

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

MINUTES of the **FIFTEENTH ANNUAL GENERAL MEETING** (“Meeting”) of the Company (or “SUPERLON”) held on a fully virtual basis through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia via its website at <https://tiih.online> on Tuesday, 21 September 2021 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)
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 : Ms Ng Mei Wan (Company Secretary)
Ms R. Malathi A/P Rajagopal (Company Secretary)

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

1.0 CHAIRMAN OF THE MEETING

1.1 Having obtained the quorum, Mr Chun Kwong Pong presided as Chairman and chaired the Meeting.

2.0 QUORUM

2.1 The quorum for the Meeting was confirmed as present.

3.0 NOTICE OF THE MEETING

3.1 The Notice convening this Meeting had been sent to all shareholders within the prescribed time.

4.0 PRELIMINARY OF THE MEETING

4.1 A total of 139 persons were present as shareholders and proxies holding a total of 61,554,311 ordinary shares, equivalent to 38.78% of the total issued capital of the Company at the Meeting.

4.2 Based on the Share Registry Report, a total of 22 proxy forms were received from the shareholders for a total of 9,054 364 shares representing 5.70% of the issued share capital of the Company. There were 10 shareholders appointed the Chairman of the meeting as proxy to vote on their behalf and the shares so represented stood at 8,978,064, representing 5.66% of the issued share capital of the Company.

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- 4.3 The Chairman proceeded to introduce members of the Board, the External Auditors and secretaries to the Meeting.

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.

- 4.4 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.

- 4.5 To facilitate the polling process, Mr Chairman proposed to the Meeting that the agenda items be deliberated prior to the question and answer ("Q&A") session and followed by the poll voting. Without any objection, Mr Chairman proceeded with the business on hand.

5.0 AGENDA 1

RECEIPT OF THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL ("FYE") 2021 TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORT THEREON

- 5.1 Noted : The motion was put for discussion only as Section 340(1)(a) of the Companies Act 2016 ("the Act") and the Company's Constitution does not require a formal approval of the shareholders.

6.0 AGENDA 2(1) (ORDINARY RESOLUTION 1)

PAYMENT OF DIRECTORS' FEES OF UP TO RM230,000-00 FOR FYE 2022 PAYABLE MONTHLY IN ARREARS AFTER EACH MONTH OF COMPLETED SERVICE OF THE DIRECTORS DURING THE SUBJECT FINANCIAL YEAR

- 6.1 Noted : The motion to approve the Directors' fees of up to RM230,000-00 for FYE 2022 was put forth for voting.

7.0 AGENDA 2(2) (ORDINARY RESOLUTION 2)

PAYMENT OF MEETING ATTENDANCE ALLOWANCES OF UP TO RM45,500-00 FOR THE PERIOD FROM THE DATE OF MEETING TO 31 OCTOBER 2022

- 7.1 Noted : The motion to approve the meeting attendance allowances of up to RM45,500 was put forth for voting.

8.0 AGENDA 3(1) (ORDINARY RESOLUTION 3)

RE-ELECTION OF MR LIU HAN-CHAO AS DIRECTOR, RETIRING IN ACCORDANCE WITH REGULATION 93 OF THE COMPANY'S CONSTITUTION

- 8.1 Noted : The motion to approve re-election of Mr Liu Han-Chao was put forth for voting.

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

9.1 Noted : The motion to approve re-election of Mr Ongi Cheng San was put forth for voting.

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

10.1 Noted : The motion to approve re-election of Mr Liu Jeremy was put forth for voting.

**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**

11.1 Noted : The motion to approve re-appointment of Messrs Crowe Malaysia PLT was put forth for voting.

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

12.1 Noted : 1) The mandate ("10% General Mandate") shall empower the Directors of the Company, from the date of the Meeting to allot and issue shares in the Company up to an amount not exceeding in total of ten percent (10%) 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 ("AGM") of the Company.

2) This mandate is a renewal of the previous mandate obtained at the last AGM held on 21 September 2020 which will expire at the conclusion of the forthcoming AGM.

3) The 10% 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.

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**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**

- 13.1 Noted : 1) The mandate sought was a renewal from the previous mandate obtained at the last AGM held on 21 September 2020 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.

14.0 ANY OTHER BUSINESS

- 14.1 The Chairman sought confirmation from the Company Secretaries 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.

15.0 QUESTIONS & ANSWERS ("Q&A") SESSION

- 15.1 The Management presented the relevant replies to the queries received from the Minority Shareholders Watch Group (details of which are enclosed herein as Appendix I)
- 15.2 Thereafter, the Meeting proceeded to address all questions (Q&A session) from the shareholders received via the Query Box pertaining to the Company's financials and prospects.

16.0 POLLING PROCESS

- 16.1 Mr Chairman informed that with the resolutions and Q&A session being dealt, the poll voting would commence accordingly.

17.0 ANNOUNCEMENT OF POLL RESULTS

- 17.1 Mr Chairman called the Meeting to order. The poll results were read out as follows:

Ordinary Resolution 1

Description	Directors' fees of up to RM230,000-00 for FYE 2022	
Voted	For	Against
No. of Shareholders	103	13
No. of Shares	61,012,793	21,018
% of Voted Shares	99.9656	0.0344
Result	Accepted	

In view thereof, Mr Chairman declared the 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 2022 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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Ordinary Resolution 2

Description	Meeting attendance allowances of up to RM45,500	
Voted	For	Against
No. of Shareholders	97	19
No. of Shares	60,995,209	38,602
% of Voted Shares	99.9368	0.0632
Result	Accepted	

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

Resolved : "THAT allowances of up to RM45,500 from 21 September 2021 to 31 October 2022 is hereby approved".

Ordinary Resolution 3

Description	Re-election of Mr Liu Han-Chao	
Voted	For	Against
No. of Shareholders	107	11
No. of Shares	61,045,893	9,918
% of Voted Shares	99.9838	0.0162
Result	Accepted	

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

Resolved : "THAT Mr Liu Han-Chao retiring pursuant to Regulation 93 of the Company's Constitution, is hereby re-elected as Director of the Company".

Ordinary Resolution 4

Description	Re-election of Mr Ongi Cheng San	
Voted	For	Against
No. of Shareholders	104	13
No. of Shares	60,910,893	21,418
% of Voted Shares	99.9648	0.0352
Result	Accepted	

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

Resolved : "THAT Mr Ongi Cheng San retiring pursuant to Regulation 93 of the Company's Constitution, is hereby re-elected as Director of the Company".

Ordinary Resolution 5

Description	Re-election of Mr Liu Jeremy	
Voted	For	Against
No. of Shareholders	106	12
No. of Shares	61,045,393	10,418
% of Voted Shares	99.9829	0.0171
Result	Accepted	

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

Resolved : "THAT Mr Liu Jeremy retiring pursuant to Regulation 93 of the Company's Constitution, is hereby re-elected as Director of the Company".

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Ordinary Resolution 6

Description	Re-appointment of Messrs Crowe Malaysia PLT	
Voted	For	Against
No. of Shareholders	106	12
No. of Shares	61,032,893	20,918
% of Voted Shares	99.9657	0.0343
Result	Accepted	

In view thereof, Mr Chairman declared the 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".

Ordinary Resolution 7

Description	Authority for Directors to allot and issue shares pursuant to Section 75 of the Act	
Voted	For	Against
No. of Shareholders	102	16
No. of Shares	60,955,243	101,968
% of Voted Shares	99.8330	0.1670
Result	Accepted	

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

Resolved : "THAT, subject always to the Act, Constitution 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 and paid-up share capital 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."

Ordinary Resolution 8

Description	Renewal of authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued shares	
Voted	For	Against
No. of Shareholders	106	13
No. of Shares	60,951,947	106,864
% of Voted Shares	99.8250	0.1750
Result	Accepted	

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

Resolved : "THAT, subject to the compliance with the Act, Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, regulations, guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be hereby given full authority to seek shareholders' approval for the authority of 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 best interest of the Company provided that:-

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- (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.”

18.0 CONCLUSION OF MEETING

18.1 There being no further business, the Meeting ended at 11:45 a.m. with a vote of thanks to the Chair.

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

OPERATIONAL & FINANCIAL MATTERS

1. What is the expected impact of the pandemic on Superlon's operations and financial position in FYE2022? How is the Board planning to mitigate the impact of the pandemic on Superlon's business activities?

Management's reply:

Our long-term strategy remains the same. At the same time, we recognise the challenges facing Superlon in FYE2022, which include:

- i. Global supply chain disruptions;
- ii. Unstable raw material prices;
- iii. Fluctuating exchange rates; and
- iv. Restrictions of standard operating procedures.

The mitigation plan of Superlon includes the following :-

- i. continue to reach out and support our global network of customers, many of whom are long-term customers;
- ii. leverage on online marketing and meeting platforms to continuously reach out to customers and suppliers;
- iii. encourage the hiring of local workforce, where possible, as we strive to develop the skills of the local labour force;
- iv. adapt our inventory management to the changing global supply chain;
- v. continue implementing stringent health and safety protocols; and
- vi. continue to employ prudent financial management.

2. Despite the challenging operating environment with unstable raw material prices, fluctuating exchange rates, and disruptions in the global supply chain (Page 2 of the Annual Report 2021), the Group managed to record a profit before tax of RM15.2 million in FYE2021 compared to RM11.2 million in FYE2020. This represents a positive variance of RM4 million or 35.71%.
(Page 9 of the Annual Report 2021)

- a) Is the good performance sustainable in FYE2022?
- b) What competitive advantages does the Group have over its peers in the market?

Management's reply:

- a) Notwithstanding the anticipated recovery of the macro economy brought about by the rollout of the vaccination programs worldwide, the operating environment remains challenging with unstable raw material prices, fluctuating exchange rates and disruptions in the global supply chain.

Nonetheless, the profit potential of our businesses remains intact and we are well positioned to benefit from any recovery in the local and global economy.

Moving forward, we will continue to be committed towards strengthening the Group's long term competitiveness by investing in machineries as well as research and development.

- b) The competitive advantages of Superlon Group include:
- i. our intellectual properties, including:
 - our research and development; and
 - Superlon brands
 - ii. our global footprint and distribution network;
 - iii. superior customer services; and
 - iv. our multi-location production facilities.

3. Other expenses have increased by approximately 251% from RM220,427 in FYE2020 to RM774,240 in FYE2021.
(Page 56 of the Annual Report 2021)

What are the reasons for the significant increase in other expenses?

Management's reply:

The components of other expenses for FYE 2021 are mainly due to the realised and unrealised exchange losses of RM0.4 million and RM0.3 million respectively.

4. Superlon's factories in Malaysia resumed operations on 19 July 2021. Meanwhile, its factory in Vietnam continued its operations without interruptions which helped to partially mitigate the effects of the temporary shutdown.
(Page 2 of the Annual Report 2021)

- a) What is the current capacity of the Company's factories?
b) What is the current and previous year's capacity utilisation rate for the Company's factories in Malaysia and Vietnam?

Management's reply:

- a) Our capacity is approximately 10,000 tonnes.
b) The utilisation rates of Superlon Group's factories are as follows:-

Utilisation rate	FYE 2021	FYE 2020
Malaysia	50%~	60%~
Vietnam	75%	45%

Notes:

~ In compliance with SOPs during various phases of MCO. Pre-MCO utilisation rate ranges from 70% to 75%.

5. Moving forward, Superlon will continue to be committed towards strengthening the Group's long-term competitiveness by investing in machineries as well as research and development (R&D).
(Page 12 of the Annual Report 2021)

What is the budget for the investment in machineries and digital platforms and R&D in the next two financial years?

Management's reply:

In previous financial years, Superlon has been investing about RM4 million to RM5 million per year on new machinery. For FYE2021, we have had to delay a substantial portion of our investment in new machinery due to the COVID-19 situation. Once the situation permits, we plan to resume our investment into new machinery.

Our current R&D focus is on improving the quality and production process, as such it is embedded into our day-to-day production. Accordingly, we do not have a specific R&D budget that we can share at the moment.

With regards to investment in digital platforms, we would like to share that we do not invest in digital platforms, except for our own website, but rather we use existing e-commerce and social media platforms to advertise and market our products.

SUSTAINABILTY MATTERS

6. Are there any sustainability challenges faced by the Company? If so, how does the Company intend to address the challenges moving forward?

Management's reply:

Sustainability challenges faced by Superlon are mainly arising from COVID-19 outbreak. Superlon has been addressing the challenges by:

- i. Leveraging on digitalisation to support remote working and physical distancing practice;
- ii. Implementing stringent health and safety protocols in the workplace;
- iii. Pre-planning or timely planning by senior management for unexpected situations such as closure of factory, staff inability to report for work (ie. business continuity planning); and
- iv. Preparing necessary quarantine facilities should our workers become infected.