

**SUPERLON HOLDINGS BERHAD**  
**(Registration No.:200601020659 / 740412-X)**  
**(Incorporated in Malaysia)**

**MINUTES** of the **FOURTEENTH ANNUAL GENERAL MEETING** (“Meeting”) of the Company (or “SHB”) held at Danau 3-5, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Monday, 21 September 2020 at 10.00 a.m.

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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)  
Liu Jeremy (Executive Director)  
Chee Chung Yen (Independent Non-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**

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

**2.0 QUORUM**

2.1 The quorum for the Meeting was confirmed as present.

**3.0 NOTICE OF THE MEETING**

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

**4.0 PRELIMINARY OF THE MEETING**

4.1 There were a total of 54 persons present as shareholders and proxies holding a total of 59,753,480 ordinary shares, equivalent to 37.62% of the total issued capital of the Company at the Meeting. Amongst others, there were a total of nine (9) shareholders holding a total of 7,962,265 shares, representing 5.01% 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”) 2020 TOGETHER WITH THE DIRECTORS’ AND AUDITORS’ REPORT THEREON**

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- 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 Constitution 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 2020 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 2021 PAYABLE MONTHLY IN ARREARS AFTER EACH MONTH OF COMPLETED SERVICE OF THE DIRECTORS DURING THE SUBJECT FINANCIAL YEAR**

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- Proposer and : The motion was proposed by the shareholders, Mr Chee Kok  
Secunder Phoon and seconded by Mr Teh Kian Lang, respectively.

**7.0 AGENDA 2(2) (ORDINARY RESOLUTION 2)**  
**PAYMENT OF MEETING ATTENDANCE ALLOWANCES OF UP TO RM43,500-00 FOR THE PERIOD FROM 21 SEPTEMBER 2020 TO 31 OCTOBER 2021**

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- Proposer and : The motion was proposed and seconded by the shareholders, Mr  
Secunder Khor Tong Seng and Mr Teh Kian Lang, respectively.

**8.0 AGENDA 3(1) (ORDINARY RESOLUTION 3)**  
**RE-ELECTION OF MR CHUN KWONG PONG AS DIRECTOR, RETIRING IN ACCORDANCE WITH REGULATION 93 OF THE COMPANY’S CONSTITUTION**

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As the Chairman stood for re-election at the Meeting, he passed the Chair to Ms Chee Chung Yen to conduct the proceedings of the meeting.

- Proposer and : The motion was proposed and seconded by the shareholders, Mr  
Secunder Chee Kok Phoon and Mr Thavarajan A/L Muthiah Pillai, respectively.

**9.0 AGENDA 3(2) (ORDINARY RESOLUTION 4)**  
**RE-ELECTION OF MR LIM WAI LOONG AS DIRECTOR, RETIRING IN ACCORDANCE WITH REGULATION 93 OF THE COMPANY'S CONSTITUTION**

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Proposer : The motion was proposed by the shareholders, Mr Khor Tong Seng  
and and seconded by Mr Chee Kok Phoon, respectively.  
Secunder

**10.0 AGENDA 3(3) (ORDINARY RESOLUTION 5)**  
**RE-ELECTION OF MR LIN, PO-CHIH AS DIRECTOR, RETIRING IN ACCORDANCE WITH REGULATION 93 OF THE COMPANY'S CONSTITUTION**

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Proposer : The motion was proposed and seconded by the shareholders, Mr Chee  
and Kok Phoon and Mr Thavarajan A/L Muthiah Pillai, respectively.  
Secunder

Ms Chee then passed the Chair back to the Chairman to continue the proceedings of the Meeting.

**11.0 AGENDA 4 (ORDINARY RESOLUTION 6)**  
**RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS AND AUTHORITY FOR THE DIRECTORS TO FIX THEIR REMUNERATION**

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Proposer : The motion was proposed by the shareholders, Mr Khor Tong Seng  
and and seconded by Ms Yeoh Mei Leng, respectively  
Secunder

**12.0 AGENDA 5 (ORDINARY RESOLUTION 7 - SPECIAL BUSINESS)**  
**AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE ACT**

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- Noted : 1) The mandate ("20% General Mandate") shall empower the Directors of the Company, from the date of the 14th AGM to allot and issue shares in the Company up to an amount not exceeding in total of twenty percent (20%) of the issued shares of the Company (excluding treasury shares, if any) for the time being for such purposes as they may think fit and in the interest of the Company. This authority, unless revoked or varied at a general meeting, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.
- 2) The 20% General Mandate is pursuant to temporary relief measure due to COVID-19 pandemic issued by Bursa Securities on 16 April 2020. The temporary relief measures may be utilised until 31 December 2021, after that the 10% limit under Paragraph 6.03(1) of the Main Market listing Requirements of Bursa Securities will be reinstated.

The Board of Directors is of the view that the 20% General Mandate is in the best interest of the Company and its shareholders due to the unprecedented challenges from the COVID-19 impact, and the 20% General Mandate will enable the Company to raise higher funds more rapidly during this challenging period to ensure sustainability of the Company's existing activities as well as funding for future investment activities.

- Noted : 3) This mandate is a renewal of the previous mandate obtained at the last AGM held on 26 September 2019 which will expire at the conclusion of the forthcoming AGM.
- 4) The 20% General Mandate shall provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding current and/ or future investment project(s), working capital and/or payment of bank borrowings and acquisition.

Proposer : The motion was proposed by the shareholders, Mr Khor Tong Seng  
and and seconded by Ms Yeoh Mei Leng, respectively  
Secunder

**13.0 AGENDA 6 (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**

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- Noted : 1) The mandate sought was a renewal from the previous mandate obtained at the last Annual General Meeting held on 26 September 2019 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 the shareholders, Ms Yeoh Mei Leng and  
and seconded by Mr Khor Tong Seng, respectively.  
Secunder

**14.0 OTHER BUSINESS**

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- 14.1 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 Constitution.
- 14.2 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.
- 14.3 Upon collection of polling slips from the floor, the Management presented the relevant replies to the queries received from an e-mail dated 11 September 2020 from the Minority Shareholders Watch Group (details of which are enclosed herein as Appendix I)
- 14.4 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 12.30 p.m.

**15.0 ANNOUNCEMENT OF POLL RESULTS**

15.1 At 12.40 p.m., The Chairman called the Meeting to order for declaration of results. The poll results were read out as follows:-

15.2 Ordinary Resolution 1

	<u>No. and Percentage of Shares</u>
For	59,730,930 (99.9893%)
Against	6,400 (0.0107%)
Total	59,737,330 (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 2021 payable monthly in arrears after each month of completed service of the Directors during the subject financial year is hereby approved".

15.3 Ordinary Resolution 2

	<u>No. and Percentage of Shares</u>
For	59,720,230 (99.9714%)
Against	17,100 (0.0286%)
Total	59,737,330 (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 21 September 2020 to 31 October 2021 is hereby approved".

15.4 Ordinary Resolution 3

	<u>No. and Percentage of Shares</u>
For	59,733,230 (99.9931%)
Against	4,100 (0.0069%)
Total	59,737,330 (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 Mr Chun Kwong Pong retiring pursuant to Regulation 93 of the Company's Constitution, is hereby re-elected as Director of the Company".

15.5 Ordinary Resolution 4

	<u>No. and Percentage of Shares</u>
For	59,733,230 (99.9931%)
Against	4,100 (0.0069%)
Total	59,737,330 (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 Lim Wai Loong retiring pursuant to Regulation 93 of the Company's Constitution, is hereby re-elected as Director of the Company".

15.6 Ordinary Resolution 5

	<u>No. and Percentage of Shares</u>
For	59,733,230 (99.9931%)
Against	4,100 (0.0069%)
Total	59,737,330 (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 Mr Lin, Po-Chih retiring pursuant to Regulation 93 of the Company's Constitution, is hereby re-elected as Director of the Company".

15.7 Ordinary Resolution 6

	<u>No. and Percentage of Shares</u>
For	59,737,230 (99.9998%)
Against	100 (0.0002%)
Total	59,737,330 (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 is hereby re-appointed as the Company's Auditors for the ensuing year AND THAT the Directors are hereby authorised to fix their remuneration".

15.8 Ordinary Resolution 7

	<u>No. and Percentage of Shares</u>
For	59,718,230 (99.9680%)
Against	19,100 (0.0320%)
Total	59,737,330 (100%)
	<u>No. of Shares</u>
Abstained	0
Spoilt	0

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

Resolved : "THAT, pursuant to Section 75 of the Act, the Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 April 2020 and approvals and requirements of the relevant governmental and/or regulatory authorities (where applicable), the Directors of the Company be hereby empowered 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 during the preceding twelve (12) months does not exceed twenty percent (20%) of the total number of the issued shares of the Company for the time being AND THAT the Board of Directors be hereby also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities."

15.9 Ordinary Resolution 8

	<u>No. and Percentage of Shares</u>
For	59,737,230 (99.9998%)
Against	100 (0.0002%)
Total	59,737,330 (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 Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution (formerly known as 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 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:

- Resolved : (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 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 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.”



**16.0 CONCLUSION OF THE MEETING**

There being no further business, the Meeting ended at 1.00 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. Some of the reasons why Superlon's GP Margin retreated to 27% (FYE 2019: 29%) are as follows:-
  - a) the export revenue mix constituted a higher level of insulation sales to lower margin markets during the financial year;
  - b) the competitive business environment;
  - c) trading sales, which generate lower margins relative to the insulation sales, contributed to a larger percentage of our revenue.

(Page 9 of the Annual Report 2020)

How will the Board plan to address these events?

Management's reply:

The Board will continue to:-

- i. seek out new markets for our products to diversify and become less reliance on any particular market;
  - ii. develop other application for our products, for example sound insulation material for cars (Acoustec);
  - iii. continue to make our production more efficient and lower production cost; and
  - iv. We have worked towards online sales of some of our products and are using technology to stay in contact with our customers.
2. The MCO suspension had been lifted by the Ministry of International Trade and Industry on 23 April 2020, allowing Superlon to resume its manufacturing production.

Superlon anticipates demand for insulation to improve progressively in the second half of 2020 and beyond.

- a) Since MCO Suspension had been lifted, what is the Group's factories' current utilization rate compared to pre-MCO Suspension?
- b) What is the anticipated demand improvement rate for insulation in FY2021?
- c) What is the targeted production utilisation rate for the Vietnam factory in FY2021?

Management's reply:

- a) The Malaysian factories are now operating at 60% utilisation rate as compared to pre-MCO utilisation rates of 70% - 75%
  - b) Based on our recent months' demand and premised on an uninterrupted global recovery, we expect demand to be sustained. However, customers are more careful with their orders.
  - c) We are targeting Vietnam to have a production rate of 60% to 70% for FY2021.
3. On sustainability matters, what are the critical areas that the Group has identified for immediate improvement? What is the progress in these areas?

Management's reply:

The Group has increased its usage of green energy via the replacement of gas-based machineries with electricity-based machineries last year. Energy usage in FY 2020 was slightly more efficient than FY 2019.

In addition, more emphasis on workplace safety for the employees will be placed by increasing the training hours for employees.