

LHT HOLDINGS LIMITED
(Company Registration No. 198003094E)
(Incorporated in the Republic of Singapore)
(the “Company”)

Minutes of the Annual General Meeting of the Company held at 27 Sungei Kadut Street 1, Singapore 729335 via electronic means on Friday, 29 April 2022 at 3.30 p.m.

Present: Please refer to attendance list.

1. WELCOME ADDRESS

Chairperson of the Board of Directors, Ms Yap Mui Kee, chaired the Annual General Meeting (“**AGM**” or the “**Meeting**”).

The Chairperson informed the Shareholders that in view of the COVID-19 restriction orders in Singapore, the Company was unable to hold a physical AGM. Despite such a restriction, the AGM was held by way of electronic means to enable the shareholders to participate in the proceedings via live audio-visual webcast.

The Chairperson introduced her fellow members of the Board who attended the AGM, as follows:

- i. Mr Tan Kim Sing (Executive Director)
- ii. Mr Billy Neo Kian Wee (Executive Director)
- iii. Mr Tan Kok Hiang (Lead Independent Non-Executive Director)
- iv. Mr Low Peng Kit (Independent Director)
- v. Dr Wu Chiaw Ching (Independent Director)
- vi. Mr Li Suet Man (Independent Director)
- vii. Ms Sally Yap (Alternate Director and Company Secretary)
- viii. Mr Vincent Tan (Financial Controller)

2. QUORUM

Having ascertained that a quorum was present, the Chairperson called the Meeting to order at 3:30 p.m. and proceeded with the formal business of the Meeting.

3. NOTICE OF AGM

The Chairperson informed that the Notice of the AGM dated 6 April 2022 (the “**Notice**”) were circulated to the shareholders on 6 April 2022. With the consent of the shareholders, the Notice convening the AGM was taken as read.

4. POLL VOTING PROCEDURES

The Chairperson informed the shareholders that as stated in the Notice, shareholders had been advised to submit their votes by completing the proxy form to appoint the Chairperson of the Meeting as proxy. The resolution put forth in this AGM was voted by way of poll and there would be no live voting during the Meeting. B.A.C.S Private Limited and Finova BPO Pte Ltd have been appointed as Polling Agent and Scrutineer respectively for the AGM.

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The Chairperson also informed that she had been appointed as proxy by the shareholders to vote on their behalf and she had voted in accordance with their instructions. The valid proxy forms received by the Company as at the cut-off date on 26 April 2022 at 3:30 p.m. had been counted by the Polling Agent and verified by the Scrutineers. She also informed that there would be 7 ordinary resolutions to be passed at the AGM. The poll results would be announced immediately after each motion had been formally proposed, and the results shall be deemed to be the resolution of the Meeting.

The Chairperson further informed that she would be proposing all motions on the agenda and all the resolutions were deemed to be duly seconded to streamline the proceedings.

5. ADVANCE QUESTIONS AND ANSWERS

The Company had invited shareholders to submit their questions in relation to the agenda of the Meeting. The Chairperson informed that the Company had received a total of 9 questions related to the Ordinary Resolutions put to vote at the Meeting prior to the AGM. The Chairperson would address the questions from shareholders before proposing the respective resolutions.

The Chairperson proceeded with the formalities of all the resolutions tabled to be passed.

ORDINARY BUSINESS

6. ORDINARY RESOLUTION 1 – RECEIVE AND ADOPT THE DIRECTORS’ STATEMENT AND THE AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE AUDITORS’ REPORT

The Chairperson informed the Shareholders that the first item on the Agenda of the AGM was to receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors’ Report thereon.

The Company had received one question relating to Resolution 1.

Question 1 - “Reference to page 25 of the Company’s Annual Report 2021, as of 31/12/2021 the Company held ~SGD 36.4 Million in Fixed Deposits, Cash & Cash Equivalents. This equates to ~68 Cents per share, a mere ~5% below the prevailing share price at the time of writing. How does the Board of Directors view the reality that the share price is barely above the cash reserve per share and can MD Yap elaborate on Management’s Plans and Strategies to materially raise the share price margin above this level? Surely, this comparison of prevailing share price vs the cash reserve per share equivalent is yet another demonstration that the current dividend level should be materially raised?”

Company’s reply: The Company’s share price is determined by the market forces like sentiments, economic condition, trading volume, industry type, etc, and quite often, it is not reflective of the Company’s intrinsic value and fundamentals of the Company.

There is no more question received relating to Resolution 1.

Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes “FOR”	31,028,734	99.29
Number of votes “AGAINST”	222,800	0.71
Number of votes “ABSTAIN”	1,000,000	-
Total number of votes cast	31,251,534	100.00

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Based on the above results, the Chairperson declared Ordinary Resolution 1 carried, and it was RESOLVED:

“THAT the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Auditors’ Report thereon, be received and adopted.”

7. ORDINARY RESOLUTION 2 - RE-ELECTION OF MR TAN KIM SING AS A DIRECTOR

Resolution 2 dealt with the re-election of Mr Tan Kim Sing as a Director retiring pursuant to Regulation 103 of the Constitution. Shareholders were informed that Mr Tan Kim Sing had signified his consent to continue in office.

There is no question received relating to Resolution 2.

Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes “FOR”	31,848,734	98.75
Number of votes “AGAINST”	402,800	1.25
Number of votes “ABSTAIN”	0	-
Total number of votes cast	32,251,534	100.00

Based on the above result, the Chairperson declared Ordinary Resolution 2 carried, and it was RESOLVED:

“THAT Mr Tan Kim Sing be re-elected as a Director of the Company pursuant to Regulation 103 of the Company’s Constitution.”

8. ORDINARY RESOLUTION 3 - RE-ELECTION OF DR WU CHIAW CHING AS A DIRECTOR

Resolution 3 dealt with the re-election of Dr Wu Chiaw Ching as a Director retiring pursuant to Regulation 103 of the Constitution. Shareholders were informed that Dr Wu Chiaw Ching had signified his consent to continue in office. It was noted that Dr Wu Chiaw Ching would, upon re-election as a Director of the Company, remain independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Company had received two questions from shareholders relating to Resolution 3.

Question 1 - “Will each of the Directors, including all the Independent Directors, commit to holding a minimum number of Shares, equivalent to at least two times the annual remuneration and fees they receive from the Company, during their tenure as a Director of the Company, in accordance with modern-day Corporate Governance norms? It is recognised that for the Company’s current Independent Directors it could take several months to build such a holding but surely such a commitment is overdue?”

Company’s reply: The Company currently does not have this requirement for Board members, although the Executive Directors already have direct shareholdings. Although holding shares could mean alignment to the Company’s goals, but the Independent Directors’ role is to remain independent and impartial in order to oversee and safeguard all stakeholders’ interests. Whether the Independent Director wishes to hold shares in companies where they are on board as Independent Directors is voluntary as this involves personal decision and personal finances.

Question 2 - "Reference to Page 104 of the Annual Report 2021 includes the following statement: QUOTE The NC, with the concurrence of the Board, is of the view that the current Board size of three Executive Directors, one Alternate Director and Corporate Secretary and four Non-Executive Independent Director is appropriate UNQUOTE. I request NC Chairman Low to kindly explain at the AGM how a sub-SGD 40 Million Market Cap. Company can justify a Board of eight Directors. And are four Executive Directors (including the Alternate Director & Corporate Secretary) necessary and is NC Chairman Low convinced that aligns with sound modern-day Corporate Governance?"

Company's reply: The Board comprises three (3) Executive Directors, four (4) Independent Directors, and one (1) Alternate Director and Corporate Secretary. Prevailing guidelines state that Independent Directors make up the majority of the Board to enable check and balance.

Each Director brings his/her own set of skills, knowledge, experience and diversity to enable decision making in the best interest of the Company.

There is no more question received relating to Resolution 3.

Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes "FOR" :	30,814,334	95.54
Number of votes "AGAINST" :	1,437,200	4.46
Number of votes "ABSTAIN" :	0	-
Total number of votes cast :	32,251,534	100.00

Based on the above result, the Chairperson declared Ordinary Resolution 3 carried, and it was RESOLVED:

"THAT Dr Wu Chiaw Ching be re-elected as a Director of the Company pursuant to Regulation 103 of the Company's Constitution."

9. ORDINARY RESOLUTION 4 - DECLARATION OF FIRST AND FINAL ONE-TIER TAX EXEMPT DIVIDEND

The Meeting was informed that the next item was to approve the payment of first and final one-tier tax exempt dividend of S\$0.03 per ordinary share for the financial year ended 31 December 2021.

The Company had received two questions from shareholders relating to Resolution 4.

Question 1 - "Why can't the Company pay a higher First & Final Dividend? Historically, higher dividend levels have coincided with elevated prices of the Company's shares. A 5 Cent Final Dividend, rather than the recommended 3 Cent Final Dividend, would entail only an additional ~SGD 1,065,000 pre-tax payment to Shareholders. This is insignificant compared with the ~SGD 36.4 Million of Fixed Deposits, Cash and Cash Equivalents held by the Company as of 31/12/2021. And this additional amount is "in the noise" compared to the ~SGD 56 Million prospective Kranji Way capital expenditure. The Company has the Cash and the Retained Earnings to justify much higher dividend levels. I am disappointed with the level of the proposed First & Final Dividend and will vote against Resolution 4."

Company's reply: The lease from which the Company is operating will be expiring in mid-2025, therefore, the Company has to earmark cash reserves for business continuity plans at the new plot of land, as announced previously. The Company is also setting aside working capital to the recently acquired plots of land in Malaysia as announced previously.

Question 2 - "Will the Board of Directors commit to giving serious consideration to an Interim Dividend in conjunction with the announcement of the Company's First Half 2022 Results? To be clear, as a Minority Shareholder, I am now seeking a commitment from the Board of Directors to seriously consider this proposal, no more at this juncture."

Company's reply: The Company wish to be prudent and will only declare dividends upon the ascertainment of the full year results.

There is no more question received relating to Resolution 4.

Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes "FOR" :	30,814,334	95.54
Number of votes "AGAINST" :	1,437,200	4.46
Number of votes "ABSTAIN" :	0	-
Total number of votes cast :	32,251,534	100.00

Based on the above result, the Chairperson declared Ordinary Resolution 4 carried, and it was RESOLVED:

"THAT the First and Final One-Tier Tax Exempt Dividend of S\$0.03 per ordinary share for the financial year ended 31 December 2021, be approved."

10. ORDINARY RESOLUTION 5 - PAYMENT OF DIRECTORS' FEES

The Chairperson proceeded to dealt with Resolution 5 relating to the approval of the Directors' Fees of S\$182,000 for the financial year ended 31 December 2021.

There is no question received from the shareholder in relation to Resolution 5.

Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes "FOR" :	30,814,334	95.54
Number of votes "AGAINST" :	1,437,200	4.46
Number of votes "ABSTAIN" :	0	-
Total number of votes cast :	32,251,534	100.00

Based on the above result, the Chairperson declared Ordinary Resolution 5 carried, and it was RESOLVED:

"THAT the Directors' fees of S\$182,000 for the financial year ended 31 December 2021, be approved for payment."

11. ORDINARY RESOLUTION 6 - RE-APPOINTMENT OF BDO LLP AS AUDITORS

The Chairperson proceeded to deal with Resolution 6 relating to the re-appointment of Messrs BDO LLP as Auditors of the Company and the authorisation of the Directors to fix the Auditors' remuneration. The Chairperson informed that BDO LLP has expressed their willingness to continue in office as auditors of the Company for the ensuing year and the Audit Committee has reviewed their proposed re-appointment and is satisfied that the nature and extent of the non-audit services provided to the Company by Messrs BDO LLP will not prejudice their independence and objectivity.

There is no question received from the shareholder in relation to Resolution 6.

Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes "FOR" :	31,994,334	99.20
Number of votes "AGAINST" :	257,200	0.80
Number of votes "ABSTAIN" :	0	-
Total number of votes cast :	32,251,534	100.00

Based on the above result, the Chairperson declared Ordinary Resolution 6 carried, and it was RESOLVED:

"THAT Messrs BDO LLP be re-appointed as Auditors of the Company and that the Directors be authorised to fix their remuneration."

12. ANY OTHER ORDINARY BUSINESS

As no notice had been received in respect of any other business that may properly be transacted at the AGM, the Chairperson addressed the questions received from the shareholders before proceeded to deal with the special business as set out in the Notice.

The Company had received 3 questions from shareholders.

Question 1 - "Please kindly provide an update on the progress of Kranji Way developments. Is everything on-track and what is the single greatest challenge?"

Company's reply: The Company is currently working with the consultant and landlord to carry out the necessary land preparation studies and reports; and submissions.

One major challenge is the shortage of builders. Especially in the construction sector due to too restrictive measures, as well as increasing raw material costs, manpower costs and overall construction costs.

Question 2 and 3 were in relation to overseas ventures.

Question 2 - "What lessons have the Company's Senior Management and the Board of Directors learned from the abject failure of the Tianjin EcoTech Resources Venture? Contrary to the narrative on Page 12 of the Annual Report 2021, even before the advent of the Covid Pandemic, the prudence of the Company's Tianjin foray was highly doubtful. Does the Board of Directors now recognise and accept that their Tianjin investment decision-making was not robust?"

Company's reply: The Company's initial plan on Tianjin was to be the Company's R&D, production and marketing base where the plan is to produce and sell locally in China to capitalise on the huge and fast-growing domestic market. However, due to challenges in China beyond our control (environmental law, labour law, industrial safety law, COVID-19, etc), the Company has decided to right-size the sales office there for the moment.

Question 3 - "Will the Board of Directors commit to seeking the prior approval of Shareholders before committing to any further overseas ventures? As a Minority Shareholder, I am concerned that, unless Senior Management and the Board of Directors have heeded and moreover applied salient lessons of the Tianjin EcoTech failure, the Company will further erode Shareholder Value by ill-considered overseas ventures rather than distributing cash to their shareholders?"

Company's reply: Distributing cash instead of reinvesting resources into the business is not a prudent long-term strategy. There is a limit to Singapore market and the Company must either find new market to grow or new businesses to enter into.

The Board will give due consideration to all stakeholders in its decision making.

There is no more question from Shareholder under Ordinary Business.

SPECIAL BUSINESS

13. ORDINARY RESOLUTION 7 – AUTHORITY TO ALLOT AND ISSUE SHARES

The Chairperson proceeded to deal with Resolution 7 relating to the authority to be given to the Directors to issue shares in the capital of the Company and informed the Meeting that the full text of the resolution was set out in the Notice.

The Company had received one questions from shareholders relating to Resolution 7.

Question 1 - "In addition to seeking the authority to issue additional shares of the Company, why doesn't the Company also seek a share buy-back mandate from its Shareholders at this and future AGM's? Such a buy-back mandate, if and when exercised, would be for the benefit of all existing shareholders and any share trading liquidity concerns could be addressed by an *a priori* Share Split or Bonus Issue? "

Company's reply: The Company has big capital expenditure coming up in preparation for lease continuity. It would be prudent to earmark and prioritise internal funding using cash reserves for the continuity of the business, and not to rely too much on external funding as funding costs are on the rise.

In 2015, the Company has just completed a share consolidation exercise in line with SGX's Minimum Trading Price (MTP) requirement of S\$0.20 per share for shares of issuers listed on the Mainboard of the Singapore Exchange Securities Trading Limited as a continuing listing requirement.

There is no more question received relating to Resolution 7.

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Based on the proxy forms received, the voting result of the poll was as follows:

	No. of Votes	In Percentage
Number of votes "FOR" :	30,811,834	95.54
Number of votes "AGAINST" :	1,437,200	4.46
Number of votes "ABSTAIN" :	2,500	-
Total number of votes cast :	32,249,034	100.00

Based on the above result, the Chairperson declared Ordinary Resolution 7 carried, and it was RESOLVED:

"THAT pursuant to Section 161 of the Companies Act 1967 (the "**Act**"), the Constitution and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (the "**Shares**") (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force):
- (i) issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the directors while this Resolution was in force; and
- (ii) issue Shares in pursuance of any Instruments made or granted by the directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a *pro rata* basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-
- a) new Shares arising from the conversion or exercise of convertible securities;

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- b) new Shares arising from the exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and
- c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

There being no other business to transact, the Chairperson declared the AGM closed at 4 p.m. and thanked all present for their attendance and participation.

Confirmed as a correct record of
the proceedings of the Meeting,

(Signed)

YAP MUI KEE
Chairperson