

SUPERLON HOLDINGS BERHAD
(Company No.:740412-X)
(Incorporated in Malaysia)

MINUTES of the **THIRTEENTH ANNUAL GENERAL MEETING** (“Meeting”) of the Company (or “SHB”) held at Botanic Room, Botanic Resort Club, No. 1 Jalan Ambang Botanic, Bandar Botanic, 41200 Klang, Selangor Darul Ehsan on Thursday, 26 September 2019 at 10.00 a.m.

Present : The attendance below was as per the attendance list

BOARD OF DIRECTORS

Chun Kwong Pong (Non-Independent Non-Executive Chairman)
Liu Lee, Hsiu-Lin @ Jessica H. Liu (Managing Director & Chief Executive Officer)
Liu Han-Chao (Executive Director)
Ongi Cheng San (Executive Director)
Chee Chung Yen (Independent Non-Executive Director)
Liu Jeremy (Executive Director)
Lin, Po-Chih (Independent Non-Executive Director)
Lim Wai Loong (Independent Non-Executive Director)

In Attendance : The Attendance of shareholders/proxies and others was as per the attendance list.

1.0 CHAIRMAN OF THE MEETING

Chun Kwong Pong (“Chairman”) was in the Chair.

2.0 QUORUM

The quorum for the Meeting was confirmed as present.

3.0 NOTICE OF THE MEETING

The Notice of this Meeting had sent to all shareholders within the prescribed time.

4.0 PRELIMINARY OF THE MEETING

4.1 There were a total of 70 persons present as shareholders and proxies holding a total of 81,600,586 ordinary shares, equivalent to 51.37% of the total issued capital of the Company at the Meeting. Amongst others, there were a total of fifteen (15) shareholders holding a total of 19,389,368 shares, representing 12.2% of the issued capital who had appointed the Chairman as their proxy. The Chairman also introduced the Directors who were in attendance.

4.2 Before the Meeting dealt with the business on hand, the Chairman briefed the shareholders and proxies that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), a listed corporation must amongst others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, the Company has engaged Tricor Investor and Issuing House Services Sdn. Bhd. as the Poll Administrator and Scrutineer Solutions Sdn. Bhd. as the Independent Scrutineer.

4.3 The Chairman further briefed the shareholders and proxies of their rights to speak and vote on the resolutions as set out on the Notice of Meeting.

5.0 AGENDA 1
RECEIPT OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL ("FYE") 2019 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORT THEREON

- Noted : 1) The motion was put for discussion only as Section 340(1)(a) of the Companies Act 2016 ("the Act") and the Company's Memorandum and Articles of Association did not require a formal approval of the shareholders.
- 2) To facilitate the polling process, the Chairman proposed to the Meeting that all the Agenda items were to be deliberated first, followed by the conduct of poll voting. Upon collection of polling slips from the floor, the vote counting and validation process would then be conducted simultaneously with the Q&A session. Without any objection from the floor, the Chairman proceeded with the business on hand.
- Resolved : "THAT the Audited Financial Statements of the company for the financial year ended 30 April 2019 together with the Director's and Auditors' Reports thereon be and are hereby received.

6.0 AGENDA 2(1) (ORDINARY RESOLUTION 1)
PAYMENT OF DIRECTORS' FEES UP TO RM230,000-00 FOR FYE 2020 PAYABLE MONTHLY IN ARREARS AFTER EACH MONTH OF COMPLETED SERVICE OF DIRECTOR DURING THE SUBJECT FINANCIAL YEAR

- Proposer and : The motion was proposed by the shareholder, Mr Chen Yoon Hin
Secunder and seconded by Ms Tan Khe Er, the proxy representing 100% shareholding for the shareholder, Ms Paravathy A/P R. Rajagobal.

7.0 AGENDA 2(2) (ORDINARY RESOLUTION 2)
PAYMENT OF MEETING ATTENDANCE ALLOWANCES OF UP TO RM43,500-00 FOR THE PERIOD FROM 26 SEPTEMBER 2019 TO 31 OCTOBER 2020

- Proposer and : The motion was proposed and seconded by the shareholders, Mr
Secunder Khor Tong Seng and Mr Chen Yoon Hin, respectively.

8.0 AGENDA 3(1) (ORDINARY RESOLUTION 3)
RE-ELECTION OF MADAM LIU LEE, HSIU-LIN @ JESSICA H. LIU AS DIRECTOR, RETIRING IN ACCORDANCE WITH ARTICLE 96 OF ARTICLES OF ASSOCIATION OF THE COMPANY

- Proposer and : The motion was proposed and seconded by the shareholders, Mr
Secunder Siew Boon Hong and Mr Chen Yoon Hin, respectively.

9.0 AGENDA 3(2) (ORDINARY RESOLUTION 4)
RE-ELECTION OF MR ONGI CHENG SAN AS DIRECTOR, RETIRING IN ACCORDANCE WITH ARTICLE 96 OF ARTICLES OF ASSOCIATION OF THE COMPANY

Proposer : The motion was proposed by the shareholder, Mr Khor Tong Seng and
and seconded by Ms Tan Khe Er, the proxy representing 100%
Secunder shareholding for the shareholder, Ms Paravathy A/P R. Rajagobal.

10.0 AGENDA 4 (ORDINARY RESOLUTION 5)
RE-ELECTION OF MS CHEE CHUNG YEN AS DIRECTOR, RETIRING IN ACCORDANCE WITH ARTICLE 103 OF ARTICLES OF ASSOCIATION OF THE COMPANY

Proposer : The motion was proposed and seconded by the shareholders, Mr Khor
and Tong Seng and Mr Chen Yoon Hin, respectively.
Secunder

11.0 AGENDA 5 (ORDINARY RESOLUTION 6)
RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT (CONVERTED FROM CROWE MALAYSIA WHICH WAS FORMERLY KNOWN AS CROWE HORWATH) AS AUDITORS AND AUTHORITY FOR THE DIRECTORS TO FIX THEIR REMUNERATION

Proposer : The motion was proposed by the shareholder, Mr Khor Tong Seng and
and seconded by Ms Tan Khe Er, the proxy representing 100%
Secunder shareholding for the shareholder, Ms Paravathy A/P R. Rajagobal.

12.0 AGENDA 6 (ORDINARY RESOLUTION 7 - SPECIAL BUSINESS)
AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE ACT

Proposer : The motion was proposed by the shareholder, Mr Khor Tong Seng and
and seconded by Ms Tan Khe Er, the proxy representing 100%
Secunder shareholding for the shareholder, Ms Paravathy A/P R. Rajagobal.

13.0 AGENDA 7 (ORDINARY RESOLUTION 8 - SPECIAL BUSINESS)
RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES UP TO TEN PERCENT (10%) OF ITS ISSUED SHARES

Noted : 1) The mandate sought was a renewal from the previous mandate obtained at the last Annual General Meeting held on 18 September 2018 which would expire at the conclusion of the Meeting.
2) The aggregate number of shares purchased and/or held shall not exceed ten percent (10%) of the total issued shares of the Company.
3) The maximum amount of funds to be allocated for the purchased shares shall not exceed the aggregate of the retained profits of the Company.
4) After taking into consideration all aspects thereof, the Board unanimously recommended the shareholders to vote in favour of the motion tabled.

Proposer : The motion was proposed by Ms Tan Khe Er, the proxy representing
and 100% shareholding for the shareholder, Ms Paravathy A/P R. Rajagobal
Secunder and seconded by Mr Khor Tong Seng, the shareholder.

14.0 AGENDA 8 (SPECIAL RESOLUTION 1 – SPECIAL BUSINESS)
ADOPTION OF NEW CONSTITUTION

- Noted : 1) The proposed adoption is for the purpose of streamlining the Company's Constitution to be in line with the provision in the Act and the amended Main Market Listing Requirements so as to provide clarity, consistency and enhanced administration of the Company.
- 2) After taking into consideration all aspects thereof, the Board unanimously recommended the shareholders to vote in favour of the motion tabled.

Proposer : The motion was proposed and seconded by the shareholders, Mr Siew and Boon Hong and Mr Chen Yoon Hin, respectively.
Secunder

15.0 OTHER BUSINESS

- 15.1 The Chairman sought confirmation from the Company Secretary that the Company had not received any notice for transaction of any other business which had been given in accordance with the Act and the Company's Articles of Association.
- 15.2 The Poll Administrator personnel was invited to brief the Meeting on the procedures for the conduct of poll and time required for counting and validating the votes casted.
- 15.3 Upon collection of polling slips from the floor, the Management presented the relevant replies to the queries received vide a letter dated 05 September 2019 from the Minority Shareholders Watch Group (details of which are enclosed herein as Appendix I)
- 15.4 Thereafter, the Chairman opened the floor for questions (Q&A session) pertaining to the Company financials and prospects. The Chairman concluded the Q&A session and adjourned the Meeting at 1.00 p.m.

16.0 ANNOUNCEMENT OF POLL RESULTS

- 16.1 At 1.10 p.m., The Chairman called the Meeting to order for the declaration of results. The poll results were read out as follows:-

16.2 Ordinary Resolution 1

	<u>No. and Percentage of Shares</u>
For	81,418,484 (99.7996%)
Against	163,500 (0.2004%)
Total	81,581,984 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 1 was carried as follows:-

Resolved : "THAT the payment of Directors' fees of up to RM230,000 for the financial year ending 30 April 2020 payable monthly in arrears after each month of completed service of the Directors during the subject financial year is hereby approved".

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16.3 Ordinary Resolution 2

	<u>No. and Percentage of Shares</u>
For	81,541,984 (99.9510%)
Against	40,000 (0.0490%)
Total	81,581,984 (100%)
<u>No. of Shares</u>	
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 2 was carried as follows:-

Resolved : "THAT allowances of up to RM43,500 from 26 September 2019 to 31 October 2020 is hereby approved".

16.4 Ordinary Resolution 3

	<u>No. and Percentage of Shares</u>
For	81,581,984 (100%)
Against	0
Total	81,581,984 (100%)
<u>No. of Shares</u>	
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 3 was carried as follows:-

Resolved : "THAT Madam Liu Lee, Hsiu-Lin @ Jessica H. Liu retiring pursuant to Article 96 of the Company's Articles of Association, is hereby re-elected as Director of the Company".

16.5 Ordinary Resolution 4

	<u>No. and Percentage of Shares</u>
For	81,541,984 (99.9510%)
Against	40,000 (0.0490%)
Total	81,581,984 (100%)
<u>No. of Shares</u>	
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 4 was carried as follows:-

Resolved : "THAT Mr Ongi Cheng San retiring pursuant to Article 96 of the Company's Articles of Association, is hereby re-elected as Director of the Company".

16.6 Ordinary Resolution 5

	<u>No. and Percentage of Shares</u>
For	81,581,984 (100%)
Against	0
Total	81,581,984 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 5 was carried as follows:-

Resolved : "THAT Ms Chee Chung Yen retiring pursuant to Article 103 of the Company's Articles of Association, is hereby re-elected as Director of the Company".

16.7 Ordinary Resolution 6

	<u>No. and Percentage of Shares</u>
For	81,581,984 (100%)
Against	0
Total	81,581,984 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 6 was carried as follows:-

Resolved : "THAT Messrs Crowe Malaysia PLT (converted from Crowe Malaysia which was formerly known as Crowe Horwath) is hereby re-appointed as the Company's Auditors for the ensuing year AND THAT the Directors are hereby authorised to fix their remuneration".

16.8 Ordinary Resolution 7

	<u>No. and Percentage of Shares</u>
For	81,574,784 (99.9912%)
Against	7,200 (0.0088%)
Total	81,581,984 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

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In view thereof, the Chairman declared that Ordinary Resolution 7 was carried as follows:-

Resolved : "THAT, subject always to the Act, the Articles of Association of the Company and approval and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors be and are hereby empowered pursuant to Section 75 of the Act to allot and issue new ordinary shares in the Company, from time to time and upon such terms and conditions and for such purposes and to such persons whomsoever the Directors may, in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued shares for the time being of the Company AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

16.9 Ordinary Resolution 8

	<u>No. and Percentage of Shares</u>
For	81,581,884 (99.9999%)
Against	100 (0.0001%)
Total	81,581,984 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Ordinary Resolution 8 was carried as follows:-

Resolved : "THAT, subject to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Company be and is hereby given full authority, to seek shareholders' approval for the renewal of authority for the Company to purchase and/or such amount of ordinary shares in the Company ("Shares") through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- (i) the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total issued shares of the Company; and
- (ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits of the Company;

: THAT the Directors be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 127 of the Act) and/ or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT such approval and authorisation shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate.”

16.10 Special Resolution 1

	<u>No. and Percentage of Shares</u>
For	81,576,884 (100%)
Against	0
Total	81,576,884 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

In view thereof, the Chairman declared that Special Resolution 1 was carried as follows:-

Resolved : "THAT approval be and is hereby given to the Company to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new constitution of the Company be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

17.0 CONCLUSION OF THE MEETING

There being no further business, the Meeting ended at 1.30 p.m. with a vote of thanks to the Chair.

The Chairman thanked the shareholders and proxies for their presence and continuous support.

STRATEGY/FINANCIAL MATTERS

1. Superlon has two inactive subsidiaries, namely, Superlon Worldwide (India) Private Limited and Superlon Hong Kong Co. Limited (Page 5 of the Annual Report 2019).

What are the Group's plans for these two subsidiaries?

Our reply:

The Group does not have any plans for the two companies at the moment. The companies were incorporated to facilitate the Group's expansion plans as and when required.

2. "We recognise the importance of diversifying our geographical coverage for the export market so that our revenue is less reliant on any single country or market. Hence, our Group will continuously explore growth opportunities in new markets"
(Page 9 of the Annual Report 2019)

- a) What are the Group's efforts to explore growth opportunities in new markets?
b) What are the Group's specific requirements when deciding to enter into a new market?

Our reply:

- a) Superlon's efforts to explore growth opportunities in new markets include:
- i. Participating in trade exhibitions. We have participated in :
 - Bangkok international motor show 2019;
 - Febrava Brazil 2019;
 - Thailand HVACR 2019; and
 - China Refrigeration 2019.
 - ii. Conduct briefings and/or meetings for professionals and consultants in the construction industry.
 - iii. We have employed locals in South America and India who are familiar with the local customs, business environment and language to identify suitable distributors;
 - iv. Maintain an online presence and promptly respond to queries; and
 - v. To work with third parties to develop new product applications and market penetration strategies.
- b) Superlon considers various factors before entering into new markets, including:
- i. Size of the market;
 - ii. Competitiveness of our products;
 - iii. Required certification for our products;
 - iv. Willingness of our customer to adhere to our payment terms; and
 - v. Growth prospects.

3. As reported on page 117 of the Annual Report 2019, the Group has three factories, including one in Vietnam.

What is the current capacity and capacity utilisation rate of these factories?

Our reply:

As at 30 April 2019, the factories in Malaysia were operating at about 75% capacity whilst the factory in Vietnam was operating at 30% capacity. As the Vietnam factory was recently completed and commissioned, the factory did not operate at its full capacity as it was undergoing system and production testing at that time.

CORPORATE GOVERNANCE MATTERS

1. Practice 8.5

The Company in its Corporate Governance Report has stated that it has applied Practice 8.5 of the Malaysian Code on Corporate Governance (MCCG) (Page 31 of Superlon Holdings Berhad's Corporate Governance Report) which requires all members of the Audit Committee to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

MSWG's comment:

Based on the Company's explanation given on the application of Practice 12.3 (Page 42 of Superlon Holdings Berhad's Corporate Governance Report), the Company has not applied the Practice.

Please take note.

Our Reply:

The Company takes note of MSWG's comments and will take the necessary steps to encourage the relevant members to comply with the continuous professional development.

2. Practice 12.3

The Company in its Corporate Governance Report states that it has applied Practice 12.3 of MCCG. Practice 12.3 refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company's AGM.

MSWG's comment:

Based on the Company's explanation given on the application of Practice 12.3 (Page 42 of Superlon Holdings Berhad's Corporate Governance Report), the Company has not applied the Practice.

Please take note.

Our Reply:

Practice 12.3 states:

"Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate –

- *Include voting in absentia; and*
- *Remote shareholders participation at General Meetings."*

The company does not have a large number of shareholders and our meeting location is accessible.

We take note of MSWG's comments and will update our next Corporate Governance Report accordingly.