2 million in pending payments currently undergoing processing.

In our dedication to human rights, we adhere to both local and international standards, including Malaysian labour laws, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization's (“ILO”) 11 Indicators of Forced Labour. These frameworks serve as guiding principles in our commitment to promoting and protecting the rights of our workers, ensuring that their well-being and dignity are preserved at all times.

In August 2022 and December 2022, the Group has undergone comprehensive Labour Standards Audits conducted by International Associates and Forced Labor Investigation Systemic Issues CAP conducted by Elevate respectively. The findings of both reports confirm that Supermax has met satisfactory standards in relation to labour practices. These audits demonstrate our commitment to ensuring fair and ethical treatment of our workforce, and serve as a testament to our ongoing efforts to uphold high labour standards throughout our operations.

We strive to create a workplace culture that values diversity, respect, and fairness, and we continuously work towards aligning our practices with the highest ethical and human rights standards. In August 2022, ARCHEadvisors conducted a forced labor audit against the ILO Forced Labor Indicators framework. We are pleased to report that no issues related to the ILO 11 Indicators of Forced Labor were found during this verification audit. By prioritizing compliance and legal adherence, Supermax aims to build trust, mitigate risks, and maintain a solid foundation of corporate governance and responsible business practices.

Voice of Workers

Supermax has established a Workers' Committee to facilitate communication and enhance labor relations. The committee, comprising workers of different nationalities, including outsourced workers, is democratically elected and represents the diverse workforce. Monthly meetings between the committee and management provide a platform for discussing updates, improvements, and addressing any issues. Continuous training and awareness programs are conducted to empower workers in managing grievances effectively. The company ensures equitable treatment by offering competitive salaries and benefits to all workers, regardless of their nationality or employment status.

Job security is provided through open-ended contracts for foreign workers who choose to extend their duration of employment. Additionally, Supermax has implemented an independent grievance reporting channel (SUARA KAMI) administered by a third party, to ensure a transparent and confidential mechanism for reporting and addressing concerns. In FY2023, two cases were reported, and appropriate actions were executed, resulting in successful resolution.

Employee Training and Development
(GRI 404-1)

	Board of Director	Management	Executive & Non-Executive	Foreign Labours
Function	Management (Director)	HR, Quality Assurance, Production & Compounding, Health, Safety and Environment	HR, Production & Compounding, Maintenance, Health, Safety and Environment	Quality Assurance, Production & Compounding, Health, Safety and Environment, Packing
Group / Subsidiary Name	Supermax	Supermax, Maxter, Maxwell	Supermax, Maxter, Maxwell	Maxter, Maxwell
No. of Employee	7	58	195	1322
Training Hours	72	1211	1693	1377
Internal / External Training	External	Internal / External	Internal / External	Internal / External
Frequency	Annual / Voluntary / Ad Hoc	Annual / Voluntary / Ad Hoc	Annual / Voluntary / Ad Hoc	Monthly / Annual / Ad Hoc
Amount Spent (RM)	0	23,580	11,022	0
Remarks	Most of the training sessions were led by regulatory authorities and professional entities like Institute of Corporate Directors Malaysia, Bursa Malaysia, MATRADE, King & Wood Mallesons, etc.	Most of the training sessions were conducted by professional training providers and regulatory authorities.	Most of the training sessions were conducted by professional training providers and regulatory authorities.	Most of the training sessions were led by internal staff for foreign employees like QA Offline Inspection (Refreshing Course), Preshipment Inspection (Refreshing Course), Receiving Latex, PPE Briefing & Chemical Spillage, Pedestrian Road Safety, etc. There is a single external training session focused on Handling Goods Hoist in a Safe Way.

SUSTAINABILITY REPORT

Community Engagement and Development
(GRI 413-1)

Supermax is deeply committed to community engagement and development as part of our sustainable business approach. We recognize the importance of building strong relationships with the communities where we operate and strive to make a positive impact. We also engage in collaborative partnerships with local stakeholders to address community needs and promote sustainable development.

By actively engaging with local communities, we aim to foster long-term relationships, enhance quality of life, and create shared value for all stakeholders involved. We actively contribute to social welfare programs such as Jelajah Ramadhan RTM Dun Meru and Program Kacau Bubur Lambuk Perdana & Sumbangan Anak Yatim, OKU, Asnaf. We believe in creating a positive impact on the communities where we operate, and strive to contribute to their social and economic well-being.

Jelajah Ramadhan RTM Dun Meru

Program Kacau Bubur Lambuk Perdana & Sumbangan Anak Yatim, OKU, Asnaf

PIONEERING SUSTAINABLE PRACTICES

As we progress, we acknowledge the ongoing need for improvement and adaptation in our journey towards sustainability. We are committed to constant exploration of innovative solutions, conducting research, and fostering collaboration with like-minded partners. By maintaining a position at the forefront of sustainability practices, we aim to inspire and guide the industry towards a greener and more sustainable future.

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

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

Rozita Binti Abdul Rahman
Member of Committee, Independent Non-Executive Director

Ms Sung Fong Fui
Member of Committee, Independent Non-Executive Director
(resigned on 30 June 2023)

Ms Tan Poh Chan
Member of Committee, Independent Non-Executive Director
(joined on 1 July 2023)

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:-

(1) To review the appointment, resignation, conduct and audit plans of the Internal and External Auditors;

(2) To review the assistance given by the employees of the Company to the external auditors and the internal auditors;

(3) To review the quarterly results and year-end financial statements, prior to the approval by the Board;

(4) 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

(5) 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

Five (5) meetings were held during the financial year ended 30 June 2023. The record of attendance is as follows:-

Name	No. of Meetings Attended
Mr. Albert Saychuan Cheok	5/5
Dr. Rashid Bin Bakar	3/3
Ms Sung Fong Fui	5/5
Puan Rozita Binti Abdul Rahman	2/2

[1] *Dr Rashid Bin Bakar retired at the 25th Annual General Meeting held on 8 December 2022 while Puan Rozita Binti Abdul Rahman joined the Board as Independent Non-Executive Director on 3 January 2023 and was appointed as member of the Audit Committee.*

AUDIT COMMITTEE REPORT

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 2023, 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 2023 amounted to RM390,000 (financial year ended 30 June 2022: RM388,000).

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, 1 Non-Independent Non-Executive Director and 4 Non-Executive Directors, all 4 of whom are Independent Directors. The Chairman of the Board, Dato' Seri Stanley Thai, is currently also the acting CEO which is a departure from the Malaysian Code of Corporate Governance (MCCG) guideline which requires these 2 roles to be separated. This arrangement was put in place in recognition of confidence engendered in shareholders, knowing that a person who has the well-grounded experience and expertised as well as having his majority stake as commitment, namely Dato' Seri Stanley Thai, is firmly in charge. The brand Supermax has become synonymous with the name of Dato' Seri Stanley Thai. Nevertheless, this matter will be resolved in the coming years. The composition of the Board is otherwise in line with the recommendation of the MCCG for the boards of large companies to be comprised of a majority of independent directors.

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

Duties and Responsibilities of the Board

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

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

- Reviewing and adopting a strategic plan for the Company which will enhance the future growth of the Company. The Executive Directors discuss the Company's business plans and strategic directions with the Board to seek their insights and feedback before adoption. The Executive Directors then focus on implementing the business plans and strategies and updates the Board on the progress and status periodically.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- 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. This is especially so in the case of Dato' Seri Stanley Thai who is currently Chairman of the Board and acting CEO despite this being a departure from the MCCG guidelines. As mentioned earlier, this current arrangement will be resolved in the coming years.

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 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 2023, seven (7) 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 Stanley Thai	7	7
2. Cecile Jaclyn Thai*	2	4
3. Tan Chee Keong	7	7
4. Dato' Ting Heng Peng	7	7
5. Albert Saychuan Cheok	7	7
6. Dr Rashid Bin Bakar*	3	3
7. Eisen Ng Keng Lim	7	7
8. Rozita Binti Abdul Rahman*	4	4
9. Sharon Sung Fong Fui*	7	7

* *Dr Rashid Bin Bakar retired at the last Annual General Meeting held on 8 December 2022 while Ms Cecile Jaclyn Thai and Ms Sharon Sung Fong Fui resigned from the Board on 17 April 2023 and 30 June 2023 respectively. Puan Rozita Binti Abdul Rahman joined the Board on 3 January 2023.*

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

New Appointment and re-election of Directors

The Nomination & Remuneration Committee ("NRC") 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 NRC 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 & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") consists of the following:-

Chairman	:	Mr Eisen Ng Keng Lim (Independent Non-Executive Director)
Member	:	Dato' Ting Heng Peng (Non-Independent Non-Executive Director)
Member	:	Puan Rozita Binti Abdul Rahman (Independent Non-Executive Director)

The duties and responsibilities of the NRC 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;

g) 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;

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

i) 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

During the year, the NRC had met six (6) 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 directors' remuneration.

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 2023

Director	Programmes
Dato' Seri Thai Kim Sim, Stanley	► Florida International Medical Expo 2023 – Doing Business in the Americas; organized by Informa Markets
Mr Tan Chee Keong	► 2023 Digital Trends Revealed; organized by Adobe ► Florida International Medical Expo 2023 – Doing Business in the Americas; organized by Informa Markets
Mr Albert Cheok	► International Directors Summit; organized by Institute of Corporate Directors Malaysia ► Hong Kong SAR – Back in Business after Lifting of Covid Restrictions; organized by King & Wood Mallesons ► The Major Methods of Carbon Pricing; organized by CARBONIS
Dato' Ting Heng Peng	► Investor Expectations on Climate Change: Introducing the FBM Top100 ESG Low Carbon Select Indices; organized by Bursa and FTSE Russell ► Audit Oversight Board Conversation with Audit Committees; organized by Securities Commission Malaysia.
Mr Eisen Ng Keng Lim	► Why ESG: A Governance Perspective; organized by The Star Media Group Bhd & Telekom Malaysia ► MATRADE Digital Trade Conference and Exhibition; organized by MATRADE
Puan Rozita Binti Abdul Rahman	► How to Really Exploit Digital in Your Company; organized by Digital Nasional Bhd & Federation of Malaysian Manufacturers

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

Directors Remuneration

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	156,000	7,495,037	-	156,000	3,500	-
Tan Chee Keong	120,000	1,848,637	-	120,000	3,500	-
Non-Executive Directors						
Cecile Thai*	95,667	1,000	-	95,667	1,000	-
Dato' Ting Heng Peng	135,000	3,500	-	135,000	3,500	-
Albert Saychuan Cheok	130,000	6,000	-	130,000	6,000	-
Dr Rashid Bin Bakar*	59,153	3,000	-	59,153	3,000	-
Ng Keng Lim, Eisen	107,000	3,500	-	107,000	3,500	-
Sung Fong Fui, Sharon*	122,000	6,000	-	122,000	6,000	-
Rozita Binti Abdul Rahman*	58,500	3,000	-	58,500	3,000	-

* *Dr Rashid Bin Bakar retired at the 25th Annual General Meeting held on 8 December 2022 while Cecile Thai and Sharon Sung resigned from the Board on 17 April 2023 and 30 June 2023 respectively. Puan Rozita Binti Abdul Rahman joined the Board on 3 January 2023.*

SECTION B – 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. Over the years, 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. Since the onset of the Covid-19 pandemic, the Company has had to adapt accordingly by making greater use of various online platforms to conduct virtual meetings.

SECTION C – 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 2023, 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 59 to 61 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 2023, 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	786,121	120,000
Non-audit fees	5,000	5,000
Total	791,121	125,000

Material contracts

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

Contract relating to loans

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

Related Party Transactions

A list of the significant related party transactions between the Company and its subsidiaries, and between the Group and other related parties including relevant Key Management personnel for the financial year ended 30 June 2023 is set out on pages 121 to 122 of the Annual Report.

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 delegation to the Risk Management & Environment, Social and Governance Committee ("RMESG") and Audit Committee (AC) maintains overall responsibility for risk oversight within the Group. Pursuant to MCCG requirements, the RMESG is made up of a majority of Independent Non-Executive directors, whilst the AC comprises three 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 RMESG 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 RMESG, serves as the driving force behind the routine risk management activity to facilitate the Group-wide risk management initiatives from an operational perspective.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

- A Governance and Risk Organisation Structure identifying the Board in retaining the overall risk management responsibility and the delegation of authority and responsibility of the management and reporting mechanism;

- A Risk Register containing risk profiles of the business operation within the Group which have been developed and communicated to the Board. The development of such risk profiles involved identification of key risks faced by the Group's core business units, potential impact and likelihood of those risks occurring, the control effectiveness and the action plans being taken to manage those risks to the desired level;

- A Risk Management & Environment, Social and Governance Committee ("RMESG"), established by the Board to provide assurance concerning the Group's risk management. The RMESG 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.

In terms of sustainability, the overall role of the RMESG is to aid the Board in fulfilling its oversight responsibilities on sustainability governance, including setting strategies, priorities and targets and implementing initiatives to address ESG matters and material sustainability risks and opportunities within the Group. The Group considers the integration of ESG factors as a component of the Board's fiduciary responsibility, and accountable therefore to the oversight and management of sustainability.

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 RMESG 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 RMESG Committee has been established by the Board to provide assurance concerning the Group's risk management. The RMESG Committee performs periodic review of risk management processes and oversee the development of appropriate guidelines and policies for implementation.

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

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

For the financial year ended 30 June 2023, the Internal Audit Department performed financial and operational audits of business and operations activities for the Supermax Group. This covered key risk areas ranging from procurements and payments, production and packing productivity efficiency, human resources management and upkeep of machineries. Internal audit reports were issued and tabled to the Audit Committee regularly at Audit Committee Meetings.

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

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

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

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

a) Clearly documented internal policies and procedures including those that are ISO 9001:2015, 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. During the financial year ended 30 June 2023, the Board is of the view that there have been no significant weaknesses identified in the risk management and internal control system. The Executive Chairman and the Executive Director in charge of the 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

Pursuant to Paragraph 15.23 of the Main Market Listing Requirement of the Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement. The External Auditors have performed limited assurance procedures on this Statement in accordance with Malaysian Approved Standard on Assurance Engagement ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") – Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysia Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditor reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

FINANCIAL STATEMENTS

CORPORATE INFORMATION

Board of Directors	:	Dato' Seri Thai Kim Sim Albert Saychuan Cheok Tan Chee Keong Dato' Ting Heng Peng Ng Keng Lim @ Ngooi Keng Lim Rozita Binti Abdul Rahman Tan Poh Chan
Company Secretary	:	Tai Yit Chan SSM PC NO. 202008001023 (MAICSA 7009143)
Registered Office	:	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor, Malaysia.
Principal Place of Business	:	Lot 38, Putra Industrial Park Bukit Rahman Putra 40160 Sungai Buloh Selangor Darul Ehsan
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 HSBC Bank Malaysia Berhad RHB Bank Berhad Malayan Banking Berhad

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

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 (loss)/profit for the financial year	(171,417,998)	219,773,015
Attributable to :		
Owners of the parent	(140,865,429)	219,773,015
Non-controlling interests	(30,552,569)	-
	(171,417,998)	219,773,015

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 2022:	
- Final single-tier dividend of 3 sen per ordinary share, paid on 18 January 2023	79,345,839
In respect of the financial year ended 30 June 2023:	
- Interim single-tier dividend of 3.5 sen per ordinary share, paid on 18 July 2023	90,164,313
	169,510,152

The directors do not recommend any final dividend in respect of the financial year ended 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 new shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting held on 8 December 2022, 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 88,741,791 of its issued ordinary shares from the open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for RM74,862,320. The average price paid for the shares purchased was RM0.8436 per share. Details of treasury shares are set out in Note 19 to the financial statements. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

As at 30 June 2023 the Company held a total of 144,500,000 ordinary shares of its 2,720,619,520 issued ordinary shares as treasury shares. Such treasury shares were held at a carrying amount of RM145,535,025.

Further details are disclosed in Note 19 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 who served on the Board of the Company during the financial year until the date of this report are:-

Dato' Seri Thai Kim Sim	
Albert Saychuan Cheok	
Tan Chee Keong	
Dato' Ting Heng Peng	
Dr. Rashid Bin Bakar	
Ng Keng Lim @ Ngooi Keng Lim	
Rozita Binti Abdul Rahman	(Appointed on 3 January 2023)
Tan Poh Chan	(Appointed on 1 July 2023)
Dr. Rashid Bin Bakar	(Retired on 8 December 2022)
Cecile Jaclyn Thai	(Vacated on 17 April 2023)
Sung Fong Fui	(Vacated on 30 June 2023)

DIRECTORS OF SUBSIDIARIES

The following is a list of directors of the subsidiaries (excluding directors who are also directors of the Company) in office during the financial year until the date of this report:-

Aurelia Joie Thai
Masakazu Niwa
Andrew Lim See Meng
Alban Lee Sin Tet
Chye Mun Kain
Datuk Wira Tan Bee Geok
Jonathan James Judge
Iain Robert Crawford
Sylvain Bergeron
Tay Chiew Yi
Yasuto Nakajima
Hideyuki Sekimoto

DIRECTORS' REPORT

DIRECTORS (CONT'D)

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 2023 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 1.7.2022/ Date of appointment**	**Acquired**	**(Disposed)**	**At 30.6.2023**
Direct interest				
Albert Saychuan Cheok	173,279	-	-	173,279
Dato' Ting Heng Peng	12,677,834	-	-	12,677,834
Rozita Binti Abdul Rahman	285,670	-	-	285,670
Tan Chee Keong	963,341	-	-	963,341
Indirect interest				
Dato' Seri Thai Kim Sim*	1,038,016,687	-	-	1,038,016,687
Sung Fong Fui**	10,333	-	-	10,333
Rozita Binti Abdul Rahman**	657,410	-	-	657,410

* *Indirect interest through Supermax Holdings Sdn. Bhd., a company controlled by Dato' Seri Thai Kim Sim and his spouse.*
** *Shares held through persons connected to the Director pursuant to Section 8 of the Companies Act 2016 in Malaysia.*

Dato' Seri Thai Kim Sim by virtue of his interest in the ordinary shares of the Company, is 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	983,320	983,320
Other emoluments	9,369,674	33,000
	10,352,994	1,016,320

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

The Company effected directors' liability insurance during the financial year to protect the directors of the Group and the Company against potential costs and liabilities arising from claims brought against the directors. The amount of insurance premium paid by the Company during the financial year was RM34,990.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

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	786,121	120,000
Non-audit fees	5,000	5,000
	791,121	125,000

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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

(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.

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

DATO' SERI THAI KIM SIM

DATO' TING HENG PENG

Kuala Lumpur

Date: 30 October 2023

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 financial position of the Group and of the Company as at 30 June 2023 and of the financial performance 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

DATO' TING HENG PENG

Kuala Lumpur

Date: 30 October 2023

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 30 October 2023

Before me

Notary Public

State of Illinois, United States of America
Date: 30 October 2023

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 2023 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 75 to 133.

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 2023, 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 Refer to Note 3.14(a) and Note 25 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.	**Our procedures included, amongst others:** • Assessed and evaluated the appropriateness of the design and implementation of controls in the revenue cycle. • Performed test of operating effectiveness on the relevant controls identified within the revenue cycle. • Verified revenue transactions to the respective sales invoices and acknowledged delivery orders that evidence the transfer of control of the promised goods to the customers on sampling basis. • Verified credit notes and sales returns subsequent to the year-end date to ascertain whether revenue is recognised in the correct financial period. • Selected revenue transactions pre and post year-end date on sampling basis and verified to the respective sales invoices and acknowledged delivery orders that evidence the transfer of control of the promised goods to the customers to ascertain whether revenue is recognised in the correct financial period.
Valuation of inventories Refer to Note 5(ii) and Note 12 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.	**Our procedures included, amongst others:** • Obtained an understanding of the inventories valuation policy and processes implemented by management. • Agreed the cost of raw materials, direct labour and overhead costs to suppliers' invoices and underlying supporting documents on sampling basis. • Assessed the appropriateness of the basis used by management for the allocation of production overheads based on the normal capacity of the production facilities for the purpose of measurement of cost of inventories. • Evaluated the Group's assessment of the net realisable value of finished goods and compared against the selling price subsequent to year end on sampling basis. • Attended and observed year-end inventory count procedures by management.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUPERMAX CORPORATION BERHAD

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
Impairment of trade receivables Refer to Note 5(i) and Note 13 The Group determines impairment loss allowance on trade receivables based on the expected credit loss ("ECL") model. To measure ECL, the Group made significant assumptions such as expected future cash flows, probability of default, future economic conditions and credit behaviour.	**Our procedures included, amongst others:** • Obtained an understanding of the processes implemented by management in assessing impairment of trade receivables. • Evaluated the assumptions applied by management in assessing the level of impairment losses on trade receivables. • Evaluated the appropriateness of the data used by management as input in the measurement of expected credit losses ("ECL"). • Reviewed the ageing analysis of receivables and tested the reliability thereof. • Reviewed subsequent collections for receivables and overdue amounts on sampling basis.

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 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, which we obtained prior to the date of this auditor's report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

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.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and international Standards on Auditing.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SUPERMAX CORPORATION BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

Wong Choong Ming
03289/10/2024 J
Chartered Accountant

Kuala Lumpur
30 October 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	GROUP 2023 RM	GROUP 2022 RM	COMPANY 2023 RM	COMPANY 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	2 ,217,309,910	1,697,186,208	-	-
Investment property	7	335,888	348,947	-	-
Right-of-use assets	8	25,548,851	31,023,947	-	-
Investments in subsidiaries	9	-	-	847,217,554	841,632,220
Investments in associates	10	227,238,782	207,188,766	18,994,696	18,994,696
Deferred tax assets	11	18,958,064	36,317,013	-	-
		2 ,489,391,495	1,972,064,881	866,212,250	860,626,916
Current assets					
Inventories	12	157,211,761	267,560,542	-	-
Receivables	13	132,280,965	285,293,446	163,475	-
Amounts owing by subsidiaries	14	-	-	10,413,117	9,756,028
Amounts owing by associates	15	17,853,182	24,548,210	-	294,301
Tax recoverable		303,143,211	375,333,700	1,349,998	1,278,698
Short-term investment	16	6,507	3,466,617	-	-
Cash and bank balances	17	2,145,959,531	3,028,690,111	107,903,479	63,100,775
		2,756,455,157	3,984,892,626	119,830,069	74,429,802
TOTAL ASSETS		5 ,245,846,652	5,956,957,507	986,042,319	935,056,718
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	18	340,077,440	340,077,440	340,077,440	340,077,440
Treasury shares	19	(145,535,025)	(70,672,705)	(145,535,025)	(70,672,705)
Reserves	20	4 ,406,931,003	4,596,156,595	699,994,669	649,731,806
Equity attributable to owners of the parent		4 ,601,473,418	4,865,561,330	894,537,084	919,136,541
Non-controlling interests		90,098,836	166,563,291	-	-
TOTAL EQUITY		4 ,691,572,254	5,032,124,621	894,537,084	919,136,541
Non-current liabilities					
Loans and borrowings	21	1,906,442	31,042,444	-	-
Lease liabilities	22	16,784,473	21,545,213	-	-
Deferred tax liabilities	11	37,967,308	67,116,002	-	-
		56,658,223	119,703,659	-	-
Current liabilities					
Payables	23	271,480,493	330,536,650	1,063,197	893,018
Amounts owing to subsidiaries	14	-	-	4,266	14,938,361
Loans and borrowings	21	79,459,324	173,249,756	-	-
Lease liabilities	22	6,284,155	6,655,728	-	-
Dividend payable		90,164,313	-	90,164,313	-
Tax payables		50,227,890	294,687,093	273,459	88,798
		497,616,175	805,129,227	91,505,235	15,920,177
TOTAL LIABILITIES		554,274,398	924,832,886	91,505,235	15,920,177
TOTAL EQUITY AND LIABILITIES		5,245,846,652	5,956,957,507	986,042,319	935,056,718

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		GROUP		COMPANY	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Revenue	24	821,092,063	2,687,227,150	229,570,773	906,154,134
Purchases		(615,024,554)	(1,121,064,167)	-	-
Other operating income		138,298,238	109,480,799	14,564,872	12,105,998
Share of results of associates		(6,795,349)	(11,435,134)	-	-
Changes in inventories of finished goods and work in progress		(54,897,606)	(15,307,273)	-	-
Administrative costs					
Directors' remuneration	25	10,352,994	12,000,741	1,016,320	889,323
Staff costs		137,084,590	159,746,343	37,895	-
Depreciaton of property, plant and equipment		78,440,664	69,263,416	-	-
Depreciaton of investment property		13,059	13,059	-	-
Depreciaton of right-of-use assets		6,913,898	4,584,060	-	-
Impairment loss on property, plant and equipment		33,617,566	63,511,148	-	-
Other operating expenses		198,520,718	274,575,871	23,035,054	31,164,707
Total administrative costs		(464,943,489)	(583,694,638)	(24,089,269)	(32,054,030)
(Loss)/Profit from operation		(182,270,697)	1,065,206,737	220,046,376	886,206,102
Finance costs	26	(7,215,262)	(5,705,375)	-	-
(Loss)/Profit before tax	27	(189,485,959)	1,059,501,362	220,046,376	886,206,102
Taxation	28	18,067,961	(302,378,930)	(273,361)	(88,810)
Net (loss)/profit for the financial year		(171,417,998)	757,122,432	219,773,015	886,117,292
Attributable to :-					
Owners of the parent		(140,865,429)	718,905,390	219,773,015	886,117,292
Non-controlling interests		(30,552,569)	38,217,042	-	-
Net (loss)/profit for the financial year		(171,417,998)	757,122,432	219,773,015	886,117,292
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		129,785,080	82,057,866	-	-
Total comprehensive (loss)/income for the financial year		(41,632,918)	839,180,298	219,773,015	886,117,292
Total comprehensive (loss)/income attributable to:-					
Owners of the parent		(19,715,440)	801,292,280	219,773,015	886,117,292
Non-controlling interests		(21,917,478)	37,888,018	-	-
Total comprehensive (loss)/income for the financial year		(41,632,918)	839,180,298	219,773,015	886,117,292
(Loss)/Earnings per ordinary share attributable to owners of the parent					
Basic and diluted (sen)	29	(5.34)	27.19		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

GROUP	Share Capital RM	Treasury Shares RM	Non-distributable Translation Reserve RM	Distributable Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
	← Attributable to Owners of the Parent			→			
Balance as at 1.7.2022	340,077,440	(70,672,705)	(42,076,953)	4,638,233,548	4,865,561,330	166,563,291	5,032,124,621
Net loss for the financial year	-	-	-	(140,865,429)	(140,865,429)	(30,552,569)	(171,417,998)
Other comprehensive income for the financial year	-	-	121,149,989	-	121,149,989	8 ,635,091	129,785,080
Total comprehensive income/ (loss) for the financial year	-	-	121,149,989	(140,865,429)	(19,715,440)	(21,917,478)	(41,632,918)
Transactions with owners							
Dividends paid (Note 30)	-	-	-	(169,510,152)	(169,510,152)	(54,546,977)	(224,057,129)
Purchases of treasury shares (Note 19)	-	(74,862,320)	-	-	(74,862,320)	-	(74,862,320)
Total transactions with owners	-	(74,862,320)	-	(169,510,152)	(244,372,472)	(54,546,977)	(298,919,449)
Balance as at 30.6.2023	340,077,440	(145,535,025)	79,073,036	4,327,857,967	4,601,473,418	90,098,836	4,691,572,254
Balance as at 1.7.2021	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/ (loss) 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 (Note 30)	-	1 57,872,759	-	(761,346,357)	(603,473,598)	(55,792,529)	(659,266,127)
Acquisition of equity interest of a subsidiary from non-controlling interests	-	-	-	(48,955,655)	(48,955,655)	48,955,655	-
Purchases of treasury shares (Note 19)	-	(42,177,171)	-	-	(42,177,171)	-	(42,177,171)
Total transactions with owners	-	115,695,588	-	(810,302,012)	(694,606,424)	(6,836,874)	(701,443,298)
Balance as at 30.6.2022	340,077,440	(70,672,705)	(42,076,953)	4,638,233,548	4,865,561,330	166,563,291	5,032,124,621

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	← Attributable to Owners of the Parent →			
			Distributable	
COMPANY	**Share Capital RM**	**Treasury Shares RM**	**Retained Earnings RM**	**Total Equity RM**
Balance as at 1.7.2022	340,077,440	(70,672,705)	649,731,806	919,136,541
Net profit, representing total comprehensive income for the financial year	-	-	219,773,015	219,773,015
Transactions with owners				
Dividends paid (Note 30)	-	-	(169,510,152)	(169,510,152)
Purchases of treasury shares (Note 19)	-	(74,862,320)	-	(74,862,320)
Total transactions with owners	-	(74,862,320)	(169,510,152)	(244,372,472)
Balance as at 30.6.2023	340,077,440	(145,535,025)	699,994,669	894,537,084
Balance as at 1.7.2021	340,077,440	(186,368,293)	524,960,871	678,670,018
Net profit, representing total comprehensive income for the financial year	-	-	886,117,292	886,117,292
Transactions with owners				
Dividends paid (Note 30)	-	157,872,759	(761,346,357)	(603,473,598)
Purchases of treasury shares (Note 19)	-	(42,177,171)	-	(42,177,171)
Total transactions with owners	-	115,695,588	(761,346,357)	(645,650,769)
Balance as at 30.6.2022	340,077,440	(70,672,705)	649,731,806	919,136,541

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2022 RM	2022 RM
Cash flows from operating activities				
(Loss)/Profit before tax	(189,485,959)	1,059,501,362	220,046,376	886,206,102
Adjustments for :-				
Depreciation of investment property	13,059	13,059	-	-
Depreciation of property, plant and equipment	78,440,664	69,263,416	-	-
Depreciation of right-of-use assets	6,913,898	4,584,060	-	-
Dividend income	-	-	(229,570,773)	(906,154,134)
Loss/(Gain) on diposal of property, plant and equipment	10,313,283	(31,956,630)	-	-
Property, plant and equipment written off	608,101	-	-	-
Impairment loss on amounts owing by subsidiaries	-	-	-	19,820,140
Inventories written down	45,245,782	1,833,940	-	-
Impairment loss on investments in subsidiaries	-	-	7,165,666	-
Impairment loss on property, plant and equipment	33,617,566	63,511,148	-	-
Reversal of impairment loss on property, plant and equipment	(12,502,495)	-	-	-
Allowance for expected credit loss on amounts owing by associates	294,301	-	294,301	-
Allowance for expected credit loss	521,964	519,177	-	-
Reversal of allowance for expected credit loss	(644,402)	(10,307,006)	-	-
Interest expenses	7,215,262	5,705,375	-	-
Interest income	(51,231,771)	(5,162,160)	(1,139,413)	(369,993)
Loss on dilution of interests in a subsidiary	-	-	-	119,028
Net gain on unrealised foreign exchange	(15,631,327)	(26,386,215)	(13,425,460)	(11,171,987)
Share of results of associates	6,795,349	11,435,134	-	-
Operating (loss)/profit before working capital changes	(79,516,725)	1,142,554,660	(16,629,303)	(11,550,844)
Decrease in inventories	65,102,999	249,112,256	-	-
Decrease/(Increase) in receivables	157,386,563	488,147,432	(163,475)	-
(Increase)/(Decrease) in amount owing by subsidiaries	-	-	(14,993,351)	13,300,330
Decrease in amount owing by associates	6,400,727	17,432,223	-	-
(Decrease)/Increase in payables	(62,499,237)	(841,375,380)	170,179	433,949
Cash generated from/(used in) operations	86,874,327	1,055,871,191	(31,615,950)	2,183,435
Tax paid	(165,990,498)	(712,193,679)	(160,000)	-
Net cash (used in)/generated from operating activities	(79,116,171)	343,677,512	(31,775,950)	2,183,435
Cash flows from investing activities				
Dividend received	-	-	229,570,773	906,154,134
Disposal/(Purchase) of financial assets	3,460,110	(339,000)	-	-
Subscription of shares in subsidiary			(1,000)	-
Quasi loan to subsidiary	-	-	-	(220,300,000)
Proceeds from disposal of property, plant and equipment	2,790,609	97,971,672	-	-
Purchase of property, plant and equipment	(610,506,534)	(448,650,764)	-	-
Net cash (used in)/generated from investing activities	(604,255,815)	(351,018,092)	229,569,773	685,854,134

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities				
Dividends paid	(133,892,816)	(659,266,127)	(79,345,839)	(603,473,598)
Interest received	51,231,771	4,986,780	1,139,413	369,993
Interest paid	(7,215,262)	(5,705,375)	-	-
Repayment of lease liabilities, net	(5,822,688)	(4,559,817)	-	-
Repayment of term loan, net	(50,558,671)	(43,827,653)	-	-
Repayment of short term borrowings, net	(65,776,626)	(14,558,464)	-	-
Purchase of treasury shares	(74,862,320)	(42,177,171)	(74,862,320)	(42,177,171)
Net cash used in financing activities	(286,896,612)	(765,107,827)	(153,068,746)	(645,280,776)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(970,268,598)	(772,448,407)	44,725,077	42,756,793
EFFECT OF THE EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	87,538,018	25,054,143	77,627	(447,935)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	3,028,690,111	3,776,084,375	63,100,775	20,791,917
CASH AND CASH EQUIVALENTS CARRIED FORWARD (Note 31)	2,145,959,531	3,028,690,111	107,903,479	63,100,775

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash outflows for leases as a lessee				
Included in net cash financing activities:				
Interest paid in relation to lease liabilities	1,120,731	733,678	-	-
Net repayment of lease liabilities	5,822,688	4,559,817	-	-
Total cash outflows for leases	6,943,419	5,293,495	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

(c) The principal place of business of the Company is located at Lot 38, Putra Industrial Park, Bukit Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan, Malaysia.

(d) The principal activity of the Company is investment holding. The principal activities and other information of the subsidiaries are set out in Note 9 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

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

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

3.2 Property, plant and equipment

On initial recognition, items of property, plant and equipment are recognised at cost, which includes the purchase price as well as any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the cost of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost 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%
Aircraft	10%
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 noncontrolling 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. If any, changes in the value of the Group's equity interest in the acquiree that have been previously recognised in other comprehensive income are reclassified to profit or loss, if appropriate, had that interest been disposed of directly.

(v) Transactions eliminated on consolidation

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

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

3.6 Goodwill

Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net 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 then prorate amongst the other assets of the unit.

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

Impairment loss in goodwill is not reversed in a subsequent period.

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 classifiy financial assets into three measurement categories, namely: (i) financial assets 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 Group's 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 assets 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 conditions specified for the AC or FVOCI model.

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Equity (Cont'd)

(i) Share capital (Cont'd)

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.

(iii) Treasury Shares

The cost of treasury shares purchased is shown as a deduction from equity in the statement of financial position. When treasury shares are sold or reissued, they are credited to equity. As a result, no gain or loss on treasury shares is included in the profit or loss.

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 pretax 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 and other income

(a) 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:

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 at the amount of transaction price that is allocated to that performance obligation, which is usually the invoice price, net of returns and allowances, trade discounts and volume rebates given to the customer.

(b) Rental income

Rental income from investment property is recognised in a straight-line basis over the term of lease.

(c) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(d) 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 employees 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 Group and the Company treat 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 2022:

- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – 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

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 2023

- 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 MFRS 112 *Income Taxes – International Tax reform - Pillar Two model rules*

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial instruments: Disclosures - Supplier Finance Arrangements.*

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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 2023 for those accounting standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023.

The initial application of amendments to MFRSs is not expected to have any significant impact on the financial statements of 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 make 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) 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.

(iii) Income tax and deferred tax estimation

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

Recognition of deferred tax assets and liabilities involves making a series of assumptions. As far as deferred tax assets are concerned, their realisation ultimately depends on taxable profits being available in the future. Deferred tax assets are recognised only when it is probable that 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	Aircraft RM	Total RM
GROUP													
Cost													
As at 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 (Note 8)	-	-	-	-	-	-	-	-	-	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/ 1 July 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
Additions	384,442	422,242,488	-	1,298,022	175,692,271	6,142,769	1,707,760	1,340,643	518,471	1,179,668	-	-	610,506,534
Disposals	-	-	-	(117,710,508)	-	(6,513,268)	(147,358)	(1,624)	-	(1,495,159)	-	-	(125,867,917)
Written off	-	-	-	(18,023)	(574,851)	-	-	(29,600)	-	-	-	-	(622,474)
Reclassification	-	3,358,350	-	(168,246,036)	(42,209,830)	163,640	9,437,518	220,114	-	-	-	197,276,244	-
Exchange differences	2,030,092	20,654,461	-	171,774	199,138	-	1,035,239	905,879	78,443	193,282	-	-	25,268,308
As at 30 June 2023	300,117,450	802,875,440	1,436,663	779,774,397	598,648,587	102,073,260	108,835,650	39,049,552	42,543,275	13,481,499	279,288	197,276,244	2,986,391,305
Accumulated Depreciation													
As at 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 (Note 8)	-	-	-	-	-	-	-	-	-	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/ 1 July 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
Charge for the financial year	-	7,833,484	-	30,400,917	-	7,721,740	8,043,717	1,975,820	1,664,756	1,072,606	-	19,727,624	78,440,664
Disposals	-	-	-	(105,213,331)	-	(6,513,268)	(142,041)	(1,624)	-	(893,761)	-	-	(112,764,025)
Written off	-	-	-	(4,506)	-	-	-	(9,867)	-	-	-	-	(14,373)
Reclassification	-	-	-	(1,643,969)	-	-	767,435	(767,435)	-	-	-	1,643,969	-
Exchange differences	-	1,203,630	-	102,515	-	-	(489,989)	1,433,590	73,788	52,439	-	-	2,375,973
As at 30 June 2023	-	83,869,425	-	380,693,601	-	57,845,504	51,855,435	23,826,039	19,833,717	9,941,620	279,287	21,371,593	649,516,221
Accumulated impairment													
As at 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/ 1 July 2022	-	13,095,899	-	83,803,256	-	545,046	133,065	80,168	785,230	-	-	-	98,442,664
Charge for the financial year	-	-	-	20,471,865	-	4,864,565	1,207,284	73,549	7,000,303	-	-	-	33,617,566
Reversal	-	-	-	(12,497,177)	-	-	(5,318)	-	-	-	-	-	(12,502,495)
Exchange differences	-	-	-	-	-	-	-	7,439	-	-	-	-	7,439
As at 30 June 2023	-	13,095,899	-	91,777,944	-	5,409,611	1,335,031	161,156	7,785,533	-	-	-	119,565,174
Net carrying amount													
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
As at 30 June 2023	300,117,450	705,910,116	1,436,663	307,302,852	598,648,587	38,818,145	55,645,184	15,062,357	14,924,025	3,539,879	1	175,904,651	2,217,309,910

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 32 to the financial statements.

Impairment loss

During the financial year, an impairment loss of RM33,617,566 was recognised in the profit or loss under impairment loss on property, plant and equipment, representing the impairment of certain plant, machinery and equipment, moulds and tools, electrical fittings and factory equipment, and renovation in the manufacturing segment, as a result of obsolescence.

7. INVESTMENT PROPERTY

	GROUP	
	2023 RM	**2022 RM**
Cost		
As at 1 July/30 June	551,537	551,537
Accumulated depreciation		
As at 1 July	202,590	189,531
Charge for the financial year	13,059	13,059
As at 30 June	215,649	202,590
Net carrying amount	335,888	348,947
Consists of :-		
Freehold office building	335,888	348,947

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

	GROUP	
	2023 RM	**2022 RM**
Rental income	5,882	23,902
Direct operating expenses	(13,059)	(13,059)
	(7,177)	10,843

As at 30 June 2023, the fair value of the investment property is RM 630,000 (2022: RM630,000). The fair value of the Group's investment property was determined by directors' assessment based on the current market value of similar properties in the vicinity.

7. INVESTMENT PROPERTY (CONT'D)

Fair value information

Level 3 fair value

The investment property of the Group is 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 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 2022/1 July 2022	635,690	10,545,079	28,038,317	39,219,086
Additions	690,375	-	-	690,375
Disposals	(123,226)	-	-	(123,226)
Exchange differences	109,644	520,897	856,541	1,487,082
As at 30 June 2023	1,312,483	11,065,976	28,894,858	41,273,317
Accumulated depreciation				
As at 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 2022/1 July 2022	202,450	2,657,966	5,334,723	8,195,139
Charge for the financial year	298,438	2,648,500	3,966,960	6,913,898
Disposals	(123,226)	-	-	(123,226)
Exchange differences	34,473	342,685	361,497	738,655
As at 30 June 2023	412,135	5,649,151	9,663,180	15,724,466
Net carrying amount				
As at 30 June 2022	433,240	7,887,113	22,703,594	31,023,947
As at 30 June 2023	900,348	5,416,825	19,231,678	25,548,851

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

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.

The Group leases land and office premises for its operations. The leases for land and office premises generally have lease term between 1.5 to 99 years. The Group also leases motor vehicles with lease term of 2 to 3 years.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the lease-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

9. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost		
As at 1 July	218,649,159	218,768,187
Addition	1,000	-
Dilution of interests in a subsidiary	-	(119,028)
	218,650,159	218,649,159
Less: Accumulated impairment losses	(8,782,605)	(1,616,939)
As at 30 June	209,867,554	217,032,220
Quasi loan		
As at 1 July	624,600,000	404,300,000
Addition	12,750,000	220,300,000
As at 30 June	637,350,000	624,600,000
Total unquoted shares and quasi loan	847,217,554	841,632,220

Details of the subsidiaries are as follows:-

Name of Companies	Principal place of business/country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	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

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Companies	Principal place of business/country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal Activities
Subsidiaries				
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 gloves
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 devices including gloves
Supermax Healthcare Limited*	United Kingdom	92.7%	92.7%	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
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

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Companies	Principal place of business/country of incorporation	Effective equity interest 2023 %	2022 %	Principal Activities
Subsidiaries				
Supermax Incorporated**	United States of America	100%	100%	Marketing, importing and distribution of related health care product and medical devices
Supermax Property Holdings Sdn Bhd**	Malaysia	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
Subsidiaries of Supermax Healthcare Limited				
Supermax Healthcare (Europe) Limited*	Republic of Ireland	100%	100%	Marketing, importing and distributing latex gloves
Supermax Vision UK Limited*	United Kingdom	100%	-	Marketing, importing and distributing contact lenses

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Companies	Principal place of business/country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal Activities
Subsidiaries of Supermax Healthcare Limited (Cont'd)				
Supermax Healthcare (Ireland) Limited**	United Kingdom	100%	-	Pre-operating
Glovepaq UK Limited**	United Kingdom	100%	-	Pre-operating

* *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 (loss)/profit allocated to NCI are as follows:-

	GROUP 2023 RM	GROUP 2022 RM
Carrying amount of NCI	90,098,836	166,563,291
(Loss)/Profit allocated to NCI	(30,552,569)	38,217,042

(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:-

	2023 RM	2022 RM
Assets and liabilities		
Non-current assets	64,907,566	67,111,022
Current assets	464,759,560	879,673,324
Non-current liabilities	(18,814,231)	(35,628,137)
Current liabilities	(21,157,889)	(163,872,450)
Net assets	489,695,006	747,283,759
Results		
Revenue	276,148,094	1,469,624,587
Net (loss)/profit and total comprehensive (loss)/ income for the financial year	(66,766,554)	228,674,994
Cash flows		
Cash flows from operating activities	95,957,528	122,297,609
Cash flows from investing activities	(7,688,798)	(35,707,109)
Cash flows from financing activities	(283,205,378)	(421,420,527)
Efffects of exchange rate changes on cash and cash equivalents	73,768,740	(35,444,159)
Net change in cash and cash equivalents	(121,167,909)	(370,274,186)

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10. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 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	331,948,794	338,744,143	-	-
Exchange differences	(123,338,254)	(150,183,619)	-	-
Less: Accumulated impairment losses	(1,590,720)	(1,590,720)	(834,793)	(834,793)
	227,238,782	207,188,766	18,994,696	18,994,696

Details of the associates are as follows:-

Name of Companies	Principal place of business/country of incorporation	Effective equity interest 2023 %	Effective equity interest 2022 %	Principal Activities
Supermax Brasil Importadora 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 previous financial years and their share of losses exceed the Group's interest in these associates.*

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

	2023 RM	2022 RM
Assets and liabilities		
Non-current assets	47,058,858	41,969,187
Current assets	414,976,299	376,174,720
Current liabilities	(7,557,593)	(3,766,375)
Net assets	454,477,564	414,377,532
Results		
Revenue	124,261,854	199,421,139
Net loss and total comprehensive loss for the financial year	(13,590,698)	(22,870,270)

11. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2023 RM	2022 RM
As at 1 July	(30,798,989)	45,664,261
Recognised in profit or loss (Note 28)	11,789,745	(76,463,250)
As at 30 June	(19,009,244)	(30,798,989)

Presented after appropriate offsetting as follows:

	GROUP	
	2023 RM	2022 RM
Deferred tax assets	18,958,064	36,317,013
Deferred tax liabilities	(37,967,308)	(67,116,002)
	(19,009,244)	(30,798,989)

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

	GROUP	
	2023 RM	2022 RM
Deferred tax assets		
Unrealised profit on goods in transit	7,944,314	36,096,012
Unutilised capital allowances	14,643,730	463,804
Unutilised tax losses	17,469,633	-
Other deductible temporary differences	13,124,061	12,195,275
Unrealised loss on obsolete inventories	5,030,500	1,777,032
	58,212,238	50,532,123
Deferred tax liabilities		
Differences between the net carrying amounts of property, plant and equipment and their tax base	(68,495,049)	(74,401,851)
Unrealised gain on foreign exchange	(8,726,433)	(6,929,261)
	(77,221,482)	(81,331,112)

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

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

As at 30 June 2023, the Group has the following temporary differences (stated at gross amounts) 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	
	2023 RM	2022 RM
Unabsorbed tax losses	81,334,283	22,244,278
Unabsorbed capital allowances	65,286,525	61,269,408
	146,620,808	83,513,686

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.

There is no expiry date under current legislation for unabsorbed capital allowance.

12. INVENTORIES

	GROUP	
	2023 RM	2022 RM
At lower of cost and net realisable value		
Raw materials	19,845,545	28,092,770
Consumables	11,878,892	10,658,282
Work-in-progress	35,269,894	30,006,486
Finished goods	90,217,430	198,803,004
	157,211,761	267,560,542
Recognised in profit or loss:		
Inventories recognised as expense	669,922,160	1,136,371,440
Inventories written down	45,245,782	1,833,940

13. RECEIVABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	59,170,058	158,357,063	-	-
Less : Allowance for expected credit loss ("ECL")	(5,856,303)	(5,978,741)	- -	
Trade receivables, net	53,313,755	152,378,322	-	-
Other receivables and deposits	76,849,171	119,836,697	163,475	-
Prepayments	2,118,039	13,078,427	-	-
	78,967,210	132,915,124	163,475	-
	132,280,965	285,293,446	163,475	-

13. RECEIVABLES (CONT'D)

Trade receivables

The credit period granted on sale of goods ranges from 30 to 120 days (2022: 30 to 120 days).

Analysis of trade receivables by currency:

	GROUP	
	2023	**2022**
	RM	**RM**
Pound Sterling	18,447,971	15,718,478
United States Dollars	17,491,154	43,291,589
Canadian Dollars	9,333,210	84,874,416
Japanese Yen	7,251,074	8,137,908
Ringgit Malaysia	658,965	236,726
Hong Kong Dollars	71,485	74,240
Singapore Dollars	47,059	33,276
Euro	12,837	11,689
	53,313,755	152,378,322

Ageing analysis of trade receivables:

	GROUP	
	2023	**2022**
	RM	**RM**
Neither past due nor impaired for ECL	37,792,490	54,217,265
1 to 30 days past due not impaired for ECL	11,007,653	17,412,897
More than 30 days past due not impaired for ECL	4,513,612	80,748,160
	15,521,265	98,161,057
Impaired for ECL	5,856,303	5,978,741
	59,170,058	158,357,063

<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.

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13. RECEIVABLES (CONT'D)

Trade 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	
	2023	**2022**
	RM	**RM**
Individually impaired for ECL		
Trade receivables	5,856,303	5,978,741
Less: Allowance for ECL	(5,856,303)	(5,978,741)
	-	-

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

	GROUP	
	2023	**2022**
	RM	**RM**
As at 1 July	5,978,741	15,766,570
Allowance for ECL during the year	521,964	519,177
Reversal of allowance for ECL during the year	(644,402)	(10,307,006)
As at 30 June	5,856,303	5,978,741

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	COMPANY	
	2023	**2022**
	RM	**RM**
Amounts owing by subsidiaries	115,298,322	114,641,233
Less: Allowance for impairment	(104,885,205)	(104,885,205)
	10,413,117	9,756,028
Amounts owing to subsidiaries	(4,266)	(14,938,361)

Amounts owing by/(to) subsidiaries are non-trade in nature, unsecured, repayable on demand and bear interest rate of 5.40% (2022: 2.40%) per annum.

Movements in the allowance account are as follows:-

	COMPANY	
	2023	**2022**
	RM	**RM**
As at 1 July	104,885,205	85,065,065
Allowance for impairment during the year	-	19,820,140
As at 30 June	104,885,205	104,885,205

15. AMOUNTS OWING BY ASSOCIATES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Amounts owing by associates	18,713,845	25,114,572	294,301	294,301
Less: Allowance for impairment	(860,663)	(566,362)	(294,301)	-
	17,853,182	24,548,210	-	294,301

Movements in the allowance for impairment loss on amounts owing by associates are as follows:

	GROUP	
	2023 RM	2022 RM
As at 1 July	566,362	566,362
Impairment loss during the financial year	294,301	-
As at 30 June	860,663	566,362

	COMPANY	
	2023 RM	2022 RM
As at 1 July	-	-
Impairment loss during the financial year	294,301	-
As at 30 June	294,301	-

Included in amounts owing by associates of the Group and of the Company is an amount of RM294,301 (2022: 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 (2022: 120 days).

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

16. SHORT-TERM INVESTMENT

	GROUP	
	2023 RM	2022 RM
Quoted unit trusts at market value	6,507	3,466,617

17. CASH AND BANK BALANCES

Analysis of cash and bank balances by currency:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
United States Dollars	1,425,871,727	2,074,971,748	26,318	25,840
Pound Sterling	289,014,277	540,549,418	308,364	949,914
Ringgit Malaysia	240,350,169	116,688,196	107,568,797	62,125,021
Singapore Dollars	153,467,638	148,109,121	-	-
Euro	11,734,400	33,888,783	-	-
Canadian Dollar	11,644,823	100,602,092	-	-
Japanese Yen	7,490,397	9,693,910	-	-
Hong Kong Dollars	6,374,184	4,174,684	-	-
Chinese Yuan	11,916	12,159	-	-
	2,145,959,531	3,028,690,111	107,903,479	63,100,775

18. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid ordinary shares with no par value				
As at 1 July/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.

19. TREASURY SHARES

	GROUP AND COMPANY			
	Number of ordinary shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
As at 1 July	55,758,209	102,980,727	70,672,705	186,368,293
Purchased during the financial year	88,741,791	40,000,000	74,862,320	42,177,171
Distribution as share dividends	-	(87,222,518)	-	(157,872,759)
As at 30 June	144,500,000	55,758,209	145,535,025	70,672,705

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 8 December 2022, 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.

19. TREASURY SHARES (CONT'D)

During the financial year, the Company purchased 88,741,791 (2022: 40,000,000) of its issued ordinary shares from the open market at an average price of RM0.84 (2022: RM1.05) per ordinary share. The total consideration paid for the shares purchased including transaction costs was RM74,862,320 (2022: RM42,177,171).

In the previous financial year, 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.

As at 30 June 2023, the Company held a total of 144,500,000 (2022: 55,758,209) ordinary shares of its 2,720,619,520 (2022: 2,720,619,520) issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM145,535,025 (2022: RM70,672,705). As at 30 June 2023, the total number of ordinary shares in issue and fully paid net of treasury shares is therefore 2,576,119,520 (2022: 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.

20. RESERVES

		GROUP		COMPANY	
		2023	**2022**	**2023**	**2022**
	Note	**RM**	**RM**	**RM**	**RM**
Non-distributable reserve:					
Translation reserve	(a)	79,073,036	(42,076,953)	-	-
Distributable reserve:					
Retained earnings	(b)	4,327,857,967	4,638,233,548	699,994,669	649,731,806
		4,406,931,003	4,596,156,595	699,994,669	649,731,806

(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 2023 may be distributed as dividend under the single tier system.

21. LOAN AND BORROWINGS

	GROUP 2023 RM	GROUP 2022 RM
Current		
Secured:-		
Trade loans	78,566,864	144,985,392
Term loans	892,460	28,264,364
	79,459,324	173,249,756
Non-current		
Secured:-		
Term loans	1,906,442	31,042,444
Total loans and borrowings	81,365,766	204,292,200

The interest rates are as follows:-

	GROUP 2023 %	GROUP 2022 %
Trade loans	1.43 - 6.05	0.50 - 1.43
Term loans	3.23 - 6.58	2.01 - 2.80

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

Analysis of borrowings by currency:-

	GROUP 2023 RM	GROUP 2022 RM
United States Dollars	79,459,324	190,381,987
Japanese Yen	1,906,442	1,940,400
Canadian Dollars	-	11,969,813
	81,365,766	204,292,200

21. LOAN AND BORROWINGS (CONT'D)

The changes in the Group's liabilities arising from financing activities can be classified as follows:-

	Short-term borrowings RM	Term loans RM	Lease liabilities RM	Total RM
GROUP				
1 July 2021	157,589,047	99,939,229	4,756,341	262,284,614
Cash-flows:				
- Repayments	(14,558,464)	(43,827,653)	(4,559,817)	(62,945,934)
Non-cash:				
- New leases	-	-	28,004,417	28,004,417
- Exchange difference	1,954,809	3,195,235	-	5,150,044
30 June 2022/ 1 July 2022	144,985,392	59,306,808	28,200,941	232,493,141
Cash-flows:				
- Repayments	(65,776,626)	(50,558,671)	(5,822,688)	(122,157,985)
Non-cash:				
- New leases	-	-	690,375	690,375
- Exchange difference	(641,902)	(5,949,235)	-	(6,591,137)
30 June 2023	78,566,864	2,798,902	23,068,628	104,434,394

22. LEASE LIABILITIES

	GROUP	
	2023 RM	2022 RM
Future minimum lease payment:		
- not later than one year	7,431,133	7,419,320
- later than one year but not later than five years	10,254,205	12,921,071
- later than five years	10,878,633	12,319,708
	28,563,971	32,660,099
Less: Future finance charges	(5,495,343)	(4,459,158)
Present value of lease liabilities	23,068,628	28,200,941
Repayable as follows:		
Current		
- not later than one year	6,284,155	6,655,728
Non-current		
- later than one year but not later than five years	8,191,557	11,148,834
- later than five years	8,592,916	10,396,379
	16,784,473	21,545,213
	23,068,628	28,200,941

The average term for lease liabilities ranges from 2 to 6 years and the effective interest rate on lease liabilities ranges from 2.7% to 4.4%.

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23. PAYABLES

		GROUP		COMPANY	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
Trade payables	(a)	209,532,917	144,948,822	218,529	72,341
Other payables	(b)	19,573,213	86,422,243	1,000	-
Deposits received from customers	(c)	27,285,908	64,724,221	-	-
Accruals		15,088,455	34,441,364	843,668	820,677
		271,480,493	330,536,650	1,063,197	893,018

(a) Trade payables

Analysis of trade payables by currency:-

	GROUP	
	2023	2022
	RM	RM
Ringgit Malaysia	110,969,194	79,176,698
United States Dollars	81,132,546	40,082,467
Euro	8,809,693	8,035,142
Japanese Yen	5,397,156	7,751,116
Pound Sterling	1,897,321	1,575,556
Canadian Dollars	996,304	7,424,956
Singapore Dollars	316,240	885,439
Hong Kong Dollars	14,463	17,448
	209,532,917	144,948,822

The credit period granted to the Group for trade purchases ranges from 30 to 60 days (2022: 30 to 60 days).

(b) Other payables

Other payables normally settled on an average term of 30 to 60 days (2022: 30 to 60 days).

(c) Deposits received from customers

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

24. REVENUE

	GROUP	
	2023	2022
	RM	RM
Revenue from contracts with customers:		
Sale of gloves and other healthcare products	821,092,063	2,687,227,150
Timing of revenue recognition:		
At a point in time	821,092,063	2,687,227,150

The disaggregated revenue information by geographical area is disclosed in Note 34.

24. REVENUE (CONT'D)

	COMPANY	
	2023	2022
	RM	RM
Revenue from other sources:		
Dividend income received from subsidiaries	229,570,773	906,154,134

25. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
Executive directors of the Company: -				
- fees	276,000	288,065	276,000	288,065
- other emoluments	9,343,674	11,116,918	7,000	5,500
	9,619,674	11,404,983	283,000	293,565
Non-executive directors of the Company: -				
- fees	707,320	575,258	707,320	575,258
- other emoluments	26,000	20,500	26,000	20,500
	733,320	595,758	733,320	595,758
Total	10,352,994	12,000,741	1,016,320	889,323

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

26. FINANCE COSTS

	GROUP	
	2023	2022
	RM	RM
Interest expenses on:-		
- term loans	1,220,991	1,488,782
- trade loans	4,264,603	1,093,393
- lease liabilities	1,120,731	733,678
- others	608,937	2,389,522
	7,215,262	5,705,375

27. (LOSS)/PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- current year:				
- RSM Malaysia PLT	349,000	294,000	120,000	80,000
- Firm other than member firm of RSM International Ltd	437,121	428,596	-	-
- others:				
- RSM Malaysia PLT	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	78,440,664	69,263,416	-	-
Depreciation of investment property	13,059	13,059	-	-
Depreciation of right-of-use assets	6,913,898	4,584,060	-	-
Loss on dilution of interests in a subsidiary	-	-	-	119,028
Net (gain)/loss on foreign exchange				
- realised	(44,641,467)	(38,973,468)	69,918	(564,019)
- unrealised	(15,631,327)	(26,386,215)	(13,425,460)	(11,171,987)
Rental income from investment property	(5,882)	(23,902)	-	-
Staff costs				
- salaries, wages and bonuses	104,931,131	136,906,223	-	-
- Employees' Provident Fund	7,705,668	7,668,934	-	-
- other related staff costs	24,447,791	15,171,186	37,895	-
Inventories written down	45,245,782	1,833,940	-	-
Impairment loss on property, plant and equipment	33,617,566	63,511,148	-	-
Reversal of impairment loss on property, plant and equipment	(12,502,495)	-	-	-
Loss/(Gain) on disposal property, plant and equipment	10,313,283	(31,956,630)	-	-
Interest income	(51,231,771)	(5,162,160)	(1,139,413)	(369,993)

28. TAXATION

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Current financial year				
- income tax	8,558,644	243,210,772	273,459	88,810
- deferred tax	(11,040,995)	82,154,280	-	-
	(2,482,351)	325,365,052	273,459	88,810
Over provision in prior financial years				
- income tax	14,836,860	17,295,092	98	-
- deferred tax	748,750	5,691,030	-	-
	(15,585,610)	(22,986,122)	(98)	-
	(18,067,961)	302,378,930	273,361	88,810

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 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.

28. TAXATION (CONT'D)

The reconciliation of tax expense and financial results multiplied by the applicable statutory income tax rate is as follows:-

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(189,485,959)	1,059,501,362	220,046,376	886,206,102
Income tax at tax rate of 24%	(45,476,630)	254,280,327	52,811,130	212,689,464
Tax effects in respect of:				
Effects of prosperity tax	-	30,750,704	-	-
Different tax rates in foreign jurisdictions	7,806,513	(16,363,303)	-	-
Income not subject to tax	(2,418,666)	(451,277)	(55,096,985)	(217,476,992)
Share of results of associates	1,630,884	2,744,432	-	-
Expenses not deductible for tax purposes	20,829,840	52,867,929	2,559,314	4,876,338
Deferred tax assets not recognised	15,145,709	1,536,240	-	-
Over provision in prior financial years :-				
- income tax	(14,836,861)	(17,295,092)	(98)	-
- deferred tax	(748,750)	(5,691,030)	-	-
Tax (income)/expense	(18,067,961)	302,378,930	273,361	88,810

As at 30 June 2023, the Group has unabsorbed tax losses of approximately RM151,991,000 (2022: RM22,244,000) and unabsorbed capital allowances of approximately RM128,756,000 (2022: RM61,270,000), 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.

The unabsorbed tax losses amounted to RM92,901,000 (2022: RM22,244,000) will expire in the following financial years, whereas unabsorbed tax losses amounted to RM59,090,000 (2022: NIL) have no expiry under the tax legislation in the respective countries in which the Group operates:

	GROUP	
	2023 RM	2022 RM
Year of assessments		
2029	13,660,000	13,660,000
2030	4,867,000	4,867,000
2033	3,717,000	3,717,000
2034	70,657,000	-
	92,901,000	22,244,000

There is no expiry date under current legislation for unabsorbed capital allowance.

29. (LOSS)/EARNINGS PER ORDINARY SHARE

(a) Basic (Loss)/Earnings Per Share

	GROUP 2023 RM	GROUP 2022 RM
Net (loss)/profit attributable to owners of the parent	(140,865,429)	718,905,390
Number of shares in issue as of 1 July	2,720,619,520	2,720,619,520
Effect of treasury shares held	(84,003,426)	(76,763,135)
Weighted average number of ordinary shares in issue	2,636,616,094	2,643,856,385
Basic (loss)/earnings per ordinary share (sen)	(5.34)	27.19

The basic (loss)/earnings per ordinary share is calculated by dividing the consolidated net (loss)/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 (Loss)/Earnings Per Share

The diluted (loss)/earnings per ordinary share of the Group for the financial year ended 30 June 2023 and 30 June 2022 are same as the basic (loss)/earnings per ordinary share of the Group as the Group has no dilutive potential ordinary shares.

30. DIVIDENDS

	GROUP AND COMPANY 2023 RM	GROUP AND COMPANY 2022 RM
Recognised during the financial year:-		
In respect of the financial year ended 30 June 2021:		
- 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:		
- Special single-tier dividend of 15 sen per ordinary share, paid on 20 September 2021		392,645,819
- 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
- Final single-tier dividend of 3 sen per ordinary share, paid on 18 January 2023	79,345,839	
In respect of the financial year ended 30 June 2023:		
- Interim single-tier dividend of 3.5 sen per ordinary share , paid on 18 July 2023	90,164,313	
	169,510,152	761,346,357

The directors do not recommend any final dividend in respect of the financial year ended 30 June 2023.

31. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	2,145,959,531	3,028,690,111	107,903,479	63,100,775

32. CAPITAL COMMITMENTS

	GROUP	
	2023 RM	2022 RM
Approved and contracted for but not provided in the financial statements		
- Purchases of property, plant and equipment	184,860,018	212,600,000

33. 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.

33. RELATED PARTY DISCLOSURES (CONT'D)

(b) Related parties' transactions

	COMPANY 2023 RM	COMPANY 2022 RM
Dividend received/receivable from subsidiaries		
- Maxter Glove Manufacturing Sdn Bhd	67,591,376	368,520,981
- Supermax Glove Manufacturing Sdn Bhd	-	381,224
- Maxwell Glove Manufacturing Berhad	-	140,001,299
- Supermax Healthcare Limited	71,013,588	338,400,479
- Supermax Healthcare Canada Inc	90,965,809	58,850,151
Interest charged to subsidiaries	77,256	18,000
Sale of gloves to associates	82,640,954	142,385,654

Information regarding outstanding balances arising from related parties' transactions of each reporting date are disclosed in Notes 14 and 15.

The compensation of the key management personnel is disclosed in Note 25.

34. 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.

34. SEGMENT REPORTING (CONT'D)

GROUP 2023	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	338,615,001	474,844,811	7,632,251	-		821,092,063
Inter-segment sales	229,570,773	362,651,179	56,288,326	5,458,373	(653,968,651)	(a)	-
Total revenue	229,570,773	701,266,180	531,133,137	13,090,624	(653,968,651)		821,092,063
Result							
Segment results	218,906,963	(100,156,340)	(127,777,521)	2,248,812	(100,943,846)	(a)	(107,721,932)
Depreciation, amortisation and impairment	-	(99,438,646)	(14,205,518)	(5,341,023)	-		(118,985,187)
Finance costs	-	(6,225,367)	(1,733,868)	(999,963)	1,743,936	(a)	(7,215,262)
Interest income	1,139,413	34,525,292	14,303,715	3,007,287	(1,743,936)	(a)	51,231,771
Tax (expense)/income	(273,361)	33,806,017	13,222,655	(535,650)	(28,151,699)		18,067,961
Share of results of associates							(6,795,349)
Net loss for the financial year							(171,417,998)

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

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

GROUP 2023	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Assets							
Segment assets	967,047,623	4,456,749,046	1,937,318,199	276,627,796	(2,638,092,858)	(b)	4,999,649,806
Deferred tax assets							18,958,064
Investments in associates							227,238,782
Consolidated total assets							5,245,846,652
Liabilities							
Segment liabilities	91,505,235	1,613,965,638	769,441,379	254,278,988	(2,212,884,150)	(c)	516,307,090
Deferred tax liabilities							37,967,308
Consolidated total liabilities							554,274,398

34. 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)	(a)	(302,378,930)
Share of result of associates							(11,435,134)
Net profit for the financial year							757,122,432

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 2022	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Assets							
Segment assets	916,062,022	4,694,329,704	2,919,831,457	271,902,410	(3,088,673,865)	(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	15,920,177	1,633,010,925	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**

34. 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:-

	2023 RM	2022 RM
Asia	1,670,848,451	1,591,854,297
North America	540,241,406	99,608,743
Europe	6,220,053	5,723,168
	2,217,309,910	1,697,186,208

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:-

	2023 RM	2022 RM
Europe	343,988,281	1,074,332,578
North, Central and South America	235,262,539	1,179,932,151
Asia and Oceania	210,852,771	369,442,189
Africa	30,988,472	63,520,232
	821,092,063	2,687,227,150

35. 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 2023			
Financial assets			
Receivables, net of prepayments	130,162,926	130,162,926	-
Amounts owing by associates	17,853,182	17,853,182	-
Short-term investments	6,507	-	6,507
Cash and bank balances	2,145,959,531	2,145,959,531	-
	2,293,982,146	2,293,975,639	6,507

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35. 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 2023			
Financial Liabilities			
Payables	271,480,493	271,480,493	-
Trade loans	78,566,864	78,566,864	-
Term loans	2,798,902	2,798,902	-
Lease liabilities	23,068,628	23,068,628	-
	375,914,887	375,914,887	-
COMPANY			
30 June 2023			
Financial assets			
Other receivables	163,475	163,475	-
Amounts owing by subsidiaries	10,413,117	10,413,117	-
Cash and bank balances	107,903,479	107,903,479	-
	118,480,071	118,480,071	-
Financial liabilities			
Payables	1,063,197	1,063,197	-
Amount owing to subsidiaries	4,266	4,266	-
	1,067,463	1,067,463	-

	Carrying Amount RM	AC RM	FVTPL RM
GROUP			
30 June 2022			
Financial assets			
Receivables, net of prepayments	272,215,019	272,215,019	-
Amounts 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
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	-

35. 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 2022			
Financial assets			
Amounts owing by subsidiaries	9,756,028	9,756,028	-
Amounts 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	-

36. 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 statements 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.

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

(i) Trade receivables (Cont'd)

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

Impairment for trade receivables are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses. The Group uses an allowance matrix to measure the expected credit loss of trade receivables.

The Group categorises 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:-

	2023 RM	2022 RM
Europe	35,422,057	51,311,138
North, Central and South America	13,720,402	89,065,672
Asia and Oceania	3,573,499	8,945,689
Africa	597,797	3,055,823
	53,313,755	152,378,322

(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.

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit risk (Cont'd)

(ii) Inter-company balances (Cont'd)

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.

(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 RM131,776,000 (2022: RM239,533,000) 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.

36. 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
2023				
Financial liabilities				
Payables	271,480,493	271,480,493	271,480,493	-
Loans and borrowings	81,365,766	81,365,766	79,459,324	1,906,442
Lease liabilities	23,068,628	28,563,971	7,431,133	21,132,838
	375,914,887	381,410,230	358,370,950	23,039,280
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

COMPANY	Carrying amounts RM	Contractual undiscounted cash flows RM	Repayable within 1 year RM
2023			
Financial liabilities			
Payables	1,063,197	1,063,197	1,063,197
Amount owing to subsidiaries	4,266	4,266	4,266
Financial guarantees	-	131,776,000	131,776,000
	1,067,463	132,843,463	132,843,463
2022			
Financial liabilities			
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

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk

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

(i) Interest rate risk

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

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 1% lower/higher, with all other variables held constant, the Group's loss/profit net of tax would have been higher/lower, for external borrowings, RM794,000 (2022: RM1,767,000). 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 sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

There is exposure to foreign currency movements on financial assets and financial liabilities denominated in foreign currencies. 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"), Singapore Dollars ("SGD"), Canadian Dollars ("CAD"), Euro, Japanese Yen ("JPY") and Hong Kong Dollars ("HKD").

Sensitivity analysis for foreign currency risk

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

	GROUP	
	2023 RM Profit/(loss) for the year	**2022 RM Profit/(loss) for the year**
USD/RM		
- strengthened 3% (2022:3%)	29,247,179	43,955,695
- weakened 3% (2022:3%)	(29,247,179)	(43,955,695)
GBP/RM		
- strengthened 3% (2022:3%)	6,966,880	12,682,908
- weakened 3% (2022:3%)	(6,966,880)	(12,682,908)
SGD/RM		
- strengthened 3% (2022:3%)	3,492,925	3,377,647
- weakened 3% (2022:3%)	(3,492,925)	(3,377,647)
CAD/RM		
- strengthened 3% (2022:3%)	455,583	3,955,953
- weakened 3% (2023:3%)	(455,583)	(3,955,953)
Euro/RM		
- strengthened 3% (2022:3%)	66,976	772,931
- weakened 3% (2022:3%)	(66,976)	(772,931)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Market risk (Cont'd)

(ii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

	GROUP	
	2023 RM Profit/(loss) for the year	2022 RM Profit/(loss) for the year
JPY/RM		
- strengthened 3% (2022:3%)	169,584	362,324
- weakened 3% (2022:3%)	(169,584)	(362,324)
HKD/RM		
- strengthened 3% (2022:3%)	146,631	96,875
- weakened 3% (2022:3%)	(146,631)	(96,875)

(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.

37. 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.

38. 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 2023 and 30 June 2022.

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.

38. CAPITAL MANAGEMENT (CONT'D)

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

GROUP	2023 RM	2022 RM
Payables	271,480,493	330,536,650
Loans and borrowings	81,365,766	204,292,200
Lease liabilities	23,068,628	28,200,941
Total debts	375,914,887	563,029,791
Equity attributable to owners of the parent	4,601,473,418	4,865,561,330
Capital and total debts	4,977,388,305	5,428,591,121
Gearing ratio	7.6%	10.4%

COMPANY	2023 RM	2022 RM
Payables	1,063,197	893,018
Amounts owing to subsidiaries	4,266	14,938,361
Total debts	1,067,463	15,831,379
Equity attributable to owners of the parent	894,537,084	919,136,541
Capital and total debts	895,604,547	934,967,920
Gearing ratio	0.1%	1.7%

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.

39. EVENT AFTER THE REPORTING PERIOD

The U.S. Customs and Border Protection ("USCBP") had in its release dated 19 September 2023, announced that it had modified the Withhold Release Order ("WRO”) issued against Group and would no longer detain disposable gloves produced by the Group with effect from 18 September 2023.

This modification is in recognition of the successful remediation of forced labour indicators within their supply chain.

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 30 October 2023.

LIST OF PROPERTIES
Held by the Group as at 30th June 2023

	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	25 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	22 years	5.0063 acres/ (127,861sq ft)	Freehold	22,681,788
3.	Lot 38, Jalan BRP9/2B, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan.	Land, Factory cum Office Building	18 years	5.6337 acres	Freehold	21,126,041
4.	Lot No. 5128, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	19 years	4.6875 acres	Freehold	8,377,156
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)	653,205
6.	Suite No. 708, 6th Floor (Level 7), Menara Atlas, (Tower A), Plaza Pantai, Off Jalan Pantai Baru, Kuala Lumpur.	Stratified office lot	21 years	1,235 sq ft	Freehold	335,891
7.	Lot 6068, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	17 years	5.00625 acres	Freehold	14,874,269
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)	3,442,217
9.	Lot 72706 Jalan Lahat, Kawasan Perindustrian Bukit Merah, 31500 Lahat, Perak Darul Ridzuan.	Industrial Land		26,688sq m	Leasehold - 60 years (Exp:13.1.2037)	165,578
	HS(D)KA 70399 Lot 72706, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Single-storey factory with annexed two-storey office buildings	30 years	18,534sq m		-
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)	771,690

LIST OF PROPERTIES
Held by the Group as at 30th June 2023

	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)	831,615
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)	27,149,769
17.	Lot 6069, Mukim Kapar, Daerah Klang, Negeri Selangor.	Land and office cum factory warehouse	22 years	20,260sq m	Freehold	18,447,496
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)	1,976,977
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	23,228,135
25.	Geran No. 45719 Lot No. 6058, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building		20,209sq m	Freehold	25,824,703
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	4 years	20,234sq m	Freehold	74,406,927
28.	Geran No. 68913 Lot No. 43816, Mukim Kapar, District Klang, Selangor.	Land and Building	1 year	65,550sq m	Freehold	71,100,961
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 29 September 2023

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	14,281	110	489,337	3,687	0.02	0.00
100 - 1,000	10,627	67	4,561,964	30,516	0.18	0.00
1,001 - 10,000	36,349	240	136,395,432	989,267	5.29	0.04
10,001 - 100,000	15,845	231	431,186,783	7,474,218	16.74	0.29
100,001 - 128,805,975 (*)	1,743	126	773,102,685	183,868,944	30.01	7.14
128,805,9765 and above (**)	1	0	1,038,016,687	0	40.29	0.00
Total	**78,846**	**774**	**2,383,752,888**	**192,366,632**	**92.53**	**7.47**
	No. of Holders		**No. of Shares**		**%**	
Grand Total	**79,620**		**2,576,119,520**		**100.00**	

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

LIST OF TOP 30 HOLDERS AS AT 29 SEPTEMBER 2023

No.	Name	Holdings	%
1	SUPERMAX HOLDINGS SDN BHD	1,038,016,687	40.29
2	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	59,804,200	2.32
3	TAN GEOK SWEE @ TAN CHIN HUAT	24,149,493	0.94
4	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	23,402,429	0.91
5	TAN GEOK SWEE @ TAN CHIN HUAT	22,355,989	0.87
6	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	21,678,543	0.84
7	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	19,937,520	0.77
8	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	18,756,399	0.73
9	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG BALANCED FUND	16,000,000	0.62
10	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG HON KONG	13,854,300	0.54
11	GONG WOOI TEIK	12,513,379	0.49
12	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	10,335,710	0.40
13	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	7,312,103	0.28
14	TOH MAY FOOK	6,500,000	0.25
15	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	6,438,401	0.25
16	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND WTAU FOR WISDOMTREE EMERGING MARKETS SMALLCAP DIVIDEND FUND	6,137,026	0.24
17	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	5,990,342	0.23
18	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ABU DHABI INVESTMENT AUTHORITY(INSESC)	5,751,555	0.22

ANALYSIS OF SHAREHOLDINGS
As at 29 September 2023

No.	Name	Holdings	%
19	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	5,513,241	0.21
20	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NONLENDABLE FUND	5,490,446	0.21
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG (14570MZ0406)	5,367,577	0.21
22	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR VANGUARD FTSE ALL-WORLD EX-US SMALL-CAP INDEX FUND	5,263,400	0.20
23	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR UPS GROUP TRUST	4,966,304	0.19
24	TAN BEE HONG	4,440,973	0.17
25	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	4,314,583	0.16
26	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LONDON FUND OD75 FOR ISHARES PUBLIC LIMITED COMPANY	3,986,372	0.15
27	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	3,923,530	0.15
28	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG	3,802,666	0.15
29	TAN YU SING	3,759,268	0.15
30	LIM CHEAI NI	3,736,936	0.15

INFORMATION ON DIRECTORS HOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 29 SEPTEMBER 2023

		No. of Ordinary Shares Held			
No.	Name	Direct	%	Indirect	%
1	DATO' SERI THAI KIM SIM, STANLEY	-	-	1,038,016,687[1]	40.29
2	TAN CHEE KEONG	963,341	0.04	-	-
3	DATO' TING HENG PENG	12,677,834	0.49	-	-
4	ALBERT SAYCHUAN CHEOK	173,279	0.01	-	-
5	NG KENG LIM @ NGOOI KENG LIM, EISEN	-	-	-	-
6	ROZITA BINTI ABDUL RAHMAN	285,670	0.01	657,410[2]	0.03
7	TAN POH CHAN	-	-	20,666[2]	0.001

INFORMATION ON SUBSTANTIAL SHAREHOLDERS' HOLDINGS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 29 SEPTEMBER 2023

		No. of Ordinary Shares Held			
No.	Name	Direct	%	Indirect	%
1	SUPERMAX HOLDINGS SDN BHD	1,038,016,687	40.29	-	-
2	DATO' SERI THAI KIM SIM, STANLEY	-	-	1,038,016,687[3]	40.29
3	DATUK WIRA TAN BEE GEOK	-	-	1,038,016,687[3]	40.29

Notes:-

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

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting ("**26th AGM**") of SUPERMAX CORPORATION BERHAD ("**Supermax**" or the "**Company**") will be conducted on a virtual basis through live streaming from the broadcast venue at Lot 38, Putra Industrial Park, Bukit Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan, Malaysia ("**Broadcast Venue**") on Friday, 8 December 2023 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**

2. To approve the payment of Directors' fees of up to RM1,319,000 for the financial year ending 30 June 2024. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits of up to RM39,000 for the period from 9 December 2023 until the next Annual General Meeting of the Company. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who are retiring pursuant to Clause 76(3) of the Company's Constitution:

   (i) Mr Albert Saychuan Cheok **(Ordinary Resolution 3)**
   (ii) Mr Tan Chee Keong **(Ordinary Resolution 4)**

5. To re-elect Puan Rozita binti Abdul Rahman who is retiring pursuant to Clause 78 of the Company's Constitution. **(Ordinary Resolution 5)**

   Ms Tan Poh Chan who is also retiring pursuant to Clause 78 of the Company's Constitution, has expressed her intention not to seek for re-election. Accordingly, she will retain office until the close of the 26th AGM.

6. To appoint Messrs HLB Ler Lum Chew PLT as the new Auditors in place of the retiring Auditors, Messrs RSM Malaysia PLT, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

7. **WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 7)**

   "THAT pursuant to Section 85 of the Companies Act 2016 ("**Act**"), read together with Clause 12(3) of the Company's Constitution, 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 the passing of the Ordinary Resolution 8 below."

8. **AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 8)**

"THAT contingent upon the passing of the Ordinary Resolution 7 above and pursuant to Sections 75 and 76 of the Companies Act 2016 ("**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 ("**AGM**") of the Company held after the approval was given;

(b) the expiration of the period within which the next AGM 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 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."

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

9. **PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **(Ordinary Resolution 9)**

"THAT subject to the Companies Act 2016 ("**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 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, necessary and expedient in the best interest of the Company, PROVIDED THAT:

(a) the maximum aggregate number of issued shares in the Company ("**Shares**") purchased ("**Purchased Shares**") and/or held as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any in time point of purchase;

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total amount of retained profits of the Company; and

(c) the authority conferred by this resolution shall be effective immediately upon passing of this resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following at which time the authority shall lapse unless by an 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 AGM of the Company is required by law to be held; or

(iii) the authority is 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 provisions of Listing Requirements and/or any applicable laws, rules, regulations, orders, guidelines and/or requirements issued by any relevant authorities.

THAT, upon completion of the purchase by the Company of its own Shares, the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares in their absolute discretion in the following manner:

(i) cancel all or part of the Purchased Shares; or

(ii) retain all or part of the Purchased Shares as treasury shares; or

(iii) distribute all or part of the treasury shares as dividends to the shareholders of the Company; or

(iv) resell all or part of the treasury shares; or

(v) 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; or

(vi) transfer all or part of the treasury shares as purchase consideration; or

(vii) sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; or

(viii) deal with the treasury shares in such other manners as allowed under 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 depository account(s) under Securities Industry (Central Depositories) Act, 1991) and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company's common seal, where necessary), arrangements and guarantee with any party or parties to implement, finalise and give full effect to and complete the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities or as the Directors may in their discretion deem fit, necessary or relevant and to do all such acts and things the Directors may consider necessary or expedient in the best interests of the Company."

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

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA 7009143) (SSM PC No. 202008001023)
Company Secretary

31 October 2023
Selangor Darul Ehsan

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTES:

1. The 26th AGM will be conducted on a virtual basis through live streaming and online remote voting using the remote participation and electronic voting facilities (“**RPEV facilities**”) to be provided by the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd at https://meeting.boardroomlimited.my.

   Please refer to the Administrative Guide for Shareholders for the 26th AGM on the procedures to register, participate and vote remotely via the RPEV facilities.

2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the 26th AGM. **Members/proxies/corporate representatives are not allowed to be physically present nor admitted at the Broadcast Venue on the day of the 26th AGM of the Company.**

3. For the purpose of determining who shall be entitled to attend this 26th 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 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend the 26th AGM or appoint a proxy to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, “**participate**”) on his/her/its behalf.

4. A member of the Company entitled to participate at the 26th AGM is entitled to appoint not more than two (2) proxies to participate in his/her place. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

5. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with 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 (1) 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. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney and in the case of a corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.

8. The Proxy Form or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the office of the Company’s Share Registrar, 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, Malaysia via post/courier/by hand.

   Alternatively, the Proxy Form may also be submitted electronically via Boardroom Share Registrar’s website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time appointed for the holding of the 26th AGM or any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Please refer to the Administrative Guide for Shareholders for further information on the electronic submission.

9. The appointment of the proxy(ies) will be **INVALID** if the Proxy Form/ e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.

10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 26th AGM will be put to vote on poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

EXPLANATORY NOTES

1. ITEM 1 OF THE AGENDA – AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 ("**Act**"). Hence, this item is not put forward for voting.

2. ITEMS 2 AND 3 OF THE AGENDA - PAYMENT OF DIRECTORS' FEES AND BENEFITS

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

The proposed Ordinary Resolution 1 is to facilitate the payment of the Directors' fees of up to RM1,319,000 for the financial year ending 30 June 2024, calculated based on the expected 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 Ordinary Resolution 2 are calculated based on the expected 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.

3. ITEMS 4 AND 5 OF THE AGENDA - RE-ELECTION OF DIRECTORS

Mr Albert Saychuan Cheok, Mr Tan Chee Keong and Puan Rozita binti Abdul Rahman are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 26th AGM.

Ms Tan Poh Chan, who is also subject for retirement pursuant to Clause 78 of the Company's Constitution had indicated to the Company that she would not be seeking for re-election and will retire at the conclusion of the 26th AGM of the Company.

The Board had through the Nomination and Remuneration Committee ("**NRC**"), considered the assessment of Mr Albert Saychuan Cheok, Mr Tan Chee Keong and Puan Rozita binti Abdul Rahman and agreed that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") 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 Mr Albert Saychuan Cheok and Puan Rozita binti Abdul Rahman and is satisfied that they complied with the criteria prescribed by the Listing Requirements.

Based on the above, the Board had endorsed the recommendation of the NRC to seek the shareholders' approval for the re-election of the retiring Directors.

All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board meetings. They will continue to abstain from voting on their own re-election at the 26th AGM.

The profiles of the Directors seeking re-election at the 26th AGM are set out in the Profile of the Board of Directors on pages 7 to 9 of the Company's Annual Report 2023.

4. ITEM 6 OF THE AGENDA – PROPOSED APPOINTMENT OF THE NEW AUDITORS IN PLACE OF THE RETIRING AUDITORS

The Company's existing Auditors, Messrs RSM Malaysia PLT, were re-appointed as Auditors of the Company at the Twenty-Fifth AGM of the Company held on 8 December 2022 to hold office until the conclusion of the forthcoming 26th AGM. The Company had received a notification from Messrs RSM Malaysia PLT on their intention to retire and are not seeking re-appointment subsequent to the conclusion of the 26th AGM.

The Audit Committee and the Board had reviewed and considered the profile of Messrs HLB Ler Lum Chew PLT, and subsequently, agreed to recommend the appointment of Messrs HLB Ler Lum Chew PLT as the new Auditors of the Company, subject to their consent to act being obtained and the professional clearance in accordance with the By-Laws of the Malaysia Institute of Accountants from the outgoing Auditors prior to this AGM. If approved, Messrs HLB Ler Lum Chew PLT shall hold office until the conclusion of the next AGM of the Company.

The proposed change of Auditors is in line with the good corporate governance to review the appointment of the Company's Auditors from time to time.

5. ITEM 7 OF THE AGENDA - WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016

The proposed Ordinary Resolution 7 is pertaining to the waiver of pre-emptive rights pursuant to Section 85 of the Act. By voting in favour of the Ordinary Resolution 7, the shareholders of the Company would be waiving their pre-emptive right. The Ordinary Resolution 7 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.

6. ITEM 8 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 Ordinary Resolution 8 is the renewal of the mandate obtained from the members at the last AGM ("**the previous mandate**"). The previous mandate was not utilised and accordingly no proceeds were raised.

Subject to passing the Ordinary Resolution 7 on the waiver of pre-emptive rights pursuant to Section 85 of the Act, the proposed Ordinary Resolution 8, 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 AGM of the Company.

7. ITEM 9 OF THE AGENDA - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed Ordinary Resolution 9, if passed, will empower the Company to purchase up to ten per centum (10%) of the issued share capital of the Company through Bursa Securities as may be determined by the Directors of the Company at any time within the time stipulated by utilising the funds allocated out of the retained profits of the Company based on the latest audited financial and/or the latest management accounts (where applicable) available at the time of the purchase.

For further information, please refer to the Statement to Shareholders of the Company dated 31 October 2023.

PERSONAL DATA POLICY

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, participate and vote at the 26th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the proxies and representatives appointed for the 26th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 26th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SUPERMAX
CORPORATION BERHAD
199701004909 (420405-P)

PROXY FORM

CDS Account No.
No. of Shares held

I/We____Tel No. ________________________________

(Full name in block and NRIC No. / Company No.)

of ____

(Address)

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

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

and / or* (*delete as appropriate)

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

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be conducted via a virtual basis through live streaming from the broadcast venue at Lot 38, Putra Industrial Park, Bukit Rahman Putra, 40160 Sungai Buloh, Selangor Darul Ehsan, Malaysia on Friday, 8 December 2023 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:

Items	RESOLUTIONS	Resolution	FOR	AGAINST
ORDINARY BUSINESS				
1.	Payment of Directors' Fees for the financial year ending 30 June 2024.	1		
2.	Payment of Directors' benefits for the period from 9 December 2023 until the next Annual General Meeting.	2		
3.	Re-election of Mr Albert Saychuan Cheok as Director.	3		
4.	Re-election of Mr Tan Chee Keong as Director.	4		
5.	Re-election of Puan Rozita binti Abdul Rahman as Director	5		
6.	Appointment of Messrs HLB Ler Lum Chew PLT as the new Auditors of the Company.	6		
AS SPECIAL BUSINESS				
7.	Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016.	7		
8.	Authority for Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	8		
9.	Proposed renewal of share buy-back authority .	9		

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. *The 26th AGM will be conducted on a virtual basis through live streaming and online remote voting using the remote participation and electronic voting facilities ("***RPEV facilities***") to be provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at https://meeting.boardroomlimited.my.*

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2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the Meeting to be present at the main venue of the 26th AGM.* ***Members/proxies/ corporate representatives are not allowed to be physically present nor admitted at the Broadcast Venue on the day of the 26th AGM of the Company.***

3. *For the purpose of determining who shall be entitled to attend this 26th 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 2023. Only a member whose name appears on this Record of Depositors shall be entitled to attend the 26th AGM or appoint a proxy to attend, participate, speak (in the form of real time submission of typed texts) and vote (collectively, "***participate***") on his/her/its behalf.*

4. *A member of the Company entitled to participate at the 26th AGM is entitled to appoint not more than two (2) proxies to participate in his/her place. Where a member appoints two (2) proxies to attend the same meeting, the member shall specify the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.*

5. *Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with 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 (1) 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. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney and in the case of a corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.*

8. *The Proxy Form or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney shall be deposited at the office of the Company's Share Registrar, 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, Malaysia via post/courier/by hand.*

   Alternatively, the Proxy Form may also be submitted electronically via Boardroom Share Registrar's website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com not less than forty-eight (48) hours before the time appointed for the holding of the 26th AGM or any adjournment thereof, and in default the instrument of proxy shall not be treated as valid. Please refer to the Administrative Guide for Shareholders for further information on the electronic submission.

9. *The appointment of the proxy(ies) will be* ***INVALID*** *if the Proxy Form / e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.*

10. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of 26th AGM will be put to vote on poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*

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AFFIX STAMP

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

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