

SUPERMAX CORPORATION BERHAD

Registration No. 199701004909 (420405-P)

MINUTES OF THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AND CONDUCTED ON A VIRTUAL BASIS THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT LOT 38, PUTRA INDUSTRIAL PARK, BUKIT RAHMAN PUTRA, 40160 SUNGAI BULOH, SELANGOR DARUL EHSAN, MALAYSIA ON FRIDAY, 8 DECEMBER 2023 AT 10.00 A.M.

PRESENT:

DIRECTORS

Dato' Seri Thai Kim Sim (<i>Executive Chairman</i>)	-	Present at Broadcast Venue
Dato' Ting Heng Peng (<i>Non-Independent Non-Executive Director</i>)	-	Present at Broadcast Venue
Mr Albert Saychuan Cheok (<i>Independent Non-Executive Director</i>)	-	Present at Broadcast Venue
Mr Tan Chee Keong (<i>Executive Director</i>)	-	Joined via video-conferencing
Mr Ng Keng Lim @ Ngooi Keng Lim (<i>Independent Non-Executive Director</i>)	-	Joined via video-conferencing
Puan Rozita Binti Abdul Rahman (<i>Independent Non-Executive Director</i>)	-	Joined via video-conferencing

IN ATTENDANCE

Ms Tai Yit Chan (<i>Company Secretary</i>)	-	Joined via video-conferencing
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SHAREHOLDERS

As per attendance list

ABSENT WITH APPOLOGIES

Ms Tan Poh Chan (*Independent Non-Executive Director*)

1. CHAIRMAN

The Executive Chairman of the Company, Dato' Seri Thai Kim Sim (the “**Chairman**”), welcomed all members, corporate representatives, proxies and invitees to the Twenty-Sixth Annual General Meeting (“**26th AGM**” or “**Meeting**”) of the Company conducted through live streaming and online remote participation by using Remote Participation and Electronic Voting (“**RPEV**”) facilities, in compliance with Section 327 of Companies Act 2016 and the Company's Constitution.

The Chairman proceeded to introduce the members of the Board of Directors, the Company Secretary and the representative from Messrs RSM Malaysia PLT, the External Auditors present at the Meeting to the shareholders.

The shareholders were informed that no form of recordings of the proceedings of the 26th AGM was permitted. The Chairman also advised that the quality of the live streaming would be dependent on the quality of the participant's internet bandwidth and stability.

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2. QUORUM

Upon enquiry from the Chairman, the Company Secretary confirmed that there was quorum for the Meeting.

With the requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

3. NOTICE OF MEETING

The Chairman declared that the notice convening the Meeting which had been circulated to all members and published within the stipulated period, be taken as read.

The Chairman informed that based on the report issued by the appointed Share Registrar of the 26th AGM, a total of 768 members, comprising shareholders, proxies and corporate representatives, representing 1,274,616,859 ordinary shares or 49.48% of the total issued share capital of the Company, had registered to participate in the 26th AGM via the RPEV facilities.

Among the members registered, the Company had received a total of 193 proxy forms from shareholders representing 1,247,902,505 ordinary shares or 48.44% of the total issued share capital of the Company. Out of those, there were 105 shareholders, representing 159,428,384 ordinary shares or 6.19% of the total issued share capital of the Company, had appointed the Chairman of the Meeting as their proxy to vote on their behalf.

The shareholders and/or proxies were encouraged to participate in the Meeting by posing questions to the Board via real time submission of typed texts at any time until the announcement on the closure of the Questions & Answers (“**Q&A**”) session. In the event where there were overlap in the scope of questions asked, the related and similar questions would be grouped and answered in the same response.

The Chairman further informed that the Company had received a letter from the Minority Shareholder Watch Group (“**MSWG**”) prior to the 26th AGM. The Company would provide the responses to the questions received after all the resolutions had been tabled.

4. POLLING PROCEDURES

The Chairman informed the Meeting that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), all resolutions set out in the Notice of the Meeting would be voted by poll. The Chairman then demanded for all the resolutions set out in the Notice of the 26th AGM be voted by way of poll pursuant to Clause 61 of the Company’s Constitution.

The Chairman then informed the Meeting that the Company had appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the electronic polling process and Sky Corporate Services Sdn. Bhd. as the Independent Scrutineer to verify the poll results.

The shareholders were informed that the voting on the resolutions could be done at any time throughout the Meeting until the closure of the voting session to be announced later. The

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results of the poll voting would be announced after the Independent Scrutineer had verified the poll results upon closure of the voting session.

At this juncture, a video explaining on the voting procedure was shown online.

Thereafter, the Chairman proceeded to address the agenda of the 26th AGM.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon, which had been circulated to all shareholders within the prescribed period, were taken as read.

The Chairman informed the Meeting that this agenda was meant for discussion only and did not require a formal approval from shareholders pursuant to the Companies Act 2016. Therefore, this agenda was not being put forward for voting.

6. ORDINARY RESOLUTION 1: PAYMENT OF DIRECTORS' FEES OF UP TO RM1,319,000 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024

The Chairman tabled the resolution in relation to the proposed payment of Directors' fees of up to RM1,319,000 for the financial year ending 30 June 2024.

7. ORDINARY RESOLUTION 2: PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM39,000

The resolution in relation to the proposed payment of Directors' benefits of up to RM39,000 for the period from 9 December 2023 until the next AGM of the Company, was tabled.

8. ORDINARY RESOLUTION 3: RE-ELECTION OF DIRECTOR – MR ALBERT SAYCHUAN CHEOK

The Chairman tabled the resolution for the re-election of Mr Albert Saychuan Cheok as a Director of the Company, who was retiring pursuant to Clause 76(3) of the Company's Constitution and being eligible, had offered himself for re-election. His profile was available on page 8 of the Annual Report 2023.

9. ORDINARY RESOLUTION 4: RE-ELECTION OF DIRECTOR – MR TAN CHEE KEONG

The Chairman tabled the resolution for the re-election of Mr Tan Chee Keong as a Director of the Company, who was retiring pursuant to Clause 76(3) of the Company's Constitution and being eligible, had offered himself for re-election. His profile was available on page 7 of the Annual Report 2023.

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10. ORDINARY RESOLUTION 5: RE-ELECTION OF DIRECTOR – PUAN ROZITA BINTI ABDUL RAHMAN

The Chairman tabled the resolution for the re-election of Puan Rozita binti Abdul Rahman as a Director of the Company, who was retiring pursuant to Clause 78 of the Company's Constitution and being eligible, had offered herself for re-election. Her profile was available on page 9 of the Annual Report 2023.

11. ORDINARY RESOLUTION 6: APPOINTMENT OF AUDITORS

The Chairman tabled the resolution in relation to the appointment of Messrs HLB Ler Lum Chew PLT as the new Auditors in place of the retiring Auditors, Messrs RSM Malaysia PLT to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to determine their remuneration.

Special Business

12. ORDINARY RESOLUTION 7: WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016

The Chairman tabled the resolution for obtaining the shareholders' approval to waive the pre-emptive rights pursuant to Section 85 of the Companies Act 2016.

13. ORDINARY RESOLUTION 8: AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The resolution to seek for shareholders' approval for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016, was tabled.

14. ORDINARY RESOLUTION 9: PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

The Chairman tabled the resolution in relation to the Proposed Renewal of Share Buy-Back Authority.

15. QUESTIONS AND ANSWERS SESSION

The Chairman presented the questions received from MSWG together with the Company's responses, a copy of which was annexed hereto as Appendix A.

Thereafter, the Chairman proceeded to address the questions submitted by the shareholders during the AGM, a copy of which was annexed hereto as Appendix B. The Chairman also informed that those questions which were not addressed during the Q&A session, the Board would endeavour to respond to the shareholders via email.

Upon conclusion of the Q&A session, additional time was allocated for voting, after which the poll verification process commenced.

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The Chairman resumed the Meeting at 12.25 p.m. for declaration of the poll results. Based on the poll results which had been verified by the Independent Scrutineers, all the resolutions tabled at the 26th AGM were carried, as follows:

Ordinary Resolution 1: Payment of Directors' Fees

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 1	559	1,268,625,300	99.7665	196	2,968,739	0.2335

It was RESOLVED THAT the payment of Directors' fees of up to RM1,319,000 for the financial year ending 30 June 2024, be and is hereby approved.

Ordinary Resolution 2: Payment of Directors' Benefits

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 2	571	1,270,523,845	99.9154	183	1,076,144	0.0846

It was RESOLVED THAT the payment of Directors' benefits of up to RM39,000 for the period from 9 December 2023 until the next Annual General Meeting of the Company, be and is hereby approved.

Ordinary Resolution 3: Re-election of Director – Mr Albert Saychuan Cheok

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 3	620	728,219,527	57.2584	142	543,592,407	42.7416

It was RESOLVED THAT Mr Albert Saychuan Cheok, who is retiring pursuant to Clause 76(3) of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

Ordinary Resolution 4: Re-election of Director – Mr Tan Chee Keong

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 4	639	1,232,636,001	96.9225	124	39,139,333	3.0775

It was RESOLVED THAT Mr Tan Chee Keong, who is retiring pursuant to Clause 76(3) of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

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Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 5	653	1,270,709,829	99.9381	103	787,035	0.0619

It was RESOLVED THAT Puan Rozita binti Abdul Rahman, who is retiring pursuant to Clause 78 of the Company's Constitution, be and is hereby re-elected as a Director of the Company.

Ordinary Resolution 6: Appointment of Auditors

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 6	675	1,269,284,121	99.8024	89	2,512,824	0.1976

It was RESOLVED THAT Messrs HLB Ler Lum Chew PLT having signified their consent to act, be and is hereby appointed as the new Auditors in place of the retiring Auditors, Messrs RSM Malaysia PLT to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.

Special Business**Ordinary Resolution 7: Waiver of Pre-Emptive Rights Pursuant to Section 85 of the Companies Act 2016**

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 7	598	752,817,009	59.1918	161	519,009,211	40.8082

It was RESOLVED:

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

THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to the passing of the Ordinary Resolution 8 below.

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Ordinary Resolution 8: Authority for the Directors to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 8	601	749,710,175	58.9462	161	522,145,711	41.0538

It was RESOLVED:

THAT contingent upon the passing of the Ordinary Resolution 7 above and pursuant to Sections 75 and 76 of the Companies Act 2016 (“**Act**”), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“**New Shares**”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“**Proposed General Mandate**”).

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

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

whichever is the earlier.

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

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

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

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*- Minutes of the 26th Annual General Meeting of the Company held on Friday, 8 December 2023***Ordinary Resolution 9: Proposed Renewal of Share Buy-Back Authority**

Resolution	For			Against		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Ordinary Resolution 9	655	758,601,860	59.6453	107	513,254,026	40.3547

It was RESOLVED:

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

- (a) the maximum aggregate number of issued shares in the Company (“**Shares**”) purchased (“**Purchased Shares**”) and/or held as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any in time point of purchase;
- (b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total amount of retained profits of the Company; and
- (c) the authority conferred by this resolution shall be effective immediately upon passing of this resolution and shall continue to be in force until:
 - (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, at which time the authority shall lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

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

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

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

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

17. CLOSURE

The Chairman also took the opportunity to introduce the new Audit engagement partner from Messrs HLB Ler Lum Chew PLT to the shareholders.

There being no other business to be transacted, the Meeting concluded at 12:27 p.m. with a vote of thanks to the Chairman.

SIGNED AS A CORRECT RECORD OF THE PROCEEDINGS

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CHAIRMAN

Date:

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QUESTIONS AND ANSWERS ARISING FROM THE LETTER FROM MINORITY SHAREHOLDERS' WATCH GROUP ("MSWG")**Operational & Financial Matters**

No.	Description
1.	<p data-bbox="316 539 448 571">Question</p> <p data-bbox="316 577 1414 831">The group has suffered a setback in FY2023, incurring losses for the first time since its listing back in year 2000 as the industry goes through a sustained consolidation phase. The quarters and likely the year ahead are expected to remain extremely challenging owing to the difficult market conditions including the highly over-stocked position of many buyers, the current low demand and over-supply situation as well as the stiff market competition and prevailing low average selling price ("ASP"). (Page 12 of AR2023)</p> <p data-bbox="316 869 1414 1234"> a) What are the Group's glove ASP and production volume in FY2023 as compared to FY2022? b) Has the Group's glove ASP downtrend stabilised as of now? c) Moving into the FY2024 second quarter, is there any improvement to the market condition and is there higher customer demand? d) What are the Group's strategies and directions in the consolidation phase to stay competitive in the market? </p> <p data-bbox="316 1279 427 1310">Answer</p> <p data-bbox="316 1317 1414 1496">(a) In 2022, most of the buyers (including foreign governments) over purchased during the Covid-19 pandemic period. There was a steep drop in the market price of gloves initiated by major buyers from China. Currently, the Company's gloves ASP had dropped from the range of USD120 to USD140 to an average price of the range of USD20 to USD22, depending on the product range.</p> <p data-bbox="316 1541 1414 1653">(b) The Group's glove ASP downtrend continued and remained soft, but the Company did not foresee any further price dropping except for the variable costs such as material costs, fuel costs and foreign exchange.</p> <p data-bbox="316 1697 1414 1906">(c) The market condition expected to remain down in FY2024. The Company foresees that the condition would improve in first quarter of 2025 when small players exit. In addition, the Group is one of the participants of the reshoring initiative from United States ("US") government where numbers of manufacturing businesses are planning on reshoring their production back to the US.</p> <p data-bbox="316 1951 1414 2047">(d) The Group had shut down the old plants that are no longer productive and re-introduce new plants and new facilities for production. In addition, the Group would continue to invest and automate the processes.</p>

No.	Description
2	Question
	<p>During FY2023, the Group purchased factory buildings amounting to RM422.2 million and plants, machinery & equipment under installation amount to RM175.7 million. (Page 99 of AR2023)</p> <p>a) Where are these factory buildings and plants, machinery & equipment under installation located?</p> <p>b) Considering the prevailing low ASP and low demand during the consolidation phase, why would the Group decide to reinvest in manufacturing facilities and be exposed to the risk of impairment?</p>
	Answer
	<p>(a) The factory buildings are located at Klang, Selangor whereas the plants, machinery and equipment under installation was for the manufacturing plant located at Houston, US. The U.S. Customs and Borders Protection (“CBP”) would be conducting compliance audit on the plant for the Foreign Trade Zone (“FTZ”) application. If the application is approved by the CBP, the Group would be activating its FTZ certificate in January 2024 where all raw materials to be imported to the plant would be duty free.</p> <p>(b) The Group focused on long-term infrastructure investment. All the extension plants have been consolidated into a single location. The old plants outside Klang Valley have ceased operations and are being sold as scrap. The Company is currently considering rebuilding one plant at Sg. Buloh, the Company’s Headquarter. The Company reinvests the capital expenditure for future expansion as the best time for investment was expected during market downturns. The Company chooses to custom build the plants based on the Group’s need based on the past experiences. The Group has taken into account the risk of impairment when reinvesting in the manufacturing facilities.</p>
3	Question
	<p>The Group reclassified RM197.3 million to Aircraft from other categories of assets under property, plant and equipment. (Page 26 of AR2023)</p> <p>a) When did the Group purchase the aircraft?</p> <p>b) How much has been spent on operating and maintaining the aircraft in FY2023?</p> <p>c) The aircraft depreciates RM19.7 million annually. Please justify the cost-benefit of owning an aircraft instead of travelling by commercial airplanes. Is there a necessity to own an aircraft? How would the aircraft improve shareholder value?</p>

No.	Description
3	<p data-bbox="304 302 1425 336">Answer</p> <p data-bbox="304 340 1425 638">(a) The aircraft was purchased in May 2022 after selling the 8 years old plane at a profit. The Management team had been flying to US to search for the most suitable site for the new plant for site selection before settled down at Texas, US. The commercial airplanes cannot meet the landing requirements at some of the airports where only small aircrafts are permitted to land. After considering the pandemic risk factor and the scale of operation, the purchase of the aircraft was proposed as a tool of efficient transportation for work use given that the Group operates globally across nine countries, including Malaysia.</p> <p data-bbox="304 667 1425 784">(b) The operating costs include the crew costs, fuel costs and maintenance costs. The Company had signed an eight-year contract with the manufacturer where all spare parts replacements are included in the Falcon cost maintenance contract.</p> <p data-bbox="304 813 1425 974">(c) The Company had conducted cost-benefit analysis prior to the purchase of the aircraft. The main purpose of the aircraft is to be used as an efficient transportation to save time in travelling and to ensure the Management and the team experience less fatigue when travelling.</p>
4	<p data-bbox="304 1008 1425 1041">Question</p> <p data-bbox="304 1046 1425 1115">During FY2023, the Group's other related staff cost increased to RM24.4 million as compared to RM15.2 million in the previous financial year. (Page 118 of AR2023)</p> <p data-bbox="304 1144 1425 1299">a) Please provide the breakdown for other related staff cost.</p> <p data-bbox="304 1227 1425 1299">b) What are the reasons for the increase in other related staff cost despite lower revenue recorded in FY2023?</p> <p data-bbox="304 1328 1425 1361">Answer</p> <p data-bbox="304 1366 1425 1527">(a) The Group did not layoff any staff which mostly from support service teams when the Group shut down some of the plants. The Company foresees that support service costs would average down when the market rebound in 2025. There is also an additional team being recruited for the projects at US.</p> <p data-bbox="304 1556 1425 1601">(b) The revenue was not affected by the staff cost as the staff cost is fixed cost.</p>

Corporate Governance Matters

No.	Description
5	Question
	<p>The key matters discussed at the last AGM were not published on the Supermax's corporate website. Paragraph 9.21 (2)(b) of Bursa Securities Main Market Listing Requirements ("MMLR") mandates the disclosure of summary of the key matters discussed at the AGM, as soon as practicable after the conclusion of the annual general meeting.</p> <p>Please ensure that the Company complies with the MMLR and publishes the key matters discussed.</p>
	Answer
	<p>The minutes of the last AGM together with the key matters discussed, have been posted in the Company's corporate website under "Investor Relations" section.</p>

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 (“the Company”)

**QUESTIONS AND ANSWERS SESSION DURING THE TWENTY-SIXTH ANNUAL
 GENERAL MEETING (“26TH AGM”) OF THE COMPANY HELD ON FRIDAY, 8
 DECEMBER 2023**

Questions from Shareholders and Proxies and Responses from the Company

No.	Description
1.	Question
	Will 2024 be a better year than 2023 or be worse due to new challenges?
	Answer <p>The Company would continue to remain competitive in year 2024. The Company is aware of the importance of having a competitive strategic action plan that will enable Supermax to remain a leading global glove manufacturer through adopting more cost-efficient factories and achieving increase in productivity.</p> <p>It was noted that the Malaysian manufacturers are presently facing challenges in labour shortage and foreign labour recruitment. The increase in utility costs has been a challenge to the Company as well. Supermax will take advantage of the recent uplift by the US authorities on the embargo on its glove exports to the US to start priming up its sales to the US.</p>
2.	Question
	What is the Management’s view on the Company’s next 3 years glove business since there is a stiff competition from supply in China? How the Company competes with their lower pricing products?
	Answer <p>The Group’s business model as mentioned earlier is to make Supermax more cost efficient and competitive with enhanced productivity as we roll towards more modern and technologically more superior plants. Supermax hopes to be more outreaching than its competitors in the US and UK markets to increase its global sales.</p>
3.	Question
	What is the business outlook in the next 6 months?
	Answer <p>The Company would remain competitive in the next 6 months. However, it would still be challenging with low bottom lines in the coming 5 to 6 quarters as there are still stocks with high price at the distribution centres and the Company is seeking to average down the costs. The average costs would fall as the old stocks get depleted.</p>

No.	Description
4.	Question
	As the Chinese New Year is approaching and the Company's cash flow is sufficient, may I inquire if the Company is planning to distribute dividends to all shareholders?
	Answer The Company had been declaring dividend to shareholders annually pre-pandemic. The Company would review the Company's financial position from time to time and shareholders may expect that the dividend payout rate would return to the pre-pandemic level, subject to cash flow, profitability, working capital requirements, etc.
5.	Question
	Does Supermax make its own hand formers or outsource?
	Answer The Company does not make its own hand formers. The Company sticks to its existing hand former suppliers as the quality of the hand formers is important and had patented the hand formers.
6.	Question
	Why this year AGM back to virtual? Last year AGM was already in physical.
	Answer The Company is of the view that virtual meeting is now an accepted norm, especially if there is a need for an efficient platform to engage shareholders from around the world.
7.	Question
	When the US factory will be in full operation and expected annual production?
	Answer The details of the US factory were presented to the shareholders earlier. The US factory would have a production capacity of up to 400 million pieces per month for the first plant and the US factory had recently received fire master approval permit to install the production line. The Company would ship the production lines to the US after obtaining the approval around January 2024.

No.	Description
8.	Question
	Any impairment needs for shut down the old plant incurred in this financial year? If yes, roughly how much?
	Answer As at 30 June 2023, the Company had recorded a total impairment of RM119 million. As the Company continues to move to the new factories and shut down the old factories, there could be some further impairment for which the Company would report at the appropriate time.
9.	Question
	When will the Company turnaround to make profit again?
	Answer The Company hopes for a rebound to a profitable situation once the market recovers. The Company may have suffered losses this financial year but it should be noted that the Company stands to gain from the future tax benefits derived from the losses once the Company returns to profitability.
10.	Question
	Mr Albert Saychuan Cheok found guilty by Hong Kong's Market Misconduct Tribunal for failing to disclose inside information to the public as soon as reasonably practicable as required under the Hong Kong's Securities and Future Ordinance. Why has Mr Albert Cheok not disclosed at the annual reports during those material years per Bursa listing requirements?
	Answer Mr Albert Cheok explained the incident to the shareholders. He informed that the incident happened way back in January 2013 and involved the receipt of a legal document from an Indonesian lawyer against AcrossAsia Limited ("AAL"), a Hong Kong company in which Mr Albert Cheok was the Chairman at the material time. AAL had delayed in making the relevant announcement as it was seeking translation and legal advice from Indonesian lawyers in respect of the foreign legal document. After all the investigations, the Hong Kong Market Misconduct Tribunal ("MMT") concluded that Mr Albert Cheok was proactive, responsible and diligent with regards to the particular matter where the AAL had delayed by a mere seven days in making the relevant disclosure. The MMT found that there was no recklessness or intentional misconduct on the part of Mr Albert Cheok. The MMT further concluded that no action needed to be taken and no disqualification or standing down order needed to be made on Mr Albert Cheok. Mr Albert Cheok further informed that the said incident had been reported to the relevant regulatory bodies and he continued to be approved by regulators for directorships and chairmanships in several companies in Hong Kong, Singapore and Australia.

No.	Description
11.	Question
	Capital expenditure for Malaysia and US factory.
	Answer
	In US, the entire project originally budgeted at USD550 million. However, the steel prices and various costs had increased. Therefore, the Company decided to build Phase 1 of the factory first where the master plan remains unchanged. In addition, all the rooftop of the factories are with solar panels and the Company could obtain rebate from the electricity consumed. In addition, there is recovery from the water treatment for the production use.