

**SUPERLON HOLDINGS BERHAD**  
**REGISTRATION NO.: 200601020659 (740412-X)**  
(Incorporated in Malaysia)

Minutes of the Seventeenth Annual General Meeting (“Meeting”) of the Company (or “Superlon”) held at Botanic Room, Botanic Resort Club, No. 1, Jalan Ambang Botanic, Bandar Botanic, 41200 Klang, Selangor on Friday, 22 September 2023 at 10.00 a.m.

Present                    The attendance below is as per the Attendance List of Directors and Company Secretaries in Annexure 1.

**Board of Directors**

Mr Chun Kwong Pong (Non-Independent Non-Executive Chairman)  
Madam Liu Lee, Hsiu-Lin (Also known as Jessica Hsiu-Lin Liu) (Managing Director and Chief Executive Officer)  
Mr Liu Han-Chao (Executive Director)  
Mr Liu Jeremy (Executive Director)  
Mr Ongi Cheng San (Executive Director)  
Mr Lim Wai Loong (Independent Non-Executive Director)  
Ms Lee Mei Hsiang (Independent Non-Executive Director)

Absent with            :    Mr Lin, Po-Chih (Independent Non-Executive Director)  
apologies

In Attendance        :    Ms Ng Mei Wan (Company Secretary)

The attendance of shareholders/proxies and others is as per summary of Attendance List in Annexure 2.

**1.    CHAIRMAN OF THE MEETING**

Mr Chun Kwong Pong (“Mr Chairman”) was elected as Chairman of the Meeting.

**2.    QUORUM**

The quorum for the Meeting was confirmed as present.

**3.    NOTICE OF THE MEETING**

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

**4.    PRELIMINARY OF THE MEETING**

4.1    The Chairman introduced each and every member of the Board of Directors (or “Board”), the Company Secretary as well as the External Auditors, Messrs Crowe Malaysia PLT 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 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a listed corporation must, among others, ensure that any resolution set out in the notice of any general meeting is voted by poll. For this purpose, the Company had engaged Tricor Investor & Issuing House Services Sdn. Bhd. as the Poll Administrator and Scrutineer Solutions Sdn. Bhd as the Independent Scrutineer.

4.3    There were 9 shareholders holding a total of 15,654,504 shares or equivalent to 9.86% of the total issued share capital of the Company (after excluding the treasury shares) appointed the Chairman as their proxy.

- 4.4 The Chairman continued to highlight briefly to the Meeting on the overview of the business and financial highlights of the Group for the financial year ended 30 April 2023 via slide presentation.
- 4.5 For and on behalf of the Board, Chairman briefed the Meeting on the enquiries raised by the Minority Shareholders Watch Group (“MSWG”) via its letter dated 13 September 2023 as well as the Management and/or the Board’s representation and/or explanation (“Reply”) (as attached in Appendix I). A copy of each of the said MSWG’s letter and the Reply dated 22 September 2023 had been provided and/or distributed to MSWG.

**5. AGENDA 1  
RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
30 APRIL 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS’ AND AUDITORS’  
THEREON**

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The Chairman informed that the motion was put for discussion as the provisions of Section 340(1)(a) of the Companies Act 2016 and Company’s Constitution do not require a formal approval of the shareholders and hence, is not put forward for voting.

The Chairman opened to the floor for questions pertaining to the Company accounts and prospects (“Q&A session”). A summary of questions by the shareholders together with the summarised responses by the Company was annexed hereto and marked as Annexure 3.

After the Q&A session, the Chairman informed that the Audited Financial Statements of the Company for the financial year ended 30 April 2023 together with the Reports of the Directors’ and Auditors’ thereon be hereby received.

**6. AGENDA 2 (ORDINARY RESOLUTION NO. 1)  
DIRECTORS’ FEES OF UP TO RM230,000.00 FOR THE FINANCIAL YEAR ENDING 30  
APRIL 2024 PAYABLE MONTHLY IN ARREARS AFTER EACH MONTH OF COMPLETED  
SERVICE OF THE DIRECTORS DURING THE SUBJECT FINANCIAL YEAR**

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The Chairman informed that the proposed payment of Directors’ fees of up to RM230,000.00 for the financial year ending 30 April 2024 was to facilitate payment of Directors’ fees on a current financial year basis. In the event the Directors’ fees proposed are insufficient, approval will be sought at the next annual general meeting for additional fees to meet the shortfall.

The motion was proposed by Mr Teh Kian Lang, a shareholder and seconded by Mr Chee Sai Mun, a shareholder.

**7. AGENDA 3 (ORDINARY RESOLUTION NO. 2)  
MEETING ATTENDANCE ALLOWANCES OF UP TO RM45,500.00 FOR THE PERIOD  
FROM THE DATE OF THE FORTHCOMING ANNUAL GENERAL MEETING TO 31  
OCTOBER 2024.**

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The Chairman informed that the proposed payment of meeting attendance allowances of up to RM45,500.00 for the period from the date of the forthcoming Annual General Meeting to 31 October 2024 was to facilitate payment of meeting attendance allowances on a current financial year basis. In the event the meeting attendance allowances proposed are insufficient (e.g. due to more meetings), approval will be sought at the next Annual General Meeting for additional meeting attendance allowances to meet the shortfall.

The motion was proposed by Mr Chee Sai Mun, a shareholder and seconded by Mr Teh Kian Lang, a shareholder.

**8. AGENDA 4 (ORDINARY RESOLUTIONS NO. 3 AND 4)  
RE-ELECTION OF MR LIM WAI LOONG AND MR LIN, PO-CHIH AS DIRECTORS,  
RETIRING IN ACCORDANCE WITH CLAUSE 93 OF THE CONSTITUTION OF THE  
COMPANY**

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The Chairman informed that the next following two items of the Agenda were related to the re-election of Mr Lim Wai Loong and Mr Lin, Po-Chih as Directors who were retiring at the Meeting in accordance with Clause 93 of the Constitution of the Company.

**8.1 ORDINARY RESOLUTION NO. 3  
RE-ELECTION OF MR LIM WAI LOONG AS DIRECTOR, RETIRING IN ACCORDANCE  
WITH CLAUSE 93 OF THE CONSTITUTION OF THE COMPANY**

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The Chairman informed that the retiring Director, Mr Lim Wai Loong being eligible has offered himself for re-election.

The motion was proposed by Mr Teh Kian Lang, a shareholder and seconded by Mr Chee Sai Mun, a shareholder.

**8.2 ORDINARY RESOLUTION NO. 4  
RE-ELECTION OF MR LIN, PO-CHIH AS DIRECTOR, RETIRING IN ACCORDANCE WITH  
CLAUSE 93 OF THE CONSTITUTION OF THE COMPANY**

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The Chairman informed that the retiring Director, Mr Lin, Po-Chih being eligible has offered himself for re-election.

The motion was proposed by Mr Teh Kian Lang, a shareholder and seconded by Mr Chee Sai Mun, a shareholder.

**9. AGENDA 5 (ORDINARY RESOLUTION NO. 5)  
RE-ELECTION OF MS LEE MEI HSIANG AS DIRECTOR, RETIRING IN ACCORDANCE  
WITH CLAUSE 101 OF THE CONSTITUTION OF THE COMPANY**

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The Chairman informed that Ms Lee Mei Hsiang, the Director who was retiring at the Meeting in accordance with Clause 101 of the Constitution of the Company, being eligible has offered herself for re-election.

The motion was proposed by Mr Teh Kian Lang, a shareholder and seconded by Mr Chee Sai Mun, a shareholder.

**10. AGENDA 6 (ORDINARY RESOLUTION NO. 6)  
RE-APPOINTMENT OF MESSRS CROWE MALAYSIA PLT AS AUDITORS AND  
AUTHORITY TO THE DIRECTORS TO FIX THEIR REMUNERATION**

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The Chairman informed that the retiring Auditors, Messrs Crowe Malaysia PLT had earlier indicated their willingness to continue in office.

Based on the Audit and Risk Management Committee's review of the performance of Messrs Crowe Malaysia PLT and having assessed their independence in the performance of their obligations as External Auditors for the financial year ended 30 April 2023, the Board unanimously recommended their re-appointment for the financial year ending 30 April 2024.

The motion was proposed by Mr Chee Sai Mun, a shareholder and seconded by Mr Teh Kian Lang, a shareholder.

**11. AGENDA 7 (ORDINARY RESOLUTION NO. 7- SPECIAL BUSINESS)  
PROPOSED RENEWAL OF AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE  
SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

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The Chairman informed that pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors of the Company are empowered to allot and issue shares in the Company provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total issued share capital of the Company (excluding treasury shares, if any) as they may think fit.

By voting in favour of the proposed ordinary resolution 7, the shareholders of the Company shall agree to waive and deemed to have waived their statutory pre-emptive right and thus will allow the Directors to issue new shares to any person under the general mandate without having to offer the new shares to all existing shareholders of the Company prior to issuance of the new shares.

The mandate now sought was a renewal from the previous mandate obtained at the last Annual General Meeting held on 21 September 2022 which will expire at the conclusion of this Meeting.

The motion was proposed by Mr Teh Kian Lang, a shareholder and seconded by Mr Chee Sai Mun, a shareholder.

**12. AGENDA 8 (ORDINARY RESOLUTION NO. 8 - SPECIAL BUSINESS)  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN  
ORDINARY SHARES UP TO TEN PERCENT (10%) OF ITS ISSUED SHARE CAPITAL  
("SHARE BUYBACK MANDATE")**

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The Chairman informed that this proposed ordinary resolution, if passed, will empower the Directors of the Company to purchase shares in the Company up to an amount not exceeding ten percent (10%) of the total number of issued shares of the Company as they consider would be in the best interest of the Company.

Further details on the Share Buy-Back Mandate are provided in the Statement to Shareholders dated 24 August 2023.

The motion was proposed by Mr Teh Kian Lang, a shareholder and seconded by Mr Chee Sai Mun, a shareholder.

**13. OTHER BUSINESS**

- 13.1 The Chairman sought confirmation from the Company Secretary that the Company had not received any notice to transact any other business which had been given in accordance with the Companies Act 2016 and Constitution of the Company.
- 13.2 The Chairman informed that the poll voting would commence soon. The Poll Administrator was invited to brief the Meeting on the procedures for the conduct of poll and time required for counting and validation of votes cast.

#### 14. **ANNOUNCEMENT OF POLL RESULTS**

The Chairman announced the poll voting results. The poll results were read out as follows:

##### 14.1 **Ordinary resolution 1**

	<b>No. and Percentage of Shares</b>	<b>No. of Shareholders</b>
<b>For</b>	67,263,176 (99.9941%)	37
<b>Against</b>	4,000 (0.0059%)	1
<b>Total</b>	67,267,176 (100.0000%)	38
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	0	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 RM230,000.00 for the financial year ending 30 April 2024 payable monthly in arrears after each month of completed service of the Directors during the subject financial year be hereby approved."

##### 14.2 **Ordinary resolution 2**

	<b>No. and Percentage of Shares</b>	<b>No. and Percentage of Shareholders</b>
<b>For</b>	67,193,176 (99.9940%)	36
<b>Against</b>	4,000 (0.0060%)	1
<b>Total</b>	67,197,176 (100.0000%)	37
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	70,000	1

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

Resolved : "THAT the payment of meeting attendance allowances of up to RM45,500.00 for the period from the date of the forthcoming Annual General Meeting to 31 October 2024 be hereby approved."

##### 14.3 **Ordinary resolution 3**

	<b>No. and Percentage of Shares</b>	<b>No. of Shareholders</b>
<b>For</b>	67,263,176 (99.9941%)	37
<b>Against</b>	4,000 (0.0059%)	1
<b>Total</b>	67,267,176 (100.0000%)	38
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	0	0

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

Resolved : "THAT Mr Lim Wai Loong retiring pursuant to Clause 93 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

14.4 Ordinary resolution 4

	<b>No. and Percentage of Shares</b>	<b>No. and Percentage of Shareholders</b>
<b>For</b>	67,211,876 (99.9178%)	35
<b>Against</b>	55,300 (0.0822%)	3
<b>Total</b>	67,267,176 (100.0000%)	38
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	0	0

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

Resolved : "THAT Mr Lin, Po-Chih retiring pursuant to Clause 93 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

14.5 Ordinary resolution 5

	<b>No. and Percentage of Shares</b>	<b>No. of Shareholders</b>
<b>For</b>	67,263,176 (99.9941%)	37
<b>Against</b>	4,000 (0.0059%)	1
<b>Total</b>	67,267,176 (100.0000%)	38
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	0	0

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

Resolved : "THAT Ms Lee Mei Hsiang retiring pursuant to Clause 101 of the Constitution of the Company, be hereby re-elected as a Director of the Company."

14.6 Ordinary resolution 6

	<b>No. and Percentage of Shares</b>	<b>No. and Percentage of Shareholders</b>
<b>For</b>	67,193,176 (99.9940%)	36
<b>Against</b>	4,000 (0.0060%)	1
<b>Total</b>	67,197,176 (100.0000%)	37
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	70,000	1

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

Resolved : "THAT Messrs Crowe Malaysia PLT be hereby re-appointed as the Company's Auditors for the ensuing year and the Directors be hereby authorised to fix the Auditors' remuneration."

14.7 Ordinary resolution 7

	<b>No. and Percentage of Shares</b>	<b>No. and Percentage of Shareholders</b>
<b>For</b>	67,250,176 (99.9747%)	36
<b>Against</b>	17,000 (0.0253%)	2
<b>Total</b>	67,267,176 (100.0000%)	38
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	0	0

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

Resolved : “THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant regulatory authorities (where applicable), the Directors of the Company be hereby authorised 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(s) or option(s) or offer(s) (“New Shares”) 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 and expedient in the interest of the Company, 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 twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being (“Proposed General Mandate”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

THAT the Directors of the Company be hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for such New Shares on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AND THAT authority be hereby given to the Directors of the Company, to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation thereto as to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 10 of the Company's Constitution, approval be hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer New Shares arising from the issuance and allotment of the New Shares pursuant to Sections 75 and 76 of the Companies Act 2016 AND THAT the Directors of the Company are exempted from the obligation to offer such New Shares first to the existing shareholders of the Company."

14.8 Ordinary resolution 8

	<b>No. and Percentage of Shares</b>	<b>No. of Shareholders</b>
<b>For</b>	67,263,176 (99.9941%)	37
<b>Against</b>	4,000 (0.0059%)	1
<b>Total</b>	67,267,176 (100.0000%)	38
	<b>No. of Shares</b>	<b>No. of Shareholders</b>
<b>Abstained / Spoilt</b>	0	0

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

Resolved : "THAT subject to compliance with the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, regulations and 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 renewal of authority for the Company to purchase such amount of ordinary shares in the Company ("Shares") through Bursa Malaysia Securities Berhad 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 share capital 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 Companies Act 2016) 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 Malaysia Securities Berhad in accordance with the relevant rules of Bursa Malaysia Securities Berhad 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 Companies Act 2016, rules, regulations, guidelines, requirements and/or orders of Bursa Malaysia Securities Berhad 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 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.”

**15. CONCLUSION OF MEETING**

There being no further business, the Meeting ended at 12.05 noon with a vote of thanks to the Chairman.

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

## Operational & Financial Matters

1.

	FYE 2023* (RM'000)	FYE 2022* (RM'000)	FYE 2021^ (RM'000)
<b><u>Financial Results</u></b>			
Revenue	108,448	92,054	100,628
Gross Profit	21,820	22,341	30,551
Profit for the year	2,276	6,210	13,176
<b><u>Financial Ratios</u></b>			
Gross profit margin (%)	20	24	30
Net profit margin (%)	2	7	13
Basic earnings per share (sen)	1.43	3.91	8.30

\*(Source: Page 7 of the Annual Report 2023)

^(Source: Page 7 of the Annual Report 2022)

**There is a downward trend in the Group's gross profit, gross profit margin, profit for the year and net profit margin in the last two financial years, leading to decrease in basic earnings per share. How does the Group plan to prevent profitability from further deteriorating?**

### Management's reply:

The business environment of Superlon remains challenging with fluctuating raw material prices and exchange rates coupled with external factors including geopolitical tensions as well as the slowdown in the Chinese economy.

The management endeavours to navigate around the aforementioned by:

- i. Strengthening our position in our key markets, especially Asia;
- ii. Pursue a multi-location production strategy to put us closer to our customers and enable us to better support and respond in a timely manner to our customers' needs; and
- iii. Fine-tuning our sales strategies to reach out and support our customers.

**2. In line with Superlon's mission, Superlon unceasingly seeks to penetrate new international markets and to position Superlon as a dominant domestic player through the expansion of local market share. (Page 6 of Annual Report 2023)**

**As the export sales contributed 61% (FYE 2022: 57%) of the Group's revenue in FYE 2023, please elaborate on the current strategies, targets and progress for penetrating new international markets.**

### Management's reply:

Superlon's efforts to penetrate new markets is a continuous process. We are encouraged that the Group increased its sales to export markets by 25% for FYE2023. The Africa, America and Europe region as well as Asia and Oceania (excluding Malaysia) region registered growths of 10.2% and 28.0% respectively in FYE2023.

Our current market penetration strategies include:

- i. Multi-location production strategy

Our Group strives to provide our customers with faster response and better support. Our new factory in Hung Yen, Vietnam, is expected to support both the Vietnam and international markets. It aligns with our Group's goals to grow our global footprint and expand our network.

- ii. Staying focused on the Asia market whilst pursuing new markets

Asia continues to be a key focus area for our Group. Concurrently, we will continue to pursue opportunities to enter new markets.

3. **During FYE 2023, loans and borrowings of the Group increased by RM12.2 million to RM27.6 million (FYE 2022: RM15.4 million) mainly due to an increase in term loans for expanding our production and operations. (Page 10 of Annual Report 2023)**

**Please elaborate on the expansion plan for production and operations.**

Management's reply:

The expansion plans for production and operations include plans to improve and upgrade existing production lines as well as increase our production capacity. Such plans are applicable for existing and new production facilities located in Malaysia or abroad. The loans and borrowings represent part of the Group's capital structure to fund the running of its business and strategic plans.

4. **Superlon has recently commissioned the new factory in Hung Yen, Vietnam which marks the second manufacturing plant of the Superlon Group outside Malaysia. The factory in Hung Yen had commenced operation in June 2023 and has a production capacity of 1,700 tonnes per annum. (Page 11 of Annual Report 2023)**

- a) **What is the set-up cost for the new factory in Hung Yen, Vietnam? How did the Group source the funds for setting up the factory?**

Management's reply:

The setup costs for the new factory in Hung Yen, Vietnam were approximately RM7 million and include the initial leasing costs of the land as well as the purchase and installation of machinery and equipment. These were entirely financed by our Group's internally generated funds.

- b) **With the increased production capacity contributed by the new factory, what is the expected growth in the Group's revenue and profit after tax in FYE 2024 and FYE 2025?**

Management's reply:

We are unable to provide any revenue and profit after tax projections for FYE2024 and FYE2025. Nonetheless, the profit potential of our businesses remains intact and we are well positioned to benefit from any growth and recovery in the global economy and from any favourable changes in the market forces.

Barring unforeseen circumstances, we are cautiously optimistic on the performance of our Group for FYE 2024.

5. **There are additions/modifications of RM5,002,117 in buildings under Right-of-Use Assets during the FYE 2023, bringing the carrying amount to RM4,794,929 as at 30 April 2023. The Group has leased a number of hostels and factory that run between 1 year to 6 years, with an option to renew. (Page 85 of Annual Report 2023).**

- (a) **What is the carrying amount for the leased factory and the remaining lease period as at 30 April 2023?**

Management's reply:

The carrying amount of the leased factory was around RM4.5 million as at 30 April 2023 with a remaining lease period of approximately 6 years.

- (b) **Where is this leased factory located?**

Management's reply:

The factory leased by our Group is located in Hung Yen, Vietnam.

### **Corporate Governance Matters**

6. **The Company has departed from Practice 4.4 of the Malaysian Corporate of Corporate Governance, ("MCCG") for not including a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.**

**The Company mentioned that whilst the sustainability policy has been implemented and various strategies are in place, the Company has yet to add these into the key performance indicators for the senior management in order to give more time to adapt to the expectations of the Company on sustainability matters and to perform accordingly.**

**What will be the timeframe for the Company to adopt Practice 4.4 of MCCG?**

Management's reply:

Currently, the Sustainability Team of Superlon (consisting of the management) supervises key sustainability initiatives and reports to the Executive Directors who then report to the Board during FYE 2023. The Board of Directors is ultimately responsible for the sustainability-related strategies of the Group. We have partially complied with Practice 4.4 in that the performance evaluation of the Board includes sustainability matters as part of the points of consideration.

The key performance indicators on sustainability are targeted to be incorporated in the performance assessment of the senior management by FYE 2025 in order to provide the senior management team with sufficient time to adapt to the sustainability expectations.

Superlon Holdings Berhad  
Appendix II - Questions and answers during AGM

No.	Question	Answer
1)	Why did the Group draw down additional loans despite being in a strong net cash position?	The additional loan is for the improvements for our production lines and working capital requirements of the Group.
2)	Can the Company give some background on the Vietnam plants? Are the facilities breaking even or profitable?	The utilisation rates for Vn Factory 1 is 80% whilst Vn Factory 2 is 50%. We hope for Vn Factory 2 to breakeven by end of 2023.
3)	What is the difference between the 2 Vietnam plants?	Vn Factory 1 is in Ho Chin Minh City and Vn Factory 2 is in Hanoi. Both produces insulation products.
4)	What are the advantages of setting up in Vietnam?	The factories in Vietnam enable us to better support our customers and we enjoy tax incentives in the early years.
5)	How does the Company manage the increase in raw material costs?	In the event of rising raw material costs, the Company will try to pass the costs to customers depending on the market acceptance.
6)	What are the 4 largest overseas market for the Company?	Asia, Middle East, Australia and South Africa
7)	What is the largest component of the expenses of the Company?	Marketing expenses constituted the largest component of the Company's expenses in line with our foreign marketing efforts.
8)	When can the Company achieve utilisation rate of up to 80% and are there any new products in the pipeline?	The Company hopes to achieve utilisation rates of up to 80% by end 2023. The Company will make an announcement if there is any introduction of new products.
9)	May I know what the rate of FD is?	The rate is approximately 4.5% p.a. for fixed deposit placement of six months.
10)	Why did the Company draw down the loan and deposit the monies in FD?	The loan provides additional liquidity for the Company with the purposes of improvement of our products lines, maintain the dividend payout ratio and working capital requirements.
11)	Does the Company have a hedging policy for its forex exposures?	We make use of natural hedging to manage our forex exposures.