

PNE INDUSTRIES LTD.
(the "Company")
(Company Registration No. 199905792R)
(Incorporated in Singapore)

Minutes of the Twenty Third Annual General Meeting

DATE : Thursday, 19 January 2023

TIME : 9.00 a.m.

VENUE: : Orchid Country Club, 1 Orchid Club Road, Sapphire 1, Orchid Lodge Level 2, Singapore 769162.

PRESENT : Mr Tan Kong Heng (Chairman, Non-Executive Director)
Mr Tan Koon Chwee (Managing Director)
Mr Tan Kong Leong (Executive Director)
Mr Tan Kwong Soon (Non-Executive Director)
Mr Lim Meng Wee (Lead Independent Director)
Mr Tung Chee Weng (Independent Director)
Mr Tan Lee Khiang (Independent Director)
Ms Tan Meng Siew (Company Secretary/ Financial Controller)
Authenticated shareholders and invitees as set out in the attendance records maintained by the Company

CHAIRMAN

Mr. Tan Kong Heng, Chairman of the Board of Directors, welcomed all present to the annual general meeting (the "Meeting" or "AGM").

QUORUM

After ascertaining that a quorum being present, the Chairman called the Meeting to order at 9.00 a.m.

NOTICE OF MEETING

The notice convening the meeting having previously been circulated to all the shareholders was taken as read.

POLLING PROCESS

All the proxy forms received by the Company by post and the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd via email by the cut-off date have been verified by the Scrutineer, Reliance 3P Advisory Pte Ltd. The voting results, which have been verified by the Scrutineer were displayed on the screen in the respective agenda items during the meeting.

QUESTIONS FROM SHAREHOLDERS

The Chairman informed the shareholders that as the Company did not receive any queries from the shareholders as at the cutoff date, i.e., on 10 January 2023, and hence, no announcement on the response to questions from shareholders was released on 13 January 2023 via SGXNet.

MEETING AGENDA

AS ORDINARY BUSINESS

1. DIRECTORS' STATEMENT & FINANCIAL STATEMENTS

In response to a shareholder, Mr Low Hee Koon's ("Mr Low") request that Management give a summary of its latest business development, Mr. Tan Koon Chwee ("Mr KC Tan"), the Managing Director gave a summary and also provided some highlights from the Chairman's Statement from the Company's annual report.

Mr Low noted that the Group's largest market is in Romania and asked whether the group have any intention to expand its Europe business outside of Romania. Mr KC Tan replied that the Group has sales to Romania as its customers have factories there. Goods sold to its customers' factories there are then manufactured into finished goods and sold to other parts of Europe. At the same time, the Group do have an ongoing expansion plan and is actively sourcing for new customers. However, this will take time to materialise.

Mr Tan Kong Leong added that the location of factory is based on the discretion of each customer and the factory cost in Romania is lower than many other places in Europe.

Mr Low further inquired whether the Group has intentions of expansion in China, Malaysia or Vietnam. Mr KC Tan responded that the Group had explored the China market but opined that further expansion may not be feasible as the labour cost in China is increasing. However, the Group's factory in China is still one of the manufacturing arms of the Group. The Group's main manufacturing operations are in Malaysia. The Group currently does not have any intention to enter into the Vietnam market.

There being no further questions, it was RESOLVED –

THAT the Directors' Statement and Financial Statements for the financial year ended 30 September 2022 and the Auditors' Report thereon be and are hereby received and adopted.

The results of the poll were as follow:

	No. of Shares	Percentage
For	36,396,406	100%
Against	0	0%
Total no. of shares represented by votes For and Against the resolution.	36,396,406	100%

Abstained Votes: 0

Total no. of valid vote casted: 36,396,406

2. DECLARATION AND PAYMENT OF FINAL DIVIDEND

IT WAS RESOLVED –

THAT the one-tier tax exempt Final Dividend of S\$0.03 per ordinary share recommended by the Directors in respect of the year ended 30 September 2022 be approved and be payable on 17 February 2023 to all ordinary shareholders of the Company registered in the Register of Members at the close of business on 27 January 2023.

The results of the poll were as follow:

	No. of Shares	Percentage
For	36,394,406	99.99%
Against	3,000	0.01%
Total no. of shares represented by votes For and Against the resolution.	36,397,406	100%

Abstained Votes: 0

Total no. of valid vote casted: 36,397,406

3. DIRECTORS' FEES

IT WAS RESOLVED –

THAT the Directors' Fees of S\$147,500/- for the year ended 30 September 2022 be approved and that such amount be divided amongst the Directors in such manner as determined by Directors.

The results of the poll were as follow:

	No. of Shares	Percentage
For	36,394,406	99.99%
Against	3,000	0.01%
Total no. of shares represented by votes For and Against the resolution.	36,397,406	100%

Abstained Votes: 0

Total no. of valid vote casted: 36,397,406

4. RE-ELECTION OF DIRECTORS

4(a). RE-ELECTION OF MR TAN KOON CHWEE

IT WAS RESOLVED –

THAT Mr. Tan Koon Chwee who retired as a Director by rotation pursuant to Regulation No. 93 of the Company's Constitution, be re-elected as a Director of the Company.

The results of the poll were as follow:

	No. of Shares	Percentage
For	27,058,531	99.99%
Against	3,000	0.01 %
Total no. of shares represented by votes For and Against the resolution.	27,061,531	100%

Abstained Votes: 9,334,875

Total no. of valid vote casted: 27,061,531

4(b). RE-ELECTION OF MR TAN KWONG SOON

IT WAS RESOLVED –

THAT Mr. Tan Kwong Soon who retired as a Director by rotation pursuant to Regulation No. 93 of the Company's Constitution, be re-elected as a Director of the Company.

The results of the poll were as follow:

	No. of Shares	Percentage
For	31,684,656	99.99%
Against	3,000	0.01%
Total no. of shares represented by votes For and Against the resolution.	31,687,656	100%

Abstained Votes: 4,709,750

Total no. of valid vote casted: 31,687,656

4(c). RE-ELECTION OF MR TUNG CHEE WENG

IT WAS RESOLVED –

THAT Mr. Tung Chee Weng who retired as a Director by rotation pursuant to Regulation No. 93 of the Company's Constitution, be re-elected as a Director of the Company.

The results of the poll were as follow:

	No. of Shares	Percentage
For	36,384,306	99.97%
Against	12,100	0.03%
Total no. of shares represented by votes For and Against the resolution.	36,396,406	100%

Abstained Votes: 0

Total no. of valid vote casted: 36,396,406

The Chairman highlighted to the members that Singapore Exchange Regulation (SGX RegCo) had announced on 11 January 2023 of its withdrawal of the two-tier vote mechanism for companies to retain their long-serving Independent Directors with immediate effect.

Thus, the two-tier voting mechanism on Mr. Tung's independence would not proceed at this AGM.

However, SGX RegCo has also issued Transitional Practice Note 4 providing for transitional arrangements after removing the two-tier voting mechanism.

These transitional arrangements allow long-serving independent directors to still be considered independent until the conclusion of the issuer's AGM for the financial year ending on or after 31 December 2023.

Hence, Mr Tung shall be regarded as independent until then.

5. RE-APPOINTMENT OF AUDITORS

IT WAS RESOLVED –

THAT Messrs Deloitte & Touche LLP, Public Accountants and Chartered Accountants in Singapore, the retiring Auditors, who have expressed their willingness to continue in office, be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting at a remuneration to be agreed upon between the directors and the Auditors.

The results of the poll were as follow:

	No. of Shares	Percentage
For	36,426,406	99.99%
Against	3,000	0.01%
Total no. of shares represented by votes For and Against the resolution.	36,429,406	100%

Abstained Votes: 0

Total no. of valid vote casted: 36,429,406

AS SPECIAL BUSINESS

ORDINARY RESOLUTION

6. AUTHORITY TO ISSUE SHARES

IT WAS RESOLVED –

That pursuant to Section 161 of the Companies Act 1967, authority be and is hereby given to the Directors to:

- (i) (aa) issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
 - (bb) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of this authority or thereafter, 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
- (ii) issue Shares in pursuance of any Instrument made or granted by the directors while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

Provided that:

- (iii) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 50% of the total number of issued Shares (as calculated in accordance with paragraph (iv) below), and provided further that where shareholders of the Company ("Shareholders") are not given the opportunity to participate in the same on a pro-rata basis ("non-pro-rata basis"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 20% of the total number of issued Shares (as calculated in accordance with paragraph (iv) below);
- (iv) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (iii) above, the total number of issued Shares shall be based on the total number of issued Shares of the Company (excluding treasury shares) at the time such authority was conferred, after adjusting for:
 - (aa) new Shares arising from the conversion or exercise of any convertible securities;
 - (bb) new Shares arising from exercising share options or the vesting of share awards which are outstanding or subsisting at the time such authority was conferred; and
 - (cc) any subsequent bonus issue, consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument; and
- (v) (unless revoked or varied by the Company in general meeting), the authority so conferred 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 results of the poll were as follow:

	No. of Shares	Percentage
For	36,364,306	99.97%
Against	12,100	0.03%
Total no. of shares represented by votes For and Against the resolution.	36,376,406	100%

Abstained Votes: 0

Total no. of valid vote casted: 36,376,406

7. CONTINUED APPOINTMENT OF MR TUNG CHEE WENG, AS AN INDEPENDENT DIRECTOR FOR PURPOSES OF RULE 210(5)(d)(iii)(A) OF THE LISTING MANUAL OF THE SGX-ST BY ALL SHAREHOLDERS

The Chairman stated again that this agenda to seek approvals from Shareholders pursuant to two-tier voting mechanism under Rule 210(5)(d)(iii)(A) of the SGX-ST Listing Manual for the retention of long-serving independent directors would not be tabled due to SGX RegCo's immediate withdrawal of this Rule with effect from 11 January 2023.

8. CONTINUED APPOINTMENT OF MR TUNG CHEE WENG AS AN INDEPENDENT DIRECTOR FOR PURPOSES OF RULE 210(5)(d)(iii)(B) OF THE LISTING MANUAL OF THE SGX-ST BY SHAREHOLDERS, EXCLUDING THE DIRECTORS AND THE CHIEF EXECUTIVE OFFICER ("CEO") OF THE COMPANY AND THEIR RESPECTIVE ASSOCIATES

The Chairman stated again that this agenda to seek approvals from Shareholders pursuant to two-tier voting mechanism under Rule 210(5)(d)(iii)(B) of the SGX-ST Listing Manual for the retention of long-serving independent directors would not be tabled due to SGX RegCo's immediate withdrawal of this Rule with effect from 11 January 2023.

9. TERMINATION OF MEETING

THERE being no further business, the Meeting terminated at 9.35 a.m. with a vote of thanks to the chair.

Signed as a correct record this 19th day of January 2023.

**TAN KONG HENG
CHAIRMAN**