

AP OIL INTERNATIONAL LIMITED

Registration No. 197502257M

(Incorporated in Singapore)

MINUTES OF 2023 ANNUAL GENERAL MEETING

Date	:	Thursday, 27 April 2023
Time	:	2.00 p.m.
Place	:	18, Pioneer Sector 1, Jurong, Singapore 628428
Present	:	As set out in the attendance records maintained by the Company

Mr Lau Tai Chong ("Mr Lau"), the Company Secretary and Chief Financial Officer, welcomed the shareholders to the 2023 Annual General Meeting of the Company. He informed the shareholders in attendance that the Executive Chairman, Dr Ho Leng Woon, was on medical leave due to Covid-19 and unable to attend the Annual General Meeting ("AGM"). In this regard, Mr Wan Kum Tho, the Independent Director, shall be chairing the 2023 AGM on behalf of Dr Ho Leng Woon.

Mr Wan Kum Tho ("Chairman") welcomed the shareholders to the 2023 AGM and called the meeting to order after ascertaining that a quorum was present.

Chairman introduced the Board members to the shareholders present. He informed the shareholders that Mdm Lau Woon Chan was on medical leave due to Covid-19 and unable to attend the AGM. He also informed the meeting that a copy of the Company's Notice of AGM and the Annual Report had been circulated to the shareholders on 6 April 2023. The Notice of the AGM, with the consent of the shareholders, was taken as read.

Chairman informed that all the resolutions tabled at the AGM would be voted on by way of poll and that the poll would be conducted only after all the proposed resolutions have been duly proposed and seconded by shareholders. Chairman then called upon a representative from Gateway 21 Pte Ltd, the appointed scrutineer, to explain the polling procedures.

Chairman then proceeded with the agenda of the AGM.

ORDINARY BUSINESS

RESOLUTION 1 – TO RECEIVE AND ADOPT THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2022 AND THE AUDITORS REPORT

The Directors' Statements and Audited Financial Statements of the Company for the financial year ended 31 December 2022 was taken as read.

Questions raised by a shareholder in relation to the Directors' Statement and the Audited Financial Statements; and the responses from Mr Ho Chee Hon, the Group Chief Executive Officer ("CEO") and Mr Lau Tai Chong, the Chief Financial Officer ("CFO") were as follows:

- 1) Shareholder enquired on the reason for the decline in the Group's financial performance in the second half year 2022 ("2H2022"). CEO explained that this was due mainly to a pervasive inflationary environment that gave rise to escalating costs comprising raw materials, labour and packaging costs; and a 50% impairment in an investment. Referring to the full year results announcement made on 27 February 2023, CFO added that the inflationary pressure on costs affected the gross margin even though revenue for financial year 2022 ("FY2022") had increased as compared to the prior year. In addition, there was no fair value gain recorded in 2H2022 in contrast to the fair value gain recognized in second half 2021 ("2H2021") for the investment in Chongqing Zongshen Financial Leasing Company Limited ("ZSFL").
- 2) Shareholder commented there were two major customers disclosed in the 2022 Annual Report but none reported in the 2021 Annual Report. CFO explained that no single customer contributed

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more than 10% of the Group's revenue in 2021. In FY2022, two customers contributed more than 10% of the Group's revenue, hence reported, and these were long-term strategic customers.

- 3) Shareholder enquired on the investment in the administration building and rotary filling line, whether operations cost had reduced. CEO explained that these investments were primarily to meet the investment criteria for the Jurong Town Corporation ("JTC") lease extension of the 18 Pioneer Sector 1 factory. The investment of the rotary filler is to fully automate bottle filling, to maximise efficiency and minimise reliance on manpower.
- 4) Shareholder enquired on the reason for the high staff turnover rate. CEO explained that this was due to various factors such as employees returning to their home country, instances of job-hopping due to pull factors; and these occurred mainly at the junior staff level. CFO added that the Company had a probation process that included training sessions and assessments to ensure the quality of employees and suitability for their respective positions.
- 5) Shareholder enquired on the impact of the staff turnover on production run and the current staff headcount. CEO replied that the production labour crunch faced in 2021 did not carry over into 2022, the vacant headcount had been fully replaced, however macro-environment for hiring of production staff remains challenging.
- 6) Shareholder enquired on the Group's direction in respect of M&A and joint venture ("JV") investments. CEO responded that the Group's investment strategy was consistent with that shared in earlier AGM held, in terms of 3 investment categories, namely above \$20 million, between \$1 million to \$20 million and less than \$1 million. The investment focus included key factors such as whether Management had extensive knowledge of the investee's business, the quality of the investee's products and business, the degree of synergy and the investee's financial profile. The 2022 investment in Coval was under the 3rd investment category; and the ZSFL investment fell under the 2nd category.
- 7) In response to the enquiry on the contact and SAFE Note for the investment in Coval, CEO explained that Coval was introduced by a broker. The SAFE Note was an early stage investment by the Company, on post-money valuation basis, that included a side letter tag along (akin to the CARE Note). The Company would be able to convert the SAFE Note to preference share or choose to exit at the next fund raising exercise of Coval. The Company had evaluated the quality of Coval's products potential and identified its business growth potential and synergies.
- 8) In reply to the question on decrease in cash reserves of the Group, CEO clarified that it was mainly due to repayment of bank borrowing for the new building @ 18 Pioneer Sector 1, new rotary filling line and purchase of a factory property with 18 years lease by GB Chemicals Pte Ltd.
- 9) Shareholder enquired on the status of the JTC lease extension for 18 Pioneer Sector 1. CEO informed that the Company had received a confirmation letter from JTC dated 12 April 2023 for 20 years lease extension with effect from January 2024.
- 10) Shareholder requested an update on the Group's JVs. CEO shared that the operations of the Group's JVs in Vietnam and China had returned to the pre-pandemic level, indicating a return to normalcy following the adverse impact of the Covid-19 pandemic. Details of the Vietnam JV's financial performance can be found in page 94 of the Annual Report 2022; and the leasing business at ZSFL was doing well.

As there were no further questions raised, the following Ordinary Resolution 1 was put to the meeting for a shareholder to propose and a shareholder to second.

"That the Directors' Statements and Audited Financial Statements of the Company for the year ended 31 December 2022 and the Auditors' Report be and are hereby received."

Proposer : NZX
Secunder : NBB

RESOLUTION 2 – TO DECLARE A FINAL DIVIDEND OF 0.50 CENT PER ORDINARY SHARE

Chairman informed the meeting that shareholders' approval was sought for the declaration of a final tax exempt (one-tier) dividend of 0.50 cent per ordinary share for the financial year ended 31 December 2022.

As there were no questions from shareholders, the following Ordinary Resolution 2 was put to the meeting for a shareholder to propose and a shareholder to second.

"That a final tax exempt (one-tier) dividend of 0.50 cent per ordinary share for the year ended 31 December 2022 be hereby approved."

Proposer : NZX
Seconded : NBB

RESOLUTION 3 – TO RE-ELECT THE DIRECTOR, MR HO CHEE HON

The meeting was informed that Mr Ho Chee Hon would retire in accordance with the Constitution of the Company and that he was eligible and offered himself for re-election.

As there were no questions from shareholders, the following Ordinary Resolution 3 was put to the meeting for a shareholder to propose and a shareholder to second.

"That Mr Ho Chee Hon, a Director retiring in accordance with Article 107 of the Constitution and being eligible, be and is hereby re-elected as Director of the Company."

Proposer : NZX
Seconded : NBB

RESOLUTION 4 – TO RE-ELECT THE DIRECTOR, MR CHANG KWOK WAH

The meeting was informed that Mr Chang Kwok Wah would retire in accordance with the Constitution of the Company and that he was eligible and offered himself for re-election.

As there were no questions from shareholders, the following Ordinary Resolution 4 was put to the meeting for a shareholder to propose and a shareholder to second.

"That Mr Chang Kwok Wah, a Director retiring in accordance with Article 107 of the Constitution and being eligible, be and is hereby re-elected as Director of the Company."

Proposer : NZX
Seconded : NBB

RESOLUTION 5 – TO APPROVE DIRECTORS' FEES FOR YEAR ENDING 31 DECEMBER 2023

Chairman informed the meeting that shareholders' approval was sought for the payment of Directors' fees of SGD90,000 for the financial year ending 31 December 2023.

As there were no questions from shareholders, the following Ordinary Resolution 5 was put to the meeting for a shareholder to propose and a shareholder to second.

"That the Directors' fees of SGD90,000 for the year ending 31 December 2023, payable half-yearly in arrears, be hereby approved."

Proposer : NZX

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Secunder : NBB

RESOLUTION 6 – TO RE-APPOINT RSM CHIO LIM LLP AS AUDITORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

The next item on the Notice of AGM concerned the re-appointment of auditors for the financial year ending 31 December 2023.

As there were no questions from shareholders, the following Ordinary Resolution 6 was put to the meeting for a shareholder to propose and a shareholder to second.

“That RSM Chio Lim LLP be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorized to fix their remuneration.”

Proposer : NZX

Secunder : NBB

SPECIAL BUSINESS

RESOLUTION 7 - SHARE ISSUE MANDATE

Chairman informed the meeting that pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the SGX-ST, shareholders' approval is required for the directors to issue new shares in the Company. The full text of Ordinary Resolution 7 was set out in the Notice of AGM.

With the approval and consent of all the shareholders present, Ordinary Resolution 7 referred to in the Notice of AGM was taken as read.

Question raised by a shareholder and the response from the CEO was as follows:

- 1) Shareholder proposed that the Company contemplate adopting a share buyback mandate. CEO acknowledged the suggestion and affirmed that the Board of Directors would evaluate this matter for further consideration.

As there were no further questions raised, the following Ordinary Resolution 7 was put to the meeting for a shareholder to propose and a shareholder to second.

“That pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the SGX-ST, the Directors of the Company be authorized and empowered to:

- (a)
 - (i) allot and 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 Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

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- (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 and Instruments to be issued other than on a pro-rata basis to existing 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 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) in the capital of the Company 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 share options or vesting of share awards, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of Listing Manual of the SGX-ST; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares,and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST;

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 Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution; 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 earlier."

Proposer : NZX
Seconder : NBB

The shareholders in attendance proceeded to vote and the poll slips were handed to the scrutineer.

DECLARATION OF POLL RESULTS

The AGM resumed at 3.20 p.m. Chairman read out the poll results which had been verified by the scrutineer. He declared that all the resolutions were duly carried as follows:

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	FOR		AGAINST		
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)	Total No. of Valid Votes Cast
Resolution 1	17,216,687	100.00%	0	0.00%	17,216,687
Resolution 2	17,216,687	100.00%	0	0.00%	17,216,687
Resolution 3	17,216,687	100.00%	0	0.00%	17,216,687
Resolution 4	17,216,687	100.00%	0	0.00%	17,216,687
Resolution 5	17,216,687	100.00%	0	0.00%	17,216,687
Resolution 6	17,216,687	100.00%	0	0.00%	17,216,687
Resolution 7	15,888,687	92.29%	1,328,000	7.71%	17,216,687

TERMINATION OF MEETING

Chairman informed that the minutes of the 2023 AGM would be published on SGXNet and the Company's website latest by 26 May 2023.

The Chairman thanked the shareholders for their attendance. As there were no other matters to be transacted, the Chairman declared the meeting closed at 3.35 p.m.

CONFIRMED AS A TRUE RECORD OF MINUTES

WAN KUM THO
CHAIRMAN