

TAI SIN ELECTRIC LIMITED

(Company Registration No. 198000057W)

(Incorporated in the Republic of Singapore)

MINUTES OF ANNUAL GENERAL MEETING

PLACE : Raffles Marina, Theatrette, Level 2, 10 Tuas West Drive, Singapore 638404
DATE : 31 October 2022
TIME : 10.00 a.m.
PRESENT : As per attendance list maintained by Tai Sin Electric Limited (the “**Company**”)

CHAIRMAN OF THE MEETING

Mr Lim Chye Huat @ Bobby Lim Chye Huat, Chairman of the Board of Directors of the Company presided as the Chairman of this Annual General Meeting (the “**AGM**” or “**Meeting**”).

QUORUM

The Secretary confirmed that there was sufficient quorum to constitute the meeting as required under Article 56 of the Company's Constitution.

There being a quorum, the Chairman declared the Meeting open at 10.00 a.m.

INTRODUCTION

The Chairman introduced the other Directors and the Group Chief Financial Officer (“**CFO**”) who were seated on stage, namely Mr. Lim Boon Hock Bernard, the Group Chief Executive Officer (“**CEO**”), Mr. Soon Boon Siong, Lead Independent Director, Mr. Lee Fang Wen, Independent Director and Mr. Renny Yeo Ah Kiang, Independent Director and Mr. Tan Yong Hwa, the CFO.

Mr. Carey Tan Shou Chieh, the Company Secretary was also present to facilitate conduct of the Meeting.

NOTICE

The Notice of the Meeting dated 13 October 2022 convening the Meeting was with the consent of Members present taken as read.

QUESTIONS RECEIVED IN ADVANCE AND COMPANY'S RESPONSE

The Chairman informed that the shareholders had been given the opportunity to submit any questions related to proposed resolutions, prior to the Meeting.

The Chairman thanked the Shareholder who submitted his questions in advance and notified the Meeting that the Company had on 25 October 2022 responded and addressed all the questions received, by way of an Announcement on SGXNet. This was also made available on the Company's website.

Consequently, he would not be reading the questions asked in advance and the Company's response.

VOTING BY POLL

The Chairman informed the Meeting that:-

- (a) Agile 8 Advisory Pte Ltd and B.A.C.S Private Limited were appointed as Scrutineer and Polling Agent, respectively. The Polling Agent and the Scrutineer had duly verified the proxy forms received by the submission deadline;
- (b) Each resolution set out in the Agenda of the AGM Notice will be proposed by the Chairman and seconded by Mr. Tan Yong Hwa, after which shareholders can raise relevant questions to be answered by the Company, before each resolution is put to the vote; and
- (c) In compliance with the Listing Rules, all resolutions will be put to a vote by poll. To facilitate this, he will exercise his right as Chairman under Article 61(A) of the Constitution of the Company and demand a poll in respect of each of the Resolutions to be put to the vote. The Lead Independent Director who will chair Agenda Item 4(b) relating to his re-election as Director, will similarly demand a Poll.

Azeus Systems Holdings Ltd. (who provide the electronic poll voting services) then gave a video presentation to shareholders on how to vote using their mobile phone.

ORDINARY BUSINESS

After the representation, the Chairman proceeded with the ordinary business of the Meeting.

1. ORDINARY RESOLUTION 1

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Audited Financial Statement of the Company and of the Group for the financial year ended 30 June 2022 together with the Directors' Statement and Auditors' Report thereon, copies of which have been circulated to Members, were tabled for consideration.

After the ordinary resolution to adopt the Audited Financial Statement was duly proposed and seconded, the Chairman took questions and comments from Shareholders.

A Shareholder raised the following question:-

Gross profit margin was brought down by deliveries of low margin projects that were secured 2 to 4 years ago, when the copper price was low. So, what was the revenue of the deliveries of these low margin projects in this year's revenue?

The CFO indicated that those numbers are derived from a mixture of many contracts and were not available. In any case, those numbers would be regarded as confidential.

The CEO with concurrence of the shareholder, addressed the concern implied by the question, which was how much more would the Company bleed.

The CEO gave the assurance that those concerns have been addressed by (a) the Company's hedging policy; and (b) the provision for foreseeable losses on onerous contracts.

Under normal circumstances, we will not have onerous contract problems. However, because of the Covid-19 pandemic, projects were delayed between 18 to 24 months. With this delay, our copper contracts materialise and we realise gains from hedging. However, we still have these contracts outstanding due to non-delivered delay for two years. This is where we provide for onerous contracts. If you look at this year's Annual Report, you will notice that we are writing back previous provisions because we have delivered on those loss-making projects.

Furthermore, if you look at the Full Year Results Announcement, we are not going to bleed like what you are concerned with. We are not at the position where copper price is at USD15,000. Today, it is about USD7,800.

The next question raised by the Shareholder related to increase in inventory and whether the increase was due to quantity, price or both.

The CEO gave the following reasons for the increase in inventory:-

- (a) Firstly, our electrical material distribution outfit has to stock more. There is a great shortage of electrical, electronic components. So, our stock has increased.
- (b) Secondly, the other increase in stock would be cable and wire. Copper prices have increased substantially. This will also go into our finished goods.
- (c) Thirdly, due to the shipment of goods from China being delayed, we are now storing rather than 2 months' worth of raw materials, excluding copper, we are storing now 3 to 4 months.

A Shareholder wanted to know what are some of the biggest projects that we have at the moment.

The CEO replied that the Company does not announce projects we have at hand. However, for information the biggest project we have in hand by sector will be data centre. The second major sector would be infrastructure, mainly rail.

A Shareholder made reference to the Consolidated Statement of Cash Flows and the decrease in cash and cash equivalents at end of the financial year. His concern related to inventory, whether there was old stock or obsolete stock and how this problem was addressed.

The CFO affirmed that a lot of cash actually went into inventory. As mentioned earlier, the cable and wire segment needed to store more copper due to supply chain issues. However, it is unlikely for cable and wire inventory to go obsolete.

The electrical material distribution segment is facing a boom. Many factories operating in China are unable to carry out the full capacity work due to the Covid-19 policy adopted in China. All the shortages has resulted in opportunity loss. When we take this strategy of increasing stock, we will balance the opportunity loss versus the risk of stock obsolescence. This analysis is being done continuously so that we hold the correct stocks.

After all the questions from Shareholders were answered, Ordinary Resolution 1, was put to the vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 247,455,668 votes "FOR" and 0 votes "AGAINST". He then declared that the following ordinary resolution was carried:-

RESOLVED that the Directors' Statement and the Audited Financial Statements of the Company and of the Group for the financial year ended 30 June 2022 together with the Auditors' Report thereon be received and adopted.”

2. ORDINARY RESOLUTION 2
DECLARATION OF FINAL DIVIDEND

The Board had recommended a final dividend of \$0.016 per ordinary share for the financial year ended 30 June 2022 which subject to approval by shareholders at this Meeting, would be paid on 15 November 2022.

As there were no questions from Shareholders after Ordinary Resolution 2 was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 246,386,857 votes “FOR” and 0 votes “AGAINST”. He therefore declared that the following ordinary resolution was carried:-

RESOLVED that a final one-tier tax exempt dividend of \$0.016 per ordinary share for the financial year ended 30 June 2022, be approved.

3. ORDINARY RESOLUTION 3
APPROVAL OF DIRECTORS' FEES FOR THE YEAR ENDING 30 JUNE 2023

The Board had proposed the payment of a sum of \$266,000 as Directors' fees for the year ending 30 June 2023.

As there were no questions from Shareholders after Ordinary Resolution 3 was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 247,188,613 votes “FOR” and 0 votes “AGAINST”. He therefore declared that the following ordinary resolution was carried:-

RESOLVED that Directors' Fees of \$266,000 for the financial year ending 30 June 2023 to be divided amongst the Directors in such manner as they may determine, be approved for payment.

4. ORDINARY RESOLUTION 4(a)
RE-ELECTION OF MR. LIM BOON HOCK BERNARD AS A DIRECTOR

The Meeting noted that Mr. Bernard Lim is not required under the Constitution of the Company to retire as director at annual general meetings of the Company, because he is the Chief Executive Officer. He has however voluntarily submitted himself for re-election as director at this AGM to comply with the Listing Rules.

As there were no questions from Shareholders after Ordinary Resolution 4(a) was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 247,127,113 votes “FOR” and 0 votes “AGAINST”. He then declared that the following ordinary resolution was carried:-

RESOLVED that Mr. Lim Boon Hock Bernard who is voluntarily retiring by rotation, be and is hereby re-elected as a Director of the Company.

5. ORDINARY RESOLUTION 4(b)
RE-ELECTION OF MR. LIM CHYE HUAT @ BOBBY LIM CHYE HUAT AS A DIRECTOR

Chairmanship of the meeting was handed over to Mr. Soon Boon Siong, the Lead Independent Director who presided over proceedings on this proposed resolution.

As there were no questions from Shareholders after Ordinary Resolution 4(b) was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 247,082,221 votes "FOR" and 87,392 votes "AGAINST". He then declared that the following ordinary resolution was carried:-

RESOLVED that Mr. Lim Chye Huat @ Bobby Lim Chye Huat who retires by rotation under Article 91 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

6. ORDINARY RESOLUTION 4(c)
RE-ELECTION OF MR. RENNY YEO AH KIANG AS A DIRECTOR

Chairmanship of the meeting was handed back to Mr. Bobby Lim Chye Huat.

As there were no questions from Shareholders after Ordinary Resolution 4(c) was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 236,275,749 votes "FOR" and 6,450,363 votes "AGAINST". He then declared that the following ordinary resolution was carried:-

RESOLVED that Mr. Renny Yeo Ah Kiang who retires by rotation under Article 91 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.

7. ORDINARY RESOLUTION 5
RE-APPOINTMENT OF AUDITORS AND FIXING THEIR REMUNERATION

The Meeting noted that the Board recommends the re-appointment of Deloitte & Touche LLP, who had expressed their willingness to continue in office, as Auditors of the Company.

As there were no questions from Shareholders after Ordinary Resolution 5 was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 247,394,168 votes "FOR" and 61,500 votes "AGAINST". He then declared that the following ordinary resolution was carried:-

RESOLVED that Deloitte & Touche LLP be re-appointed as Auditors of the Company for the ensuing year, at a remuneration to be fixed by the Directors of the Company.

As no notice of any other ordinary business had been received by the Company Secretary, the Chairman proceeded to deal with special business of the AGM.

SPECIAL BUSINESS

8. ORDINARY RESOLUTION 6

MANDATE TO ISSUE NEW SHARES AND/OR CONVERTIBLE INSTRUMENTS

Ordinary Resolution 6 was to authorise the Directors of the Company to allot and issue shares and/or convertible instruments in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the SGX-ST.

As there were no questions from Shareholders after Ordinary Resolution 6 was duly proposed and seconded, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 240,275,142 votes "FOR" and 6,913,471 votes "AGAINST". He then declared that the following ordinary resolution was carried:-

RESOLVED that pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors to issue shares in the capital of the Company whether by way of rights, bonus or otherwise ("shares") and/or make or grant offers, agreements or options that might or would require shares to be issued ("Instruments") including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time, to such persons, upon such terms and conditions and for such purposes, as the Directors may in their absolute discretion deem fit, provided that:-

- (i) the aggregate number of shares to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company;
- (ii) for the purpose of determining the aggregate number of shares that may be issued under (i) above, the percentage of issued shares shall be based on the total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed, after adjusting for:-
 - (a) new shares arising from the conversion or exercise of any convertible securities or employee share options that are outstanding when this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of shares; and
- (iii) unless revoked or varied by the Company in general meeting, such 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 is required by law to be held, whichever is the earlier.

9. ORDINARY RESOLUTION 7

AUTHORITY TO ISSUE NEW SHARES PURSUANT TO THE TAI SIN ELECTRIC LIMITED SCRIP DIVIDEND SCHEME

Ordinary Resolution 7 was to authorise the Directors of the Company to issue shares pursuant to the Tai Sin Electric Limited Scrip Dividend Scheme principally to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

After Ordinary Resolution 7 was duly proposed and seconded, the Chairman took questions and comments from shareholders.

A Shareholder raised the following questions:-

- (a) What is the purpose of the scrip dividend scheme?
- (b) What is the benefit of electing to receive dividends by shares instead of cash?
- (c) Would scrip dividends be from a fresh issue of shares or would Treasury Shares be used?

The Chairman explained that scrip dividends would usually be issued at a discount of up to a maximum of 10% to the market price. Shareholders would be given the option to elect to receive cash or scrip.

The CEO clarified that the Scrip Dividend Scheme would not be applied to the final dividend approved at this AGM and that the Company's practice so far has been to issue new shares for scrip dividend.

As there were no further questions from Shareholders, the Meeting proceeded to vote on a poll. After the votes were counted and verified by the Scrutineer, the Chairman announced the result of the poll which showed that shareholders had cast 240,799,292 votes "FOR" and 6,397,321 votes "AGAINST". He then declared that the following ordinary resolution was carried:-

RESOLVED that the Directors of the Company be and are hereby authorised for the purposes of, in connection with or where contemplated by the Tai Sin Electric Limited Scrip Dividend Scheme to:-

- (i) allot and issue from time to time shares in the capital of the Company ("Shares") and/or make or grant offers, agreements or options that might or would require Shares in the capital of the Company to be issued during the continuance of this authority or thereafter, at any time and upon such terms and conditions and to or with such persons as the Directors of the Company may, in their absolute discretion, deem fit; and
- (ii) issue Shares in the capital of the Company in pursuance of any offer, agreement, or option made or granted by the Directors of the Company while such authority was in force (notwithstanding that such issues of such Shares pursuant to the offer, agreement or option may occur after the expiration of the authority contained in this Resolution).

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 11.00 a.m. and thanked everyone for their attendance.

Confirmed as a True Record

[signed]

Mr Lim Chye Huat @ Bobby Lim Chye Huat
Chairman of the Meeting