

**FRENCKEN GROUP LIMITED**  
(Company Registration No. 199905084D)  
(Incorporated in The Republic of Singapore)  
(the “Company”)

Minutes of the Annual General Meeting (“AGM” or the “Meeting”) of the Company held at Pan Pacific Hotel, Ocean 6 (Level 2), 7 Raffles Boulevard, Marina Square, Singapore 039595 on Thursday, 25 April 2024 at 2.30 p.m.

**PRESENT** : Dato’ Gooi Soon Chai – Non-Independent and Non-Executive Chairman  
Mr Dennis Au – President and Executive Director  
Mr Melvin Chan Wai Leong – Lead Independent Non-Executive Director  
Mr Foo Seang Choong – Independent Non-Executive Director  
Dato’ Noorashidah Binti Ahmad – Independent Non-Executive Director  
Mr Brian Tan Chuen Yeang – Chief Financial Officer

**IN ATTENDANCE** : As set out in the attendance records maintained by the Company

**CHAIRMAN**

Dato’ Gooi Soon Chai (the “**Chairman**”) took the chair and welcomed all the shareholders present at the AGM.

**QUORUM**

The requisite quorum being present pursuant to the Company’s Constitution, the Chairman called the Meeting to order at 2.30 p.m.

**INTRODUCTION**

The Chairman introduced the Board of Directors (the “Board” or the “Directors”) and Chief Financial Officer who were present at the AGM.

**NOTICE**

The Chairman stated that the Notice convening the Meeting had been circulated to shareholders of the Company via SGXNet on 10 April 2024.

With permission of all shareholders present at the Meeting, the Notice was taken as read.

**VOTING BY WAY OF POLL**

The Chairman informed the shareholders that he had been appointed as proxy by some shareholders and he would be voting accordance with their instructions.

Shareholders were informed that all resolutions tabled at this AGM would be voted by way of poll.

If a shareholder was attending in person or was validly appointed proxy for this AGM, he or she would have been handed the poll voting slips at the registration desk when signing-in earlier.

For the avoidance of doubt, if a shareholder was attending in person and had already appointed one or more proxies to attend the AGM, and such shareholder decided to exercise his or her right to vote in respect of any of shares, his or her proxies must not vote in respect of those shares.

As the poll procedures would require time to complete, the Chairman informed that the poll on each resolution be taken after all the resolutions had been formally proposed and seconded.

The Chairman informed shareholders that Entrust Advisory Pte. Ltd. and Tricor Singapore Pte. Ltd. have been appointed as the Scrutineers and Polling Agent respectively.

Before commencing the business of the AGM, a representative from Entrust Advisory Pte. Ltd. gave a briefing on the poll voting procedure to the shareholders.

The Chairman proceeded to the business of the Meeting.

## **ORDINARY BUSINESS:**

### **RESOLUTION 1:**

#### **AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER WITH THE DIRECTORS' STATEMENT AND INDEPENDENT AUDITOR'S REPORT**

On a proposal by the Chairman and seconded by Mr Phua Cheng Swee Herman ("Herman"), the Ordinary Resolution No. 1 was put to a vote by poll: -

"That the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors' Statement and Independent Auditor's Report, be received and adopted."

The Chairman invited shareholders to raise questions relating to the Financial Statements which they may have and proceeded to address questions raised by the shareholders as set out in **Appendix 1**.

After dealing with the questions, the Chairman proceeded to the next resolution.

### **RESOLUTION 2:**

#### **DECLARATION OF A FIRST AND FINAL TAX EXEMPT (ONE-TIER) DIVIDEND**

The Board had recommended the payment of a First and Final Tax Exempt (one-tier) Dividend of 2.28 cents per share for the financial year ended 31 December 2023.

On a proposal by Ms Heng Li Shih Lisa ("Lisa") and seconded by Herman, the Ordinary Resolution No. 2 was put to a vote by poll: -

"That the payment of a First and Final Tax Exempt (one-tier) Dividend of 2.28 cents per share for the financial year ended 31 December 2023 be approved."

**RESOLUTION 3:  
DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The Board had recommended the payment of Directors' fees of S\$365,000 for the financial year ended 31 December 2023.

On a proposal by Lisa and seconded by Herman, the Ordinary Resolution No. 3 was put to a vote by poll: -

“That the payment of Directors' fees of S\$365,000 for the financial year ended 31 December 2023 be approved.”

**RESOLUTION 4:  
RE-ELECTION OF DATO' GOOI SOON CHAI AS A DIRECTOR**

The Chairman informed that Mr Dennis Au would chair the next segment of the Meeting as the next resolution deals with his own re-election.

Mr Dennis Au took the chair and informed the Meeting that Dato' Gooi Soon Chai (“**Dato' Gooi**”), who was retiring under Regulation 92 of the Company's Constitution, had consented to be re-elected as Director of the Company. Dato' Gooi had abstained from voting on his own re-election.

On a proposal by Lisa and seconded by Herman, the Ordinary Resolution No. 4 was put to a vote by poll: -

“That Dato' Gooi Soon Chai be re-elected as a Director of the Company.”

The Chairman thanked Mr Dennis Au and resumed the chair.

**RESOLUTION 5:  
RE-ELECTION OF MR MOHAMAD ANWAR AU AS A DIRECTOR**

The Chairman informed the Meeting that Mr Mohamad Anwar Au (also known as Dennis Au), who was retiring under Regulation 92 of the Company's Constitution, had consented to be re-elected as Director of the Company. Mr Dennis Au had abstained from voting on his own re-election.

On a proposal by Lisa and seconded by Mr Leong Seng Kei, the Ordinary Resolution No. 5 was put to a vote by poll: -

“That Mr Mohamad Anwar Au be re-elected as a Director of the Company.”

**RESOLUTION 6:  
RE-ELECTION OF DATO' NOORASHIDAH BINTI AHMAD AS A DIRECTOR**

The Chairman informed the Meeting that Dato' Noorashidah Binti Ahmad (“**Dato' Shidah**”), who was retiring under Regulation 91 of the Company's Constitution, had consented to be re-elected as Director of the Company. Dato' Shidah had abstained from voting on her own re-election.

If re-elected, Dato' Shidah would remain as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Dato' Shidah is considered independent for the purpose of Rule 704 (8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

On a proposal by Lisa and seconded by Herman, the Ordinary Resolution No. 6 was put to a vote by poll: -

"That Dato' Noorashidah Binti Ahmad be re-elected as a Director of the Company."

#### **RESOLUTION 7: RE- APPOINTMENT OF AUDITORS**

The Chairman informed the Meeting that the retiring Auditors, Messrs Deloitte & Touche LLP, had expressed their willingness to continue in office as Auditors of the Company.

On a proposal by Leong Seng Kei and seconded by Ah Hot Gerard Andre, the Ordinary Resolution No. 7 was put to a vote by poll: -

"That Messrs Deloitte & Touche LLP be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be determined by the Directors."

#### **ANY OTHER ORDINARY BUSINESS**

As no notice of any other ordinary business was received, the Chairman proceeded with the special business of the Meeting.

#### **SPECIAL BUSINESS:**

#### **RESOLUTION 8: AUTHORITY TO ALLOT AND ISSUE SHARES**

Resolution 8 is to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited.

The shareholders were informed that the text of the resolution is set out under item 8 in the Notice of AGM.

On a proposal by Leong Seng Kei and seconded by Zhou Chenggang, the Ordinary Resolution No. 8 was put to a vote by poll: -

"(a) That, pursuant to Section 161 of the Companies Act 1967, and the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST), approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

- (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
  - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that:-
- (i) 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 excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company. Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholders’ approval and will not be included in the aforementioned limits.

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company’s total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:-

- (a) new shares arising from the conversion or exercise of convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of Singapore Exchange Securities Trading Limited; and
  - (c) any subsequent bonus issue, consolidation or subdivision of the Company’s shares;
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

## **MOVING THE MOTION TO VOTE BY POLL**

The Meeting proceeded with the conduct of the poll voting.

Shareholders were requested to cast their votes on the polling slips provided and pass the completed polling slips to the Polling Agent.

The Chairman proposed for the Meeting to be adjourned for 15 minutes for counting and verification of the polling slips. Shareholders present at the Meeting have no objection to the adjournment.

## ADJOURNMENT OF AGM

The Meeting was adjourned at 3.20 p.m. for the counting of votes.

The Meeting resumed at 3.35 p.m. with the requisite quorum for the results of the poll to be declared.

## RESULTS OF POLL

Upon receiving the poll results from the Scrutineer, the Chairman announced the results of the poll on each of the Resolutions numbered 1 to 8 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 for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
<b>As Ordinary Business</b>					
<b>Resolution 1:</b> To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Directors' Statement and Independent Auditor's Report thereon.	201,885,885	201,884,585	99.999	1,300	0.001
<b>Resolution 2:</b> To declare a first and final tax exempt (one-tier) dividend of 2.28 cents per share for the financial year ended 31 December 2023.	203,459,585	203,458,285	99.999	1,300	0.001
<b>Resolution 3:</b> To approve the payment of Directors' fees of S\$365,000 for the financial year ended 31 December 2023.	196,141,962	196,115,962	99.987	26,000	0.013
<b>Resolution 4:</b> To re-elect Dato' Gooi Soon Chai, retiring pursuant to Regulation 92 of the Company's Constitution.	196,142,562	185,847,836	94.751	10,294,726	5.249

<b>Resolution 5:</b> To re-elect Mr Mohamad Anwar Au, retiring pursuant to Regulation 92 of the Company's Constitution.	203,450,985	202,927,876	99.743	523,109	0.257
<b>Resolution 6:</b> To re-elect Dato' Noorashidah Binti Ahmad, retiring pursuant to Regulation 91 of the Company's Constitution.	203,029,285	188,149,082	92.671	14,880,203	7.329
<b>Resolution 7:</b> To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration.	203,456,285	203,454,985	99.999	1,300	0.001
<b>Resolution 8:</b> To authorise Directors to allot shares pursuant to Section 161 of the Companies Act 1967.	203,458,985	161,815,772	79.532	41,643,213	20.468

The Chairman declared that all the resolutions numbered 1 to 8 put to vote at the AGM were carried.

## CONCLUSION

There being no other business, the Chairman declared the AGM of the Company closed at 3.40 p.m.

## CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

**DATO' GOOI SOON CHAI**  
**CHAIRMAN**

**FRENCKEN GROUP LIMITED**  
 (Company Registration No. 199905084D)  
 (Incorporated in The Republic of Singapore)  
 (the “Company”)

**Minutes of the Questions & Answers at the  
 Annual General Meeting held on 25 April 2024**

<b>RESOLUTION 1:            AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED            31 DECEMBER 2023 TOGETHER WITH THE DIRECTORS’ STATEMENT AND INDEPENDENT            AUDITOR’S REPORT</b>	
<b>Question 1</b>	<p>Mr Tan Eng Keong referred to the Company’s subsidiaries in China and enquired on the following:</p> <ul style="list-style-type: none"> <li>▪ How much percentage of revenue does the business in China contribute to the Group?</li> <li>▪ What is the Company’s plan for the business in China in the long term?</li> </ul>
<b>Reply:</b>	<p>Dato’ Gooi Soon Chai (“<b>Dato’ Gooi</b>”), the Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ One of the key values of the Company lies in its diversity. From the Company’s extensive geographical exposure to its wide range of business segments, including analytical life sciences, automotive, healthcare, industrial, and semiconductor markets, the Company operates across a broad spectrum.</li> <li>▪ This diversity is a significant strength that makes the Company more resilient in the face of various geopolitical challenges.</li> </ul> <p>Mr Dennis Au (“<b>Dennis</b>”), the President and Executive Director further responded as follows:</p> <ul style="list-style-type: none"> <li>▪ Prior to regional and global trade challenges, the Company’s focus on China’s business has remained consistent. The Company continues to manufacture parts in China for the Chinese market, primarily through its IMS Division, which is predominantly automotive-focused.</li> <li>▪ While the customer landscape has evolved, with a shift towards more Chinese manufacturers alongside global multinational clients adopting China strategies, the IMS Division’s business revenue in China has remained relatively steady.</li> <li>▪ Although the IMS Division is going through a transformation, the transformed business does not raise concerns about the Company’s operations in China, as the Company continues to produce for both the Chinese domestic market and customers outside of China.</li> </ul>
<b>Question 2</b>	<p>Mr Ng Quek Peng mentioned about the geopolitical tension between China and the West and requested the Management to provide their comments on the following:</p>



	<ul style="list-style-type: none"> <li>▪ How do you foresee the future trend of companies diversifying their supply chains out of China into other parts of the world, particularly Southeast Asia?</li> <li>▪ How well-positioned is the Company to assist in this transformation and observe the diversification of the supply chain?</li> </ul>
<b>Reply:</b>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ Given the evolving geopolitical environment, the Company is well positioned to support the diversification of global supply chains. With a presence in Europe, China, Southeast Asia (SEA), specifically Malaysia and Singapore, as well as a smaller location in the US, the Company has a well-diversified footprint.</li> <li>▪ The increasing interest in pivoting away from a heavy reliance on China presents significant opportunities in SEA. Many of the Company’s customers are now seeking to expand their operations in this region, and the Company’s established operations in Singapore and Malaysia enable us to effectively meet their needs.</li> <li>▪ While we are witnessing a shift towards diversification, it's important to note that this does not mean that the Company is moving away from China. Some of the Company’s customers are still requesting us to manufacture specifically for the Chinese market.</li> <li>▪ The Chairman reassured that the business in China is still tangible especially in sectors such as semiconductors and life sciences.</li> <li>▪ Historically, China has been a dominant player in supply chain considerations due to cost-effectiveness and a large supply base. However, the current focus is on having a diversified supply chain that extends beyond China.</li> <li>▪ The Company’s longstanding presence in various regions has positioned us well to capitalize on this trend, and the Company anticipates continued growth as more companies look to diversify their supply chains.</li> </ul>
<b>Question 3</b>	<p>Mr Dylan Yoo Leong Chuan (“<b>Mr Yoo</b>”) mentioned about the increasing electric vehicles (“<b>EV</b>”) sales in China and sought clarification as to why the Company’s revenue has dropped for the business in China last year.</p>
<b>Reply:</b>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ The trend of EV adoption has been significant, with a notable peak following the COVID-19 pandemic. However, recent global EV reports indicate a slight slowdown in the overall growth of EV sales.</li> <li>▪ One key driver of EV adoption is the green initiative, particularly in Europe, where there is a mandatory requirement for full EV adoption by a specific deadline. It is noteworthy that several countries are accelerating their transition deadlines towards full EV adoption.</li> <li>▪ While there is an impression that the EV market in China is thriving, the reality is more nuanced. Many EV companies in China are facing challenges but they continue to perform well.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ A substantial amount of investment in China is directed towards battery production, with a focus on catering to the global market.</li> <li>▪ Therefore, it would be more accurate to describe the EV market in China as moderate growth rather than rapidly expanding.</li> <li>▪ Regarding the Company's business in China, its IMS Division, which operates in the automotive sector, serves not only domestic Chinese customers but also supports global manufacturers. These global manufacturers rely on the Company's services to support their global supply chain operations, whether based in China or extending to Europe.</li> </ul> <p>Dennis further responded as follows:</p> <ul style="list-style-type: none"> <li>▪ In terms of EV, the Company's IMS Division does not directly manufacture electronic parts for EV. Instead, the IMS Division focuses on providing solutions that are compatible with EV, hybrids, and Internal Combustion Engine (ICE) vehicles.</li> <li>▪ Currently, the Company is pivoting towards prioritizing radar antenna technology, which plays a crucial role in enhancing autonomous vehicles. The Company's focus on radar antenna technology aligns with the trend towards autonomous driving, where vehicles leverage a combination of camera, LIDAR, and radar technologies.</li> <li>▪ The Company is committed to developing solutions that cater to the evolving automotive landscape, regardless of whether the vehicle is electric, hybrid, or ICE-powered. This strategic shift positions the Company at the forefront of the automotive industry's future direction.</li> <li>▪ While the IMS Division's revenue may have experienced a reduction during this transformation phase, the Company is confident that its emphasis on autonomous radar antennas will drive opportunities and growth in the coming years. As more vehicles transition towards autonomous vehicle, the volume production of radar antennas is set to increase significantly in the coming years.</li> </ul> <p>The Chairman summarised by stating as follows:</p> <ul style="list-style-type: none"> <li>▪ In essence, the Company's focus for its automotive business extends beyond EV to encompass critical components which are integral to all types of vehicles.</li> <li>▪ By emphasizing on radar technology for autonomous driving capabilities, the Company is positioning itself for sustained growth and relevance in the rapidly evolving automotive sector.</li> <li>▪ The IMS Division's ongoing transformation reflects our commitment to seizing new opportunities for expansion as we progress in this direction.</li> </ul>
<p><b>Question 4</b></p>	<p>Mr Yoo noted the comment made by the Chairman that the Company is well diversified in various business segments and enquired on the following:</p> <ul style="list-style-type: none"> <li>▪ Is there any one business segment that takes up 70%-80% of the Company's total revenue?</li> <li>▪ Is there any particular customer that dominates the Company's business?</li> </ul>

	<ul style="list-style-type: none"> <li>▪ What is the spread of the Company's customer base?</li> <li>▪ Are there different customers for the different business segments?</li> </ul>
<b>Reply:</b>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ We have a chart in the Annual Report that provides a detailed profile of the Company's business segments. While some technology companies may be solely focused on semiconductors with only one customer, our Company has a diverse customer base across our various business segments.</li> <li>▪ The Company's largest business segments are semiconductor at 38%, analytical life sciences at 23%, medical at 16%, industrial automation at 8%, and a combination of automotive and consumer electronics for the remainder.</li> <li>▪ For each business segment, such as semiconductors, we serve the top players in the industry who are heavily involved in semiconductor equipment. Similarly, in healthcare, we cater to the leading medical instrument and equipment manufacturers. In analytical life sciences, we work with one of the top companies in the field.</li> <li>▪ While we cannot disclose specific names of the Company's customers, it is safe to say that all the major technology companies in each business segments are likely customers of the Company.</li> <li>▪ The Company's customer base is well diversified, with no single customer dominating any particular segment.</li> <li>▪ Each business segment has its own set of customers, ensuring that the Company serves a wide range of industries and companies.</li> </ul>
<b>Question 5</b>	<p>Mr Ah Hot Gerard Andre ("<b>Mr Gerard</b>") commended the Management team on the good performance of the Company despite the resilient environment. Mr Gerard referred to the comment regarding a shift of production from Europe to Asia for some of the Company's key customers and requested the Management to elaborate on the following:</p> <ul style="list-style-type: none"> <li>▪ What is the background of this shift, i.e., why is the Company moving its production to SEA now?</li> <li>▪ What are the benefits for the customers and for the Company in terms of future projects and profitability?</li> </ul>
<b>Reply:</b>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ Several factors are driving the shift of European customers towards Asia. Firstly, cost is a significant element, particularly for some high-end products which are produced in the Company's site in Europe. Once these products reach full production, scaling in Asia becomes the most cost-effective option, and the Company offers a comprehensive end-to-end support in this region.</li> <li>▪ For example, there is interest from semiconductor and life science customers from the Netherlands, looking to diversify its supply chain. The Company is</li> </ul>

	<p>working with them in Europe based on their specific requirements, with plans to scale in Asia.</p> <ul style="list-style-type: none"> <li>▪ Diversification is another key factor. Europe is seeking to globalize its supply chain and is now considering SEA as a viable alternative to China.</li> </ul>
<p><b>Question 6</b></p>	<p>Mr Gerard further enquired on the following:</p> <ul style="list-style-type: none"> <li>▪ As ASML is a key customer of the Company from the Netherlands, wouldn't the Company already have some scale in Europe for the manufacturing of their equipment?</li> <li>▪ As production cost would be cheaper for the Company and for the customer, would the Company be expecting better margins going forward with this shift?</li> <li>▪ It is a great achievement to be able to work with ASML and ASML is an important customer to the Company, but how important is the Company for this key customer?</li> </ul>
<p><b>Reply:</b></p>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ This shift does not entail shutting down the Company's operations in Europe entirely.</li> <li>▪ There is always a continuous flow of new products, whereby some products are better suited for the Asian market and will be manufactured there, while high-end instrumentations continue to be produced in Europe to meet customer needs.</li> <li>▪ This shift is not a mass migration from one site to another, but rather a strategic diversification of production locations.</li> <li>▪ Taking a total solution perspective is crucial when engaging with customers. It is essential to ensure that any partnership is mutually beneficial, creating a win-win scenario. This often involves sharing some costs with our customers.</li> <li>▪ Another key factor driving the shift towards Asia is the need for scaling. When customers move large-scale production to Asia, it's often because specific requirements are tailored to the Asian market. In some cases, it is due to the large volume and the capability in Europe may have limited their ability to scale.</li> <li>▪ However, it's important not to view this shift solely as a cost-saving measure. Instead, look at it from the perspective of a total cost of ownership.</li> <li>▪ From the Company's perspective, regardless of where products are manufactured, we prioritize maintaining a balance between growth and margin. The Company's operating philosophy revolves around this principle, ensuring that decisions are made strategically to benefit both the Company and its customers.</li> <li>▪ It is worth noting that some products manufactured in Europe also yield good margins, highlighting that this shift is not a zero-sum game but rather a strategic approach to diversification and growth.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The Company is unable to provide specific details but rest assured that the Company plays an important part of the supply chain of this key customer.</li> </ul>
<b>Question 7</b>	<p>Mr Gerard noted that the Company has increased its capacity in 2021 and 2022 but had a slowdown in 2023 and enquired on the following:</p> <ul style="list-style-type: none"> <li>▪ Where the Company is now in terms of utilization of its capacity?</li> <li>▪ Whether the Company has enough capacity to catch the next wave of growth especially in the semiconductor industry?</li> </ul>
<b>Reply:</b>	<p>Dennis responded as follows:</p> <ul style="list-style-type: none"> <li>▪ Given the current slowdown, we have the necessary capacity to meet demand. However, this excess capacity varies by region and is earmarked for future utilization when business picks up again.</li> <li>▪ As for specific numbers, it is difficult to provide an exact figure as it depends on the region and specific customers. What the Company can confirm is that we do have capacity available.</li> <li>▪ The semiconductor industry's recovery is uncertain. If it is a “hockey stick” scenario, there would not be enough capacity in the whole industry. The Company carefully balances ambition and prudence and aims to stay slightly ahead of the curve in terms of capacity.</li> </ul> <p>The Chairman reiterated and added as follows:</p> <ul style="list-style-type: none"> <li>▪ To clarify, the Company does not have any idle factories.</li> <li>▪ Most of the Company's capacity has already been assigned to specific customers. However, as per what Dennis mentioned, if demand spikes unexpectedly, the Company may need to expand and rebalance its capacity.</li> </ul>
<b>Question 8</b>	<p>Mr Gerard noted that the Company has different business segments in different industries and enquired on what are the most exciting projects obtained by the Company over the past 2 years that may give rise to future growth.</p>
<b>Reply:</b>	<p>Dennis responded as follows:</p> <ul style="list-style-type: none"> <li>▪ While we are unable to disclose specific names, the Company works with leading-edge technology in the semiconductor sector and plays a significant role in the front end. The Company's unique competencies include working in highly clean environments, high precision, and vacuum conditions.</li> <li>▪ In life sciences, the Company also leverages its core competencies to work on highly precise solutions.</li> <li>▪ Similarly, in the automotive sector, the Company is undergoing a transformation and have a broad range of activities leveraging our core competencies.</li> </ul>

<p><b>Question 9</b></p>	<p>Mr Koh Chin Hwa (“<b>Mr Koh</b>”) enquired on the following:</p> <ul style="list-style-type: none"> <li>▪ Are all the semiconductor equipment manufacturers a customer of the Company?</li> <li>▪ How is the share between the Company’s key customers in terms of the business that the Company receives from them?</li> </ul>
<p><b>Reply:</b></p>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ Majority of the top players in the semiconductor industry are the Company’s customers, but not all the semiconductor equipment manufacturers.</li> <li>▪ The Company places significant focus on front-end equipment in the semiconductor industry, with a limited number of key players known within this sector.</li> <li>▪ The Chairman reiterated that only 38% of the Company’s business is attributed to the semiconductor segment, showcasing that the Company has a well-balanced portfolio.</li> <li>▪ It is worth noting that no single customer comprises the majority of the Company’s business, as none dominates 80-90% of the Company’s operations.</li> </ul>
<p><b>Question 10</b></p>	<p>Mr Koh referred to an article whereby it stated that ASML is not allowed to sell the latest AI chips to China and enquired on whether this would affect the Company.</p>
<p><b>Reply:</b></p>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ In reference to ASML's recent report, a substantial portion of their business, around 40%, continues to be directed towards China.</li> <li>▪ While restrictions may limit the sale of extreme ultraviolet (EUV) products, their non-EUV products are performing strongly in the Chinese market.</li> <li>▪ ASML's latest quarterly report underscores China's significant presence in their business operation. ASML’s EUV systems which are fully booked for upcoming periods also indicates its success.</li> <li>▪ The Company's stance is not centered on a China versus Europe dynamic but rather on the value we provide to our customers' supply chains. The customers we engage with are projecting sustained growth in the long term.</li> <li>▪ By ensuring strong integration within the supply chain, the Company remains well-positioned regardless of geopolitical challenges that may arise.</li> <li>▪ It is important to reiterate that while 38% of our customers are semiconductor-focused, we maintain a diverse client base across various industries. This diversity safeguards the Company against over-reliance on any one customer, even within the same business segment.</li> </ul>

<p><b>Question 11</b></p>	<p>Mr Koh further requested Management’s comments on the following:</p> <ul style="list-style-type: none"> <li>▪ What are the factors that would result in a hockey stick scenario?</li> <li>▪ How would Generative AI affect the semiconductor industry?</li> </ul>
<p><b>Reply:</b></p>	<p>The Chairman responded as follows:</p> <ul style="list-style-type: none"> <li>▪ The semiconductor industry operates in a cyclical manner, experiencing fluctuations based on changes in specific applications.</li> <li>▪ The upcoming growth driver is expected to be Generative Artificial Intelligence (Gen AI), propelled by the increasing demand for extensive data centers due to the need for high-intensity data processing.</li> <li>▪ From a semiconductor standpoint, this growth in AI will necessitate the development of more advanced chips to support the complex requirements of data processing.</li> <li>▪ The end applications of these advancements are becoming more apparent, with recent examples such as China's launch of a new AI phone. Additionally, Level 5 autonomous cars would also require AI chips to function due to the highly intensive data processing.</li> <li>▪ The Semiconductor Industry Association (SIA) forecasts some growth towards the end of this year but anticipates that the most significant growth will occur starting in late 2025 when these advanced applications become more widespread. The Company hopes that this growth will have a cascading effect throughout the entire supply chain.</li> <li>▪ However, it is crucial to acknowledge that the landscape is constantly evolving, with factors such as geopolitical tensions and other dynamics potentially altering the trajectory of growth.</li> <li>▪ Despite these uncertainties, the current trajectory suggests that Artificial Intelligence and Machine Learning (AI/ML) will be the primary drivers of growth in the semiconductor industry.</li> </ul>
<p><b>Question 12</b></p>	<p>Mr Koh referred to the Chairman’s earlier comment on diversification and enquired whether there could be diversification in terms of factory capacities, for example if the medical industry goes through a downturn and business is slow, can the factory be used for a different business segment?</p>
<p><b>Reply:</b></p>	<p>Dennis responded as follows:</p> <ul style="list-style-type: none"> <li>▪ Core competencies in technology and activities are a key focus for the Company.</li> <li>▪ From the Mechatronics perspective, each of our sites serves as a component or module generator and the ability to share equipment across the sites is always there.</li> </ul>

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|  | <ul style="list-style-type: none"><li>▪ While the different sites may have varying levels of capabilities, in general, if it is a generic tool manufactured for a customer, there is a very high chance that it can be cross-utilized.</li><li>▪ However, some tools are very specific and unique and therefore cannot be cross-utilized. For example, there are distinct differences between the capabilities and requirements for plastic and metal components, which makes cross-utilization challenging in these cases.</li><li>▪ Nevertheless, the Company strategically chooses activities that allow for cross-utilization. For our IMS and Mechatronics divisions, there are numerous opportunities for cross-utilization within each division.</li></ul> |
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