

MULTI-CHEM LIMITED
(Company Registration No.: 198500318Z)
(Incorporated in the Republic of Singapore)
(the “Company”)

Minutes of the Annual General Meeting of the Company held at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 on Tuesday, 30 April 2024 at 11.30 a.m..

PRESENT

Directors	:	Mr Lim Keng Jin (Chairman & Independent Director) Mr Foo Suan Sai (Chief Executive Officer) Mdm Han Juat Hoon (Chief Operating Officer) Mr Wong Meng Yeng (Independent Director) Mr Foo Maw Shen (Independent Director) Mr Foo Fang Yong (Executive Director)
In Attendance	:	Ms Chan Lai Yin (Company Secretary) Ms Amanda Zhang Xiaowen (Financial Controller) Mr Lee Kuang Hon (Audit Partner-in-charge from BDO LLP)
Shareholders	:	As per Attendance List

CHAIRMAN

Mr Lim Keng Jin, the Non-Executive Chairman of the Company, chaired the meeting.

QUORUM

The Secretary confirmed that a quorum was present and the Chairman declared the meeting open.

NOTICE

The Notice convening the Meeting, having been in the hands of the members for the requisite statutory period, was with the concurrence of the meeting taken as read.

POLL VOTING

The Chairman informed that he had exercised his right as Chairman of the meeting and demanded for all resolutions tabled at the meeting to be voted by poll. The Company had appointed Entrust Advisory Pte Ltd as scrutineer for the poll at the Annual General Meeting (“AGM”). In order to facilitate the conduct at the meeting, voting by poll for all 9 resolutions will be conducted after all resolutions have been proposed and seconded with shareholders given time to complete the poll voting slips and cast their votes.

The Chairman further informed that he had voted in accordance with the respective instructions of shareholders who have appointed the Chairman as proxy, which the proxy forms had been checked and verified by scrutineer.

The Company did not receive any substantial and relevant questions submitted in advance by shareholders. Any subsequent questions received after 11.30 a.m. on 22 April 2024 will be addressed at this Meeting.

ORDINARY BUSINESS

1. ORDINARY RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Chairman proposed the following motion for Resolution 1:

"That the Audited Financial Statements and the Directors' Statement and the Auditor's Report for the financial year ended 31 December 2023 be hereby received and adopted."

The motion was seconded by Mr Chan Han Sheen.

Questions raised by members and replies during the AGM relating to Resolution 1 are set out in the "Appendix A" annexed to these minutes.

2. ORDINARY RESOLUTION 2 - RE-ELECTION OF MR FOO FANG YONG AS A DIRECTOR

The Chairman informed members present that in accordance with Regulation 106 of the Company's Constitution, Mr Foo Fang Yong, would retire at the AGM and, being eligible, offered himself for re-election.

The Chairman informed members that Mr Foo Fang Yong, upon his re-election will remain as Executive Director of the Company.

The Chairman proposed the following motion for Resolution 2:

"That Mr Foo Fang Yong be re-elected as a Director of the Company."

The motion was duly seconded by Mr Chong Teck Sin.

3. ORDINARY RESOLUTION 3 - APPOINTMENT OF MR CHAN WAN HONG AS A DIRECTOR

The Chairman informed members that Mr Chan Wan Hong, upon his appointment as a Director of the Company, will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The Chairman proposed the following motion for Resolution 3:

"That Mr Chan Wan Hong be appointed as a Director of the Company."

The motion was duly seconded by Mr Chong Teck Sin.

4. ORDINARY RESOLUTION 4 - APPOINTMENT OF MR CHONG TECK SIN AS A DIRECTOR

The Chairman informed members that Mr Chong Teck Sin, upon his appointment as a Director of the Company, will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The Chairman proposed the following motion for Resolution 4:

"That Mr Chong Teck Sin be appointed as a Director of the Company."

The motion was duly seconded by Mr Wang Xi.

5. ORDINARY RESOLUTION 5
- APPOINTMENT OF MR NEO BOCK CHENG AS A DIRECTOR

The Chairman informed members that Mr Neo Bock Cheng, upon his appointment as a Director of the Company, will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The Chairman proposed the following motion for Resolution 5:

“That Mr Neo Bock Cheng be appointed as a Director of the Company.”

The motion was duly seconded by Mr Chong Teck Sin.

6. ORDINARY RESOLUTION 6
- FINAL DIVIDEND

The Chairman informed members present that the proposed final dividend of SGD0.155 per ordinary share for the financial year ended 31 December 2023, if approved at the AGM, would be paid on 24 May 2024, to members registered in the Register of Members as at 5.00 p.m. on 13 May 2024.

The Chairman proposed the following motion for Resolution 6:

“That the final tax exempt (one-tier) dividend of SGD0.155 per ordinary share for the financial year ended 31 December 2023 be approved.”

The motion was duly seconded by Mr Chong Teck Sin.

Questions raised by members and replies during the AGM relating to Resolution 6 are set out in the “Appendix A” annexed to these minutes.

7. ORDINARY RESOLUTION 7
- DIRECTORS’ FEES

The Chairman informed members that the payment of directors’ fees for the financial year ended 31 December 2023 was S\$241,243.75.

Mr Chan Han Sheen proposed the following motion for Resolution 7:

“That the payment of Directors’ fees of S\$241,243.75 for the financial year ended 31 December 2023 be approved”.

The motion was duly seconded by Mr Chong Teck Sin.

8. ORDINARY RESOLUTION 8
- RE-APPOINTMENT OF AUDITOR

The Chairman informed members present that Messrs BDO LLP had confirmed their willingness to accept re-appointment as Auditor of the Company.

The Chairman proposed the following motion for Resolution 8:

“That Messrs BDO LLP be re-appointed as the Company’s auditor and to authorise the Directors to fix their remuneration”.

The motion was duly seconded by Mr Chan Han Sheen.

**9. ORDINARY RESOLUTION 9
- AUTHORITY TO ISSUE SHARES**

The Chairman proposed and Mr Chan Han Sheen seconded the motion for Resolution 9 as set out below:

“That, pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“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”) 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) 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 fifty per cent. (50%) of the Company’s total number of issued shares excluding treasury shares (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 twenty per cent. (20%) of the Company’s total number of issued shares excluding treasury shares (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 total number of issued shares (excluding treasury shares and subsidiary holdings) is based on the Company’s total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) 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 the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(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.”

The Company Secretary explained the procedures for the conduct of voting by poll for all 9 resolutions tabled at the AGM.

After a recess of 10 minutes for the vote to be counted and verified, the Chairman announced the poll results as follow:

For Resolution 1 relating to the Directors’ Statements and Audited Financial Statements for the financial year ended 31 December 2023, 73,537,125 ordinary shares representing 99.98% voted ‘For’ the Resolution and 15,699 ordinary shares representing 0.02% voted “Against” the Resolution. The Chairman declared Resolution 1 carried.

For Resolution 2 relating to the re-election of Mr Foo Fang Yong as a director of the Company, 73,552,824 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 2 carried.

For Resolution 3 relating to the appointment of Mr Chan Wan Hong as a director of the Company, 73,552,824 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 3 carried.

For Resolution 4 relating to the appointment of Mr Chong Teck Sin as a director of the Company, 73,527,824 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 4 carried.

For Resolution 5 relating to the appointment of Mr Neo Bock Cheng as a director of the Company, 73,552,824 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 5 carried.

For Resolution 6 relating to the Final Tax Exempt (One-tier) Dividend, 73,552,824 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 6 carried.

For Resolution 7 relating to the payment of Directors’ fees, 73,544,324 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 7 carried.

For Resolution 8 relating to the re-appointment of Messrs BDO LLP as Auditor of the Company and authorise Directors to fix their remuneration, 73,552,824 ordinary shares representing 100% voted ‘For’ the Resolution. The Chairman declared Resolution 8 carried.

For Resolution 9 relating to the authority to allot and issue shares, 73,489,725 ordinary shares representing 99.91% voted ‘For’ the Resolution and 63,099 ordinary shares representing 0.09% voted “Against” the Resolution. The Chairman declared Resolution 9 carried.

CONCLUSION

There being no other business, the Chairman thanked the members for their attendance and declared the AGM closed at 1:05 p.m..

SIGNED AS A TRUE RECORD OF THE PROCEEDINGS

CHAIRMAN

MULTI-CHEM LIMITED
(Company Registration No.: 198500318Z)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

Q & A Session at the Annual General Meeting of Multi-Chem Limited held at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 on Tuesday, 30 April 2024 at 11.30 a.m..

Resolution 1 – Directors’ Report and Audited Financial Statements

1. Mr C enquired on the qualified opinion stated in the independent auditor’s report. He sought clarification on the basis for the qualified opinion stated by the auditor in relation to the audit of the financial statements.

Mr Foo Suan Sai explained that the auditor have stated clearly their position in the auditor’s report.

Mr Lee Kuang Hon further explained that the qualified opinion was regarding the material payments which external auditor was unable to obtain sufficient appropriate audit evidence to support for its intended purpose. The qualified matter is not pervasive to the whole financial statements as it only concerns expenses.

2. Mr C enquired as to the events that led to that specific transaction being segregated out in the auditor’s report.

Mr Lee Kuang Hon referred to the Annual Report page 172 footnote 1, explaining that S\$2,137,000 was for the purpose of purchasing Capitaland vouchers for marketing and promotional purposes on behalf of a vendor of the Group.

Mr Wong Meng Yeng referred to page 103 of the Annual Report which set out the basis for qualified opinion. The Company had released an announcement relating to the qualified opinion and engaged an independent law firm to lead an inquiry on this matter. If and when there are any material developments which warrant a disclosure, the Board will make a further announcement on the SGX-ST.

3. Mr C enquired whether there is a timeline for the inquiry.

Mr Wong Meng Yeng explained that from the Company’s perspective, it is in their best interest for the inquiry to be done as thoroughly as possible. During the discussion with the law firm engaged on this matter, reports are to be given periodically on their progress.

4. Mr G requested for further context to be given for better understanding such as background and purpose of the marketing fund.

Mr Wong Meng Yeng stated that as the inquiry on this matter is ongoing, It would not be appropriate to make any comments.

Madam Han Juat Hoon concurred and further stated that it is still business as usual for the Group.

5. Mr G enquired on the statement in the auditor’s report “We were unable to obtain sufficient appropriate audit evidence to support the payments for its intended purpose”. Mr G sought clarification any evidence was obtained.

Mr Lee Kuang Hon explained that further enquiries would need to be conducted to ascertain that the payments in question were indeed made for what they were stated for.

Mr Foo Fang Yong emphasized that the Directors will not answer any further questions on this subject matter which is pending ongoing inquiry.

6. Mr G enquired whether the retiring directors will be staying on to assist in this inquiry.

Mr Wong Meng Yeng explained that they have briefed the incoming Directors and they will be able to pursue this inquiry to its conclusion. As the current Independent Directors will be retiring at the close of this AGM, any assistance given shall be on an unofficial basis.

Mr Wong Meng Yeng further explained that they have ensured that the incoming Directors fully understood the context of the situation. In addition, the existing auditor, Messrs BDO LLP remains as independent external auditor.

7. Mr E noted that revenue has substantially improved for the Company. He enquired about the recoverability of trade receivables as it is quite high.

Mr Lee Kuang Hon explained that trade receivables are mainly recognised from sales to the Group's customers in the last quarter of the financial year. Based on the aging of the Group's trade receivables disclosed in the financial statements, majority of the trade receivables are under the current aging bracket. The collection for such trade receivables generally takes between 2 to 4 months based on the Group's trade receivables turnover days.

8. Mr E enquired about the concentration risk for the Group.

Mr Lee Kuang Hon referred to the Annual Report page 187, where he explained that the Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top three receivables from third parties.

9. Mr W sought clarification on the increase of non-current trade receivables.

Mdm Han Juat Hoon explained that this is because more and more companies are opting for scheduled billing arrangement. Non-current trade receivables are expected to be settled within 2 to 5 years.

10. Mr W enquired whether the management is taking any steps to increase liquidity of the shares in the market considering market float is very low despite good dividend declared. He suggested for the Company to consider share split.

Mr Foo Suan Sai replied that the Board will consider his suggestions.

11. Mr Y enquired about the top 5 customers of the Company and its diversity.

Madam Han Juat Hoon replied that the diversity can be referred to geographical information. Revenue derived from one customer of the Group's IT business contributed 10 percent or more of the Group's revenue.

12. Mr Y enquired whether the increase in revenue was due to increase in projects.

Mr Foo Suan Sai shared that the significant projects are mainly in Singapore.

13. Mr G enquired whether the trend is to acquire big projects.

Mr Foo Suan Sai replied that they are aggressively in pursuit of business and they work very hard while identifying right customers.

14. Mr W enquired whether there was any competition.

Mdm Han Juat Hoon answered that there was competition with other distributors.

15. Mr L observed that sales in India and Greater China were down and sought furtherer clarification.

Mr Foo Suan Sai explained that Greater China sales were down since 2020 due to pandemic policy. As such investment and business in Greater China will be reduced.

Mdm Han Juat Hoon explained that the situation in India is challenging due to competition and margins being low compounded by unfavourable foreign exchange rate.

16. Mr L noted that the Company was losing money in the PCB business. Mr L wanted to know the Company's direction for the PCB division.

Mdm Han Juat Hoon explained that the Company would be winding down its PCB division. They kept its PCB business going due to staff who had been with the Company for more than 20 years. However, it does not seem practical to carry on any longer. As such, it could be the right time to wind down its PCB business in the next few years.

17. Mr L enquired on the Group's tax dispute in the Philippines. He further enquired about the current status of the dispute as the taxes in question is quite significant.

Mr Foo Suan Sai informed that the dispute is still ongoing.

Mr Wong Meng Yeng added that the Group had engaged a legal counsel in Philippines to dispute the claim by the tax authorities. It is still ongoing with various stages of appeal. An announcement would be released to update shareholders. No payment has been made to the tax authorities.

Ms Amanda Zhang informed that the Company is not required to make provision for the ongoing tax dispute in Philippines as of 31 December 2023.

18. Mr L enquired on the increase in inventory. Mr L sought confirmation that the increase was due to increase in business.

Mdm Han Juat Hoon apprised on the increase of Group's inventory which mainly due to increased purchases to cater for contracts not yet fulfilled

19. Mr L enquired about the forecast for the Group this year.

Mr Foo Suan Sai cited political challenges would bring slowdown to business. With continued focus and working closely with customers and the right sectors, the Company hopes to receive support from their customers.

20. Mr Y enquired about the cyclical nature of the profits generated by the Company.

Mdm Han Juat Hoon replied that changes to vendors and industry landscape would affect how they conduct business.

21. Mr Y enquired where is the next leg of growth for the Company.

Mr Foo Suan Sai explained that they are now focused on being asset light with its venture into cybersecurity and optimization. He further explained that there is high demand in Singapore for cybersecurity. The Company managed to secure large corporations as their customers. They are aware that other smaller companies would rise up and soon become a competitor. Hence, the Company works hard to remain as major distributor.

22. Mr Y enquired about cost control of the Company.

Mr Foo Suan Sai explained that increases in the cost will be shared with consumers. Manpower such as engineers are important to the Company whom the Company sought to retain although there is no intention to employ additional headcount.

Resolution 6 – Final Dividend

1. Mr L noted the Company has no share buyback mandate and no treasury shares. He enquired whether there is any plan to return share capital to shareholders and improve visibility of their shares among investors.

Mdm Han Juat Hoon replied that the Company did not have any policy for dealing with shares and did not have any share buyback mandate. There is no plan to improve visibility of their shares among investor or media. Their focus is to improve the business and to pay dividend to shareholders.