

CEI LIMITED
(Incorporated in Singapore)
(Company Registration No: 199905114H)

MINUTES OF ANNUAL GENERAL MEETING

PLACE : Via live audio-visual webcast and live audio-only stream

DATE : Thursday, 28 May 2020

TIME : 9.00 a.m.

PRESENT : As per attendance record maintained by the Company

CHAIRMAN OF THE MEETING : Mr. Tien Sing Cheong

QUORUM & INTRODUCTION

As a quorum was present, the Chairman declared the Annual General Meeting (the “**Meeting**”) open at 9.00 a.m. and greeted everyone in attendance.

The Chairman informed the shareholders that the Company had adhered to the various advisories and guidance issued by the authorities on holding meetings amid the current COVID-19 outbreak by convening the Meeting via both live audio-visual webcast and live audio-only stream.

NOTICE

With the consent of the shareholders present, the Notice convening the Meeting was taken as read.

VOTING BY WAY OF POLL

The Chairman informed the shareholders that the Company had announced on 4 May 2020 via SGXNet that shareholders should submit their proxy form by 9.00 a.m. on Monday, 25 May 2020 to appoint the Chairman to cast votes on their behalf.

The Chairman also informed that as Chairman of the Meeting, he had been appointed by numerous shareholders as proxy and would be voting in accordance with their instructions.

Messrs Kong, Lim and Partners LLP had been appointed as Scrutineer for the poll.

The validity of the proxies submitted by the shareholders by the submission deadline of 9.00 a.m. on Monday, 25 May 2020 had been reviewed and the votes of all such valid proxies have been counted and verified.

SUBMISSION OF QUESTIONS IN ADVANCE AND STEPS TO ASK QUESTIONS

The Chairman informed that the Company had, in its SGXNet announcement on 4 May 2020, provided a link for shareholders to submit their questions in relation to the agenda of the Meeting by 9.00 a.m. on Monday, 25 May 2020.

The Chairman also informed the shareholders that they may seek further clarification(s) or ask follow-up question(s) during the Meeting between 9.00 a.m. to 9.30 a.m.

The Meeting began with a customary CEI presentation by Mr. Tan Ka Huat, highlighting CEI's performance for the financial year ended 31 December 2019.

Thereafter, the Meeting moved on to the substantial and relevant questions received which had been categorized into 3 areas, set out in Appendix 1 of these minutes, followed by the core agenda of the Meeting.

ORDINARY BUSINESS:

1. **ADOPTION OF DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 – RESOLUTION 1**

The first item of the agenda was to receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2019, together with the Auditors' Report thereon.

The Chairman proposed the motion to pass the following resolution:

"That the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2019 and the Auditors' Report be received and adopted."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 1: Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2019

	Votes For	%	Votes Against	%	Votes Total
Resolution 1	34,260,032	100.00	0	0.00	34,260,032

Based on the results of the poll, the Chairman declared the resolution carried.

2. **PAYMENT OF A ONE-TIER TAX-EXEMPT SECOND AND FINAL DIVIDEND OF 0.40 CENTS PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 – RESOLUTION 2**

Resolution 2 was to approve the payment of a one-tier tax-exempt second and final dividend of 0.40 cents per share for the financial year ended 31 December 2019.

The Chairman proposed the motion to pass the following resolution:

"That the payment of a one-tier tax-exempt second and final dividend of 0.40 cents per share for the financial year ended 31 December 2019 be approved."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 2: Payment of a one-tier tax-exempt second and final dividend of 0.40 cents per share for the financial year ended 31 December 2019

	Votes For	%	Votes Against	%	Votes Total
Resolution 2	34,260,032	100.00	0	0.00	34,260,032

Based on the results of the poll, the Chairman declared the resolution carried.

3. RE-ELECTION OF MR. TAN BIEN CHUAN AS DIRECTOR OF THE COMPANY – RESOLUTION 3

Mr. Tan Bien Chuan who was retiring as a Director under Regulation 108(1) of the Company's Constitution and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") had signified his consent to continue in office.

Mr. Tan would, upon re-election as a Director of the Company, remain as Chairman of the Audit and Board Risk Committees and a member of the Nominating and Remuneration Committees.

The Chairman proposed the motion to pass the following resolution:

"That Mr. Tan Bien Chuan be re-elected as a Director of the Company."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 3: Re-election of Mr. Tan Bien Chuan as a Director of the Company

	Votes For	%	Votes Against	%	Votes Total
Resolution 3	33,750,132	99.88	40,200	0.12	33,790,332

Based on the results of the poll, the Chairman declared the resolution carried.

To demonstrate good corporate governance practices, Mr. Tan Bien Chuan had voluntarily abstained from voting on his direct shareholding interest of 469,700 shares on Resolution 3 in respect of his own re-election as a Director.

4. APPROVAL OF MR. TAN BIEN CHUAN'S CONTINUED APPOINTMENT AS AN INDEPENDENT DIRECTOR BY ALL SHAREHOLDERS – RESOLUTION 4

Resolution 4 was to approve Mr. Tan Bien Chuan's continued appointment as an Independent Director by all shareholders present at the Meeting contingent upon the passing of Resolution 3 above and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST.

Resolution 4 to remain in force until the earlier of Mr. Tan's retirement or resignation, or the conclusion of the third Annual General Meeting following the passing of Resolution 4 and Resolution 5 below.

The Chairman proposed the motion to pass the following resolution:

"That Mr. Tan Bien Chuan's continued appointment as an Independent Director by all Shareholders be approved."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 4: Approval of Mr. Tan Bien Chuan's continued appointment as an Independent Director by all shareholders

	Votes For	%	Votes Against	%	Votes Total
Resolution 4	33,750,132	99.88	40,200	0.12	33,790,332

Based on the results of the poll, the Chairman declared the resolution carried.

To demonstrate good corporate governance practices, Mr. Tan Bien Chuan had voluntarily abstained from voting on his direct shareholding interest of 469,700 shares on Resolution 4 in respect of his own appointment as an Independent Director.

5. APPROVAL OF MR. TAN BIEN CHUAN'S CONTINUED APPOINTMENT AS AN INDEPENDENT DIRECTOR BY SHAREHOLDERS (EXCLUDING DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR ASSOCIATES) – RESOLUTION 5

Resolution 5 was to approve Mr. Tan Bien Chuan's continued appointment as an Independent Director by shareholders (excluding the Directors and Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Officer) contingent upon the passing of Resolution 4 above and pursuant to Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST.

Resolution 5 to remain in force until the earlier of Mr. Tan's retirement or resignation; or the conclusion of the third Annual General Meeting following the passing of Resolution 5 and Resolution 4 above.

Mr. Tan would, upon election, remain as the Lead Independent Director of the Company.

The Chairman proposed the motion to pass the following resolution:

"That Mr. Tan Bien Chuan's continued appointment as an Independent Director by shareholders (excluding the Directors and Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Officer) be approved."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 5: Approval of Mr. Tan Bien Chuan's continued appointment as an Independent Director by shareholders (excluding directors, chief executive officer, and their associates)

	Votes For	%	Votes Against	%	Votes Total
Resolution 5	20,358,892	99.80	40,200	0.20	20,399,092

Based on the results of the poll, the Chairman declared the resolution carried.

The following directors who were present at the Meeting, had abstained from voting their direct shareholding interest on Resolution 5 in respect of Mr. Tan's appointment as an Independent Director:

<u>Name of director</u>	<u>No. of shares</u>
Mr. Tien Sing Cheong	8,671,900
Mr. Tan Ka Huat	3,975,340
Mr. Tan Bien Chuan	469,700
Dr. Tang Martin Yue Nien	399,700
Mr. Gan Chee Yen	344,300

6. RE-ELECTION OF MR. GAN CHEE YEN AS DIRECTOR OF THE COMPANY – RESOLUTION 6

Mr. Gan Chee Yen who was retiring under Regulation 108(1) of the Company's Constitution and Rule 720(5) of the Listing Manual of the SGX-ST had signified his consent to continue in office.

Mr. Gan would, upon re-election as a Director of the Company, remain as a member of the Audit, Remuneration and Board Risk Committees and would be considered non-independent.

The Chairman proposed the motion to pass the following resolution:

"That Mr. Gan Chee Yen be re-elected as a Director of the Company."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 6: Re-election of Mr. Gan Chee Yen as a Director of the Company

	Votes For	%	Votes Against	%	Votes Total
Resolution 6	33,915,732	100	0	0.00	33,915,732

Based on the results of the poll, the Chairman declared the resolution carried.

To demonstrate good corporate governance practices, Mr. Gan had voluntarily abstained from voting on his direct shareholding interest of 344,300 shares on Resolution 6 in respect of his own re-election as a Director.

7. RE-ELECTION OF MS. THENG SIEW LIAN LISA AS DIRECTOR OF THE COMPANY – RESOLUTION 7

Ms. Theng Siew Lian Lisa who was retiring under Regulation 107 of the Company's Constitution had signified her consent to continue in office.

Ms. Theng would, upon re-election as a Director of the Company, remain as a member of the Audit, Board Risk, Nominating and Remuneration Committees and would be considered independent.

The Chairman proposed the motion to pass the following resolution:

"That Ms. Theng Siew Lian Lisa be re-elected as a Director of the Company."

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 7: Re-election of Ms. Theng Siew Lian Lisa as a Director of the Company

	Votes For	%	Votes Against	%	Votes Total
Resolution 7	34,235,032	99.93	25,000	0.07	34,260,032

Based on the results of the poll, the Chairman declared the resolution carried.

8. RE-ELECTION OF MR. TAN KA HUAT AS DIRECTOR OF THE COMPANY – RESOLUTION 8

Mr. Tan Ka Huat who was retiring under Rule 720(5) of the Listing Manual of the SGX-ST had signified his consent to continue in office.

Mr. Tan would upon re-election as a Director of the Company, remain as the Managing Director and would be considered non-independent.

The Chairman proposed the motion to pass the following resolution:

“That Mr. Tan Ka Huat be re-elected as a Director of the Company.”

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 8: Re-election of Mr. Tan Ka Huat as a Director of the Company

	Votes For	%	Votes Against	%	Votes Total
Resolution 8	30,284,692	100	0	0.00	30,284,692

Based on the results of the poll, the Chairman declared the resolution carried.

To demonstrate good corporate governance practices, Mr. Tan had voluntarily abstained from voting on his direct shareholding interest of 3,975,340 shares on Resolution 8 in respect of his own re-election as a Director.

9. APPROVAL OF DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 – RESOLUTION 9

The Board had recommended the payment of Directors’ fees of S\$251,000 for the financial year ended 31 December 2019.

The Chairman proposed the motion to pass the following resolution:

“That the Directors’ fees of S\$251,000 for the financial year ended 31 December 2019 be approved for payment.”

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 9: Approval of Directors’ fees amounting to S\$251,000 for the financial year ended 31 December 2019

	Votes For	%	Votes Against	%	Votes Total
Resolution 9	33,046,332	100	0	0.00	33,046,332

Based on the results of the poll, the Chairman declared the resolution carried.

To demonstrate good corporate governance practices, the following non-executive directors who were present at the Meeting, had voluntarily abstained from voting their direct shareholding interest on Resolution 9 in respect of the payment of the Directors' fees:

<u>Name of Director</u>	<u>No. of shares</u>
Mr. Tan Bien Chuan	469,700
Dr. Tang Martin Yue Nien	399,700
Mr. Gan Chee Yen	344,300

10. RE-APPOINTMENT OF ERNST & YOUNG LLP AS AUDITORS OF THE COMPANY – RESOLUTION 10

Resolution 10 was to re-appoint Ernst & Young LLP as Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration.

Ernst & Young LLP had expressed their willingness to continue in office.

The Chairman proposed the motion to pass the following resolution:

“That Ernst & Young LLP be re-appointed as Auditors of the Company for the ensuing year and to authorise the Directors of the Company to fix their remuneration.”

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 10: Re-appointment of Ernst & Young LLP as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration

	Votes For	%	Votes Against	%	Votes Total
Resolution 10	34,235,032	99.93	25,000	0.07	34,260,032

Based on the results of the poll, the Chairman declared the resolution carried.

11. ANY OTHER BUSINESS

As no notice of any other business was received by the Secretary, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:

12. AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 11

The Chairman tabled the Ordinary Resolution 11 to the Meeting for approval. He explained that the full text of the resolution was set out under item 12 of the revised Notice of the Meeting.

The Chairman proposed the motion to pass the following resolution:

“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “Companies Act”) and Rule 806 of the SGX-ST, the Directors be authorised and empowered to:

- (a) (i) issue shares in 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 (as well as adjustments to) options, 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 of the Company 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 Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (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 shareholders of the Company shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such 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) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising of share options or vesting of share awards; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) 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 the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority 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.”

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 11: Authority to issue shares

	Votes For	%	Votes Against	%	Votes Total
Resolution 11	34,235,032	99.93	25,000	0.07	34,260,032

Based on the results of the poll, the Chairman declared the resolution carried.

13. RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS – ORDINARY RESOLUTION 12

The Chairman tabled the Ordinary Resolution 12 to the Meeting for approval. He explained that the full text of the resolution was set out under item 13 of the revised Notice of the Meeting.

The Chairman proposed the motion to pass the following resolution:

- “(a) For the purposes of Chapter 9 of the Listing Manual of the SGX-ST, approval be and is hereby given for the Company and its subsidiaries to enter into any of the Mandated Transactions with the Interested Persons, provided that such transactions are (i) made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and (ii) in accordance with the review procedures of such Interested Person Transactions (the “General IPT Mandate”).
- (b) The General IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next Annual General Meeting of the Company.
- (c) The Directors of the Company be and are hereby authorised to 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 the General IPT Mandate and/or this resolution.”

As the votes have been counted and verified and the Chairman announced the results of the poll as follows:

Resolution 12: Proposed Renewal of the General Mandate for Interested Person Transactions

	Votes For	%	Votes Against	%	Votes Total
Resolution 12	18,209,132	99.86	25,000	0.14	18,234,132

Based on the results of the poll, the Chairman declared the resolution carried.

The following director and shareholders of the Company, had abstained from voting their direct shareholding interest on Resolution 12:

<u>Name of director / shareholder</u>	<u>No. of shares</u>
TIHT Investment Holdings Pte Ltd	7,840,800
Republic Technologies Pte Ltd	7,840,800
Mr. Gan Chee Yen	344,300

CONCLUSION

There being no further business to transact, the Chairman declared the Meeting closed at 9.35 a.m. and thanked everyone for their attendance and support.

Certified as a True Record of Minutes

Tien Sing Cheong
Chairman

CEI AGM 2020: Questions and Answers

<p>1. Near term impact of Covid-19 on CEI's performance</p> <p>a. Oil & Gas, Aviation customers; how many % reduction in total revenue from this segment of customers?</p> <p>b. Does CEI have customers in ventilators, Covid-19 test kits and related equipment businesses? Did CEI experience increase orders from these customers? Did this mitigate reduction in orders from Oil & Gas and Aviation customers?</p> <p>c. Have supply chains been disrupted?</p> <p>d. Have component prices gone up?</p> <p>e. Were CEI's operations in Batam, Indonesia and Bien Duong, Vietnam, disrupted because of shortage of components and manpower?</p> <p>f. How many % drop in revenue and profit in 2020 over 2019, is expected?</p>	<p>For Oil & Gas sector, there is a decrease in revenue from one U.S. customer. However, this is compensated by an increase in revenue of another customer from China. Overall, the revenue remains stable in this sector.</p> <p>Although there is a 25% decrease in revenue of aviation sector, the overall impact to the Group's revenue is limited as aviation sector only contributes about 4% of the Group's revenue.</p> <p>Industrial sector's revenue is stable.</p> <p>There is also a material weakening of Life Science and MedTech business in the first half of this year.</p> <p>Overall, the revenue for this year is expected to decrease by less than double digits in percentage.</p> <p>The Company has about 3 customers in ventilators, Covid-19 test kits and related equipment business.</p> <p>Supply chain of components has been disrupted and the Company is chasing hard to bring in components to fulfil customers' orders.</p> <p>Certain component prices have increased.</p> <p>CEI is under essential services and about 50% is working on premises, and remaining working from home. Batam and Vietnam factories are working on full strength throughout.</p> <p>Cash position remains healthy, and CEI will endeavour to continue paying decent dividends to shareholders.</p> <p>The Company will continue to work hard to generate revenue.</p>
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CEI AGM 2020: Questions and Answers

<p>2. Longer Term performance</p> <p>a. What areas are management looking at, to grow the revenue base?</p> <p>b. What are some of the main projects for EQM business in 2020 and 2021?</p> <p>c. Will electronic components supply and pricing continue to be challenging into 2021?</p> <p>d. Will CEI be increasing manpower in 2020 and 2021?</p> <p>e. Will CEI be increasing CAPEX for automation, such as robots, to reduce manpower needs?</p>	<p>The Company will continue to focus on high mix, low volume business.</p> <p>There are opportunities for the Company to explore in second half of 2020 and 2021: robotics for medical/disinfectants, tester assemblies for semiconductor, simulator for aviation industry, automation of processes, and, COVID-19 equipment.</p> <p>Although there is a decrease in the Group’s overall business, the EQM business segment will remain stable.</p> <p>Due to the challenging supply chain situation, some customers have given firm orders to CEI for the next 6 to 12 months.</p> <p>CEI will selectively add about ½ dozen of headcount to strengthen the engineering capabilities.</p> <p>Investment in CAPEX will be for digitalisation, productivity, safety and operational needs.</p>
<p>3. Governance Matters</p> <p>a. In 2019 Annual Report, CEI provided revenue by geographical regions. Will CEI provide revenue by business segment?</p> <p>b. Will CEI provide quarterly “business updates”, besides half year and full year reports?</p> <p>c. Will CEI upload answers to questions on SGX website prior to AGM?</p> <p>d. How can the Company better ensure Directors attend the AGM?</p>	<p>We will consider adding “Revenue by Business Segment” in our 2020 Annual Report.</p> <p>There is no plan to provide “quarterly business updates”. However, we will abide by SGX rules to announce all material information timely, especially those which may have an impact on CEI’s financial performance.</p> <p>We will upload the answers to questions on SGXNet and CEI website after this AGM.</p> <p>Our Directors attend AGM either physically or remotely for those who are travelling or residing overseas.</p>