

SUPERMAX CORPORATION BERHAD

Registration No. 199701004909 (420405-P)

Incorporated in Malaysia

MINUTES OF THE TWENTY-SEVENTH ANNUAL GENERAL MEETING (“27TH AGM”) 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 (“BROADCAST VENUE”) ON THURSDAY, 28 NOVEMBER 2024 AT 10:00 A.M.

PRESENT:

DIRECTORS

1. Dato’ Seri Thai Kim Sim (*Executive Chairman*) - Present at Broadcast Venue
2. Dato’ Ting Heng Peng (*Non-Independent Non-Executive Director*) - Present at Broadcast Venue
3. Mr. Albert Saychuan Cheok (*Independent Non-Executive Director*) - Present at Broadcast Venue
4. Mr. Tan Chee Keong (*Chief Executive Officer & Senior Executive Director*) - Joined via video-conferencing
5. Ms. Wong Phait Lee (*Executive Director*) - Joined via video-conferencing
6. Mr. Ng Keng Lim @ Ngooi Keng Lim (*Independent Non-Executive Director*) - Joined via video-conferencing
7. Puan Rozita Binti Abdul Rahman (*Independent Non-Executive Director*) - Joined via video-conferencing
8. Mr. Gan Kim Khoon (*Independent Non-Executive Director*) - Joined via video-conferencing
9. Mr. Yip Kit Weng (*Independent Non-Executive Director*) - Joined via video-conferencing

IN ATTENDANCE

1. Mr. Tan Tong Lang (*Company Secretary*) - Joined via video-conferencing
2. Mr. Wong Chee Hong (*Representative of the External Auditors, Messrs. HLB Ler Lum Chew PLT*) - Joined via video-conferencing

SHAREHOLDERS

As per attendance list

1.0 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-Seventh Annual General Meeting (“**27th AGM**” or “**Meeting**”) of the Company conducted through live streaming and online remote participation by using Remote Participation and Voting (“**RPV**”) 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. HLB Ler Lum Chew 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 27th AGM was permitted. The Chairman also advised that the quality of the live streaming would be dependent on the quality of the participants' internet bandwidth and stability.

2.0 QUORUM

The requisite quorum being present, the Chairman declared the Meeting duly convened at 10:06 a.m.

3.0 NOTICE

The Notice of the Meeting having been circulated within the prescribed period, was taken as read.

4.0 PROCEEDINGS OF MEETING

The Chairman informed the Meeting that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions at the general meeting would be voted by poll.

The Chairman then informed the Meeting that the Company had appointed Aldpro Corporate Services Sdn. Bhd. as the Poll Administrators and KW Ng & Co. as the Independent Scrutineers to validate the poll results.

The Chairman further informed that the 27th AGM would proceed according to the sequence in the agenda, which was to be followed by a Question and Answer ("**Q&A**") session. Shareholders were given the opportunity to ask question on the agendas, which would be responded during the Q&A session. The responses to questions not addressed during the Q&A session due to time constraint would be emailed to the shareholder earliest possible.

5.0 AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon ("**Audited Financial Statements**") was meant for discussion only in accordance with Section 340(1)(a) of the Companies Act 2016, and therefore, it would not be put forward for voting. Hereafter, the Chairman declared that the Audited Financial Statements were received.

6.0 ORDINARY RESOLUTION 1

TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF UP TO RM1,385,000.00 FOR THE FINANCIAL YEAR ENDING 30 JUNE 2025

The Chairman informed that Ordinary Resolution 1 of the agenda was to approve the payment of Directors' fees payable to the Non-Executive Directors up to RM1,385,000.00 for the financial year ending 30 June 2025.

7.0 ORDINARY RESOLUTION 2

TO APPROVE THE PAYMENT OF DIRECTORS' BENEFITS OF UP TO RM42,000.00 FOR THE PERIOD FROM 29 NOVEMBER 2024 UNTIL THE NEXT ANNUAL GENERAL MEETING ("AGM") OF THE COMPANY

The Chairman informed that the next agenda of the Meeting was to approve the payment of Directors' benefits of up to RM42,000.00 for the period from 29 November 2024 until the next AGM of the Company.

8.0 ORDINARY RESOLUTION 3

TO RE-ELECT DATO' TING HENG PENG, WHO RETIRES PURSUANT TO CLAUSE 76(3) OF THE COMPANY'S CONSTITUTION

The Chairman informed that Ordinary Resolution 3 of the agenda was to re-elect Dato' Ting Heng Peng, who was retiring as Director of the Company in accordance with Clause 76(3) of the Company's Constitution and being eligible, had offered himself for re-election.

The Chairman elaborated on Dato' Ting's extensive experience, highlighted his in-depth knowledge of the Company and his instrumental role in supporting the Company's formation, from its early stages to its current state. The Chairman also stated that, in accordance with the Company's rotation policy, Dato' Ting was retiring this year and had put himself forward for re-election as a Non-Independent Non-Executive Director. His profile was available under page 7 of the Company's Annual Report 2024.

9.0 ORDINARY RESOLUTION 4

TO RE-ELECT MS. WONG PHAIT LEE, WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION

The Chairman informed that the next agenda of the Meeting was to re-elect Ms. Wong Phait Lee, who was retiring as Director of the Company in accordance with Clause 78 of the Company's Constitution and being eligible, had offered herself for re-election. Her profile was available under page 9 of the Company's Annual Report 2024.

10.0 ORDINARY RESOLUTION 5

TO RE-ELECT MR. GAN KIM KHOON, WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Ordinary Resolution 5 of the agenda was to re-elect Mr. Gan Kim Khoon, who was retiring as Director of the Company in accordance with Clause 78 of the Company's Constitution and being eligible, had offered himself for re-election. His profile was available under page 9 of the Company's Annual Report 2024.

11.0 ORDINARY RESOLUTION 6

TO RE-ELECT MR. YIP KIT WENG, WHO RETIRES PURSUANT TO CLAUSE 78 OF THE COMPANY'S CONSTITUTION

The Chairman informed that Ordinary Resolution 6 of the agenda was to re-elect Mr. Yip Kit Weng, who was retiring as Director of the Company in accordance with Clause 78 of the Company's Constitution and being eligible, had offered himself for re-election. His profile was available under pages 8 and 9 of the Company's Annual Report 2024.

12.0 ORDINARY RESOLUTION 7

TO RE-APPOINT MESSRS. HLB LER LUM CHEW PLT AS THE AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT AGM OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION.

The Chairman informed that Ordinary Resolution 7 of the agenda was to re-appoint Messrs. HLB Ler Lum Chew PLT as the Company's Auditors and to authorise the Directors to determine their remuneration.

The Chairman further informed the Meeting that Messrs. HLB Ler Lum Chew PLT had expressed their willingness to accept the re-appointment as the Company's Auditors for the financial year ending 30 June 2025.

13.0 SPECIAL BUSINESS - ORDINARY RESOLUTION 8

WAIVER OF PRE-EMPTIVE RIGHTS PURSUANT TO SECTION 85 OF THE COMPANIES ACT 2016

The Chairman informed that the next agenda of the Meeting under special business was to seek shareholders' approval on the waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016, read together with Clause 12(3) of the Company's Constitution.

The Chairman further informed that the Ordinary Resolution 8, if passed, the authority would provide the Directors to issue new shares to any person under the proposed general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 without having to offer the new Company shares to be issued equally to all existing shareholders of the Company prior to issuance.

14.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 9

AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman informed that the next agenda of the Meeting under special business was to seek a general mandate from the shareholders to empower the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The Chairman further informed that the Ordinary Resolution 9, if passed, the authority would provide the Directors the flexibility 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 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.

15.0 SPECIAL BUSINESS – ORDINARY RESOLUTION 10

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 informed that the next agenda of the Meeting under special business was the proposed renewal of the authority for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares of the Company at any given point in time. The details and rationales of the said proposed share buy-back are set out in the Statement to Shareholders dated 30 October 2024.

The Chairman mentioned that the treasury shares maintained by the Company as of 27 November 2024 were 172,888,000 shares.

16.0 ANY OTHER BUSINESS

The Chairman informed that the Company had not received any due notice to transact any other business in accordance with the Companies Act 2016 and the Company’s Constitution.

17.0 QUESTIONS & ANSWERS SESSION

Following the presentation of all resolutions in the agenda, before moving to vote by poll, the Chairman informed the commencement of the Q&A session. Several questions in relation to the operational and financial matters raised by the Minority Shareholders Watch Group (“**MSWG**”) were presented and replied by the Chairman, 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.

18.0 VOTING SESSION

On the conclusion of the Q&A session, the Chairman advised the shareholders and proxies to proceed to submit their vote via the RPV Facility as the polling process would conclude after 10 minutes, followed by a short break for the verification of the poll votes by the Scrutineers.

The Chairman then adjourned the Meeting.

19.0 DECLARATION OF RESULTS

The Meeting resumed after the conclusion of the verification of the poll votes.

The Chairman called the Meeting to order for the declaration of the poll results. The Chairman then announced the results of the poll voting and declared that all the following resolutions set out in the Notice of AGM dated 29 October 2024 were carried, as attached hereto as Appendix C.

Therefore, it was RESOLVED: -

Ordinary Resolution 1

“THAT the payment of Directors’ fees of up to RM1,385,000.00 for the financial year ending 30 June 2025, be hereby approved.”

Ordinary Resolution 2

“THAT the payment of Directors’ benefits of up to RM42,000.00 for the period from 29 November 2024 until the next Annual General Meeting (“AGM”) of the Company, be hereby approved.”

Ordinary Resolution 3

“THAT Dato’ Ting Heng Peng, the Director retiring pursuant to Clause 76(3) of the Company’s Constitution, be hereby re-elected as Director of the Company.”

Ordinary Resolution 4

“THAT Ms. Wong Phait Lee, the Director retiring pursuant to Clause 78 of the Company’s Constitution, be hereby re-elected as Director of the Company.”

Ordinary Resolution 5

“THAT Mr. Gan Kim Khoo, the Director retiring pursuant to Clause 78 of the Company’s Constitution, be hereby re-elected as Director of the Company.”

Ordinary Resolution 6

“THAT Mr. Yip Kit Weng, the Director retiring pursuant to Clause 78 of the Company’s Constitution, be hereby re-elected as Director of the Company.”

Ordinary Resolution 7

“THAT the re-appointment of Messrs. HLB Ler Lum Chew PLT as Auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration be hereby approved.”

Special Business - Ordinary Resolution 8

“THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 12(3) of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company.”

Special Business - Ordinary Resolution 9

“THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons, firms or corporations 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 to be issued during the preceding 12 months does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed 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 Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

Special Business - Ordinary Resolution 10

"THAT the proposed renewal of the authority for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares of the Company at any given point in time, be hereby approved."

20.0 CLOSURE

There being no other business, the AGM was closed at 12:17 p.m. with a vote of thanks to the Chairman.

Confirmed as a correct record

DATO' SERI THAI KIM SIM
Chairman

Date:

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

No.	Description
1.	Question
	<p>In the US, Phase 1 of operations has a total production capacity of 4.8 billion pieces of gloves annually, with expectations to reach half capacity by next year and complete the remaining expansion by Q4 2025 (Page 14 of Annual Report 2024).</p> <p>a) What is the total cost anticipated for setting up Phase 1 of the manufacturing facility in the US?</p> <p>b) Does the Board expect the US manufacturing operation to achieve breakeven within its first year?</p>
	Answer
	<p>a) A budget of USD 350 million has been allocated for Phase 1 of the project. The Company has secured a 215-hectare manufacturing site, which includes infrastructure such as roads, drainage systems, gas pipelines, electricity, and water supply. Phase 1 will also cover the construction costs of the remaining factory plants, including water management systems, wastewater treatment, electricity, natural gas, roads, and drainage systems.</p> <p>The wastewater management system must comply with the Environmental Protection Agency (EPA) standards at all times. Additionally, the water management plan has been approved by the National Conservation Authority, permitting the extraction of clean water from a local source, which can be used for both production and human consumption. All of these elements are included in the capital expenditure.</p> <p>The Company has also constructed a warehouse and distribution centre to ensure the timely delivery of products based on contractors' orders. Phase 1 includes the construction of Manufacturing Blocks 2A, 2B, 2C, and 2D, which will have an in-stock capacity of 400 million gloves per month, with the first 200 million gloves already committed. Capital expenditure for Block 2A, including full infrastructure, has already been budgeted. Renewable energy is being incorporated into the facility, with 30% of energy generated from solar power and 70% sourced from electricity.</p> <p>The total capital expenditure for Phase 1 is USD 350 million, of which USD 240 million has been spent, comprising USD 216 million and MYR 110 million. This expenditure covers 50% of the costs for Block 2A, including infrastructure work such as roads, drainage, and ponding systems to prevent potential flooding. The Chairman explained that an agreement with the Army Corps of Engineers has allowed the Company to manage overflow water from neighbouring ponds, in exchange for additional land for construction and development.</p>

	<p>b) The Company began its manufacturing operations in the US nearly four years ago, at a time when there was significant scepticism regarding the decision. Despite the initial doubts, the Chairman reflected that, in hindsight, his foresight had been ahead of the market. The recent announcement by the Trump Administration of an additional 10% tariff on Chinese products, including PPE and gloves, brings the total tariff to 60% when combined with the previous 50%. The 50% tariff will come into effect on 1 January 2025, which is expected to benefit US-based manufacturers of PPE, gloves, and other industries by providing a competitive advantage over foreign-made products, particularly those heavily subsidised by their governments, with the exception of Malaysia.</p> <p>The Chairman further noted that, unlike China and India, which benefit from subsidised natural gas from Russia, the Company is paying market prices for all utilities. This disparity gives China and India a competitive edge in terms of utility costs compared to other countries in Asia. Despite these challenges, the Company aims not only to achieve breakeven in its first year of US operations but also to generate profits that can be distributed as dividends to shareholders. The Company has assessed the associated risks and believes that the US market will provide significant opportunities for domestic manufacturers to grow. The Chairman concluded that, over the next four years, the Company expects to face numerous challenges.</p>
<p>2.</p>	<p>Question</p> <p>As part of the operational rationalisation initiatives within the manufacturing facilities, certain aged plant and machinery identified as less efficient have been earmarked for decommissioning. Consequently, the carrying amount of these assets, totalling RM27.1 million has been fully impaired as of 30 June 2024 (Page 127 of Annual Report 2024).</p> <p>a) Is there potential for the Group to monetise these impaired assets to recover a portion of the loss?</p> <p>Answer</p> <p>a) Since 2022, the Company has decommissioned some of its older facilities and replaced them with newer ones to maintain competitiveness. The Company has impaired the value of the old plants and sold them as scrap, excluding the land and buildings. Some of the buildings require repairs before they can be resold. As part of the recovery strategy, the Company is engaging an international valuation firm to identify a suitable real estate company to assist in monetising the land and buildings that are no longer required for production. The Chairman confirmed that there is potential to monetise these assets and recover a portion of the loss.</p>

3.	Question
	<p>The Group recorded a write-down of inventories totalling RM30.0 million in FY2024 (Page 146 of Annual Report 2024).</p> <p>a) Please provide details on the factors that led to this write-down.</p>
4.	Question
	<p>The Group's inventories increased to RM181.9 million from RM157.2 million in the previous year (Page 136 of Annual Return 2024).</p> <p>a) Given that demand is still gradually recovering, what factors contributed to the increased inventory levels, and does this raise concerns over inventory obsolescence?</p> <p>b) Of the RM181.9 million in inventories at the end of FY2024, what portion is measured at net realisable value?</p>
	Answer
	<p>The inventories at the end of FY2024 includes high-priced inventories held in overseas distribution, as previously mentioned. The Company is now maintaining minimal levels of such inventories, which are depleting, except for some odd-sized items that will take longer to sell. New containers arriving at the current market price will help average down the cost. As a result, only a small loss is expected, with the majority of the inventories being raw materials valued at current market prices. No major impairments are anticipated, except for land and buildings that are no longer required by the Company, which are expected to be sold at a capital gain.</p>

Sustainability Matters

No.	Description
1.	Question
	As part of the waste management, Supermax's quality management system and meticulous process control are designed to maintain a product rejection rate below target of 1.5% (Page 43 of Annual Return 2024)
	What was the actual product rejection rate in FY2024?
	Answer
	If any of the plant have rejection rate above 1%, the Company will do the revamp. Given the current competitive environment, the Company strives to maintain a product rejection rate of below 1%.

Corporate Governance Matters

No.	Description
1.	<p data-bbox="277 376 1391 409">Question</p> <p data-bbox="277 418 1391 517">In addition to a basic salary of RM5.8 million, Dato’ Seri Thai Kim Sim, Executive Chairman, received a bonus of RM0.8 million and other emoluments totalling RM1.1 million at the Group level in FY2024 (Page 36 of Corporate Governance Report 2024)</p> <p data-bbox="277 555 1391 875"> a) Can the Chairman of the Nomination and Remuneration Committee clarify the performance criteria for the bonus awarded to Dato’ Seri Thai Kim Sim, given the Group’s conservative losses over the past two financial years? b) What are the components included in the “other emoluments” paid to Dato’ Seri Thai Kim Sim? c) Considering the Group’s challenging financial performance, would Dato’ Seri Thai Kim Sim consider a salary reduction? </p> <p data-bbox="277 913 1391 947">Answer</p> <p data-bbox="277 956 1391 1267">a) The consecutive losses incurred by the Group over the past two financial years are primarily due to market conditions and are not attributable to Dato’ Seri Thai Kim Sim. The glove industry remains highly competitive, and should the business fail to remain viable, it would be advisable to consider winding down operations. However, the Company is not pursuing this course of action; instead, it is focused on growth. The Company is enhancing its efficiency and making significant investments in advanced manufacturing processes to reduce its reliance on foreign labour, such as blue-collar workers in the United States. The Chairman also emphasised that, should the industry not recover, he (Dato’ Seri Thai Kim Sim) would voluntarily accept a salary reduction.</p> <p data-bbox="277 1305 1391 1404">b) The "other emoluments" paid to Dato’ Seri Thai Kim Sim include bonuses, contributions to the Employees Provident Fund (EPF), management fees, and director's fees from overseas subsidiaries.</p> <p data-bbox="277 1442 1391 1585">c) As previously mentioned, Dato’ Seri Thai Kim Sim has expressed his willingness to voluntarily accept a salary reduction should the industry fail to recover over the next few quarters. However, the Company remains optimistic and believes it will return to profitability, excluding any unrealised foreign exchange gains or losses.</p>

<p>2.</p>	<p>Question</p> <p>The Company has not applied Practice 7.1 of the Malaysian Code on Corporate Governance 2021 (MCCG), which advocates for a board-established remuneration policy that considers the demands, complexities, performance, skills and experience required for directors and senior management. The Company indicated it plans to formulate an appropriate remuneration policy within two years. (Page 33 of Corporate Governance Report 2024)</p> <p>Please provide an update on the progress in formulating this remuneration policy for directors and senior management. What challenges has the Company encountered that have resulted in a two-year timeline for developing this policy?</p>
	<p>Answer</p> <p>The Company does have a remuneration policy in place. Since April 2024, the Company has made adjustments by removing certain individuals who were receiving high salaries without contributing effectively. Additionally, the Company had budgeted 15% of its total profit from the COVID-19 period to offset subsequent losses in the following quarters. The Chairman noted that the losses incurred over the past two years are actually below the threshold of the 15% budgeted profit from the COVID period, which was intended to cover losses until the market recovers.</p>
<p>3.</p>	<p>Question</p> <p>The key matters discussed at the previous AGMs have not been published on Supermax's corporate website. Paragraph 9.21 (2)(b) of Bursa Malaysia Main Market Listing Requirements (MMLR) requires 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 compliance with the MMLR by publishing the key matters discussed in a timely manner.</p>
	<p>Answer</p> <p>The Chairman responded that the Company has indeed published the information, but it may have been made available on an older manufacturing website, which was developed some time ago. The Company is currently in the process of modernising its website. The Chairman further assured that the Company's new website, which is undergoing a revamp, will provide a more user-friendly experience, making it easier for stakeholders to access the information referred to in the query.</p>

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QUESTIONS AND ANSWERS SESSION DURING THE TWENTY-SEVENTH ANNUAL GENERAL MEETING ("27TH AGM") OF THE COMPANY HELD ON THURSDAY, 28 NOVEMBER 2024**Questions from Shareholders and Proxies and Responses from the Company**

No.	Description
1.	Question Got token of appreciation?
	Answer While no tokens have been provided this year, the Company plans to offer a door gift to shareholders in the coming year.
2.	Question The Company is well-known for distributing good dividends during the profit-making year. When is the Company expected to return to profitability and distribute dividends? Is there any dividend distribution requirement in the dividend policy?
	Answer The Company expects to return to profitability once the market recovers. In line with this, the dividend policy, which typically allocates around 30% of profits, will be reinstated. The Company will make a formal announcement at the appropriate time when conditions are favourable for dividend distribution.
3.	Question Could you elaborate on the factors contributing to this year's financial performance?
	Answer The Chairman previously highlighted that the financial performance has been significantly impacted by the market's collapse and subsequent downturn.
4.	Question What are the key financial goals for the next fiscal year?
	Answer The next fiscal year will be at a loss.
5.	Question Are there any plans to increase dividends in the future?
	Answer Yes, if the Company is making profit (as mentioned earlier).

6.	Question
	How does the Company plan to increase shareholder value over the next few years?
	Answer
	Shareholder value is influenced by market trends and various other factors. Once the market returns to normalcy, shareholder value is expected to be generated. The Company is exploring opportunities in US domestic manufacturing, as Malaysia faces challenges such as higher utility costs compared to China and India. Additionally, labour issues remain a significant concern within the manufacturing sector.
7.	Question
	What initiatives is the Company taking to improve sustainability and reduce its environmental impact? How is the Company addressing social responsibility and governance issues?
	Answer
	Please refer to the Company's Annual Report. The Report do have all the details about ESG.
8.	Question
	Could you provide an update on any recent changes in leadership or senior management?
	Answer
	As previously mentioned, the Company is streamlining its leadership by removing individuals who have not contributed effectively. Additionally, the Company also brought in senior management. The Company's primary objective remains to promote internal talent, offering career advancement opportunities to existing management staff. External hires are considered only when suitable candidates cannot be found within the organisation.
9.	Question
	What measures are in place to ensure strong and consistent management practices?
	Answer
	The Company adopts a transparent and straightforward management style, fostering an environment where mistakes are acknowledged but dishonesty and unethical behaviour are not tolerated. A key measure in ensuring strong management practices is the provision of career advancement opportunities for employees. Recruitment is also a critical focus, with the General Manager in the HR department closely overseeing the recruitment process in collaboration with the operations team to ensure a thorough and effective selection process.

10.	Question
	Are there any significant mergers, acquisitions, or partnership planned?
	Answer
	The Company has decided against acquiring factories that have ceased operations, despite receiving numerous offers. However, the Company remains open to exploring mergers and acquisitions (M&A) opportunities that would create value, particularly in terms of distribution and expanding market reach. Supermax Corporation Berhad is a market-driven company, and without a solid market, expanding production capacity would be unfeasible. Consequently, the Company is currently prioritising efforts in distribution, marketing, and sales before committing to capital expenditure in manufacturing. The situation regarding the US plant differs, as it requires a certain level of capital expenditure and production capacity to gain a competitive advantage.
11.	Question
	Will 2025 be better or worse than 2024?
	Answer
	The Chairman responded that 2025 is expected to be significantly better than 2024. The Company anticipates a recovery in the near future, with a substantial improvement expected by the second half of 2025.
12.	Question
	Why is the share price of Supermax underperforming the market? Kossan, Hartalega and even Top Glove (which has issued shares of 8 billion) is performing better than Supermax. Please explain.
	Answer
	The Chairman responded light-heartedly, suggesting that the shareholder should consider promoting Supermax as the Company is currently focused on expanding its business.
13.	Question
	How would management resolve the union problems (if any) at the USA factory considering the fact that labour unions are very strong in USA?
	Answer
	The Chairman responded by stating that the Company does not have any unions at its USA facility.
14.	Question
	Upon completion of the USA factory, does management have any plans to list this subsidiary on Nasdaq?
	Answer
	The Chairman responded that while everything is possible, the Company will provide further details to shareholders when the situation is more certain.

15.	Question
	No dividends has been declared recently. Is Supermax going to declare any dividends moving forward, considering that the Company has cash of RM1.3 billion in the bank.
	Answer
	The Chairman explained that while the Company has a capital expenditure budget, plans for the continued expansion of the production line at the Malaysian plant are currently on hold. During the pandemic, the Company constructed six factory blocks, which were designed to accommodate nearly 100 production lines. However, 30 production lines remain uninstalled, despite the full infrastructure being in place. Once the market rebounds, the Company has the potential to increase production capacity to meet market demand in Malaysia. The matter of declaring dividends will be discussed and deliberated at the next Board meeting. Given the current market conditions, the Company has decided to preserve cash for the time being.
16.	Question
	Any succession planning?
	Answer
	The Chairman responded that this information cannot be disclosed at present. During challenging business environments, the Company must manage its operations in a flexible and adaptive manner.
17.	Question
	Since the announcement of the increase in tariffs imposed by the United States on China-made rubber gloves, has the percentage of Malaysia's rubber glove exports to the US market and the average selling price (ASP) increased compared to last year? What are the current percentages and ASP?
	Answer
	The Chairman explained that during the first and last quarters of 2024, China exported a significant volume of containers, which delayed the market recovery in the United States. The Company will continue to monitor the market recovery in the second half of 2025.
18.	Question
	I request the Company to have the AGM virtually as well as physically to cater for those who are unable to attend physically, thank you for your understanding.
	Answer
	The Chairman acknowledged the request and confirmed that the Board will consider this for the next AGM. However, it is most likely that the format will be either entirely virtual or physical.

19.	Question
	What are the Company's plans to achieve net-zero carbon emissions? Are there specific targets for years like 2030 or 2050, and how do we track progress in reducing our carbon footprint?
	Answer
	<p>The Chairman outlined that the Company is committed to an Environmental, Social, and Governance (ESG) programme, with a clear plan to transition towards a net-zero carbon business. The focus will be on reducing energy consumption, which is a key strategy. Specific actions include identifying areas of high energy use and implementing targeted initiatives to reduce overall consumption.</p> <p>The company has set measurable targets, including:</p> <ul style="list-style-type: none"> • Short-term target: Achieving a 5% reduction in energy consumption in high-use areas by March 2025. • Medium-term target: Achieving a total reduction in energy consumption of 12% to 15% within the next five years (by FY2029). <p>Progress will be tracked through:</p> <ul style="list-style-type: none"> • Annual sustainability performance reviews to assess milestones. • Emission Management Assessments conducted by a designated team. • Monthly monitoring of energy consumption to ensure reductions align with targets. • Electricity conservation campaigns across hostels, offices, and manufacturing facilities.
20.	Question
	What is the current level of automation in the Company? How much can the level of automation be increased over the next five to ten years?
	Answer
	The Chairman explained that the current level of automation in Malaysia primarily addresses the labour shortage. While automation and advanced manufacturing are expensive, it is not feasible to implement it overnight. The Company has already invested over RM100 million into automation processes. Progress in automation will be visible each quarter, with capital expenditure on automation set to be completed by June 2025. Suppliers also require additional time to fulfil these needs. Moving forward, all new plants will be fully automated. Consequently, capital expenditure is expected to remain high, as it will include investments in automation.
21.	Question
	Kindly request hardcopy of Annual Report.
	Answer
	For those who have requested for hardcopy of Annual Report. We will arrange to send to you after this virtual AGM.

22.	Question
	What is the CPC for the US made glove?
	Answer
	This is unable to share publicly.
23.	Question
	How susceptible is our Maxter location in Texas to hurricanes, tornados, and other natural disasters?
	Answer
	The Chairman responded that the Maxter location in Texas is equipped with hurricane barriers, which were tested during a hurricane on 13 July 2024. The building is constructed to CAT5 standards, meaning it can withstand winds and water speeds of up to 150-180 miles per hour. While there were some minor installation defects with the solar panels, these are fully covered by insurance, and the panels will be reinstalled by February 2025.
24.	Question
	What is the total quantity gloves demand in US and what is Supermax's market share?
	Answer
	The Chairman explained that the Company experienced a loss of market share over the past two years due to increased competition in the US market. However, the Company is now slowly recovering. One of the advantages is that Supermax has established offices in the US for marketing, sales, and distribution. The Company expects to regain its market share in the US by the second half of 2025. While the specific figures regarding total demand and market share cannot be shared publicly at this time, they may be disclosed in the next AGM.
25.	Question
	How boss to foresee the material price for coming year?
	Answer
	The Chairman stated that the Company does not engage in speculation regarding material prices, as raw materials are commodities. However, with the new US administration, it is expected that crude oil prices will decrease due to a substantial increase in crude oil production in Texas. As a result, the costs of materials used in glove production, such as butadiene and acrylonitrile, are anticipated to decrease. Additionally, the price of natural rubber latex will depend on the support provided by the Thai government to the farmers.
26.	Question
	How much labour cost foresee increase in % or value with minimum wage of RM1,700?
	Answer
	The Chairman clarified that the primary issue is not the increase in labour costs, but rather the shortage of labour. Even if the market recovers, production may still be delayed due to the inability to meet labour demands, leading to longer delivery times.

27.	Question
	How to become as smart and successful as you?
	Answer
	The Chairman shared that the key to success is to hire employees directly from school and nurture them to become even smarter than oneself. By hiring individuals who are more capable and insightful, their success contributes to the overall success of the Company, and in turn, to one's own success. The Chairman emphasised the importance of avoiding the recruitment of individuals who may cause trouble.