

KHONG GUAN LIMITED
(Company Registration No. 1996000096G)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT 2 MACTAGGART ROAD #04-01, KHONG GUAN BUILDING SINGAPORE 368078 ON WEDNESDAY, 30 NOVEMBER 2022 AT 11.00 A.M.

PRESENT

DIRECTORS

Mr Chew Soo Lin	:	Executive Chairman
Mr Chew Soo Eng	:	Managing Director
Mr Tay Kwang Lip Willie	:	Lead Independent Director
Mr Chew Kian Boon Daniel	:	Executive Director
Mr Yeo Jih-Shian	:	Independent Director
Mr Tan Tiong Huat Alex	:	Independent Director
Mr Hew Moh Yung	:	Independent Director

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

QUORUM

As there was a quorum, the Chairman, Mr Chew Soo Lin, declared the Annual General Meeting of the Company (the “**Meeting**”) opened at 11.00 a.m.

NOTICE

The Notice convening the Meeting dated 11 November 2022 was taken as read.

OPENING ADDRESS

The Chairman welcomed all joining the Meeting including the Company’s Directors, the Company’s Auditors, the Company Secretary, the share registrar team and independent scrutineers (“**Scrutineer**”).

The Chairman informed the shareholders of the Company (“**Shareholders**”) that in his capacity as the Chairman of the Meeting, he had been appointed as proxy by several shareholders and he will vote in accordance with their instructions. In line with the Company’s Constitution, the voting on the proposed resolutions tabled at the Meeting were conducted by poll after each of the proposed resolutions were proposed and seconded.

The Chairman further informed that, for the conduct of the poll, Complete Corporate Services Pte Ltd and B.A.C.S Private Limited have been appointed as the Scrutineers and Polling Agent respectively, to assist with the poll voting at this Meeting.

The Chairman updated Shareholders that the Company had received questions from the Shareholders in respect of the resolutions set out in the Notice of AGM and had published the responses via SGXNet on 25 November 2022.

The Chairman requested Shareholders and proxies who wish to raise any question relating to the agenda of the AGM and to identify themselves before they raise the question.

The Chairman then proceeded with the following Agenda of the Meeting.

ORDINARY BUSINESS:

RESOLUTION 1 – TO RECEIVE AND ADOPT THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2022, TOGETHER WITH THE INDEPENDENT AUDITORS' REPORT AND DIRECTORS' STATEMENT THEREON

The Meeting proceeded to receive and adopt the Audited Financial Statements for the financial year ended 31 July 2022 together with the Directors' Statement and Auditors' Report ("**Audited Financial Statements**") thereon.

The Chairman invited questions from shareholders on the Audited Financial Statements.

Question 1

As the Company entered into the second half of the period, the conflict between Russia and Ukraine created renewed concerns on the disruptions to the agriculture sector as both Russia and Ukraine are major exporters of many agricultural products. How does this affect Swee Hin Chan Company Sdn. Berhad ("**SHC**")?

Answer

SHC has sources of imports from multiple countries including Ukraine and Russia. The imports from both these countries constitute only a small percentage of SHC's total imports. The Russian-Ukraine conflict did however have an adverse impact on the price of products imported by SHC.

Question 2

Commodity and wheat prices have gone up, how does the Company maintain the gross profit margin?

Answer

The Company would endeavour its best efforts to maintain Company's historical gross profit margin. When the cost of commodities increase, which may affect Company's gross profit margin, the Company will take the necessary steps such as price increases in order to maintain its gross profit margin.

Question 3

SGProtein Pte. Ltd. ("SGProtein") incurred further losses from S\$225,027 in year 2021 to S\$1,340,622 in year 2022. What is the Board and Management's future plan in regard to SGProtein?

Answer

The Company owns 30% shares in SGProtein which makes it an associate company. SGProtein is a plant-based food start-up company. Being a start-up, initial revenue is not high. SGProtein only started production in the middle of 2022. Gross margin would likely improve once the production and sales increase.

Question 4

What is the Company's capital expenditure ("**CAPEX**") for the next 2 to 3 years to cover the Company's further investment in SGProtein?

Answer

The Company does not foresee SGProtein requiring major capital expenditure for the coming year.

Question 5

Referring to Page 5 of the Annual Report 2022, please clarify as to why the Company's profit is unstable.

Answer

The Company's two main subsidiaries and associate are Malaysian Companies operating mainly in Malaysia. The general weakening of the Ringgit Malaysia against the Singapore Dollar over the past 5 years has impacted the Company's profits. The loss suffered by the Company in FY2021 was also due to other factors such as the Covid-19 pandemic, increases in commodity prices and freight costs which were further exacerbated by the Russia-Ukraine conflict. However, for FY2022, the Company was able to achieve profitability with better commodities prices and lower freight costs.

As there were no further questions from the shareholders, the Chairman proceeded to invite shareholders to propose and second the motion for Resolution 1.

The following motion was proposed by Mr Teh Swee Khai ("**Mr Teh**") and seconded by Mr Sim Chor Chye ("**Mr Sim**"):

"That the Audited Financial Statements of the Company for the financial year ended 31 July 2022 together with the Directors' Statement and Auditors' Report be received and adopted."

RESOLUTION 2 – TO APPROVE A TAX-EXEMPT (ONE-TIER) FIRST AND FINAL DIVIDEND OF \$0.02 PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

The following motion was proposed by Mr Sim and seconded by Mr Teh:

"That a tax exempt (one-tier) first and final dividend of \$0.02 per ordinary share for the financial year ended 31 July 2022 be and is hereby approved."

RESOLUTION 3 – TO APPROVE THE PAYMENT OF DIRECTORS' FEE OF S\$95,500/- (2021: S\$94,500) FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

The following motion was proposed by Mr Sim and seconded by Mr Teh:

"That the payment of Directors' fees of \$95,500 (2021: \$94,500) for the financial year ended 31 July 2022, be and is hereby approved."

RESOLUTION 4 – TO RE-ELECT MR CHEW SOO LIN AS DIRECTOR OF THE COMPANY

The following motion was proposed by Mr Sim and seconded by Mr Teh:

"That Mr Chew Soo Lin, a Director who is retiring pursuant to Article 105(B) of the Company's Constitution, be re-elected as a Director of the Company."

Mr Chew Soo Lin had consented to continue in office.

It was noted that upon re-election, Mr Chew Soo Lin will remain as a Director and Chairman of the Company and a member of the Nominating Committee.

RESOLUTION 5 – TO RE-ELECT MR TAN TIONG HUAT ALEX AS DIRECTOR OF THE COMPANY

The following motion was proposed by Mr Sim and seconded by Mr Teh:

"That Mr Tan Tiong Huat Alex, a Director who is retiring pursuant to Article 105(B) of the Company's Constitution, be re-elected as a Director of the Company."

Mr Tan Tiong Huat Alex, had consented to continue in office.

It was noted that upon re-election, Mr Tan Tiong Huat Alex will remain as an Independent Director of the Company, as well as Chairman of the Remuneration Committee and a member of Audit Committee. He would be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

RETIREMENT OF MR TAY KWANG LIP WILLIE AS DIRECTOR OF THE COMPANY

The Chairman informed Shareholders that as part of the Board rejuvenation process and good corporate governance practice, Mr Tay Kwang Lip Willie ("**Mr Tay**") an Independent Director will retire from the Board of Directors at the conclusion of the 2022 AGM as he would have served an aggregate period of 9 years on 15 January 2023 on the Board. Mr Tay would also relinquish his positions as Lead Independent Director of the Company and concurrently cease to be the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees at the conclusion of the AGM.

On behalf of the Board of Directors, the Chairman thanked Mr Tay for his valuable contribution to the Company and wished him all the best in his future endeavours.

RESOLUTION 6 – TO RE-APPOINT RT LLP AS INDEPENDENT AUDITORS

The retiring auditors, Messrs RT LLP, had expressed their willingness to continue in office.

The following motion was proposed by Mr Teh and seconded by Mr Sim

"That RT LLP be and are hereby re-appointed as Independent Auditors of the Company for the financial year ending 31 July 2023 and that the Directors be and are hereby authorized to fix their remuneration."

ANY OTHER ORDINARY BUSINESS

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

SPECIAL BUSINESS:

RESOLUTION 7 – RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

The following motion was proposed by Mr Sim and seconded by Mr Teh:

"That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**"), for the renewal of the mandate (the "**Shareholders' Mandate**") which has been amended to incorporate certain changes including the revised Individual and Aggregate Thresholds, particulars of which are set out in the Appendix to this Notice of AGM for the Company and its subsidiaries or any of them to enter into any of the transactions falling within the types of the interested person transactions described in the said Appendix;

- (b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and
- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to this Resolution."

In accordance with the Shareholders' Mandate for Interested Person Transaction, Chew Soo Lin, Chew Soo Eng and Chew Kian Boon Daniel and their respective Associates are required to and have abstained from voting at the AGM in respect of Ordinary Resolution 7

ORDINARY RESOLUTION 8 - SHARE ISSUE MANDATE

The following motion was proposed by Mr Teh and seconded by Mr Sim:

"That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**"), and Rule 806 of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to:

- (a)
 - (i) issue shares in the capital of the Company ("**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) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

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 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary shareholdings) (as calculated in accordance with sub-paragraph (2) below);
- (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 percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the passing of this Resolution after adjusting for:
 - (a) new shares arising from the conversion of convertible securities;

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

Adjustments in accordance to sub-paragraph 2(a) and 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 Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) all applicable legal requirements under the Companies Act 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 to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

After the resolutions have been proposed and seconded, the Chairman invited the Scrutineer to explain the procedures of the poll voting to the shareholders.

After shareholders had completed casting and submitted their votes, the Scrutineer proceeded to count the votes. The Meeting was adjourned while the poll counting was carried out.

RESULTS OF THE POLL

The Chairman received the outcome of the poll voting and presented them as follows:-

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		Number of shares	As a percentage of total number of votes cast for and against the resolution (%)	Number of shares	As a percentage of total number of votes cast for and against the resolution (%)
1. To receive and adopt Audited Financial Statements for the financial period ended 31 July 2022 together with the Independent Auditor's report and Directors' Statement thereon	15,871,691	15,871,691	100	0	0
2. To approve a tax exempt (one-tier) first and final dividend of \$0.02 per ordinary share for the financial year ended 31 July 2022	15,871,691	15,871,691	100	0	0
3. To approve the payment of Directors' Fees of \$95,500 (2021:\$94,500) for the financial year ended 31 July 2022.	15,870,691	15,870,691	100	0	0

4.	To re-elect Mr Chew Soo Lin, a Director retiring pursuant to Article 105(B) of the Company's Constitution.	15,870,691	15,870,691	100	0	0
5.	To re-elect Mr Tan Tiong Huat Alex, a Director retiring pursuant to Article 105(B) of the Company's Constitution.	15,870,691	15,870,691	100	0	0
6.	To re-appoint RT LLP as Independent Auditors of the Company for the financial year ending 31 July 2023 and to authorise the Directors to fix their remuneration.	15,870,691	15,870,691	100	0	0
7	Renewal of Shareholders' mandate for interested person transactions	84,100	84,100	100	0	0
8.	To approve the Share Issue Mandate	15,870,691	15,870,691	100	0	0

Based on the results, the Chairman declared that all the resolutions tabled at the Meeting were carried and duly passed.

The Chairman informed the Meeting that the results of the AGM will be announced via SGXNet later part of the day and the minutes of the Meeting will be published via SGXNet within a month from the date of the Meeting.

CONCLUSION

There being no other business to transact, the Chairman thanked the attendees for joining the AGM and fellow board members and the shareholders for their invaluable support.

The Chairman declared the Meeting of the Company closed at 11.40 a.m.

Confirmed as True Record of Proceedings held

Chew Soo Lin
Chairman