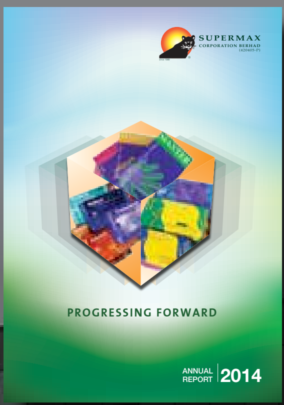
SUPERMAX
CORPORATION BERHAD
(420405-P)
since 1989

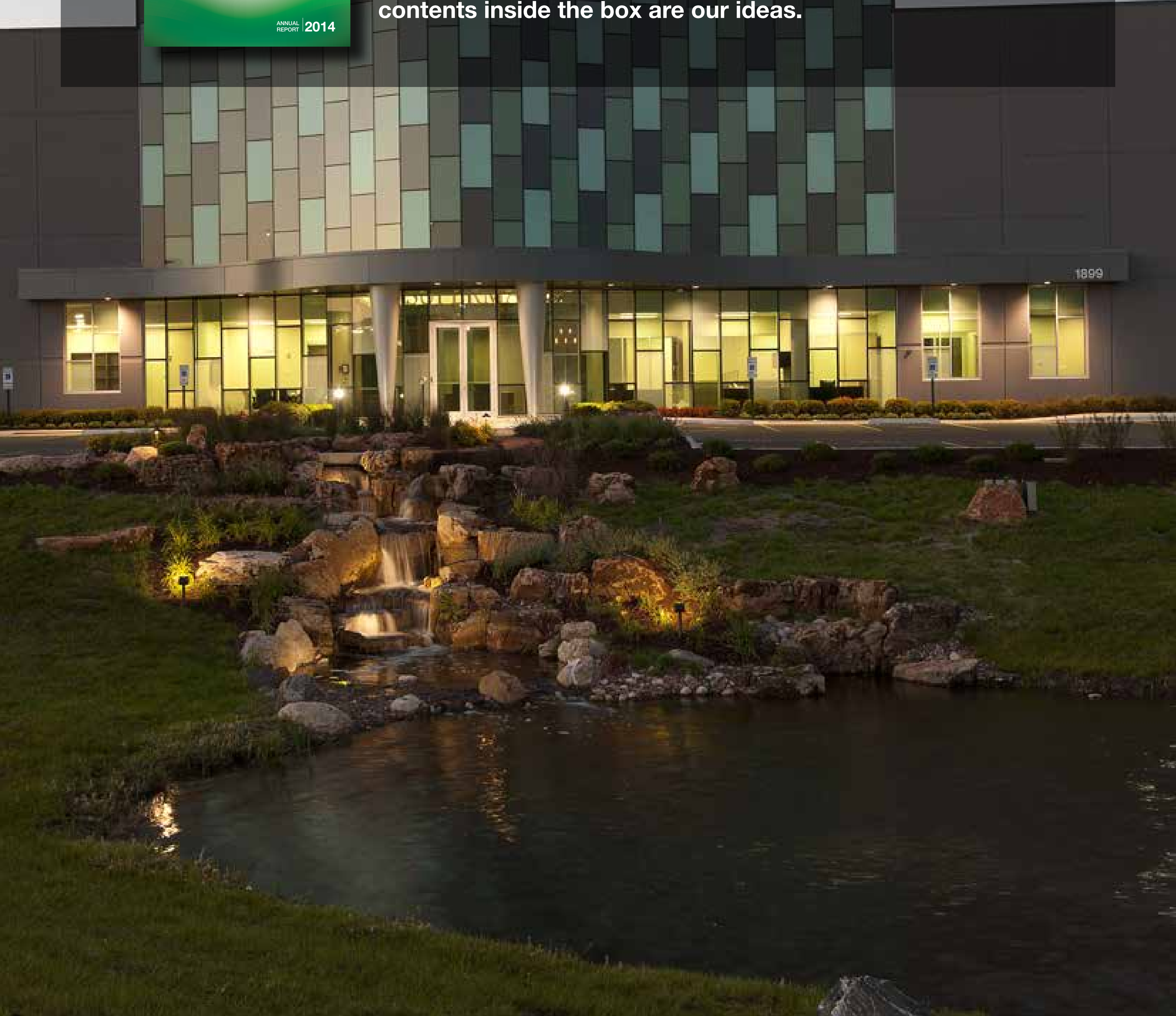
PROGRESSING FORWARD

ANNUAL REPORT 2014



COVER RATIONALE

The idea behind this cover is "Progressing Ahead". With a strong core team of individuals working together towards a common goal, we believe that we are a group of extremely talented individuals, combined into one box just waiting to be revealed across the world. The box represents our dreams, hopes and ambitions while the contents inside the box are our ideas.



SUPERMAX
CORPORATION BERHAD
(420405-P)

since 1989

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CORPORATE PROFILE

SUPERMAX CORPORATION BERHAD is a leading international manufacturer, distributor and marketer of high quality medical gloves. 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 eleven factories manufacturing various types of natural rubber and nitrile latex gloves, which are exported to over 155 countries around the world, such as the United States of America, European Union, Middle East, Asia and South Pacific 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. One of the founders, Dato' Seri Stanley Thai himself, also won 2 very prestigious awards in 2010, i.e. Malaysia's Ernst & Young Entrepreneur of The Year Award 2010 and Malaysia's CEO of The Year Award 2010.

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.

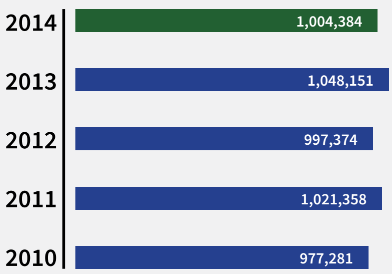
FINANCIAL HIGHLIGHTS

	2014 RM'000	2013 RM'000
Revenue	1,004,384	1,048,151
Pre-tax profit	128,293	148,157
After-tax profit	95,195	118,990
Net assets	944,082	897,648
Total assets	1,473,118	1,369,735
Paid-up capital	340,077	340,077
Shareholders' equity	944,082	897,648
Interim dividend	13,541	13,583
Final dividend	20,375	20,375
Net assets per share (in RM)	1.39	1.32
Earnings per ordinary share of RM0.50 each (in Sen)	14.09	17.63

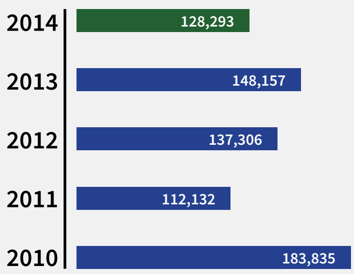
* *Subject to shareholders' approval at upcoming Annual General Meeting*

FIVE-YEARS FINANCIAL SUMMARY

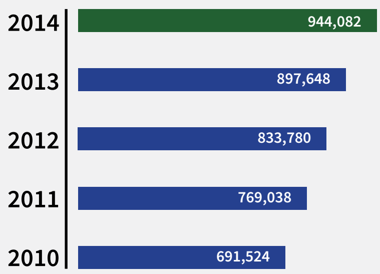
REVENUE (RM'000)



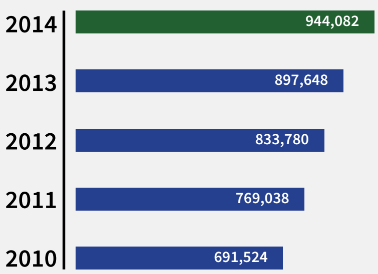
PRE-TAX PROFIT (RM'000)



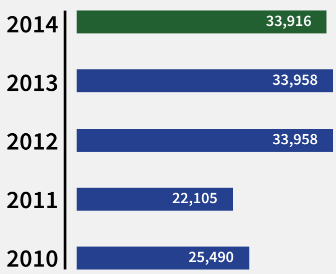
NET ASSETS (RM'000)



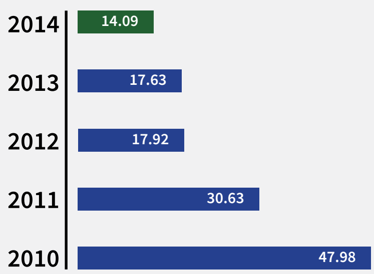
SHAREHOLDERS' EQUITY (RM'000)



DIVIDEND PAYOUT (RM'000)



BASIC EARNINGS PER SHARE (RM'000)



	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	1,004,384	1,048,151	997,374	1,021,358	977,281
Pre-tax profit	128,293	148,157	137,306	112,132	183,835
Net assets	944,082	897,648	833,780	769,038	691,524
Shareholders' equity	944,082	897,648	833,780	769,038	691,524
Dividend payout	33,916	33,958	33,958	22,105	25,490
Basic earnings per share (sen)	14.09	17.63	17.92	30.63	47.98

* *Based on ordinary share of RM0.50 each.*

CORPORATE STRUCTURE

SUPERMAX CORPORATION BERHAD (420405-P)

since 1989

- **100%** **Supermax Glove Manufacturing Sdn Bhd** (218698-T)
- **100%** **Maxter Glove Manufacturing Sdn Bhd** (229862-H)
  - **100%** **Seal Polymer Latex Products Sdn Bhd** (754360-X)
- **100%** **Supermax Latex Products Sdn Bhd** (34197-T)
- **100%** **Supermax Healthcare Incorporated**
- **100%** **Supermax International Sdn Bhd** (551579-X)
  - **98%** **SuperVision Optimax Sdn Bhd** (1083853-U)
- **100%** **Supermax Energy Sdn Bhd** (318117-P)
- **100%** **Maxwell Glove Manufacturing Berhad** (99472-X)
  (Formerly known as Spenser Glove Manufacturing Berhad)
- **100%** **Supermax Deutschland GmbH**
- **100%** **Supermax Global Limited**
- **100%** **Supermax Healthcare Limited**
- **67%** **Supermax Healthcare Canada Incorporated**
- **100%** **White Oak Global Property Limited**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Seri Thai Kim Sim, Stanley
(Executive Chairman and Group Managing Director)

Datin Seri Tan Bee Geok, Cheryl
(Group Executive Director)

Dato' Ting Heng Peng
(Independent Non-Executive Director)

Dato' Dr. Tan Geok Swee @ Tan Chin Huat
(Non-Executive Director)

Gong Wooi Teik, Felix
(Independent Non-Executive Director)

Rashid Bin Bakar
(Independent Non-Executive Director)

AUDIT COMMITTEE

Gong Wooi Teik, Felix
Chairman, Independent Non-Executive Director

Dato' Ting Heng Peng
Member, Independent Non-Executive Director

Rashid Bin Bakar
Member, Independent Non-Executive Director

COMPANY SECRETARIES

Wong Wai Foong (MAICSA 7001358)
Joanne Toh Joo Ann (LS 0008574)

CORPORATE OFFICE

Supermax Corporation Berhad
Lot 38, Putra Industrial Park
Bukit Rahman Putra
47000 Sungai Buloh
Selangor Darul Ehsan
Tel: 03 – 6145 2328; Fax: 03 – 6156 2191

REGISTERED OFFICE

Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 8888; Fax: 03-2282 2733

SHARE REGISTRAR

Tricor Investor Services Sdn. Bhd. (118401–V)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03 – 2264 3883; Fax: 03 – 2282 1886

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad (127776-V)
Malayan Banking Berhad (3813 – K)
OCBC Bank (Malaysia) Berhad (295400-W)
Citibank Berhad (297089-M)
The Bank of Nova Scotia Berhad (308035-U)
Standard Chartered Bank Malaysia Berhad (115793-P)

AUDITORS

Baker Tilly Monteiro Heng, AF0117
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : 03 - 2297 1000; Fax : 03 - 2282 9980

CORPORATE COUNSEL

Shearn Delamore & Co. (50601-K)
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 : 9 August 2000

STOCK INFORMATION

Code No.: 7106
Name: SUPERMX

PROFILE OF DIRECTORS

DATO' SERI THAI KIM SIM, STANLEY

Executive Chairman and Group Managing Director
Aged 54, Malaysian
Appointed on 18 June 2000

Dato' Seri Stanley Thai graduated from the University of Windsor, Ontario, Canada with a Bachelor of Commerce degree (Hons) in 1982. Dato' Seri Stanley Thai started his early business training with Mulpha International Berhad before being appointed as the Chief Executive Officer cum Group Managing Director of Supermax Corporation Berhad on 18 June 2000. Dato' Seri Stanley Thai was re-designated as Executive Chairman and Group Managing Director on 27 September 2006. Dato' Seri Stanley Thai is an experienced businessman and has successfully secured business partnerships with distributions in North American, Western Europe, Australia, New Zealand, Middle East and Latin American countries. Dato' Seri Stanley Thai has also been actively involved in overseas trade promotions and programs organised by the Ministry of International Trade and Industry (MITI) and is a strong advocate of the "Made in Malaysia for the World" program of Malaysia External Trade Development Corporation (MATRADE) since 1983. Dato' Seri sits on the Board of the Malaysian Rubber Export & Promotion Council (MREPC) since April 2010 and was appointed Trustee of the Malaysian Rubber Glove Manufacturers Association (MARGMA) in April 2013.

DATIN SERI TAN BEE GEOK, CHERYL

Group Executive Director
Aged 53, Malaysian
Appointed on 18 June 2000

Datin Seri Cheryl Tan graduated with a Bachelor of Commerce degree (Hons) from University of Windsor, Ontario, Canada. Datin Seri Cheryl Tan was appointed as an Executive Director in Supermax Corporation Berhad on 18 June 2000 and she is a member of the Remuneration Committee. Datin Seri Cheryl Tan received her early business training in credit administration with a local financial institution. Datin Seri Cheryl Tan heads the finance, operations and administration of the Supermax Group.

PROFILE OF DIRECTORS (CONTINUED)

DATO' TING HENG PENG

Independent Non-Executive Director
Aged 54, Malaysian
Appointed on 18 June 2000

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 legal practice as advocate and solicitor in the legal firm of Amin-Tan & Co from October 1987 until May 2007. Since 1 June 2007, Dato' Ting is a Partner of Joseph Ting & Co. Dato' Ting was appointed to the Board of Supermax Corporation Bhd in June 2000 and is currently Chairman of the Nomination Committee and a member of the Audit and Remuneration Committees. Dato' Ting is also an Independent Non-Executive Director of D.B.E. Gurney Resources Berhad as well as CSF Group PLC, a company listed on London Stock Exchange in Alternative Investment Market.

DATO' DR. TAN GEOK SWEE @ TAN CHIN HUAT

Non-Executive Director
Aged 64, Malaysian
Appointed on 18 June 2000

Dato' Dr. Tan was appointed as a Non-Executive Director of Supermax Corporation Berhad on 18 June 2000 and he is a member of the Nomination Committee. He worked in a public-listed company as senior manager for more than 10 years before he started his own business in the 1980's. He was the founder of the renowned Malaysia International Furniture Fair (founded in 1995). He has good experience in international marketing and promotion. He holds a Hon. PhD in Business Administration. He is now the Managing Director of TGS Holdings Sdn Bhd.

PROFILE OF DIRECTORS (CONTINUED)

MR GONG WOOI TEIK, FELIX

Independent Non-Executive Director
Aged 64, Malaysian
Appointed on 28 December 2001

Mr Gong is a Fellow Member of The Institute of Chartered Accountants in England & Wales, member of the Malaysian Institute of Accountants and Fellow Member of the Chartered Tax Institute of Malaysia. After qualifying as a Chartered Accountant in England in 1976, he returned to Malaysia in early 1977 and worked for two of the big 4 International Accounting Firms before starting his own accounting firm in 1980. He is currently the Managing Partner of GEP Associates, a member firm of AGN International Ltd, which is a worldwide Association of Accounting and Consulting Firms. Mr Gong was appointed as an Independent Non-Executive Director of Supermax Corporation Berhad on 28 December 2001 and he is the Chairman of the Audit Committee. Presently, he is also Independent and Non-Executive Director of Box Pak (Malaysia) Berhad and Cheetah Holdings Berhad which are both listed on Bursa Malaysia.

ENCIK RASHID BIN BAKAR

Independent Non-Executive Director
56, Malaysian
Appointed on 18 July 2002

Encik Rashid holds a Master in Law from UKM and he is a graduate of UiTM with a Bachelor of Law (Hons). Encik Rashid also has a Diploma in Syariah Law and Practice from UIAM and Public Administration from UiTM. His business occupation is advocates and solicitors. He was appointed as an Independent Non-Executive Director of Supermax Corporation Berhad on 18 July 2002. He currently chairs the Remuneration Committee and is a member of the Audit Committee.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family relationships with any director and / or major shareholder

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

1. Dato' Seri Stanley Thai and Datin Seri Cheryl Tan are husband and wife; and
2. Dato' Dr. Tan Geok Swee @ Tan Chin Huat is the brother of Datin Seri Cheryl Tan.

Conflict of interest

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

List of convictions for offences within past 10 years other than traffic offences

None of the Directors of the Company has been convicted for offences within the past ten (10) years other than traffic offences, if any.

Shareholdings in the Company and its subsidiaries

Details are set out on page 93 of the Annual Report.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I have the pleasure to present to you the financial performance of Supermax Group.

Financial Performance

The Group has performed creditably despite having to start 2014 with the handicap of operating without the capacity output from one of its plants which had been gutted by fire. Nevertheless, the Group will go into 2015 having fully regained the capacity lost and with new capacity coming from the new lines being gradually introduced throughout the year from its new Plants at #10 and #11. External factors such as the strong USD and lower raw material prices are also expected to remain favourable for the rubber glove industry.

On the dividend front, the Company has paid out an interim 4% tax exempt dividend for FYE2014 in January 2015 and the Board has proposed a final 6% tax exempt dividend which is subject to shareholders' approval at the upcoming Annual General Meeting on June 16th 2015.

Going Forward

Our immediate focus is to expedite the completion & full operation of Plants #10 and #11 after which the increased nitrile glove capacity would enable the Group to make greater inroads into the US and European markets where demands are more Nitrile-Centric.

However, we remain conscious that the market momentum may swing back towards natural rubber gloves especially as the catalyst of the switch to nitrile, i.e. escalating natural rubber prices, have since reversed. The momentum switch to nitrile has already slowed and we have seen good demand returning for natural rubber gloves. But regardless of whichever way market demand moves between this 2 segments, the Supermax Group has already taken steps to put itself in the position to capture greater market share going forward.

We remain committed to building up the distribution end of our business model. The North America distribution headquarters in Chicago and the proposed new European headquarters in UK being planned at this moment is testament to our belief in this business model.

Acknowledgement

My sincere appreciation goes to the Board of Directors for their unwavering and solid support over the years. Their experience, knowledge and business acumen has been invaluable and any and all input from them is taken aboard and applied in strategizing and everyday decision-making. I would also like to thank all my staff from all levels for their commitment and efforts towards the achievement of all of the Group's objectives. My thanks also go out to all our business associates for their continuous support.

Last but certainly not least, I would like to thank all the Shareholders for their support and belief in Supermax. With the support and contributions from the Board and all my staff, it will be my commitment to take Supermax to ever greater heights.

Thank you.

Dato' Seri Stanley Thai
Founder, Executive Chairman and Group Managing Director
May 18, 2015
Kuala Lumpur, Malaysia

CORPORATE SOCIAL RESPONSIBILITY

BIOMASS AS AN ALTERNATIVE ENVIRONMENTALLY FRIENDLY FUEL SOURCE

The Supermax Group has a “Protect your Health, Protect the Environment” philosophy the daily practice of which is encouraged and instilled among all levels of its organisation. Among its major ongoing initiatives which emphasises environmental preservation is the use of an alternative fuel source which is renewable and sustainable to fire its heating systems and for power generation.

With this in mind, the Group has implemented biomass systems at some of its factories. The fuel used is basically the waste from the oil palm industry such as palm kernel shells and empty fruit bunch and from the wood-based industry (such as wood waste from the furniture industry and even the tree trimmings from pruning work done by the local councils). The need for depleting and non-renewable energy sources is therefore greatly reduced.

The Group has spent close to RM21 million over the years to build up, upgrade and maintain its biomass facilities. A further RM5 million has been earmarked to build a new large scale biomass facility in Bukit Kapar for its ‘Glove City’ Project which will entail the setting up of 6 large factories over a 10 – 12 years period.

WASTE WATER MANAGEMENT

Another ongoing ‘green’ project undertaken by the Supermax Group is the treatment of wastewater. Wastewater from the Supermax Group’s manufacturing facilities is treated on site in effluent treatment plants utilising a chemical flocculation, anaerobic digestion and activated sludge process. The Group collaborates closely with the Department of Environment to conduct regular checks to ensure that the final discharge is clean and safe. The Supermax Group spares no expense or effort to ensure that all of its manufacturing facilities do not pollute the environment nor endanger the health of its employees or the communities residing within the vicinity. The Group has spent over RM9 million on this project.

BEST PRACTICES IN THE WORKPLACE

Supermax places great emphasis on health and safety and making the Supermax workplace a conducive working environment for its entire workforce. It currently holds the ISO 9001:2008 certification and other quality management system certifications which showcase its commitment to providing stakeholders an assurance of quality in fulfilling requirements whilst optimizing environmental performance. Training and re-training of staff are conducted on a regular basis. Its policies are also non-bias in nature, be they in terms of gender, ethnicity, etc.

Ongoing initiatives include

- strict “No child labour” policy
- encouraging a healthy lifestyle and building camaraderie among staff by providing support for social and sporting activities
- equal employment opportunity in terms of gender and ethnicity across all levels of employment from the boardroom to the factory floor.

In 2013, we had also completed the setting up of our distribution headquarters in Chicago, Illinois. This 90,200 sq ft. state-of-the-art warehouse and office facility in Aurora was designed and built with environment conservation in mind and has received the LEED (Leadership in Energy & Environmental Design) Gold Certification recognized by the U.S. Green Building Council. The facility has many environmentally-friendly features such as photovoltaic solar panels and other energy saving fixtures such as full LED lighting to increase efficiency.

CORPORATE SOCIAL RESPONSIBILITY

BEST PRACTICES IN THE MARKETPLACE

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

Supermax has ensured that all of Bursa Malaysia's listing requirements are duly complied with such as timely reporting of quarterly results and other announcements. Supermax also regularly engages with stakeholders including analysts, fund managers, investors and other shareholders wherever possible via various means and platforms from investor conferences and road shows to over the phone providing comprehensive updates.

BEST PRACTICES IN THE COMMUNITY

Supermax believes in giving back to the community and has over the years donated generously in times of need. They include the donation of gloves during the devastating Katrina and Indian Ocean Tsunami natural disasters, also on a smaller scale albeit more regular basis to dialysis centre and St John Ambulance as well as donations in cash and kind to various places of worship and animal shelter.

We also believe in helping our youths achieve their academic dreams and have, in collaboration with the Malaysian Rubber Export Promotion Council (MREPC) provided scholarships to needy students over the past 4 years.

The Supermax Foundation has also been set up to formalize and facilitate the Group's CSR efforts, especially in sponsoring students from lower income families.

AUDIT COMMITTEE REPORT

MEMBERS OF AUDIT COMMITTEE

Mr Gong Wooi Teik, Felix
Chairman of Committee, Independent Non-Executive Director

Dato' Ting Heng Peng
Member of Committee, Independent Non-Executive Director

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

TERMS OF REFERENCE OF AUDIT COMMITTEE

Constitution

The Board constitutes and establishes an audit committee with authority, responsibilities and specific duties as described below.

Composition

(1) The Audit Committee must be composed of no fewer than 3 non-executive directors, with a majority of them being independent directors;

(2) All the Audit Committee members must be financially literate, with at least one member:-

  (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 shall be appointed as a member of the Audit Committee; and

(4) The members of the Audit Committee shall elect a Chairman from among themselves who shall be an Independent Director. The Chairman of the Audit Committee should engage 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, will hold office only so long as they serve as Directors of the Company. The Board must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee has carried out its duties in accordance with its terms of reference.

DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

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

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

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

(iv) To review any related party transaction and conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

(v) To oversee the Company's internal control structure to ensure operational effectiveness and efficiency, reduce risk of inaccurate financial reporting, protect the Company's assets from misappropriation and encourage legal and regulatory compliance.

AUDIT COMMITTEE REPORT

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. The records of attendance are as follows: -

Name	No. of Meetings Attended
Gong Wooi Teik, Felix	5/5
Rashid Bin Bakar	5/5
Shamsudin @ Samad Bin Kassim	3/3
Dato' Ting Heng Peng	2/2

Encik Shamsudin @ Samad Bin Kassim retired at the 17th Annual General Meeting held on 3 June 2014. Dato' Ting Heng Peng was immediately appointed as member of the Audit Committee to replace Encik Shamsudin.

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 for Board approval;

2. Reviewed and recommended the audited financial statements for Board approval;

3. Considered the matters relating to corporate governance in compliance with the revamped Listing Requirement of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance;

4. Review and deliberation of significant risk areas, internal control and financial matters coming to the attention of the external auditors in the course of their work.

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.

The total costs incurred for the Internal Audit function for the financial year ended 31 December 2014 amounted to RM328,000 (2013: RM320,000).

CORPORATE GOVERNANCE 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 throughout the financial year ended 31 December 2014.

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 and experience from financial and business backgrounds leads and controls the Group. The Directors bring depth and diverse expertise to the leadership of the challenging and highly competitive glove business.

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 and Group Managing Director, one Executive Director and four Non-Executive Directors, three of whom are Independent Directors.

The Board has also identified Dato' Ting Heng Peng as the senior independent non-executive director to whom concerns if any may be conveyed.

The appointment of Datin Seri Tan Bee Geok, Cheryl in the year 2000 reflects that the Board recognises the value of a woman member of the Board and was an initial step taken by the Board towards achieving a more gender diversified Board. To further this objective, the Nomination Committee has recently put forward the recommendation to appoint Tan Sri Rafidah Binti Jubur Aziz to the Board of Directors of Supermax. After due review and assessment of TSRA's background, qualifications and independence, the Board of Directors resolved that the Company would seek its shareholders' approval to appoint Tan Sri Rafidah Binti Jubur Aziz as Chairman, Independent Non-Executive Director at the upcoming 18th Annual General Meeting to be held on 16 June 2015.

Subject to the shareholders' approval on the proposed appointment, Dato' Seri Thai Kim Sim shall be re-designated from Executive Chairman & Group Managing Director to Group Managing Director. The proposed appointment and re-designation would be in line with the recommendations of the Malaysian Code of Corporate Governance 2012.

The profile of each current Member of the Board is presented on pages 7 to 10 of this annual report.

Duties and Responsibilities of the Board

The responsibilities of the Board of Directors of the Company are as follows:-

- Reviewing and adopting a strategic plan for the Company which will enhance the future growth of the Company;
- Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- 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.

CORPORATE GOVERNANCE STATEMENT

Board Balance and Independence of Directors

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

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

The Nomination Committee and the Board have upon their annual assessment, concluded that each of the 3 Independent Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfill the definition of independence as set out in the Bursa Malaysia Main Market Listing Requirements.

One of the recommendations of the Malaysian Code of Corporate Governance (MCCG) 2012 states that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Nomination Committee and Board have determined at the annual assessment carried out that Dato' Ting Heng Peng, Gong Wooi Teik, Felix and Rashid bin Bakar, remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of Supermax Corporation Berhad.

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

Directors' Code of 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.

Board Meetings and Supply of Information to the Board

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

	Name	No. of Meetings Held	Meetings Attended
1.	Dato' Seri Thai Kim Sim	5	5
2.	Datin Seri Tan Bee Geok	5	5
3.	Dato' Dr. Tan Geok Swee @ Tan Chin Huat	5	4
4.	Dato' Ting Heng Peng	5	5
5.	Mr Gong Wooi Teik, Felix	5	5
6.	Encik Rashid Bin Bakar	5	5
7.	Encik Shamsudin @ Samad Bin Kassim	3	3

Note: Encik Shamsudin @ Samad Bin Kassim retired at the 17th Annual General Meeting held on 3 June 2014

CORPORATE GOVERNANCE STATEMENT

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

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

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

New Appointment and re-election of Directors

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

The selection process involves the assessment of essential skill sets including 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.

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

Nomination Committee

The Nomination Committee consists of the following:-

Chairman	:	Dato' Ting Heng Peng *(Independent Non-Executive Director)*
Members	:	Dato' Dr. Tan Geok Swee @ Tan Chin Huat *(Non-Executive Director)* Gong Wooi Teck *(Independent Non–Executive Director)*

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

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 Group Managing Director 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 effectiveness of the Board of Directors as a whole and each individual Director/Committee of the Board; and

f) To consider and examine such other matters as the Nomination Committee considers as appropriate.

CORPORATE GOVERNANCE STATEMENT

Directors' Training

All the Directors of the Company have attended the Mandatory Accredition Programme (MAP) prescribed by Bursa Securities for directors of public listed companies. The Directors will also attend trainings 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.

In 2014, 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 industry and to better enable them to fulfill their responsibilities:-

Mr Gong Wooi Teik, Felix attended the following programs:

1) Risk Management & Internal Control: Workshop for Audit Committee Members; by Bursa Malaysia & CG Board Asia Pacific
2) National Tax Seminar 2014; by Inland Revenue Board Malaysia
3) Advocacy Sessions on Corporate Disclosure for Directors; by Bursa Malaysia
4) Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition); by Bursa Malaysia

Dato' Ting Heng Peng attended the following program:

1) Financial Statements Integrity & Directors' Legal Responsibility and Reviewing the Risk & Control on the Quality of Financial Statements; by Bursatra Sdn Bhd

Encik Rashid Bin Bakar attended the following program:

1) Risk Management & Internal Control: Workshop for Audit Committee Members; by Bursa Malaysia & CG Board Asia Pacific

Dato' Seri Thai Kim Sim attended the following program:

1) 7th International Rubber Glove Conference & Exhibition 2014 with papers presented covering:
   - Updates on Regulations & Regulatory Compliance
   - Advances in Manufacturing Technology
   - Developments in Latices & Compounding Ingredients

Datin Seri Tan Bee Geok attended the following program:

1) 7th International Rubber Glove Conference & Exhibition 2014 with papers presented covering:
   - Updates on Regulations & Regulatory Compliance
   - Advances in Manufacturing Technology
   - Developments in Latices & Compounding Ingredients

SECTION B – DIRECTORS' REMUNERATION

Remuneration Committee

The Remuneration Committee consists of the following:-

Chairman	:	Encik Rashid Bin Bakar *(Independent Non-Executive Director)*
Members	:	Dato' Ting Heng Peng *(Independent Non-Executive Director)* Datin Seri Tan Bee Geok, Cheryl *(Executive Director)*

CORPORATE GOVERNANCE STATEMENT

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

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

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

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

Category	Fees	Salaries & other emoluments	Benefit in kind
Executive Directors	129,500	7,106,176	4,243,903
Non-executive Directors	300,000	18,500	-

The number of Directors of the Company whose income from the Company falling within the following bands are:

Executive Directors	
Remuneration	Number
RM 1,000,000 and above	2
Non Executives Directors	
Remuneration	Number
RM 50,001 – RM100,000	4

SECTION C: SHAREHOLDERS

Dialogue with investors and shareholders

The Annual General Meeting (AGM) is the principal forum for dialogue with shareholders. At each AGM, the Board presents the progress and performance of the business and shareholders are encouraged to participate in the questions and answers session.

SECTION D – ACCOUNTABILITY AND AUDIT

Directors' Responsibility Statements

The Directors are required by the Companies Act, 1965 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 judgements 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, 1965.

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.

CORPORATE GOVERNANCE STATEMENT

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 Gong Wooi Teik, Felix as the Chairman of the Committee. The composition and Terms of Reference of the Audit Committee are also provided in this report.

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 need to do so and full access to information. In 2014, the Audit Committee had also met with the External Auditors without the presence of the Executive Board members on 3 occasions.

Internal Control

The Statement of Internal Control furnished on page 23 to 24 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 External Auditors.

OTHER INFORMATION REQUIRED BY THE MMLR OF BURSA SECURITIES

Share Buy-backs

During the financial year ended 31 December 2014, the Company bought back a total of 2,097,000 of its ordinary shares of RM0.50 each which are listed and quoted on the Main Market of Bursa Securities in the open market. The details of the shares bought back during the year are as follows:

Monthly Breakdown 2014	No. of Shares Bought Back	Purchase Price per Share (RM)			Total Consideration Paid (RM)
		Lowest	Highest	Average	
June	1,997,000	2.17	2.35	2.26	4,393,831.79
November	100,000	2.17	2.17	2.17	217,952.60
Total	2,097,000	2.17	2.35	2.26	4,611,784.39

CORPORATE GOVERNANCE STATEMENT

Depository Receipt ("DR") Programme

During the financial year, the Company was involved in a Sponsored Level-1 American Depositary Receipt ("ADR") Program, which is a program to facilitate the trading of Supermax's shares by investors in the United States of America ("the US"), has been declared effective by the Securities and Exchange Commission of the US on 20 December 2010.

The Bank of New York Mellon has been appointed as the depository bank for the ADR Program with Malayan Banking Berhad as the custodian of Supermax's shares in Malaysia for the ADR. The total number of shares that can be purchased under the ADR shall not exceed 5% of the total issued and paid-up capital of Supermax at any point in time. As at 15 March 2015, the total number of Supermax shares issued was 680,154,880.

As at 31 December 2014, there are no depository receipts issued against the Company's issued and paid-up capital.

The ADR program is anticipated to enhance the visibility of the Company in the US, as well as, to increase the awareness on the Company among US brokers, analysts and investors as the ADR program provides an avenue for US investors to access to Supermax's shares, thereby allowing the Company to broaden its' foreign shareholders base in addition to increasing its' shareholders diversity.

Imposition of Sanctions / Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-audit fees

There is no non-audit fee paid by the Company to the External Auditors for the financial year.

Variation in results for Profit estimate, forecast or projection

The Company did not make any release on the profit estimate, forecast or projections for the financial year. The variance between the audited results (net profit after taxation) and the unaudited results announced to Bursa Securities is less than 10%.

Profit Guarantee

During the year, there were no profit guarantees given by the Company.

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 31 December 2014 is set out on page 76 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

The Malaysian Code on Corporate Governance 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 Bhd 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 ensures that the system manages the Group's key areas of risk within an acceptable risk profile to increase the likelihood that the Group's policies and business objectives 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.

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 has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

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.

RISK MANAGEMENT FRAMEWORK

The Board of Directors 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 procedures 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 Group has in place an on–going process for identifying, monitoring and managing significant risks that may affect the achievement of business objectives. This is done through our Quality Assurance Department and Operational Internal Audit Department.

Management is continuously 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 9001:2008, ISO 13485:2003 and ISO 13485:CMDCAS 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) On quarterly basis, Managing Director reviews with the Board on all issues covering strategy and performance of the Group.

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

Internal Review and Audit

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 minimise the Company's exposure to risk and problems. 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 event of any unavoidable cases, the Internal Auditors will do a thorough review and resolve the issues immediately.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Company for the year ended 31 December 2014 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

SUPERMAX
CORPORATION BERHAD
(420405-P)
since 1989

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DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes to the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	95,195,089	30,722,356
Attributable to:-		
Owners of the parent	95,641,903	30,722,356
Non-controlling interests	(446,814)	-
	95,195,089	30,722,356

DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:-

	RM
In respect of the financial year ended 31 December 2013:-	
Final single-tier dividend of 6% per ordinary share of RM0.50, paid on 30 June 2014	20,374,526
In respect of the financial year ended 31 December 2014:-	
Interim single-tier dividend of 4% per ordinary share of RM0.50, paid on 28 January 2015	13,541,098
	33,915,624

The directors proposed a final single-tier dividend of 6% per ordinary share of RM0.50 amounting to RM20,311,646 in respect of the current financial year, subject to approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts and that no provision for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances that would render it to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company.

DIRECTORS' REPORT (CONTINUED)

CURRENT ASSETS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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 liabilities in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent liabilities or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:-

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures was made by the Company.

DIRECTORS' REPORT (CONTINUED)

TREASURY SHARES

During the financial year, the Company repurchased 2,097,000 of its issued ordinary shares from the open market at an average price of RM2.19 per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM4,611,785. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 31 December 2014, the Company held a total of 3,100,000 ordinary shares of its 680,154,880 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM6,655,353. Further details are disclosed in Note 17 to the financial statements.

DIRECTORS

The directors in office since the date of the last report are:-
Dato' Seri Thai Kim Sim
Datin Seri Tan Bee Geok
Dato' Dr. Tan Geok Swee @ Tan Chin Huat
Dato' Ting Heng Peng
Gong Wooi Teik
Rashid Bin Bakar
Shamsudin @ Samad Bin Kassim (Retired on 3 June 2014)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of the directors in office at the end of the financial year in the ordinary shares of the Company during the financial year are as follows:-

	Number of ordinary shares of RM0.50 each			
	At 1.1.2014	**Bought**	**Sold**	**At 31.12.2014**
Company				
Direct Interest				
Dato' Seri Thai Kim Sim	139,035,444	-	-	139,035,444
Datin Seri Tan Bee Geok	102,915,884	-	-	102,915,884
Dato' Dr. Tan Geok Swee @ Tan Chin Huat	11,578,120	-	-	11,578,120
Dato' Ting Heng Peng	4,222,000	-	-	4,222,000
Gong Wooi Teik	3,068,486	-	-	3 ,068,486
Rashid Bin Bakar	62,500	60,000	(62,500)	60,000
Indirect Interest				
Dato' Seri Thai Kim Sim*	102,915,884	-	-	102,915,884
Datin Seri Tan Bee Geok*	139,035,444	-	-	139,035,444

* These are their spouse's interest in the ordinary shares of the Company which shall be treated as their interest in the ordinary shares of the Company pursuant to Section 6A(4) of the Companies Act, 1965 in Malaysia.

By virtue of their interests in shares of the Company, Dato' Seri Thai Kim Sim and Datin Seri Tan Bee Geok are deemed to have an interest in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as disclosed in Note 23 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS

Details of the significant events during the financial year are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, retire and are not seeking re-appointment at the forthcoming Annual General Meeting.

Signed on behalf of the Board in accordance with a resolution dated 20 April 2015.

DATO' SERI THAI KIM SIM **DATIN SERI TAN BEE GEOK**

STATEMENT BY DIRECTORS

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 10 to 85 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 86 has been prepared in accordance with the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution dated 20 April 2015.

DATO' SERI THAI KIM SIM **DATIN SERI TAN BEE GEOK**

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, **DATIN SERI TAN BEE GEOK**, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 10 to 85 and the supplementary information set out on page 86 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 Statutory Declarations Act, l960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 20 April 2015

DATIN SERI TAN BEE GEOK

Before me

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUPERMAX CORPORATION BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Supermax Corporation Berhad, which comprise the statements of financial position as at 31 December 2014 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 a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 85.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965, in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

(b) Other than those subsidiaries without the auditors' reports as disclosed in Note 7 to the financial statements, we have considered the financial statements and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) Other than those subsidiaries without the auditors' reports as disclosed in Note 7 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF SUPERMAX CORPORATION BERHAD (Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out on page 86 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
AF 0117
Chartered Accountants

Andrew Heng
2935/08/16(J/PH)
Chartered Accountant

Kuala Lumpur
20 April 2015

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	663,129,683	522,315,419	-	-
Investment property	5	446,968	460,039	-	-
Prepaid land lease payments	6	4,423,590	4,487,717	-	-
Investment in subsidiaries	7	-	-	186,190,279	183,894,064
Investment in associates	8	210,548,700	214,904,230	18,994,696	18,994,696
Goodwill on consolidation	9	28,715,854	28,715,854	-	-
Deferred tax assets	10	11,559,560	16,755,534	-	-
Total non-current assets		918,824,355	787,638,793	205,184,975	202,888,760
Current assets					
Inventories	11	151,446,237	192,660,713	-	-
Receivables	12	182,101,407	141,978,167	787,974	226,998
Tax assets		4,018,902	1,235,945	58,377	36,900
Amounts owing by subsidiaries	13	-	-	221,177,576	256,822,067
Amounts owing by associates	14	84,795,425	92,975,862	294,301	294,301
Cash and bank balances	15	131,931,737	167,129,834	304,096	641,147
		554,293,708	595,980,521	222,622,324	258,021,413
TOTAL ASSETS		1,473,118,063	1,383,619,314	427,807,299	460,910,173
EQUITY AND LIABILITIES					
Share capital	16	340,077,440	340,077,440	340,077,440	340,077,440
Reserves	17	605,087,482	558,572,207	6,751,516	14,556,569
Equity attributable to owners of the parent		945,164,922	898,649,647	346,828,956	354,634,009
Non-controlling interest		(1,082,708)	(1,001,160)	-	-
Total equity		944,082,214	897,648,487	346,828,956	354,634,009
Liabilities					
Non-current liabilities					
Loans and borrowings	18	146,098,131	127,021,956	20,970,000	55,709,000
Deferred tax liabilities	10	42,719,437	38,085,541	-	-
		188,817,568	165,107,497	20,970,000	55,709,000
Current liabilities					
Payables	21	118,752,003	100,999,677	25,850	51,140
Amounts owing to subsidiaries	13	-	-	7,996,395	7,439,986
Loans and borrowings	18	206,466,996	195,762,576	38,445,000	29,493,000
Dividend payable		13,541,098	13,583,038	13,541,098	13,583,038
Tax payables		1,458,184	10,518,039	-	-
		340,218,281	320,863,330	60,008,343	50,567,164
Total liabilities		529,035,849	485,970,827	80,978,343	106,276,164
TOTAL EQUITY AND LIABILITIES		1,473,118,063	1,383,619,314	427,807,299	460,910,173

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	22	1,004,383,726	1,048,150,699	33,963,000	21,000,000
Other operating income		6,734,207	10,193,656	97,198	23,831
Changes in inventories in finished goods and work in progress		(32,191,075)	(48,949,937)	-	-
Purchases		(653,088,882)	(681,104,009)	-	-
Directors' remuneration	23	(11,798,079)	(13,411,388)	(453,000)	(456,500)
Staff costs		(80,740,662)	(71,104,764)	-	-
Depreciation of property, plant and equipment	4	(27,861,911)	(26,614,669)	-	-
Depreciation of investment property	5	(13,071)	(13,071)	-	-
Amortisation of prepaid lease payments	6	(64,127)	(64,129)	-	-
Other operating expenses		(78,707,483)	(78,073,416)	(2,879,036)	(6,259,181)
Finance costs	25	(8,168,025)	(7,632,203)	-	-
Share of results of associates		9,807,918	16,780,248	-	-
Profit before tax	24	128,292,536	148,157,017	30,728,162	14,308,150
Tax expense	26	(33,097,447)	(29,166,610)	(5,806)	-
Profit for the financial year		95,195,089	118,990,407	30,722,356	14,308,150
Attributable to:-					
Owners of the parent		95,641,903	119,715,972	30,722,356	14,308,150
Non-controlling interests		(446,814)	(725,565)	-	-
Profit for the financial year		95,195,089	118,990,407	30,722,356	14,308,150
Other comprehensive income, net of tax:-					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(10,233,953)	(7,578,992)	-	-
Total comprehensive income for the financial year		84,961,136	111,411,415	30,722,356	14,308,150
Total comprehensive income attributable to:-					
Owners of the parent		85,468,338	112,161,138	30,722,356	14,308,150
Non-controlling interests		(507,202)	(749,723)	-	-
Total comprehensive income for the financial year		84,961,136	111,411,415	30,722,356	14,308,150
Earnings per ordinary share attributable to owners of the parent					
Basic and diluted (sen)	27	14.09	17.63		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Group	Note	Attributable to Owners of the Parent						
		Non-distributable			Distributable			
		Issued Share Capital RM	Translation Reserve RM	Treasury Shares RM	Retained Earnings RM	Total RM	Non-controlling Interests RM	Total Equity RM
Balance at 1 January 2013		340,077,440	(42,559,562)	(2,041,204)	538,554,881	834,031,555	(251,437)	833,780,118
Comprehensive income								
Profit for the financial year		-	-	-	119,715,972	119,715,972	(725,565)	118,990,407
Other comprehensive income								
Foreign currency translation differences		-	(7,554,834)	-	-	(7,554,834)	(24,158)	(7,578,992)
Total comprehensive income for the financial year		-	(7,554,834)	-	119,715,972	112,161,138	(749,723)	111,411,415
Transactions with owners								
Dividends	28	-	-	-	(47,540,682)	(47,540,682)	-	(47,540,682)
Purchases of treasury shares		-	-	(2,364)	-	(2,364)	-	(2,364)
Total transactions with owners		-	-	(2,364)	(47,540,682)	(47,543,046)	-	(47,543,046)
Balance at 31 December 2013		340,077,440	(50,114,396)	(2,043,568)	610,730,171	898,649,647	(1,001,160)	897,648,487
Comprehensive income								
Profit for the financial year		-	-	-	95,641,903	95,641,903	(446,814)	95,195,089
Other comprehensive income								
Foreign currency translation differences		-	(10,173,565)	-	-	(10,173,565)	(60,388)	(10,233,953)
Total comprehensive income for the financial year		-	(10,173,565)	-	95,641,903	85,468,338	(507,202)	84,961,136
Transactions with owners								
Dividends	28	-	-	-	(33,915,624)	(33,915,624)	-	(33,915,624)
Change in ownership interests in subsidiaries		-	-	-	(425,654)	(425,654)	425,654	-
Purchases of treasury shares		-	-	(4,611,785)	-	(4,611,785)	-	(4,611,785)
Total transactions with owners		-	-	(4,611,785)	(34,341,278)	(38,953,063)	425,654	(38,527,409)
Balance at 31 December 2014		340,077,440	(60,287,961)	(6,655,353)	672,030,796	945,164,922	(1,082,708)	944,082,214

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Attributable to Owners of the Parent			
		Non-distributable		Distributable	
Company	**Note**	**Issued Share Capital RM**	**Treasury Shares RM**	**Retained Earnings RM**	**Total Equity RM**
Balance at 1 January 2013		340,077,440	(2,041,204)	49,832,669	387,868,905
Comprehensive income					
Profit for the financial year		-	-	14 ,308,150	14,308,150
Total comprehensive income for the financial year		-	-	14,308,150	14,308,150
Transaction with owners					
Dividends	28	-	-	(47,540,682)	(47,540,682)
Purchases of treasury shares		-	(2,364)	-	(2,364)
Total transactions with owners		-	(2,364)	(47,540,682)	(47,543,046)
Balance at 31 December 2013		340,077,440	(2,043,568)	16,600,137	354,634,009
Comprehensive income					
Profit for the financial year		-	-	30,722,356	30,722,356
Total comprehensive income for the financial year		-	-	30,722,356	30,722,356
Transactions with owners					
Dividends	28	-	-	(33,915,624)	(33,915,624)
Purchases of treasury shares		-	(4,611,785)	-	(4,611,785)
Total transactions with owners		-	(4,611,785)	(33,915,624)	(38,527,409)
Balance at 31 December 2014		340,077,440	(6,655,353)	13,406,869	346,828,956

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash Flows From Operating Activities				
Profit before tax	128,292,536	148,157,017	30,728,162	14,308,150
Adjustments for:-				
Depreciation and amortisation expenses	27,939,109	26,691,869	-	-
Dividend income	-	-	(33,963,000)	(21,000,000)
Interest expenses	8,168,025	7,632,203	-	-
Inventories written off	10,660	-	-	-
Impairment losses on:-				
- cost of investment in associates	-	1,590,720	-	834,793
- amount owing by associates	-	566,362	-	-
Net (gain)/loss on unrealised foreign exchange	(2,586,661)	(3,166,325)	2,426,004	187,240
Share of profits of associates	(9,807,918)	(16,780,248)	-	-
Operating profit/(loss) before working capital changes	152,015,751	164,691,598	(808,834)	(5,669,817)
Inventories	41,203,816	41,125,919	-	-
Receivables	(31,716,067)	(30,568,647)	(560,976)	7,073
Amounts owing by associates	8,180,437	7,535,917	-	-
Payables	23,151,020	(17,379,459)	(25,290)	(1,855)
Cash generated from/(used in) operations	192,834,957	165,405,328	(1,395,100)	(5,664,599)
Tax paid	(35,122,343)	(22,202,315)	(27,283)	-
Tax refunded	-	1,746	-	-
Net cash from/(used in) operating activities carried down	157,712,614	143,204,759	(1,422,383)	(5,664,599)
Cash Flows from Investing Activities				
Repayment from subsidiaries	-	-	36,908,606	34,535,626
Dividend received	-	-	33,963,000	21,000,000
Acquisition of additional interest in subsidiaries	(425,654)	-	-	-
Subscription of shares in subsidiaries	-	-	(2,296,215)	-
Purchase of property, plant and equipment	(177,562,331)	(101,632,018)	-	-
Net cash (used in)/from investing activities	(177,987,985)	(101,632,018)	68,575,391	55,535,626
Cash Flows from Financing Activities				
Dividends paid	(33,957,564)	(33,957,644)	(33,957,564)	(33,957,644)
Interest paid	(8,168,025)	(7,632,203)	-	-
Advances from subsidiaries	-	-	519,354	-
Drawdown of finance lease payable, net	23,322	16,655	-	-
Repayment of industrial hire purchase, net	(7,670,175)	(7,246,507)	-	-
Drawdown/(Repayment) of term loans, net	58,397,619	33,425,420	(29,427,750)	(15,899,240)
(Repayment)/Drawdown of short term borrowings, net	(21,465,057)	14,661,248	-	-
Purchase of treasury shares	(4,611,785)	(2,364)	(4,611,785)	(2,364)
Net cash used in financing activities	(17,451,665)	(735,395)	(67,477,745)	(49,859,248)
Net change in cash and cash equivalents carried down	(37,727,036)	40,837,346	(324,737)	11,779
Effects of exchange rates changes on cash and cash equivalents	2,034,053	3,429,007	(12,314)	-
Cash and cash equivalents at beginning of financial year	167,129,834	122,863,481	641,147	629,368
Cash and cash equivalents at end of financial year	131,436,851	167,129,834	304,096	641,147
Analysis of cash and cash equivalents:-				
Cash and bank balances	131,931,737	167,129,834	304,096	641,147
Less: Bank overdraft	(494,886)	-	-	-
	131,436,851	167,129,834	304,096	641,147

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is principally an investment holding company. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes to the nature of these principal activities during the financial year.

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.

The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

The principal place of business of the Company is located at Lot 38, Putra Industrial Park, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors in accordance dated on 20 April 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in the summary of significant accounting policies.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:-

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Int

IC Int 21	Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int (Cont'd)

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarify that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 do not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. These amendments only impact the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarify that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provide relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached. The adoption of IC Int 21 has no significant impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014/1 January 2016
MFRS 119	Employee Benefits	1 July 2014/1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Classification and measurement
MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment
MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting
MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:-
- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:-

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

Amendment to MFRS 2 Share-based Payment

Amendment to MFRS 2 clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendments to MFRS 3 clarify that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendments to MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to MFRS 5 introduce specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vise versa), or when held-for-distribution is discontinued.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendment to MFRS 8 Operating Segments

Amendment to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendment also clarifies that an entity shall provide reconciliations of the total reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendment to MFRS 13 Fair Value Measurement

Amendment to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendment also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The Amendments clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:
- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendment to MFRS 124 Related Party Disclosures

Amendment to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendment to MFRS 140 Investment Property

Amendment to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (Cont'd)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:
- Exemption from presenting consolidated financial statements:- the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

2.3 Basis of consolidation and Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an investee if and only if the Group has:-

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation and Subsidiaries (Cont'd)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling 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 interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised MFRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

Business combination involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as reverse acquisition reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined.

2.4 Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

(c) Foreign Operations Denominated in Functional Currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:-

(i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;

(ii) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are taken to other comprehensive income.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Property, Plant and Equipment and Depreciation

All property, plant and equipment are initially stated at cost. After recognition as an asset, items of property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, factory building under construction and plant, machinery and equipment under installation. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.10.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Freehold land is not depreciated as it has an infinite life. Factory building under construction and plant, machinery and equipment under installation are not depreciated until the assets are ready for their intended use. Depreciation is provided on a straight-line basis so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:-

Long leasehold land	Over the remaining lease period of 63 years
Factory buildings	2%
Plant, machinery and equipment	5%
Moulds and tools	5%
Electrical fittings and factory equipment	10%
Office equipment, furniture and fittings	5 – 33%
Renovation	5 – 20%
Motor vehicles	10 – 20%
Cabin	15%

The residual values, useful lives and depreciation are reviewed and adjusted as appropriate at the end of the reporting period.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is included in profit or loss.

Property, plant and equipment under construction consists of expenditure incurred on the construction of property, plant and equipment which take a substantial period of time to be ready for their intended use.

Property, plant and equipment under construction is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of the construction, the cost will be transferred to property, plant and equipment.

2.7 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such 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%.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Associate

An associate is an entity in which the Group exercises influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over these policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. The Group's investment in associates includes goodwill identified on acquisition.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the 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 interest of the Group in an 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.

2.9 Goodwill

Goodwill acquired in a business combination represents the difference between the purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities in the subsidiary companies at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of investment in the subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of investment in the subsidiary in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as an expense in the profit or loss.

Any subsequent increase in recoverable amount due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior financial years. The reversal of impairment loss is recognised as revenue in the profit or loss.

2.11 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.

2.12 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Financial Assets (Cont'd)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

2.13 Fair value measurement

The Group adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

2.14 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.15 Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise of cash in hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at net of bank overdrafts and deposits pledged to the financial institution.

2.16 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Treasury Shares

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction cost is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are re-issued by resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

2.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as finance costs.

2.19 Leases

(a) Finance Leases – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

(b) Operating Leases – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(c) Operating Leases – the Group as Lessor

Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(d) Leases of Land and Buildings

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payment and is amortised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Term loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.21 Borrowing Costs

Borrowing costs in respect of expenditure incurred on acquisition of property, plant and equipment is capitalised during the period when activities to plan, develop and construct these assets are undertaken. Capitalisation of borrowing costs ceases when these assets are ready for their intended use or sale.

All other borrowings costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.22 Segment reporting

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. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Group Managing Director, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.23 Revenue

(a) Sale of Goods

Revenue from sale of goods is recognised upon delivery of products and when the risks and rewards of ownership have passed. Sale represents gross invoiced value of goods sold net of trade discounts and allowances.

(b) Dividend Income

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Employee Benefits

(a) Short Term Employee Benefits

Wages, salaries, social security contribution, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services rendered by the employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Post-employment Benefits

The Group and the Company contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which the related service is performed. Once the contributions have been paid, the Group and the Company has no further payment obligations.

2.25 Tax Expense

Tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

Current tax expense is the expected tax payable or receivable in respect of the taxable profit or loss for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Earnings per Share

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

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by 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, bonus issue and share options granted to employees.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING ESTIMATION AND JUDGEMENTS

(a) Judgements Made in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:-

(i) Classification Between Operating Lease and Finance Lease for Leasehold Land

The Group has developed certain criteria based on MFRS 117 Leases in making judgement whether a leasehold land should be classified either as operating lease or finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an assets and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the financial lease, the lease will be classified as property, plant and equipment if it is for own use. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

The Group has classified the leases period of more than 50 years as finance leases as they have met the criteria of a finance lease under MFRS 117.

(b) Key Sources of Estimation Uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

(i) Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

3. SIGNIFICANT ACCOUNTING ESTIMATION AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(ii) Impairment of Investment in Subsidiaries and Associates

The Group tests investment in subsidiaries and associates for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries and associates which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of investment in subsidiaries, associates and other investment.

The management determined the recoverable amount of the investment in subsidiaries, associates and other investment based on the individual assets' value in use and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at the end of the reporting period. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

In view of the above, the management are in the opinion that no impairment is required for the investment in subsidiaries as at the end of the reporting period.

(iii) Impairment of Non-current Assets

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment and investment property, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets. Independent professional valuers to determine the carrying amount of these assets will be procured when the need arise.

(iv) Impairment of Loans and Receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(v) Deferred Tax Assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed reinvestment allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management's judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(vi) Net Realisable Values of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SIGNIFICANT ACCOUNTING ESTIMATION AND JUDGEMENTS (CONT'D)

(b) Key Sources of Estimation Uncertainty (Cont'd)

(vii) Goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

(viii) Tax expense

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for taxation. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Company recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the periods in which the outcome is known.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. 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	Mould and tools RM	Electrical fittings and factory equipment RM	Office equipment, furniture and fittings RM	Renovation RM	Motor vehicles RM	Cabin RM	Total RM
Group												
Cost												
At 1.1.2014	53,777,438	126,240,851	72,516,018	431,431,784	56,210,731	20,531,677	14,141,280	9,383,831	23,231,984	7,361,303	279,288	815,106,185
Additions	80,997,331	3,965,386	595,160	16,798,958	65,962,393	2,628,753	2,436,414	513,301	3,356,923	307,712	-	177,562,331
Exchange differences	-	2,254,737	-	-	-	-	74,236	(6,419)	3,107	135,112	-	2,460,773
Reclassification	291,000	31,225,703	(40,248,809)	34,869,588	(37,522,701)	-	2,800	-	-	163,213	-	(11,219,206)
At 31.12.2014	135,065,769	163,686,677	32,862,369	483,100,330	84,650,423	23,160,430	16,654,730	9,890,713	26,592,014	7,967,340	279,288	983,910,083
Accumulated depreciation												
At 1.1.2014	-	26,151,856	-	233,809,286	-	7,793,396	7,359,482	7,470,738	3,963,553	6,211,657	30,798	292,790,766
Charge for the financial year	-	2,197,096	-	21,626,506	-	477,212	1,782,364	561,145	784,106	391,588	41,894	27,861,911
Exchange differences	-	-	-	-	-	-	64,454	7,142	-	56,127	-	127,723
At 31.12.2014	-	28,348,952	-	255,435,792	-	8,270,608	9,206,300	8,039,025	4,747,659	6,659,372	72,692	320,780,400
Net Carrying amount at 31.12.2014	135,065,769	135,337,725	32,862,369	227,664,538	84,650,423	14,889,822	7,448,430	1,851,688	21,844,355	1,307,968	206,596	663,129,683
Group												
Cost												
At 1.1.2013	53,769,908	125,349,056	18,159,900	425,578,363	26,480,363	19,888,837	12,283,671	8,815,850	15,448,901	6,987,835	63,000	712,825,684
Additions	7,530	401,105	54,356,118	9,101,536	26,482,253	642,840	1,849,000	499,200	7,783,083	293,065	216,288	101,632,018
Exchange differences	-	490,690	-	-	-	-	8,609	68,781	-	80,403	-	648,483
Reclassification	-	-	-	(3,248,115)	3,248,115	-	-	-	-	-	-	-
At 31.12.2013	53,777,438	126,240,851	72,516,018	431,431,784	56,210,731	20,531,677	14,141,280	9,383,831	23,231,984	7,361,303	279,288	815,106,185
Accumulated depreciation												
At 1.1.2013	-	23,302,941	-	213,272,051	-	7,388,047	6,326,830	6,836,520	3,061,758	5,786,534	3,150	265,977,831
Charge for the financial year	-	2,733,953	-	20,537,235	-	405,349	1,025,188	602,827	901,795	380,674	27,648	26,614,669
Exchange differences	-	114,962	-	-	-	-	7,464	31,391	-	44,449	-	198,266
At 31.12.2013	-	26,151,856	-	233,809,286	-	7,793,396	7,359,482	7,470,738	3,963,553	6,211,657	30,798	292,790,766
Net Carrying amount at 31.12.2013	53,777,438	100,088,995	72,516,018	197,622,498	56,210,731	12,738,281	6,781,798	1,913,093	19,268,431	1,149,646	248,490	522,315,419

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

(a) Included under property, plant and equipment are freehold land, buildings and certain plant and machinery which are charged as security for the long-term loans, overdraft and other credit facilities of the Group as disclosed in Note 18 to the financial statements.

(b) The net carrying amount of motor vehicles held under finance lease payables is RM100,833 (2013: RM86,522).

(c) The net carrying amount of plant, machinery and equipment under industrial hire purchase is RM35,537,363 (2013: RM36,769,116).

(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 30 to the financial statements.

5. INVESTMENT PROPERTY

	Group	
	2014 RM	2013 RM
Cost		
At 1 January/31 December	551,537	551,537
Accumulated depreciation		
At 1 January	91,498	78,427
Charge for the financial year	13,071	13,071
At 31 December	104,569	91,498
Carrying amount	446,968	460,039
Consists of:-		
Freehold office building	446,968	460,039

Rental income from investment property during the financial year is RM24,804 (2013:RM23,417).

As at 31 December 2014, the fair values of the investment properties are RM630,000 (2013: RM741,000). The fair value of the Group's investment property were determined by directors' assessment based on the current market value of similar properties in the vicinity.

Fair value information

Level 3 fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. PREPAID LAND LEASE PAYMENTS

	Group 2014 RM	Group 2013 RM
Cost		
At 1 January/31 December	5,283,684	5,283,684
Amortisation		
At 1 January	795,967	731,838
Amortisation for the financial year	64,127	64,129
At 31 December	860,094	795,967
Carrying amount	4,423,590	4,487,717
Consists of:-		
Leasehold land with period of:-		
Less than 50 years	449,993	467,848
More than 50 years	3,973,597	4,019,869
	4,423,590	4,487,717

Prepaid land lease payments amounting to RM1,891,463 (2013: RM1,916,015) have been charged to credit facilities granted to the Group as disclosed in Note 18 to financial statements.

7. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost		
At 1 January	183,894,064	183,894,064
Addition	2,296,215	-
At 31 December	186,190,279	183,894,064

Details of the subsidiaries are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	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 gloves
M axter Glove Manufacturing Sdn. Bhd.	Malaysia	100%	100%	Manufacturing and sale of latex gloves
Supermax Healthcare Incorporated**	United States of America	100%	100%	Marketing, importing and distributing latex gloves

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

Name of Companies	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Subsidiaries				
Maxwell Glove Manufacturing Berhad*	Malaysia	100%	100%	Manufacturing and sale of latex gloves
Supermax International Sdn. Bhd.	Malaysia	100%	100%	Pre-operating
Supermax Energy Sdn. Bhd.	Malaysia	100%	100%	Generation of biomass energy
Supermax Deutschland GmbH**	Germany	100%	90%	Marketing, importing and distributing latex gloves
Supermax Global Limited**	Bermuda	100%	100%	Marketing, importing and distributing latex gloves
Supermax Healthcare Limited**	United Kingdom	100%	100%	Marketing, importing and distributing latex gloves
Supermax Healthcare Canada Incorporated*	Canada	67%	67%	Marketing, importing and distributing latex gloves
Whiteoak Global Property Limited**	United States of America	100%	100%	Property holding
Subsidiary of Maxter Glove Manufacturing Sdn. Bhd.				
Seal Polymer Latex Products Sdn. Bhd.	Malaysia	100%	100%	Trading and exporting latex gloves
Subsidiary of Supermax International Sdn. Bhd.				
SuperVision Optimax Sdn. Bhd.	Malaysia	98%	-	Manufacturing, sales, marketing and distribution of related healthcare products

* *Audited by other professional firms of accountants other than Baker Tilly Monteiro Heng.*

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

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

(a) On 13 January 2014, the issued and paid-up capital of Supermax Healthcare Limited ("SHL"), has increased from GBP1 to GBP100,000 by way of the allotment of 99,999 ordinary shares of GBP1 each. The Company subscribed for 99,999 ordinary shares (equivalent to approximately RM540,694) from this allotment.

On 21 March 2014, the issued and paid-up capital of SHL has increased from GBP100,000 to GBP300,000 by way of the allotment of 200,000 ordinary shares of GBP1 each. The Company subscribed for 200,000 ordinary shares (equivalent to approximately RM1,082,560) from this allotment.

(b) On 7 March 2014, a wholly-owned subsidiary of the Company, Supermax International Sdn. Bhd. incorporated a 98% owned subsidiary, SuperVision Optimax Sdn. Bhd. (SuperVision Optimax").

SuperVision Optimax was incorporated with an authorised share capital of RM5,000,000 divided into 5,000,000 ordinary shares of RM1 each. The initial issued share capital is RM100 comprising 100 ordinary shares of RM1 each. Supermax International Sdn. Bhd. subscribed 98 ordinary shares of RM1 each for a cash consideration of RM98.

(c) On 24 April 2014, the Company has acquire 160,000 shares of Euro1 each of Supermax Deutschland GmbH ("SD") for a total cash consideration of RM672,960. Subsequent to the acquisition, SD became a wholly owned subsidiary of the Company.

(d) The total carrying amount of non-controlling interests ('NCI') and profit allocated to NCI are as follows:-

	2014 RM	2013 RM
Carrying amount of NCI	(1,082,708)	(1,001,160)
Profit allocated to NCI	(446,814)	(725,565)

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

	2014 RM	2013 RM
Assets and liabilities		
Non-current assets	887,356	448,847
Current assets	27,799,626	20,772,293
Non-current liabilities	-	-
Current liabilities	(27,491,332)	(26,093,063)
Net assets	1,195,650	(4,871,923)
Results		
Revenue	21,112,063	31,754,608
Profit for the financial year	(1,710,423)	(3,376,375)
Total comprehensive income	(1,710,423)	(3,376,375)
Cash flows from operating activities	(17,052,761)	775,356
Cash flows from investing activities	(4,353)	(139,430)
Cash flows from financing activities	17,796,226	(438,973)
Effects of exchange rate changes on cash and cash equivalents	5,405	(233,195)
Net change in cash and cash equivalents	744,517	(36,242)
Dividends paid to NCI	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT IN ASSOCIATES

	2014 RM	2013 RM
Group		
Unquoted shares, outside Malaysia	20,218,962	20,218,962
Share of post-acquisition result, net of dividend received	258,101,677	248,293,759
Exchange differences	(66,181,219)	(52,017,771)
Less: Impairment	(1,590,720)	(1,590,720)
	210,548,700	214,904,230
Company		
Unquoted shares, outside Malaysia	19,829,489	19,829,489
Less: Impairment	(834,793)	(834,793)
	18,994,696	18,994,696

Details of the associates are as follows:-

Name of Companies	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	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 other professional firm of accountants other than Baker Tilly Monteiro Heng.*

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

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

	2014 RM	2013 RM
Assets and liabilities		
Non-current assets	44,552,092	49,019,039
Current assets	457,264,446	463,264,968
Current liabilities	(80,719,140)	(82,475,548)
Net assets	421,097,398	429,808,459
Results		
Revenue	223,069,492	328,492,904
Profit for the financial year	19,615,836	33,560,495
Total comprehensive income	19,615,836	33,560,495

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. GOODWILL ON CONSOLIDATION

	Group 2014 RM	Group 2013 RM
At 1 January/31 December	28,715,854	28,715,854

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

The recoverable amount of the CGU is determined based on the value in use calculations using cash flow projections on financial budgets approved by directors covering a five-year period.

The calculation of value in use for this CGU is most sensitive to the following assumptions:-

(a) Budgeted growth margin – Gross margin is based on average values achieved in the three years preceding the start of the budget period. The anticipated growth rate of 2% for gross margin is projected to be minimal.

(b) Growth rates – The forecasted growth rates of 5.00% to 7.32% are based on directors past experience in the glove manufacturing industry that the CGU operates in.

(c) Pre-tax discount rate – Discount rate of 7.30% reflects the current market assessment of the risks specific to the CGU. This is the benchmark used by directors to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rate for the CGU, regard has been given to the yield on a five-year government bond at the beginning of the budgeted year.

(d) There is no significant fluctuation in the price of raw material.

The value assigned to the key assumptions represents directors' assessment of future trends in the glove manufacturing industry and are based on both external sources and internal sources (historical data).

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group 2014 RM	Group 2013 RM
Deferred tax assets/(liabilities)		
At 1 January	(21,330,007)	(19,331,182)
Transfer to profit or loss (Note 26)	(9,817,916)	(1,998,825)
Translation differences	(11,954)	-
At 31 December	(31,159,877)	(21,330,007)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Presented after appropriate offsetting as follows:

	Group 2014 RM	Group 2013 RM
Deferred tax assets	11,559,560	16,755,534
Deferred tax liabilities	(42,719,437)	(38,085,541)
	(31,159,877)	(21,330,007)

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

	Group 2014 RM	Group 2013 RM
Deferred tax assets		
Unrealised loss foreign exchange	1,894,200	1,500,905
Unrealised profit on inventories	1,244,608	2,208,887
Unutilised reinvestment allowances	7,649,450	12,142,525
Unutilised tax losses	771,302	903,217
	11,559,560	16,755,534
Deferred tax liabilities		
Differences between the carrying amounts of property, plant and equipment and their tax base	(39,620,747)	(35,751,429)
Unrealised gain foreign exchange	(3,098,690)	(2,334,112)
	(42,719,437)	(38,085,541)

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

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group 2014 RM	Group 2013 RM
Unutilised tax losses	236,646	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. INVENTORIES

	Group	
	2014 RM	2013 RM
At cost		
Raw materials	15,965,798	13,111,708
Consumables	4,277,348	10,149,902
Work-in-progress	65,562,931	94,178,658
Finished goods	65,640,160	75,220,445
	151,446,237	192,660,713

During the financial year, inventories of the Group recognised as cost of goods sold amounted to RM685,279,957 (2013: RM730,053,946).

In addition, inventories written off of the Group recognised as expenses amounted to RM10,660 (2013: RM Nil).

12. RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables	146,201,820	129,266,563	-	-
Less: Allowance for impairment	(99,180)	(99,180)	-	-
Trade receivables, net	146,102,640	129,167,383	-	-
Other receivables	3,932,469	4,212,472	787,974	226,998
Deposits	29,002,619	8,460,483	-	-
Prepayments	3,063,679	137,829	-	-
	35,998,767	12,810,784	787,974	226,998
	182,101,407	141,978,167	787,974	226,998

(a) Trade Receivables

The credit period granted on sales of goods ranging from 30 to 120 days (2013: 30 to 120 days).

Analysis of trade receivables by currency:-

	Group	
	2014 RM	2013 RM
Canadian Dollar	2,584,008	2,909,845
Euro	1,236,382	1,124,179
Ringgit Malaysia	324,468	367,943
Pound Sterling	3,192,398	-
United States Dollar	138,765,384	124,765,416
	146,102,640	129,167,383

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. RECEIVABLES (CONT'D)

(a) Trade Receivables (Cont'd)

Ageing analysis of trade receivables:-

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	106,279,389	108,664,230
1 to 30 days past due not impaired	20,929,838	4,513,848
More than 30 days past due not impaired	18,893,413	15,989,305
	39,823,251	20,503,153
Impaired	99,180	99,180
	146,201,820	129,266,563

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

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

Receivables that are impaired

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

	Group 2014 RM	Group 2013 RM
Individually impaired		
Trade receivables	99,180	99,180
Less: Allowance for impairment	(99,180)	(99,180)
	-	-

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

	Group 2014 RM	Group 2013 RM
At 1 January	99,180	433,866
Written off during the financial year	-	(334,686)
At 31 December	99,180	99,180

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. RECEIVABLES (CONT'D)

(b) Deposits

Included in deposits as at 31 December 2013 is an amount of RM7,840,800 representing deposit paid for the acquisition of a freehold industrial land in the previous financial year. Included in deposit as at 31 December 2014 is an amount of RM17,574,293, representing deposit paid for the acquisition of plant and machineries. The balance of the purchase consideration is disclosed as capital commitments in Note 30 to the financial statements.

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Amounts owing by/(to) subsidiaries are non-trade in nature, unsecured, interest free and are repayable on demand in cash and cash equivalents.

14. AMOUNTS OWING BY ASSOCIATES

	2014 RM	2013 RM
Group		
Amounts owing by associates	84,229,063	92,409,500
Less: Allowance for impairment	(566,362)	(566,362)
	84,795,425	92,975,862

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

Group	2014 RM	2013 RM
At 1 January	566,362	-
Charge for the financial year (Note 24)	-	566,362
At 31 December	566,362	566,362

Included in amounts owing by associates of the Group and of the Company is an amount of RM294,301 (2013: RM294,301) which is non-trade in nature, unsecured, interest free and are repayable on demand in cash and cash equivalents.

Amounts owing by associates arose from trade transactions with repayment term of 120 days (2013: 120 days).

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

15. CASH AND BANK BALANCES

Analysis of cash and bank balances by currency:-

	Group	
	2014 RM	2013 RM
Group		
Canadian Dollar	1,062,788	642,287
Euro	3,249,361	1,642,565
Pound Sterling	2,674,293	-
Ringgit Malaysia	12,744,694	14,224,881
United States Dollar	112,200,601	150,620,101
	131,931,737	167,129,834

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. CASH AND BANK BALANCES (CONT'D)

Analysis of cash and bank balances by currency (Cont'd):-

	Group 2014 RM	Group 2013 RM
Company		
Ringgit Malaysia	19,587	630,169
United States Dollar	13,852	10,978
Euro	270,657	-
	304,096	641,147

16. SHARE CAPITAL

	Group and Company 2014 Number of shares Unit	2014 RM	2013 Number of shares Unit	2013 RM
Ordinary shares of RM0.50 each				
Authorised:-				
At the beginning/end of the financial year	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Issued and fully paid:-				
At the beginning/end of the financial year	680,154,880	340,077,440	680,154,880	340,077,440

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

17. RESERVES

	Note	2014 RM	2013 RM
Group			
Non-distributable reserves:-			
Translation reserve	(a)	(60,287,961)	(50,114,396)
Treasury shares	(c)	(6,655,353)	(2,043,568)
		(66,943,314)	(52,157,964)
Distributable reserve:-			
Retained earnings	(b)	672,030,796	610,730,171
		605,087,482	558,572,207
Company			
Non-distributable reserves:-			
Treasury shares	(c)	(6,655,353)	(2,043,568)
		(6,655,353)	(2,043,568)
Distributable reserve:-			
Retained earnings	(b)	13,406,869	16,600,137
		6,751,516	14,556,569

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RESERVES (CONT'D)

(a) Translation Reserve

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

(b) Retained Earnings

The entire retained earnings of the Company as at 31 December 2014 may be distributed as dividend under the single tier system.

(c) Treasury shares

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

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 3 June 2014, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,097,000 (2013: 1,000) of its issued ordinary shares from the open market at an average price of RM2.19 (2013: RM2.32) per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM4,611,785 (2013: RM2,364).

As at 31 December 2014, the Company held a total of 3,100,000 (2013: 1,003,000) ordinary shares of its 680,154,880 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM6,655,353 (2013: RM2,043,568).

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

18. LOANS AND BORROWINGS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Secured:-				
Bankers' acceptance	124,182,261	145,647,318	-	-
Finance lease payables (Note 19)	174,496	48,079	-	-
Industrial hire purchase (Note 20)	8,119,644	7,670,203	-	-
Term loans	73,495,709	42,396,976	38,445,000	29,493,000
Bank overdraft	494,886	-	-	-
	206,466,996	195,762,576	38,445,000	29,493,000
Non-current				
Secured:-				
Finance lease payables (Note 19)	41,662	144,757	-	-
Industrial hire purchase (Note 20)	4,951,306	13,070,922	-	-
Term loans	141,105,163	113,806,277	20,970,000	55,709,000
	146,098,131	127,021,956	20,970,000	55,709,000
Total loans and borrowings	352,565,127	322,784,532	59,415,000	85,202,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. LOANS AND BORROWINGS (CONT'D)

The interest rates are as follows:-

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Bankers' acceptance	1.15 - 3.75	1.15 - 3.75	-	-
Term loans	3.44 - 8.10	3.44 - 8.10	3.44 - 8.10	3.44 - 8.10
Bank overdraft	7.85	-	-	-

The term loans, bank overdraft and bankers' acceptance are secured by way of:-

(i) legal charges over land and buildings of subsidiaries;
(ii) debentures creating fixed and floating charges over all the present and future assets of the Company;
(iii) negative pledge; and
(iv) corporate guarantee by the Company.

Analysis of borrowings by currency:-

	2014	2013
	RM	RM
Group		
Euro	142,160	162,604
Ringgit Malaysia	98,818,206	85,440,100
United States Dollar	253,604,761	237,181,828
	352,565,127	322,784,532
Company		
United States Dollar	59,415,000	85,202,000

19. FINANCE LEASE PAYABLES

	Group	
	2014	2013
	RM	RM
Minimum hire purchase payments:-		
- not later than one year	178,496	48,962
- later than one year but not later than five years	44,412	144,757
	222,908	193,719
Less: Future finance charges	(6,750)	(883)
	216,158	192,836
Analysis of present value of finance lease payables:-		
Current		
- not later than one year	174,496	48,079
Non-current		
- later than one year but not later than five years	41,662	144,757
	216,158	192,836

Interest rates on the finance lease payables for the financial year ranging from 3.00% to 4.72% (2013: 2.58% to 4.72%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. INDUSTRIAL HIRE PURCHASE

	Group 2014 RM	Group 2013 RM
Minimum hire purchase payments:-		
- not later than one year	8,674,707	8,674,706
- later than one year but not later than five years	5,118,272	13,792,990
	13,792,979	22,467,696
Less: Future finance charges	(722,029)	(1,726,571)
	13,070,950	20,741,125
Analysis of present value of industrial hire purchases:-		
Current		
- not later than one year	8,119,644	7,670,203
Non-current		
- later than one year but not later than five years	4,951,306	13,070,922
	13,070,950	20,741,125

Interest rate on the industrial hire purchase for the financial year ranging from 2.78% to 6.45% (2013: 2.78 to 6.45%) per annum.

21. PAYABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade payables	74,875,566	59,372,922	-	-
Other payables				
Other payables	17,231,903	21,669,560	-	25,790
Deposits received from customers	17,029,228	9,338,592	-	-
Accruals	9,615,306	10,618,603	25,850	25,350
	43,876,437	41,626,755	25,850	51,140
	118,752,003	100,999,677	25,850	51,140

(a) Trade Payables

The credit period granted to the Group for trade purchases ranging from 30 to 60 days (2013: 30 to 60 days).

Analysis of trade payables by currency:-

	Group 2014 RM	Group 2013 RM
Ringgit Malaysia	41,489,955	34,980,341
United States Dollar	33,385,611	24,392,581
	74,875,566	59,372,922

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. PAYABLES (CONT'D)

(b) Other Payables

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

(c) Deposits Received from Customers

Deposits received from customers are denominated in United States Dollar

22. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of gloves	1,004,383,726	1,048,150,699	-	-
Dividend income received from subsidiaries	-	-	33,963,000	21,000,000
	1,004,383,726	1,048,150,699	33,963,000	21,000,000

23. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors of the Company:-				
- fees	129,500	130,000	129,500	130,000
- other emoluments	11,350,079	12,960,888	5,000	6,000
	11,479,579	13,090,888	134,500	136,000
Non-executive directors of the Company:-				
- fees	300,000	300,000	300,000	300,000
- other emoluments	18,500	20,500	18,500	20,500
	318,500	320,500	318,500	320,500
	11,798,079	13,411,388	453,000	456,500

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

Included in other emoluments of the directors are contributions made by the Group to the Employees' Provident Fund of RM332,360 (2013: RM452,020).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. PROFIT BEFORE TAX

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration				
- current year	184,000	158,800	28,000	25,000
- prior year	2,000	5,000	-	-
- other	10,000	9,000	-	-
Depreciation of property, plant and equipment	27,861,911	26,614,669	-	-
Depreciation of investment property	13,071	13,071	-	-
Amortisation of prepaid land lease payments	64,127	64,129	-	-
Inventories written off	10,660	-	-	-
Impairment losses on:-				
- cost of investment in associates	-	1,590,720	-	834,793
- amount owing by associates	-	566,362	-	-
Net gain on foreign exchange				
- realised	(1,239,569)	(1,769,518)	-	-
- unrealised	(2,586,661)	(3,166,325)	-	-
Net loss on foreign exchange				
- realised	-	-	3,319	4,850,642
- unrealised	-	-	2,426,004	187,240
Rental of investment property	(24,804)	(23,417)	-	-
Rental of office equipment	216,136	6,875	-	-
Rental of plant and machinery	1,800	2,700	-	-
Staff costs				
- salaries, wages and bonuses	75,814,980	65,881,715	-	-
- Employees' Provident Fund	2,019,022	2,218,396	-	-
- other related staff costs	2,906,660	2,234,668	-	-

25. FINANCE COSTS

	Group	
	2014	**2013**
	RM	**RM**
Interest expenses on:-		
- bankers' acceptance	670,220	944,007
- hire purchases	3,979	9,124
- industrial hire purchases	710,586	1,040,727
- term loans	5,894,898	4,887,290
- others	888,342	751,055
	8,168,025	7,632,203

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. TAX EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax				
- current year	21,527,731	26,481,326	-	-
- under provision in prior financial years	1,751,800	686,459	5,806	-
	23,279,531	27,167,785	5,806	-
Deferred tax (Note 10)				
- current year	10,201,330	7,558,206	-	-
- relating to changes in tax rate	(890,134)	-	-	-
- under/(over) provision in prior financial year	506,720	(5,559,381)	-	-
	9,817,916	1,998,825	-	-
	33,097,447	29,166,610	5,806	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. In the Budget Speech 2014, the Government of Malaysia announced that the domestic statutory tax rate will be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected these changes.

Tax expense for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group has unutilised tax losses of RM1,757,300 (2013: RM903,200) available for set-off against future taxable profits.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of Company is as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	128,292,536	148,157,017	30,728,162	14,308,150
Taxation at applicable tax rate of 25%	32,073,134	37,039,254	7,682,041	3,577,038
Tax effects arising from:-				
- changes in tax rates on opening balance of deferred tax	(890,134)	-	-	-
- deferred tax recognised at different tax rates	(218,486)	-	-	-
- different tax rates in foreign jurisdictions	(28,104)	(37,685)	-	-
- income not subject to tax	(28,933)	(1,632,636)	(8,515,050)	(5,250,000)
- share of profits of associates	(2,451,980)	(4,195,062)	-	-
- expenses not deductible for tax purposes	2,356,196	3,935,886	833,009	1,672,962
- double deduction	(29,561)	(25,712)	-	-
- deferred tax assets not recognised during the financial year	56,795	-	-	-
- utilisation of deferred tax assets not recognised in prior financial years	-	(1,044,513)	-	-
Under/(Over) provision in prior years:-				
- income tax	1,751,800	686,459	5,806	-
- deferred tax	506,720	(5,559,381)	-	-
Tax expense for the financial year	33,097,447	29,166,610	5,806	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. EARNINGS PER ORDINARY SHARE

(a) Basic Earnings Per Share

	Group 2014 RM	Group 2013 RM
Net profit attributable to owners of the parent	95,641,903	119,715,972
Number of shares in issue as of 1 January	680,154,880	680,154,880
Effect of treasury shares held	(1,121,315)	(1,002,342)
Weighted average number of ordinary shares in issue	679,033,565	679,152,538
Basic earnings per ordinary share of RM0.50 (sen)	14.09	17.63

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

(b) Diluted Earnings Per Share

The diluted losses per ordinary share of the Group for the financial years ended 31 December 2014 and 31 December 2013 are same as the basic earnings per ordinary share of the Group as the Group has no dilutive potential ordinary shares.

28. DIVIDENDS

	Group and Company 2014 RM	Group and Company 2013 RM
Recognised during the financial year:-		
In respect of financial year ended 31 December 2012		
- Interim tax exempt dividend of 4% per ordinary share of RM0.50	-	13,583,058
- Final tax exempt dividend of 6% per ordinary share of RM0.50	-	20,374,586
In respect of financial year ended 31 December 2013		
- Interim tax exempt dividend of 4% per ordinary share of RM0.50	-	13,583,038
- Final single-tier dividend of 6% per ordinary share of RM0.50	20,374,526	-
In respect of financial year ended 31 December 2014		
- Interim single-tier dividend of 4% per ordinary share of RM0.50	13,541,098	-
	33,915,624	47,540,682

The directors proposed a final single-tier dividend of 6% per ordinary share of RM0.50 amounting to RM20,311,646 in respect of the current financial year, subject to approval of shareholders at the forthcoming Annual General Meeting.

The financial statements for the current financial do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL GUARANTEES

(a) As of 31 December 2014, the Company is contingently liable in respect of guarantees given mainly for credit facilities totalling RM274,176,000 (2013: RM212,144,000) granted by local licensed banks to the subsidiaries. Accordingly, the Company is contingently liable to the extent of the facilities utilised.

(b) As of 31 December 2014, the Company is contingently liable to the extent of RM19,866,967 (2013: RM18,219,979) in respect of bank guarantees issued in favour of various third parties. The bank guarantees are secured over the corporate guarantee of the Company and subsidiaries.

30. CAPITAL COMMITMENTS

	Group	
	2014	**2013**
	RM	**RM**
Approved and contracted for but not provided in the financial statements		
- purchases of property, plant and equipment	16,928,940	57,636,871
- purchases of plant and machineries	22,200,000	-
- purchase of freehold industrial land	-	70,567,200

31. RELATED PARTY DISCLOSURES

(a) Identity of Related Parties

Parties are considered to be related to the Group if the Group 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 Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

(i) Subsidiaries;
(ii) Associates;
(iii) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly; and
(iv) Directors related companies refer to companies in which directors of the Company have substantial financial interest.

(b) Significant Related Party Transactions and Balances

During the financial year, the significant related party transactions are as follows:-

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Dividend received/receivable from subsidiaries				
- Maxwell Glove Manufacturing Berhad	-	-	20,378,000	21,000,000
- Supermax Latex Products Sdn. Bhd.	-	-	13,585,000	-
Sales of gloves to associates	148,726,665	185,827,784	-	-
Donation to director related company				
- Supermax Foundation	-	1,010,000	-	-

Information regarding outstanding balances with related parties at each reporting date are disclosed in Notes 13 and 14.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. 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 three reportable operating segments as follows:-

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

Measurement of Reportable Segments

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

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

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

All the Group's liabilities are allocated to reportable segments other than deferred tax liabilities

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT REPORTING (CONT'D)

Group 2014	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	174,519,646	829,864,080	-			1,004,383,726
Inter-segment sales	36,318,552	861,622,590	102,312,022	5,058,940	(1,005,312,104)	(a)	-
Total revenue	36,318,552	1,036,142,236	932,176,102	5,058,940	(1,005,312,104)		1,004,383,726
Results							
Segment results	33,121,861	126,554,306	27,818,635	48,598	(32,951,648)	(a)	154,591,752
Depreciation and amortisation	(313,279)	(26,046,598)	(1,112,934)	(466,298)			(27,939,109)
Finance costs	(118,340)	(8,047,118)	(2,567)	-			(8,168,025)
Tax expense	(32,679)	(27,668,034)	(4,482,347)	49,892	(964,279)	(a)	(33,097,447)
Share of profits of associates							9 ,807,918
Net profit for the financial year							95,195,089
Assets							
Segment assets	454,460,469	1,336,173,021	550,645,576	63,952,458	(1,144,678,071)	(b)	1,260,553,453
Deferred tax assets							2,015,910
Investment in associates							216,189,545
Consolidated total assets							1,478,758,908
Other information							
Addition to property, plant and equipment	-	176,876,923	662,808	22,600	-		177,562,331
Liabilities							
Segment liabilities	124,260,989	801,378,412	465,680,309	53,975,273	(958,978,571)	(c)	486,316,412
Deferred tax liabilities	-	30,060,802	3,099,311	15,674	9,543,650		42,719,437
Consolidated total liabilities							529,035,849

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. SEGMENT REPORTING (CONT'D)

Group 2013	Investment Holding RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue							
External sales	-	153,578,664	894,572,035	-	-		1,048,150,699
Inter-segment sales	21,570,227	904,153,868	72,607,956	4,737,244	(1,003,069,295)	(a)	-
Total revenue	21,570,227	1,057,732,532	967,179,991	4,737,244	(1,003,069,295)		1,048,150,699
Results							
Segment results	14,713,641	162,544,280	13,535,762	202,676	(25,295,518)	(a)	165,700,841
Depreciation and amortisation	-	(25,401,887)	(159,119)	(471,377)	(659,486)		(26,691,869)
Finance costs	(127,135)	(7,496,279)	(8,789)	-	-		(7,632,203)
Tax expense	(24,203)	(29,737,042)	(1,679,830)	65,578	2,208,887	(a)	(29,166,610)
Share of profits of associates							16,780,248
Net profit for the financial year							118,990,407
Assets							
Segment assets	484,100,373	1,137,175,742	519,297,232	24,187,713	(1,012,801,510)	(b)	1,151,959,550
Deferred tax assets							16,755,534
Investment in associates							214,904,230
Consolidated total assets							1,383,619,314
Other information							
Addition to property, plant and equipment	23,821,331	76,229,990	1,396,397	184,300	-		101,632,018
Liabilities							
Segment liabilities	148,181,772	654,873,399	449,376,147	18,734,033	(809,395,273)	(c)	461,770,078
Deferred tax liabilities	-	21,983,092	2,093,296	124,361	-		24,200,749
Consolidated total liabilities							485,970,827

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. 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:-

	2014 RM	2013 RM
America and Canada	38,145,771	47,684,941
Europe	168,381	277,968
Asia	624,815,531	474,352,510
	663,129,683	522,315,419

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:-

	2014 RM	2013 RM
America	492,148,026	534,556,856
Europe	321,402,792	377,334,252
Asia/Australia	150,657,559	104,815,070
Africa	40,175,349	31,444,521
	1,004,383,726	1,048,150,699

33. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

	2014 RM	2013 RM
Group		
Financial assets		
Loans and receivables		
- Receivables, net of prepayments	179,037,728	141,840,338
- Amounts owing by associates	84,795,425	92,975,862
- Cash and cash equivalents	131,931,737	167,129,834
	395,764,890	401,946,034

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. FINANCIAL INSTRUMENTS

(a) Categories of Financial Instruments

	2014 RM	2013 RM
Group		
Financial liabilities		
Other financial liabilities		
- Payables	118,752,003	100,999,677
- Banker's acceptance	124,182,261	145,647,318
- Finance lease payables	216,158	192,836
- Industrial hire purchase	13,070,950	20,741,125
- Term loans	214,600,872	156,203,253
- Bank overdraft	494,886	-
- Dividend payable	13,541,098	13,583,038
	470,822,244	423,784,209
Company		
Financial assets		
Loans and receivables		
- Other receivables	787,974	226,998
- Amounts owing by subsidiaries	221,177,576	256,822,067
- Amounts owing by associates	294,301	294,301
- Cash and cash equivalents	304,096	641,147
	222,563,947	257,984,513
Financial liabilities		
Other financial liabilities		
- Payables	25,850	51,140
- Term loans	59,415,000	85,202,000
- Amount owing to subsidiaries	7,996,395	7,439,986
- Dividend payable	13,541,098	13,583,038
	80,978,343	106,276,164

(b) Fair Values of Financial Instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of reporting period approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Methods and Assumptions Used to Estimate Fair Value

The fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and cash equivalents, receivables and payables

The carrying amounts of cash and cash equivalents, receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(ii) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

34. FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) 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); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2014 and 31 December 2013, the Group and the Company held the following financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position:

	Fair value of financial instruments not carried at fair value				
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**	**Carrying amount RM**
2014					
Group					
Financial liabilities					
Other financial liabilities					
- Finance lease payables	-	-	216,158	216,158	216,158
- Industrial hire purchase payables	-	-	13,070,950	13,070,950	13,070,950
- Term loans	-	-	214,600,872	214,600,872	214,600,872
	-	-	227,887,980	227,887,980	227,887,980
2013					
Financial liabilities					
Other financial liabilities					
- Finance lease payables	-	-	192,836	192,836	192,836
- Industrial hire purchase payables	-	-	20,741,125	20,741,125	20,741,125
- Term loans	-	-	156,203,253	156,203,253	156,203,253
	-	-	177,137,214	177,137,214	177,137,214

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. FAIR VALUE HIERARCHY (CONT'D)

	Fair value of financial instruments not carried at fair value				
	Level 1	**Level 2**	**Level 3**	**Total**	**Carrying amount**
	RM	**RM**	**RM**	**RM**	**RM**
2014					
Company					
Financial liabilities					
Other financial liabilities					
- Term loans	-	-	59,415,000 5	9,415,000 5	9,415,000
2013					
Financial liabilities					
Other financial liabilities					
- Term loans	-	-	85,202,000	85,202,000	85,202,000

During the financial years ended 31 December 2014 and 31 December 2013, there was no transfer between fair value measurement hierarchy.

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(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 primarily from trade and other receivables. For other financial assets (including other investment and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The management has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantee has not been recognised in the financial statements of the Company since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee period.

Information regarding credit enhancements for trade receivables is disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE (CONT'D)

(a) Credit Risk (Cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 12 to the financial statements. Deposits with banks and other financial institutions and investment securities are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 12 to the financial statements.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying amounts RM	Contractual undiscounted cash flows RM	On Demand or within 1 Year RM	1 to 5 Years RM
Group				
2014				
Financial liabilities				
Trade and other payables	118,752,003	118,752,003	118,752,003	-
Loans and borrowings	352,565,127	353,293,906	207,026,059	146,267,847
Dividend payable	13,541,098	13,541,098	13,541,098	-
	484,858,228	485,587,007	339,319,160	146,267,847
2013				
Financial liabilities				
Trade and other payables	100,999,677	100,999,677	100,999,677	-
Loans and borrowings	322,784,532	324,511,986	196,767,962	127,744,024
Dividend payable	13,583,038	13,583,038	13,583,038	-
	437,367,247	439,094,701	311,350,677	127,744,024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE (CONT'D)

(b) Liquidity Risk (Cont'd)

	Carrying amounts RM	Contractual undiscounted cash flows RM	On Demand or within 1 Year RM	1 to 5 Years RM
Company				
2014				
Financial liabilities				
Other payables	25,850	25,850	25,850	-
Amounts owing to subsidiaries	7,996,395	7,996,395	7,996,395	-
Loans and borrowings	59,415,000	59,415,000	38,445,000	20,970,000
Dividend payable	13,541,098	13,541,098	13,541,098	-
	80,978,343	80,978,343	60,008,343	20,970,000
2013				
Financial liabilities				
Other payables	51,140	51,140	51,140	-
Amount owing to a subsidiary	7,439,986	7,439,986	7,439,986	-
Loans and borrowings	85,202,000	85,202,000	29,493,000	55,709,000
Dividend payable	13,583,038	13,583,038	13,583,038	-
	106,276,164	106,276,164	50,567,164	55,709,000

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

Sensitivity analysis for interest rate

At the end of the reporting period, if interest rates had been 1% lower/higher, with all other variables held constant, the Group's profit net of tax and the Company's profit net of tax would have been RM3,252,662 (2013: RM3,225,917) and RM894,150 (2013: RM852,020) higher/lower respectively, arising mainly as a result of a lower/higher of interest expenses from pre-determined rate of borrowings. The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE (CONT'D)

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Canadian Dollar ("CND"), EURO, British Pound ("GBP") and United States Dollars ("USD").

The Group and the Company ensure that the net exposure to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address shortterm imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweigh the potential risk of exchange rate fluctuations.

The financial assets and financial liabilities of the Group that are not denominated in the functional currencies are disclosed in respective notes to the financial statements.

Sensitivity analysis for foreign currency

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

		Group	
		2014	**2013**
		RM	**RM**
		Profit/(loss) for the year	**Profit/(loss) for the year**
CND/RM	- strengthened 3% (2013: 3%)	82,053	79,923
	- weakened 3% (2013: 3%)	(82,053)	(79,923)
EUR/RM	- strengthened 3% (2013: 3%)	84,792	58,593
	- weakened 3% (2013: 3%)	(84,792)	(58,593)
GBP/RM	- strengthened 3% (2013: 3%)	144,940	-
	- weakened 3% (2013: 3%)	(144,940)	-
USD/RM	- strengthened 3% (2013: 3%)	1,101,492	357,476
	- weakened 3% (2013: 3%)	(1,101,492)	(357,476)

(e) Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Group'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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

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

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

	Note	2014 RM	2013 RM
Group			
Payables	21	118,752,003	100,999,677
Loans and borrowings	18	352,565,127	322,784,532
Total debts		471,317,130	423,784,209
Equity attributable to owners of the parent		945,164,922	898,649,647
Capital and total debts		1,416,482,052	1,322,433,856
Gearing ratio		33.3%	32.0%
Company			
Payables	21	25,850	51,140
Amounts owing to subsidiaries	13	7,996,395	7,439,986
Loans and borrowings	18	59,415,000	85,202,000
Total debts		67,437,245	92,693,126
Equity attributable to owners of the parent		346,828,956	354,634,009
Capital and total debts		414,266,201	447,327,135
Gearing ratio		16.3%	20.7%

The Group is required to maintain a minimum Consolidated Total Equity of RM480 million, a minimum Consolidated Earnings before interest, tax, depreciation and amortisation to Consolidated Interest Expense of 3.0 to 1.0 and a maximum Consolidated Debt to Consolidated Total Equity of 0.75 to 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. SIGNIFICANT EVENTS

(a) On 7 March 2014, a wholly-owned subsidiary of the Company, Supermax International Sdn. Bhd. incorporated a 98% owned subsidiary, SuperVision Optimax Sdn. Bhd. ("SuperVision Optimax").

SuperVision Optimax was incorporated as a private limited company with an authorised share capital of RM5,000,000 divided into 5,000,00 ordinary shares of RM1 each. The initial issued share capital is RM100 comprising 100 ordinary shares of RM1 each. Supermax International Sdn. Bhd. subscribed 98 ordinary shares of RM1 each for a cash consideration of RM98.

(b) On 8 November 2014, a wholly-owned subsidiary of the Company, Maxwell Glove Manufacturing Berhad entered into a Sale and Purchase Agreement with Dragonline Resources Sdn. Bhd. for the acquisition of all the freehold industrial land held under Geran 28698, Lot 1858, Mukim Serendah, Daerah Ulu Selangor, Negeri Selangor for a total purchase consideration of RM78,408,000 only upon such terms and conditions as stipulated in the Sale and Purchase Agreement.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE
OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2014 and 31 December 2013 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at reporting date is analysed as follows:

	Group		**Company**	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Total retained profits of the Company and its subsidiaries				
- realised	510,309,621	440,952,029	10,980,865	16,412,897
- unrealised	(33,746,538)	(25,158,187)	2,426,004	187,240
	476,563,083	415,793,842	13,406,869	16,600,137
Add:				
Share of retained profits of associates				
- realised	265,788,639	255,980,722	-	-
	742,351,722	671,774,564	13,406,869	16,600,137
Consolidation adjustments	(70,320,926)	(61,044,393)	-	-
Total retained profits	672,030,796	610,730,171	13,406,869	16,600,137
Total retained profits as per statements of financial position	672,030,796	610,730,171	13,406,869	16,600,137

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

LIST OF PROPERTIES
HELD BY THE GROUP AS AT 31ST DECEMBER 2014

The leasehold land and building are valued at cost with subsequent improvement and additions valued at cost as appropriate. No revaluation exercise has been carried out and these properties continue to be stated at their existing carrying amounts less accumulated depreciation where applicable. The Directors have not adopted a policy of regular revaluation of these properties.

	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	16 years	1.5 acres/ 36,600sq ft)	Freehold	7,391,487
2.	Lot 6070, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Factory cum Office Building	13 years	5.0063 acres/ (127,861sq ft)	Freehold	25,918,639
3.	Lot 38, Jalan BRP9/2B, Putra Industrial Park, Bukit Rahman Putra, Sungai Buloh, Selangor Darul Ehsan.	Land, Factory cum Office Building	9 years	5.6337 acres	Freehold	22,949,955
4.	Lot No. 5128, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	10 years	4.6875 acres	Freehold	10,180,368
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)	675,238
6.	Suite No. 708, 6th Floor (Level 7), Menara Atlas, (Tower A), Plaza Pantai, Off Jalan Pantai Baru, Kuala Lumpur.	Stratified office lot	12 years	1,235 sq ft	Freehold	447,690
7.	Lot 6068, Mukim of Kapar, District of Kelang, Selangor Darul Ehsan.	Land and Building	8 years	5.00625 acres	Freehold	17,638,225
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)	4,195,517
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)	269,893
	HS(D)KA 70399 Lot 72706, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Single storey factory with annexed two-storey office buildings	21 years	18,534sq m		9,097,601
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

LIST OF PROPERTIES (CONTINUED)
HELD BY THE GROUP AS AT 31ST DECEMBER 2014

	Location	Existing Use	Age of Building	Land Area/ (Build-up Area)	Tenure	Net Book Value (RM)
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)	795,963
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)	855,867
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)	13,952,039
17.	Lot 6069, Mukim Kapar, Daerah Klang, Negeri Selangor.	Land and office cum factory warehouse	13 years	20,260sq m	Freehold	15,054,574
18.	HS(D) 143519, PT 207093, Lot 72314, Mukim Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Industrial Land		9,359sq m	Leasehold - 99 years (Exp:19.05.2104)	2,185,295
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 Hulu Kinta, District Kinta, Perak Darul Ridzuan.	Industrial Land & Building		148,930sq m	Freehold	18,515,006
24	Geran No. 45720 Lot No. 6059, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building		20,234sq m	Freehold	8,119,594
25.	Geran No. 45719 Lot No. 6058, Mukim Kapar, Daerah Klang Negeri Selangor.	Land and Building		20,209sq m	Freehold	7,817,596
26.	Geran No. 28698 Lot No. 1858, Mukim Serendah, Daerah Ulu Selangor, Negeri Selangor.	Land		404,685sq m	Freehold	80,809,480

ANALYSIS OF SHAREHOLDINGS
AS AT 27 APRIL 2015

Authorised Share Capital : RM 500,000,000.00
Issued and Fully Paid-up : RM 340,077,440.00
Class of Shares : Ordinary Shares of RM 0.50 each
Voting Rights : 1 vote per Ordinary Share

Size of Holdings	No. of Holders	%	No. of Holders	%
1 - 99	285	2.313	8,926	0.001
100 - 1,000	1,815	14.730	1,353,065	0.199
1,001 - 10,000	7,501	60.879	35,416,128	5.230
10,001 - 100,000	2,353	19.097	68,227,507	10.077
100,001 - 33,852,693 (*)	365	2.962	363,096,926	53.628
33,852,694 and above (**)	2	0.016	208,951,328	30.861
Total	12,321	100.000	677,053,880	100.000

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

LIST OF TOP 30 HOLDERS AS AT 27 APRIL 2015

No.	Name	Holdings	%
1	THAI KIM SIM	139,035,444	20.535
2	TAN BEE GEOK	69,915,884	10.326
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN BEE GEOK (PBCL-0G0071)	33,000,000	4.874
4	HSBC NOMINEES (ASING) SDN BHD NTGS LDN FOR SKAGEN KON-TIKI VERDIPAPIRFOND	30,573,600	4.515
5	CARTABAN NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR FIDELITY LOW-PRICED STOCK FUND (PRIN ALLSEC SUB)	26,193,300	3.868
6	CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY FUNDS ASEAN	10,922,700	1.613
7	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	9,885,300	1.460
8	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	8,073,100	1.192
9	AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	6,261,800	0.924
10	TAN GEOK SWEE @ TAN CHIN HUAT	6,000,000	0.886
11	EAST POINT VENTURES SDN. BHD.	5,630,004	0.831
12	TAN GEOK SWEE @ TAN CHIN HUAT	5,578,120	0.823
13	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	5,564,250	0.821
14	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM DIDIK	5,500,000	0.812
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT CM SHARIAH FLEXI FD (270785)	5,077,800	0.749
16	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	5,003,700	0.739
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR CIMB ISLAMIC SMALL CAP FUND	4,991,900	0.737
18	HO HAN SENG	4,500,000	0.664
19	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR RBC INVESTOR SERVICES TRUST (CLIENTS ACCOUNT)	4,419,700	0.652

ANALYSIS OF SHAREHOLDINGS (CONTINUED)
AS AT 27 APRIL 2015

No.	Name	Holdings	%
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA TAKAFUL BERHAD (SHAREHOLDERS FD)	4,000,000	0.590
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	3,926,300	0.579
22	AMANAHRAYA TRUSTEES BERHAD SEKIM AMANAH SAHAM NASIONAL	3,580,000	0.528
23	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	3,313,300	0.489
24	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	3,312,846	0.489
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (LIFE NON-PAR FD)	3,300,000	0.487
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	3,080,300	0.454
27	CARTABAN NOMINEES (ASING) SDN BHD BBH (LUX) SCA FOR FIDELITY ASIAN SMALLER COMPANIES POOL (FIDELITY FUNDS)	3,079,400	0.454
28	GONG WOOI TEIK	3,068,486	0.453
29	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	2,965,750	0.438
30	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMEL AIF-UK)	2,595,100	0.383

INFORMATION ON DIRECTORS HOLDINGS AS AT 27 APRIL 2015

No.	Name	Holdings	%
1	RASHID BIN BAKAR	60,000	0.008
2	TAN GEOK SWEE @ TAN CHIN HUAT	11,578,120	1.710
3	TAN BEE GEOK	69,915,884	10.326
4	THAI KIM SIM	139,035,444	20.535
5	GONG WOOI TEIK	3,068,486	0.453
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TAN BEE GEOK (PBCL-0G0071)	33,000,000	4.874
7	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG	1,325,000	0.195
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG	621,000	0.091
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TING HENG PENG (14570MZ0406)	2,276,000	0.336

INFORMATION ON SUBSTANTIAL HOLDERS’ HOLDINGS AS AT 27 APRIL 2015

No.	Name	Holdings	%
1	THAI KIM SIM	139,035,444	20.535
2	TAN BEE GEOK	69,915,884	10.326

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of the Company will be held at the Ballroom, Lower Ground Floor, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 16 June 2015 at 10.00 a.m., for the following purposes:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of Directors and Auditors thereon. **(Please see Note 2)**

2. To approve payment of a final single-tier dividend of 6.0% per share in respect of the financial year ended 31 December 2014. **(Resolution 1)**

3. To approve payment of Directors' Fees for the financial year ended 31 December 2014. **(Resolution 2)**

4. To re-elect the following Directors who retire pursuant to Article 88 of the Company's Articles of Association – **(Please see Note 3)**

   i) Dato' Ting Heng Peng **(Resolution 3)**
   ii) Mr Gong Wooi Teik **(Resolution 4)**

5. To appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 5)**

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs Crowe Horwath who have given their consent to act, for appointment as Auditors, and of the intention to move the following motion to be passed as an Ordinary Resolution:-

   "THAT Messrs Crowe Horwath, having consented to act, be and are hereby appointed as Auditors of the Company in place of the retiring auditors, Messrs Baker Tilly Monteiro Heng, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration."

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions:-

6. **ORDINARY RESOLUTION**
   AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **[Please see Note 4(a)] (Resolution 6)**

   "THAT, subject always to the Companies Act, 1965, Articles of Association of the Company and approval of any other governmental and/or regulatory bodies, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. **ORDINARY RESOLUTION**
   PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES **[Please see Note 4(b)] (Resolution 7)**

   "THAT, subject to the Companies Act, 1965, the Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the Main Market ("LR") and the approval of such relevant government and/or regulatory authorities where necessary, the Company be and is hereby authorised to purchase its own ordinary shares of RM0.50 each ("Shares") on the Main Market of Bursa Securities ("Proposed Share Buy-Back") at any time, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:-

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONTINUED)

(a) The aggregate number of Shares in the Company which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the prevailing issued and paid-up share capital of the Company at the time of purchase subject to any amount as may be determined by Bursa Securities from time to time and compliance with the public shareholding spread requirements as stipulated in Paragraph 8.02(1) of the LR;

(b) The maximum funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the Company's latest audited retained profits and/or share premium accounts;

(c) The authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

(i) the conclusion of the next Annual General Meeting ("AGM") at which time shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first; and

(d) Upon the purchase by the Company of its own Shares, the Board of Directors of the Company ("Board") be and is hereby authorised to:-

(i) cancel all or part of the Shares purchased pursuant to the Proposed Share Buy-Back ("Purchased Shares"); and/or

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

(iii) distribute the treasury shares as share dividends to the Company's shareholders for the time being; and/or

(iv) resell the treasury shares on Bursa Securities.

AND THAT authority be and is hereby given to the Board to take all such steps as are necessary or expedient to implement, finalise and give full effect to and to implement the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be required or imposed by the relevant authorities from time to time and to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company."

8. **ORDINARY RESOLUTION**
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS **[Please see Note 4(c)]**

8.1 "THAT, subject to the passing of Resolution 3, approval be and is hereby given to Dato' Ting Heng Peng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 8)**

8.2 "THAT, subject to the passing of Resolution 4, approval be and is hereby given to Mr Gong Wooi Teik who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 9)**

8.3 "THAT approval be and is hereby given to Encik Rashid Bin Bakar who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 10)**

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONTINUED)

9. **ORDINARY RESOLUTION**
APPOINTMENT OF DIRECTOR PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965
[Please see Note 3 and Note 4(d)] (Resolution 11)

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Rafidah binti Jubur Aziz who is over the age of seventy (70) years be appointed as Chairman, Independent Non-Executive Director of the Company and to hold office untill the conclusion of the next Annual General Meeting of the Company"

10. To consider any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Eighteenth Annual General Meeting to be held on 16 June 2015, a final single-tier dividend of 6% per share in respect of the financial year ended 31 December 2014, will be paid on 8 July 2015.

The entitlement date for the dividend is 24 June 2015.

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

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 24 June 2015 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358)
JOANNE TOH JOO ANN (LS 0008574)
Secretaries

Kuala Lumpur
Date: 25 May 2015

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONTINUED)

Notes:

1. APPOINTMENT OF PROXY

a) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 46(f) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 8 June 2015. Only depositor whose name appears on the Record of Depositors as at 8 June 2015 shall be entitled to attend, speak and vote at the meeting or appoint proxies to attend, speak and vote on his/her behalf.

b) A member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another member at any general meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and any share upon which call due and payable to the Company shall have been paid. The proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. A member may appoint up to 2 proxies. Where a member appoints two or more proxies, the proxies shall not be valid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.

c) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to credit of the said securities account.

d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

e) The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or its attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.

f) The instrument appointing a proxy together with the power of the attorney (if any) shall be left at the Registered Office of the Company situated at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur at least forty-eight (48) hours before the time appointed for holding the meeting, i.e. on or before 10.00 a.m., Sunday, 14 June 2015, otherwise the person so named shall not be entitled to vote in respect thereof.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

3. RE-ELECTION AND APPOINTMENT OF DIRECTORS

The Nomination Committee and the Board of Directors had conducted the annual assessment on the independence of Dato' Ting Heng Peng and Mr Gong Wooi Teik who are seeking for re-election pursuant to the Articles of Association of the Company at the forthcoming Eighteenth Annual General Meeting. In addition, the Nomination Committee had also undertaken an assessment on the independence of Tan Sri Rafidah binti Jubur Aziz who has been proposed for appointment as Director of the Company. The above assessments had been disclosed in the Corporate Governance Statement of the Company's 2014 Annual Report.

4. EXPLANATORY NOTES TO SPECIAL BUSINESS

(a) AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The proposed Resolution 6 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

The proposed Resolution 6, 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 issued and paid-up share capital of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING (CONTINUED)

(b) PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

The proposed Resolution 7, if passed, will empower the Company to purchase up to ten per centum (10%) of the issued and paid-up ordinary share capital of the Company through Bursa Malaysia Securities Berhad.

For further information, please refer to the Statement to Shareholders dated 25 May 2015.

(c) CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the Malaysian Code on Corporate Governance 2012, the Board of Directors has via the Nomination Committee assessed the independence of Dato' Ting Heng Peng, Mr Gong Wooi Teik and Encik Rashid Bin Bakar who each has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

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

The proposed Resolutions 8, 9 and 10, if passed, will enable Dato' Ting Heng Peng, Mr Gong Wooi Teik and Encik Rashid Bin Bakar to continue to act as Independent Non-Executive Directors of the Company.

(d) APPOINTMENT OF DIRECTOR PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965

The proposed Resolution 11 is to seek shareholders' approval for the appointment of Tan Sri Rafidah binti Jubur Aziz who is over the age of 70 years old in accordance with Section 129(6) of the Companies Act, 1965. If passed, it will enable the Director to hold office until the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(PURSUANT TO PARAGRAPH 8.27(2) OF BURSA SECURITIES MAIN MARKET LISTING REQUIREMENTS)

The details of Tan Sri Rafidah binti Jubur Aziz who is standing for appointment are as follows:

Age	:	71
Nationality	:	Malaysian
Qualification	:	Bachelor of Arts Degree in Economics and a Master in Economics
Proposed office	:	Chairman, Independent Non-Executive Director
Occupation	:	Adjunct Professor at the College of Business, University Utara Malaysia
Working Experience	:	Tan Sri Rafidah binti Jubur Aziz started her career as tutor and lecturer in the Faculty of Economics, University of Malaya between 1966 and 1976. She was appointed as Senator in 1974 and resigned to contest in the General Elections in 1978. She served as Member of Parliament in the Selayang Constituency (from 1978 to 1982) and Kuala Kangsar Constituency (from 1982 to 2013). In 1976, she was appointed as Parliamentary Secretary in the Ministry of Public Enterprises and in 1977 promoted to Deputy Minister of Finance. In 1980 she was made Minister of Public Enterprises a post she held for 7 years. In 1987 she was appointed Minister for Trade and Industry (subsequently re-designated Minister of International Trade and Industry), and served for 21 years up to 2008. She served in the UMNO Supreme Council for 38 years since winning a seat in the council in 1975. She has received various award from the States of Selangor, Perak, Malacca, Terengganu and Sarawak, as well as awards from Thailand, Argentina and Chile. She has also been conferred Honorary Doctorates from University Putra Malaysia, University Utara Malaysia, University Tun Razak Malaysia, and Dominican University of California, United States of America. She is now serving as Adjunct Professor at the College of Business, University Utara Malaysia. She is Patron of several Non-Government Organisations (NGO) and Advisor to the Sarawak Renewable Energy Corridor (RECODA).
Directorship in other public companies	:	Air Asia X
Interest in securities of the Company	:	None
Family relationship with Directors and/or major shareholders	:	None
Conflict of interest with the Company	:	None
Convictions for offences within the past 10 years other than traffic offences	:	None

NOMINATION OF AUDITORS

Annexure A

Dato' Seri Thai Kim Sim
No. 3, Jalan USJ 2/1
Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsam

Date: 12 May 2015

The Directors
Supermax Corporation Berhad
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Dear Sirs

RE: Notice of Nomination of Messrs Crowe Horwath as Auditors in Place of The Retiring Auditors, Messrs Baker Tilly Monteiro Heng

Pursuant to Section 172(11) of the Companies Act 1965, I, being a shareholder of Supermax Corporation Berhad ("the Company"), hereby give notice of my intention to nominate Messrs Crowe Horwath for appointment as Auditors of the Company in place of the retiring auditors, Messrs Baker Tilly Monteiro Heng and propose the following Ordinary Resolution for tabling at the forthcoming Annual General Meeting of the Company:

"THAT Messrs Crowe Horwath, having consented to act, be and are hereby appointed as Auditors of the Company in place of the retiring auditors, Messrs Baker Tilly Monteiro Heng, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration."

Yours faithfully

Dato' Seri Thai Kim Sim

SUPERMAX CORPORATION BERHAD (420405-P)

PROXY FORM

I/We ____ NRIC/ Company No. ____________________
(Full Name in Capital Letters)

of ____
(Full Address)

being a member(s) of SUPERMAX CORPORATION BERHAD (Company No.: 420405-P)

hereby appoint ____________________________________ NRIC No. ________________________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her, ________________________________ NRIC No. ________________________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her, the Chairman as *my/our proxy to vote for *me/us and on *my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at the Ballroom, Lower Ground Floor, Eastin Hotel, 13, Jalan 16/11, Pusat Dagang Seksyen 16, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 16 June 2015 at 10.00 a.m. and at any adjournment thereof.

The proxy is to vote in the manner indicated below, with an "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve payment of a final single-tier dividend of 6.0% per share in respect of the financial year ended 31 December 2014.		
2.	To approve payment of Directors' Fees for the financial year ended 31 December 2014.		
3.	To re-elect Dato' Ting Heng Peng who retires by rotation as a Director of the Company pursuant to Article 88 of the Company's Articles of Association.		
4.	To re-elect Mr Gong Wooi Teik who retires by rotation as a Director of the Company pursuant to Article 88 of the Company's Articles of Association.		
5.	To appoint Messrs Crowe Horwath as auditors of the Company in place of the retiring auditors, Messrs Baker Tilly Monteiro Heng and to authorise the Board of Directors to fix their remuneration.		
6.	To grant authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965.		
7.	To approve the Proposed Renewal of Authority for the Company to purchase its own ordinary shares on Bursa Malaysia Securities Berhad up to 10% of the Issued and Paid up Share Capital.		
8.	To approve Dato' Ting Heng Peng to continue to act as an Independent Non-Executive Director.		
9.	To approve Mr Gong Wooi Teik to continue to act as an Independent Non-Executive Director.		
10.	To approve Encik Rashid Bin Bakar to continue to act as an Independent Non-Executive Director.		
11.	To approve the appointment of Tan Sri Rafidah binti Jubur Aziz as Chairman, Independent Non-Executive Director of the Company.		

Signed this __________ day of ____________ 2015

Number of shares held	

____
Signature Shareholder or Common Seal

Number of shares held:	
If more than 1 proxy, please specify number of shares represented by each proxy	
Name of Proxy 1:	
Name of Proxy 2:	

CDS Account No. ________________________________ Telephone no. (During office hours) __________________

** Delete if not applicable*

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Notes:

i. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 46(f) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 8 June 2015. Only depositor whose name appears on the Record of Depositors as at 8 June 2015 shall be entitled to attend, speak and vote at the meeting or appoint proxies to attend, speak and vote on his/her behalf.

ii. A member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another member at any general meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and any share upon which call due and payable to the Company shall have been paid. The proxy need not be a member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply. A member may appoint up to 2 proxies. Where a member appoints two proxies, the proxies shall not be valid unless the member specifies the proportion of his/her shareholdings to be represented by each proxy.

iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to credit of the said securities account.

iv. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

v. The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand a poll on behalf of the appointer.

vi. The instrument appointing a proxy together with the power of the attorney (if any) shall be left at the Registered Office of the Company situated at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur at least forty-eight (48) hours before the time appointed for holding the meeting, i.e. on or before 10.00 a.m., Sunday, 14 June 2015, otherwise the person so named shall not be entitled to vote in respect thereof.

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AFFIX STAMP

SUPERMAX CORPORATION BERHAD
LEVEL 18, THE GARDENS NORTH TOWER
MID VALLEY CITY
LINGKARAN SYED PUTRA
59200 KUALA LUMPUR

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SUPERMAX
CORPORATION BERHAD
(420405-P)
since 1989

Lot 38, Putra Industrial Park, Bukit Rahman Putra,
47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia.
Tel: 03-6145 2328 Fax: 03-6156 2191
Email: info@supermax.com.my

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