SOON LIAN HOLDINGS LIMITED
Registration No. 200416295G
(Incorporated in Singapore)

MINUTES OF FY2023 ANNUAL GENERAL MEETING

Date	:	Monday, 29 April 2024
Time	:	9:00 a.m.
Place	:	6 Tuas Lane Singapore 638615
Present	:	As set out in the attendance records maintained by the Company

CHAIRMAN

Mr Tan Yee Ho presided at the meeting.

QUORUM

After ascertaining the presence of a quorum, the Chairman called the meeting to order at 9:00 a.m..

INTRODUCTION

Chairman welcomed the shareholders to the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company.

NOTICE

A copy of the Company's Notice of AGM had been circulated to the shareholders on 12 April 2024. The Notice of AGM, with the consent of the shareholders, was taken as read.

Chairman then invited Ms Karen Foo from the Company's corporate secretarial office, to assist him in reading the Resolutions to be proposed at this Meeting.

VOTING ON RESOLUTIONS

Ms Karen Foo informed the Meeting 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. Tricor Barbinder Share Registration Services ("**Tricor**") and Entrust Advisory Pte. Ltd. had been appointed as Polling Agent and Scrutineer respectively. She called upon a representative from Tricor, to explain the polling procedures.

Ms Karen Foo then proceeded with the agenda of the AGM.

RESOLVED -

ORDINARY BUSINESS

RESOLUTION 1 – TO RECEIVE AND ADOPT THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2023 AND THE AUDITOR'S REPORT

The shareholders were informed that the first item on the Notice of AGM was to receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Auditor's Report thereon.

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Questions raised by shareholders in relation to the Directors' Statement and the Audited Financial Statements ("**FY2023 AFS**"); and the responses from Mr Tan Yee Leong, Director and the Chief Executive Officer ("**CEO**"), Mr Lam Kwong Fai, Director and Chairman of the Audit Committee ("**AC Chair**"), Mr Chin Yew Choong David, Director and Chairman of Nominating Committee ("**CYC**") and Mr Lee Yih Hong, the Group Financial Controller ("**GFC**") were as summarized below:

1) In response to a shareholder's enquiry on the Company's key business segments and the performance of these key business segments. CEO stated that the Group supplies different aluminium alloy products in a wide spectrum of specifications and dimensions. The Group's primary customers are in the precision engineering and marine industries, but the Group also serves other aluminium stockists and traders. GFC provided details of the segment information under Note 28 of the FY2023 AFS. The note provides a comprehensive breakdown of the Group's profit and loss from operations across the various business segments. AC Chair has confirmed that the presentation and details set out in the FY2023 AFS are in accordance with the provisions of the Singapore Companies Act 1967 and the Singapore Financial Reporting Standards (International).

2) A shareholder enquired on the reasons for the lower gross profit margin in FY2023. CEO explained that the lower gross profit margin in FY2023 was primarily due to a higher provision for inventories obsolescence of S$6.1 million recognized in FY2023. Additionally, the semiconductor industry experienced a softening in demand, leading to an oversupply of aluminium alloys. This oversupply, coupled with stiffening competition in the market, drove down average selling prices. Consequently, the Group's profit margins were adversely affected.

3) A shareholder noted that the decrease in both gross profit and gross profit margin was mainly due to a higher provision for inventories obsolescence of S$6.1 million recognised in FY2023. The Group also recorded a loss before tax of S$4.6 million in FY2023, as compared to a profit before tax of S$9.1 million in FY2022. He enquired whether there was any provision for inventories obsolescence in FY2022 and the steps taken by management in response to the S$4.6 million loss. GFC stated that a provision for inventories obsolescence of approximately S$0.4 million was recognized in FY2022. In addition to enhanced inventory management, CEO shared that management has put in place, necessary cost control measures. The Group used the downtime in FY2023 to further enhance our productivity and strengthen internal controls within the Group. The Group continued the acquisition of ISO 9001 certification for our subsidiaries, which underscores our commitment to quality management and continuous improvement. These measures are part of the Group's ongoing efforts to improve our financial performance and operational efficiencies.

4) A shareholder opined that the provision for inventories obsolescence of S$6.1 million recognised in FY2023 was high as it was approximately 20% of the total inventories for FY2023. He enquired whether there was any overstocking and what measures have been put in place to prevent such occurrence. GFC reiterated that the provision for inventories obsolescence is a general provision based on the stock aging policy and other factors. These factors include market sentiment through insights provided by suppliers, customers and competitors. CEO explained that the lead time between placing an order of inventory to its delivery date was approximately six months in 2022. As a stockist, it is crucial for the Company to maintain a stockpile of products to ensure an adequate supply. However, due to the economic slowdown last year, several sales orders from customers were put on hold. CEO added that to address these challenges and prevent future occurrences, a new business development division has been established. This division, in collaboration with the sales team, will directly approach original equipment manufacturers to secure new business opportunities. The Group also plans to expand our business in Malaysia, where the marine industry shows potential for growth. The Company will continue to refine its inventory management practices to better align with market demand and reduce the risk of overstocking.

5) A shareholder noted that revenue from major customers in the marine segment totaled S$7,511,000 in FY2022 but was recorded as nil in FY2023. Referring to Note 28 of the FY2023 AFS, GFC explained that in FY2023, there was no single customer in the marine segment with revenue exceeding 10% of the Group's total revenue in 2023. As a result, the revenue from major customers in this segment was recorded as nil.

6) In response to a shareholder's enquiry on whether the executive directors are entitled to profit incentives for FY2023, CYC stated that the executive directors are remunerated based on their service agreements with the Company. The Group made a loss for FY2023 and hence, the executive directors would not be entitled to any profit incentive.

7) A shareholder commented that given the current competitive business landscape, the Company needs to transition from a stockist to offering value-added services for sustainable growth. CEO responded to this by reaffirming Company's commitment to its vision of becoming the leading aluminum distributor in Asia. Management is dedicated to working relentlessly towards achieving this vision. The Company recognizes the importance of adapting to the competitive business landscape and is continuously exploring opportunities to enhance its service offerings and provide greater value to the customers.

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 2023 and the Auditor's Report be and are hereby received."

Proposer : TYL
Seconder : **TEH**

The motion was put to vote by poll.

RESOLVED -

RESOLUTION 2 – TO DECLARE A FINAL DIVIDEND OF 0.2 SINGAPORE CENTS PER ORDINARY SHARE

Ms Karen Foo informed the Meeting that shareholders' approval was sought for the declaration of a final tax exempt (one-tier) dividend of 0.2 Singapore cents per ordinary share for the financial year ended 31 December 2023.

As there were no questions, 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 0.20 cents per ordinary share for the year ended 31 December 2023 be hereby approved."

Proposer : TYL
Seconder : TEH

The motion was put to vote by poll.

RESOLVED -

RESOLUTION 3 – TO RE-ELECT THE DIRECTOR, MR TAN YEE HO

The Meeting was informed that Mr Tan Yee Ho 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 Tan Yee Ho, a Director retiring in accordance with Article 104 of the Constitution and being eligible, be and is hereby re-elected as Director of the Company."

Proposer : TYL
Seconder : TEH

The motion was put to vote by poll.

It was noted that Mr Tan Yee Ho had abstained from voting on his re-election as a Director of the Company.

NOTE - RETIREMENT OF MR YAP KIAN PENG, A DIRECTOR RETIRING IN ACCORDANCE WITH ARTICLE 104 OF THE COMPANY'S CONSTITUTION

The Meeting noted the retirement of Mr Yap Kian Peng, a Director retiring in accordance with Article 104 of the Company's Constitution who, although eligible, is not offering himself for re-election.

The Board of Directors thanked Mr Yap Kian Peng for his contribution to the Board during his term of office.

RESOLVED -

RESOLUTION 4 – TO APPROVE DIRECTORS' FEES FOR YEAR ENDED 31 DECEMBER 2023

Ms Karen Foo informed the Meeting that shareholders' approval was being sought for the payment of Directors' fees of up to SGD150,000 for the financial year ended 31 December 2023.

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 the Directors' fees of up to SGD150,000 for the year ended 31 December 2023 be hereby approved."

Proposer : TYL
Seconder : TEH

The motion was put to vote by poll.

RESOLVED -

RESOLUTION 5 – TO RE-APPOINT MAZARS LLP AS AUDITORS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

The next item on the Notice of AGM concerned the re-appointment of auditors for the financial year ending 31 December 2024.

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 Mazars 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 authorised to fix their remuneration."

Proposer : TYL
Seconder : TEH

The motion was put to vote by poll.

SPECIAL BUSINESS

RESOLUTION 6 - SHARE ISSUE MANDATE

Next, Ms Karen Foo informed the Meeting that pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Rules of Catalist**"), shareholders' approval is required for the directors to issue new shares in the Company. The full text of Ordinary Resolution 6 was set out in the Notice of AGM.

With the approval and consent of all the Shareholders present, Ordinary Resolution 6 referred to in the Notice of AGM was taken as read.

As there were no questions raised, the following Ordinary Resolution 6 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 ("**the Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Rules of Catalist**"), the Directors of the Company be authorised 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:

(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 one hundred per centum (100%) 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 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);

(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 the Rules of Catalist; 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 Rules of Catalist;

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 Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), the Act and the Company's 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 : TYL
Seconder : TEH

The motion was put to vote by poll.

Chairman informed shareholders to complete and return the poll slips to the polling agent. He then invited the shareholders to refreshments while the polling agent tabulated the results of the poll.

The shareholders were invited back to the Meeting when the results of the votes were tabulated.

DECLARATION OF POLL RESULTS

Ms Karen Foo read out the poll results which had been verified by the Scrutineer. She declared that all the resolutions were duly carried as follows:

	FOR		**AGAINST**		
	No. of Shares	**Percentage (%)**	**No. of Shares**	**Percentage (%)**	**Total No. of Valid Votes Cast**
Resolution 1	57,684,166	97.37%	1,559,800	2.63%	59,243,966
Resolution 2	59,243,966	100.00%	0	0.00%	59,243,966
Resolution 3	56,685,833	100.00%	0	0.00%	56,685,833
Resolution 4	57,684,166	97.37%	1,559,800	2.63%	59,243,966
Resolution 5	57,684,166	100.00%	0	0.00%	57,684,166
Resolution 6	59,243,966	100.00%	0	0.00%	59,243,966

CLOSE OF MEETING

The Chairman thanked the shareholders for their attendance. As there were no other matters to be transacted at the Meeting, the Chairman declared the Meeting closed at 10:40 a.m..

CONFIRMED AS A TRUE RECORD OF MINUTES

TAN YEE HO
Chairman

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

The contact person for the Sponsor is Mr Bernard Lim at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, Telephone (65) 62323210.