

# ELLIPSIZ LTD

(Company Registration No.: 199408329R)  
(Incorporated in the Republic of Singapore)  
(the “Company”)

## MINUTES OF THE 28<sup>TH</sup> ANNUAL GENERAL MEETING

Date : 24 October 2023, Tuesday

Time : 3.00 p.m. to 3.35 p.m.

Venue : 1 Orchid Club Road, Orchid Country Club, Emerald Suite, Singapore 769162

Present : Directors  
Mr David Ong Kim Huat (Chairman)  
Mr Kelvin Lum Wen-Sum  
Mr Amos Leong Hong Kiat  
Mr Clement Leow Wee Kia  
Ms Iris Wu Hwee Tan  
Mr Adrian Lum Wen-Hong

Company Secretary  
Ms Chow Ching Sian

Shareholders  
As set out in the attendance records maintained by the Company

In attendance  
Mr Joseph Kang, Chief Executive Officer, ISE Foods Holdings Pte Ltd  
Mr Joseph Tan, Ernst & Young LLP (Auditor)  
Mr Kenneth Tang, Chang See Hiang & Partners (Legal Advisor)  
Ms Corin Fok, M & C Services Pte Ltd (Share Registrar)  
Ms Sharon Lee, CitadelCorp Pte Ltd (Scrutineer)

### 1. INTRODUCTION

Ms Jasmine Su, the Emcee, introduced the Board of Directors, Company Secretary, Management, Auditor and Legal Advisor to the Meeting. She informed the Meeting that voting would be conducted via real-time electronic voting system. A video clip on how to cast a vote was played and shareholders and proxies present tested the voting system via a test resolution. Thereafter, the floor of the Annual General Meeting (“AGM”) was handed over to the Chairman.

**2. WELCOME REMARKS BY CHAIRMAN**

The Chairman greeted and welcomed everyone attending the Meeting for their presence.

**3. QUORUM**

The Company Secretary confirmed that a quorum was present, and the Chairman declared the Meeting open.

**4. NOTICE OF AGM**

The Notice of AGM dated 9 October 2023 convening the AGM was agreed to be taken as read.

**5. PROCEEDINGS**

The Chairman informed the Meeting of the following:

- (a) all resolutions tabled at the Meeting would be voted by poll and counted based on votes cast at the Meeting and also specified in the proxy forms received by the Company at least 72 hours before the Meeting. The votes in the proxy forms had been counted by the polling agent and verified by the Scrutineer;
- (b) he had been appointed as proxy by a number of shareholders to vote on their behalf at the Meeting;
- (c) shareholders and proxies would have the opportunity to pose questions to the panel after all the agenda items set out in the Notice of AGM had been introduced;
- (d) ConveneAGM had been appointed as the polling agent and CitadelCorp Services Pte Ltd had been appointed as the Scrutineer; and
- (e) the real-time voting system was opened and shareholders and proxies could cast their votes anytime during the course of the Meeting. Voting would end after the questions and answers segment of the Meeting was over and the results of the voting would be announced shortly after.

## 6. **BUSINESSES OF THE AGM**

The following businesses to be transacted at the AGM were introduced:

### 6.1 **ORDINARY BUSINESS**

6.1.1 Resolution 1 – To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023 and the Auditor's Report thereon.

6.1.2 Resolution 2 – To re-elect Ms Iris Wu Hwee Tan who retired by rotation pursuant to Article 101 of the Company's Constitution as a Director.

Upon re-election as a Director of the Company, Ms Iris Wu would continue to serve as a member of the Audit and Risk Committee.

6.1.3 Resolution 3 – To re-elect Mr Adrian Lum Wen-Hong who retired by rotation pursuant to Article 101 of the Company's Constitution as a Director.

6.1.4 Resolution 4 – To approve the declaration of a final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share for the financial year ended 30 June 2023.

Upon approval, the dividend would be paid on 21 November 2023.

6.1.5 Resolution 5 – To approve the payment of Directors' fees of \$297,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears.

6.1.6 Resolution 6 – To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors to fix their remuneration.

### 6.2 **SPECIAL BUSINESS**

6.2.1 Resolution 7 – To approve a general mandate to be granted to the Directors to:

(a) (i) allot and issue shares in the Company (the "Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, the "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 may in their absolute discretion deem fit; and

- (b) (notwithstanding that 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 the conditions set out in the Notice of AGM were met.

6.2.2 Resolution 8 – To approve the renewal of the Share Purchase Mandate.

## **7. QUESTIONS AND ANSWERS**

7.1 The Chairman proceeded to open the floor for questions relevant to the agenda of the AGM.

7.2 Shareholder A raised the following questions:

- (i) He enquired on the rationale for investing in the project to develop and operate a commercial egg farm. He noted that the investment in ISE Capital Management Pte Ltd (“ICM”) and the shareholder loan extended to ICM in aggregate was significant. He raised concerns over the risks involved in the investment as the Group was not familiar with the poultry industry.
- (ii) He would like to know if ISE Foods Inc (“ISE Japan”) had provided assurance on the investment risks and that the project would not result in losses.
- (iii) He enquired on the number of eggs that would be produced, total cost of investment for the project as well as the expected return.
- (iv) He wanted to know the differences in the types of eggs to be produced.

The Chairman explained that the Group had been in the semiconductor industry which was cyclical in nature for a significant period of time. The industry was currently facing a downturn. The investment in the egg farm would reduce the Group’s concentration of risks in the semiconductor industry. The Company had proceeded with the investment after careful considerations and due diligence. He shared that the project was an initiative of the Singapore Food Agency to ensure food security in Singapore. The “30 by 30” food security goal which aimed to reduce the risk of food supply disruptions and enhance food security included increasing the production of hen shell eggs locally. He highlighted that overseas supply of eggs to Singapore was impacted during the Covid-19 pandemic.

The Chairman explained that the collaboration with ISE Japan, one of the largest egg producers in the world, along with the licensing and technical support agreement entered into, was instrumental for the investment in the egg farm in light of the Group’s lack of familiarity with this industry. While the venture entailed certain risks, it would be a defensive business when executed in the right manner.

The Chairman shared that the aim was to produce one million eggs per day or 360 million eggs per year which would account for approximately 20% of Singapore's total egg supply. Mr Kelvin Lum ("KL") explained that the total cost of investment had not been finalised as the Group was reviewing biosecurity risks and technical issues; and exploring cost-effective alternatives for equipment and materials. The commencement of development of the egg farm would be delayed. He explained that a project of this scale would require both equity and debt financing. As for the expected return, apart from interest rate environment, future egg prices would also have to be considered. Given that the costs for construction and development had increased, it would be considered favourable if the farm could achieve a net profit margin of about 10%. KL added that every business carried with it some inherent risks and the Company had to weigh the risks and returns and take a view. The investment into egg farming was considered more defensive than speculative. The return was expected to remain quite stable when the farm operations stabilised, as egg being a staple food item, the industry would be less cyclical than the semiconductor industry.

On the last question, KL shared that the Group had not finalised the chicken breed and types of eggs to be produced as yet.

7.3 Shareholder B raised the following points and questions:

- (i) He suggested to the Board to consider printing the Annual Report in a bigger book form for easy reading and to present a performance review during the AGM.
- (ii) He sought to understand the Group's plan on its substantial cash reserve as well as its land in Bintan.
- (iii) He would like to understand how the semiconductor industry downturn would affect the Group's Distribution and Services Solutions ("DSS") business.

The Chairman acknowledged the suggestion and explained that the Annual Report was designed in its current form for sustainability purposes, with the intention of saving paper and being environmentally friendly. He added that shareholders also had the option to read the Annual Report online; and operations and financial reviews could be found in the Annual Report. The Chairman also encouraged shareholders to reach out to the Company via email to seek any clarification that they might have.

In response to question (ii), KL shared that most of the cash would be reserved for the egg farm project as it required significant capital investment. As for the land located in Bintan, the Board had no concrete plans for it yet. The Group might not venture into the hospitality industry as there was an oversupply of hotels in the area and huge capital investment would be required.

On question (iii), KL invited Mr Ray Goh ("RG"), General Manager of DSS, to share insights on the current market sentiment, considering the challenges the semiconductor industry had faced, such as geopolitical tensions and chip shortages. RG discussed the challenges, as observed from news reports, including those related to the US-China trade war, supply chain

disruptions as well as the overall downturn in the industry. He mentioned that many of DSS' customers and suppliers were facing similar challenges. To mitigate, the Group was making efforts to diversify and adapt to the changing market conditions; and was actively exploring opportunities beyond its current semiconductor business model, such as into photonic technology and other areas. The Chairman added that despite the challenges faced, DSS had generated profits for the financial year, contributed by business from its China operations as China was expanding its capabilities to become self-reliant.

7.4 When there were no further questions, the Chairman thanked the shareholders and closed this session.

**8. VOTING**

The Chairman invited shareholders and proxies who had not cast their votes for the Resolutions to proceed to do so. A further one minute was provided for the casting of votes.

## 9. POLLING RESULTS

The Chairman informed the Meeting that votes had been counted and verified and declared the results of the poll as follows.

Resolution No.	Total number of Ordinary Shares represented by votes for and against a resolution	For		Against	
		Number of Ordinary Shares	%	Number of Ordinary Shares	%
<u>Ordinary Resolution 1</u> Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2023 and the Auditor's Report thereon	102,250,775	102,117,075	99.87	133,700	0.13
<u>Ordinary Resolution 2</u> Re-election of Ms Iris Wu Hwee Tan as a Director	102,238,175	101,989,475	99.76	248,700	0.24
<u>Ordinary Resolution 3</u> Re-election of Mr Adrian Lum Wen-Hong as a Director	102,238,175	102,094,475	99.86	143,700	0.14
<u>Ordinary Resolution 4</u> Declaration of a final tax-exempt (one-tier) dividend of 1.00 cent per ordinary share	102,238,775	102,095,075	99.86	143,700	0.14
<u>Ordinary Resolution 5</u> Approval of Directors' fees of \$297,000 for the financial year ending 30 June 2024, to be paid quarterly in arrears	102,238,175	101,989,475	99.76	248,700	0.24
<u>Ordinary Resolution 6</u> Re-appointment of Ernst & Young LLP as Auditor of the Company and authorising the Directors to fix their remuneration	102,238,175	102,094,475	99.86	143,700	0.14

Resolution No.	Total number of Ordinary Shares represented by votes for and against a resolution	For		Against	
		Number of Ordinary Shares	%	Number of Ordinary Shares	%
<u>Ordinary Resolution 7</u> Approval of authority to issue new shares	102,238,775	101,889,975	99.66	348,800	0.34
<u>Ordinary Resolution 8</u> Approval of Share Purchase Mandate	102,238,775	101,990,075	99.76	248,700	0.24

**10. CLOSURE OF AGM**

There being no other business, the Chairman thanked the shareholders and proxies for their attendance and votes and declared the Meeting closed at 3.35 p.m.

**Confirmed as a true record of the proceedings**

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David Ong Kim Huat  
Chairman of the Meeting