



ComfortRubberGloves

80TH ANNUAL GENERAL MEETING

22 JUNE 2021

LIVE AGM QUESTIONS AND RESPONSES

Shareholder: Edmund Chow Tai Seng

Question: As the ASP has fallen, how will company respond to it and will it affecting the expansion plan?

Reply: As mentioned before, our expansion plan will take into consideration of increase in customer's orders.

Shareholder: Lau Sow Been, Kow Lih Shi, Lau Ati @ Lau Chuan Teng, Goh Kok Oon, Goh Pek Hong, Te Seng Whatt @ Tay Seng Whatt, Thavarajan A/L Muthiah Pillai, Chee Teng Ho, Lim Ba Tai @ Lim Eng Kim, Tee Beng Ngo, Yong Yang Har

Question: Will there be e-vouchers given to the shareholders who attend AGM today?

Reply: We would like to apologize that there will be no gifts or e-vouchers for the attending shareholders due to the virtual nature of this AGM.

Shareholder: Teoh Boon Hye

Question: May I know what is your view on the ASP trend?

Reply: We do not expect a sharp drop in the ASP in the short term. We foresee that the softening of ASP may continue until demand-supply situation gradually normalises.

Shareholder: Teoh Boon Hye

Question: Do you think 22Q1 is your best QR?

Reply: We are still positive on the 2nd Quarter performance.

Shareholder: Lau Sow Been

Question: What' are the company's plan to instill confidence among the investors on company's performance? The current share price does not reflect the actual financial performance of the company.

Reply: We are committed to the growth and success of Comfort. Share price performance will basically depend on shareholder's expectation and behaviour of investment.

Shareholder: Nur Amalina Binti Razali

Question: What are the current utilisation rate and glove production capacity?

Reply: Currently we are running at optimum capacity.

Shareholder: Heng Kiah Woo

Question: Out of curiosity, this company has been established for 80 years? Very old company. Keep it up.

Reply: Thank you. We will keep up our good effort.

Shareholder: Soon Thiam Lam

Question: In view of new competition and challenging outlook in future, what are Comfort's strategy to stay ahead of the new competitors and future challenges?

Reply: We will focus on specialty gloves that give us better margin and improve in our production efficiency.

Shareholder: Tham Guo Mun

Question: I bought comfort at RM 4. When the share price will back to RM 4 based on the future earning?

Reply: Share price performance will basically depend on shareholder's expectation and behaviour of investment. Currently the P/E ratio is 2.65 which is considered low to a well-performed company. I believe we deserve a higher P/E.

Shareholder: Yap Jia Yin

Question 1: Is there any impact of the tighten restriction measure such as workforce reduction, shortage of labor or raw material? If yes, will this affect profitability and how to solve the issue?

Reply: Currently we do not facing any of the shortage of labour or raw material. We have rearranged our man-power to run production at optimum level to bring lowest impact to the profit of Comfort.

Question 2: What is the current ASP of glove product in 2021 Q2? Up or down compare to 2021Q1?

Reply: Our overall current ASP is around USD70 to USD90. The ASP will drop slightly, and we will try to off-set the drop with higher volume of sales.

Question 3: How do you foresee ASP in 2H 2021?

Reply: We forecast that the softening of ASP may continue until demand-supply situation gradually normalises.

Question 4: Any potential to increase the dividend payout rate this year?

Reply: The Board will consider to increase the dividend payout base on the financial performance.

Question 5: As Covid-19 cases in Europe has been slow down, is the order and demand of glove also slow down?

Reply: With the mutation of Covid-19, we are still positive on the market demand.

Question 6: Please update the progress of the expansion plan.

Reply: We have answered this in the questions raised by Wong Shien Loong.

Shareholder: Chia Ling @ Chia Chai Ling

Question: Does Comfort need to take any fund raising exercise to support the expansion plan?

Reply: Yes, we have proposed our bonus issue on warrant as one of the funds rising exercise.

Shareholder: Lee Boon Chong

Question: In the last quarter, Why company declare only 4 cents dividend to shareholders? (23M) Administration fee (43M) is almost double of shareholder dividend. Income tax (74M) is 3.2 times of shareholder dividend. How much total salary and allowance added up to new managing director n CEO? In the 43 administration fee, how much MD n CEO share?

Shareholder: Looi Bian Cheong

Question: The administrative expenses had shot up 3.9x in the latest qtr vs Q4 2021 quarter from 11m to 43.1m, your report comment implies that this is due to payment of Bonuses but if so the quantum of increase implies about a year bonuses to all! Please give more details regarding this huge increase.

Reply: The 4 sen dividend is about 11% of the quarterly profit. Refer to the 1st Quarter announcement, the incentive is allocated to all level of staff.

Shareholder: Cheong Seng Tin, Tan Kim Khuat

Question: Request of Annual Report

Reply: We shall inform share registrar to send it out to you.

Shareholder: Law Chi Sin

Question: By when will comfort gloves expand to 25billion capacity?

Reply: We will plan our expansion plan base on our availability of fund and customer's order to achieve 25 billion capacity.

Shareholder: Siew Yoke Keng

Question: Is it possible to use Zoom for the next general meeting as I am still unable to view the proceedings as the video keeps buffering.

Reply: We are using Zoom in conduction the meeting.

Shareholder: Hiew Fook Sang @ Fook Hew San

Question: The top management comprises of a father, son and nephew, I am concerned that eventually cronyism will exist in the group.

Reply: No, it will not happen. The selection of top management candidate depends on the skills, experience, and expertise of an individual. Our Independent Director will make sure no improper cronyism exist in the group.

Shareholder: Liew Chee Seng

Question: Can the company post the questions and answer of this meeting on your website?

Reply: The minutes of meeting which consists of Q&A session will be uploaded to our website.

Shareholder: Tan Hui Shim

Question: What is the volume of scrap gloves in last financial year? How do you reuse and/or recycle scrap gloves?

Reply: Our scrap gloves volume is within our normal production loss. We cannot reuse or recycle scrap gloves.

Shareholder: Yap Thai Thye

Question: Why dividend so chip?

Reply: The 4 sen dividend is about 11% of the quarterly profit, we will consider giving out a higher dividend base on company's performance.

Shareholder: Tan Eng Ho

Question: May company setup a dividend policy?

Shareholder: Liew Chee Seng

Question: Can the board do a presentation on the company for the coming AGM? Does the company has a dividend policy?

Reply: Comfort does not have any dividend policy but will try to give out quarterly dividend.

Shareholder: Tan Kim Khuat

Question: Pursuant to the company fantastic results, we hope the board can consider giving some e-voucher (like tngo reload credit) to reward the shareholder who attends the AGM and a vote of confident to the company. Would the board consider this? What will be the performance of the company for the rest of year 2021? is it as good as first quarter? will the board consider pay more dividend to reward shareholders?

Reply: As mentioned, we are not going to give out any e-voucher. We are still positive on the performance of current year. The board will consider giving out more dividend base on the Group's performance.

Shareholder: Cheong Seng Tin

Question: Please send me the volting link, tks.

Reply: Our share registrar will help you on that.

Shareholder: Tan Yeong Tat

Question: What is the trend of the glove ASP now? is ASP something beyond the control of the Company? Will the ASP back to the pre-pandemic level in the coming years? Is China a big threat in the coming years?

Shareholder: Pun Yong Quan

Question: Based on Comfort latest QR, the PAT of 4QYE21 has increased due to higher sales volume and average selling price. Recently Top Glove and Supermax has mentioned their ASP start to drop since last Quarter. How about Comfort? Will Comfort follow or still have room for growth?

Shareholder: Lim Tau Yew

Will ASP be affected Comfort future earnings?

Shareholder: Hiew Fook Sang @ Fook Hew San

What are your plans to cater the expected dropping in ASP of the global glove markets?

Shareholder: Law Chi Sin

With your aggressive expansion in capacity, where is comfort planning to sell globally? developed or developing countries? Can you name some countries you plan to sell your expanded capacity?

Reply: Current overall average selling price (ASP) is around USD 70 to USD 90 per thousand pieces. We do not expect a sharp drop in the ASP in the short term as previously we did not aggressively increase our ASP. We foresee that the softening of ASP may continue until demand-supply situation gradually normalises. We will try to increase our sales of specialty gloves that give us better margin. We will still be exporting mostly to existing countries but may expand our business on specialty gloves.
