MICRO-MECHANICS (HOLDINGS) LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 199604632W)

Minutes of the Twenty-Third Annual General Meeting of the Company held at NTUC Centre, Level 7, Room 701, No. 1 Marina Boulevard, Singapore 018989 on Wednesday, 30 October 2019 at 2.00 p.m.

DIRECTORS PRESENT

- Ms Sumitri Mirnalini Menon @ Rabia – Independent Non-Executive Chairman
- Mr Christopher Reid Borch – Executive Director and Chief Executive Officer ("CEO")
- Mr Low Ming Wah – Executive Director and Chief Operating Officer ("COO")
- Mr Chow Kam Wing – Executive Director and Chief Financial Officer ("CFO")
- Mr Girija Prasad Pande – Independent Director (retired by rotation at conclusion of AGM)
- Ms Lai Chin Yee – Independent Director
- Mr Kwan Yew Kwong Kenny – Independent Director

OPENING & PRESENTATION

The Chairman, Ms Sumitri Menon noted that it was time for the Annual General Meeting ("AGM") to commence and that a quorum was present. She called the meeting to order and welcomed all present.

After the directors gave a brief introduction of themselves to the shareholders, the Chairman invited Mr Christopher Reid Borch, the CEO to present the business updates of the Group.

The CEO thanked the shareholders for their attendance at the AGM. The board of directors and management team looked forward to this day to spend some time with the shareholders and be given an opportunity to convince the shareholders that they made a right decision to invest in the Company. The CEO, also founder of the Company, started the business in 1983 as a small workshop with S$1,200 and it grew into a fairly sizable company with a current market value of about S$250 million. The CEO said that the Company would strive to perform better. In the development of the next generation team, younger team members were hired and one of them was Mr Kyle Borch who graduated with a double master's degree in mechanical engineering and in management. Mr Kyle Borch, the CEO's eldest son, was also present at the AGM. The CEO mentioned that Kyle was hotly competed for by many big tech companies, Micro-Mechanics managed to get him and he started work as an engineer. To meet the needs of the industry, the Company would continue to bring in new and fresh creative thinkers and problem solvers. The CEO together with the COO and CFO delivered the presentation using slides which covered "Business and Industry" and "Financial Review". It was noted that the presentation slides would be made available together with the announcement made by the Company after the AGM.

The CEO then touched on the business model of the Company. Basically, the Company dealt in 2 types of products, i.e. tooling for assembly and testing of semiconductors and critical parts for wafer fabrication (known as the front-end process in the semiconductor industry). As many of these tools and parts were consumable in nature, they generated recurring revenue and the Company strived to achieve and sustain heathy profit margins.

The next slide showed the historical data of global monthly chip sales (source: Semiconductor Industry Association) and WSTS semiconductor sales forecast (source: World Semiconductor Trade Statistics). The global semiconductor industry sales reached about USD400 billion a year. The CEO and COO shared their views that the Company served a large industry which however was rather volatile. It was difficult to predict the ups and downs. About a year ago, sales forecast for 2019 was positive growth and now it showed negative growth for 2019 instead. The projection for 2020 showed moderate growth. Should the industry perform like before, the industry would continue to go up and down but over a long period, would still show an upward trend.

The following slide showed the historical sales data and forecast of semiconductor manufacturing equipment. The global sales of semiconductor manufacturing equipment reached about USD50 billion a year. The Company also served this large semiconductor manufacturing equipment industry mainly through the design and manufacture of critical parts for wafer fabrication.

In summary, the Company participated in 2 segments of the semiconductor industry which were very large and growing but also volatile.

At this juncture, the COO was requested to share his thoughts on how to manage this volatile industry. The COO remarked that during a downturn, the Company would take the opportunity to improve its processes and structures, strengthen the team, etc to be ready for the upturn. The Company had gone through many downturns and emerged in good shape for the upturns and the Company could do it again.

The COO added that the Company supported the right industry despite its cyclical nature and there was no cause for concern. The CEO concurred and mentioned that the Company would focus on moving forward as shown on the slide entitled "Prepared for Industry Recovery" which stated 5 attributes, i.e. continue to develop proprietary materials, improve processes, improve products, maintain and strengthen the people and healthy balance sheet. On "people", the CEO stressed that as a knowledge-driven company within a knowledge-driven industry, it was the people who drive the Company forward. The Company would continue to recruit creative, hardworking and enthusiastic people who loved solving problems. The CEO then invited the CFO to clarify the last attribute. The CFO opined that in a volatile market situation, a strong balance sheet provided resilience. As the Company was in a strong financial position, it was able to ride out the crisis in 1999, 2003 and 2008 and in fact emerged stronger each time. The CEO summed up that as most initiatives required 3 or 6 months or even a few years to complete, the Company and its people were aware that to achieve results, they would take the focus long term and build that process.

In the area of corporate governance, the CEO was happy to announce that with the guidance and inspiration from the board and spearheaded by the CFO, the Company had received some nice awards and raised its ranking on the latest SGTI (Singapore Government and Transparency Index). At this point, the CEO invited the CFO to take over the presentation.

Before his formal presentation, the CFO wanted to have an idea of how many shareholders read the corporate governance report and/or sustainability report and posed the question accordingly. For those shareholders present at the AGM, only 1 shareholder read these reports. The CFO informed that the 2019 report was the thickest annual report with 128 pages. About 60% of the report comprised financial information and the rest covered nonfinancial information, i.e. the CG report and sustainability report. The Company believed in good corporate governance but it took lots of time, focus and resources to prepare the reports, which translated to increased cost. He encouraged the shareholders to read these 2 reports to understand the company more.

The Company recognised the importance of good corporate governance. Last year, the Company was ranked 23rd on SGTI. The CFO was pleased to announce that for SGTI 2019, the Company scored 101 points to rank 17th out of 578 companies listed on the SGX (excluding Reits and Business Trusts). The CFO said that the Company would continue to do its best. During the last financial year, the Company received 2 awards from Securities Investors Association Singapore, i.e. Shareholder Communications Excellence Award and Singapore Corporate Governance Award.

On the operational level, the Singapore factory received the certification for conforming to the Anti-Bribery Management Systems standard ISO37001:2016 and successfully renewed its certification on Business Continuity Management Systems standard ISO22301:2012. The board and the management were of the view that these certifications were good for the Company and they should be seen as part of the balance sheet though not represented in terms of figures.

In order to furnish shareholders with the latest financial information, the CFO presented the financial results for first quarter ended 30 September 2019 ("1Q2020") together with the results for FY2019. The Company announced the financial results for 1Q2020 via SGXNET that day around 12 noon.

The CFO informed that the revenue for FY2019 was recorded at S$60.3 million and this represented a drop of 7% which was not ideal but comparatively not as bad as the 14% decline in global chip sales. The CFO also said that after the year end accounts were closed, he would focus on 3 important figures as shown on the slide, i.e. gross profit margin (GPM) of 53.7%, net profit margin (NPM) of 21.5% and return on equity (ROE) of 22.2%. GPM which indicated the competitiveness of the Company, was above the internal threshold of 50%. NPM and ROE which reflected the effectiveness of the Company and its efficiency to use assets respectively were above 20%. Should there be a drop in these figures, the Company would examine the cause and strive to improve operations.

The CFO then moved on to his favourite slide, i.e. “Dividend Performance”. With shareholders’ approval of the dividend, the Company declared a total dividend of 10.0 cents per share for FY2019 and the total dividend payout since listing amounted to 73.9 cents per share. For shareholders who invested in the Company since IPO, this represented 401% of their returns. Based on historical data, the dividend declared showed an upward trend after listing, then it came down and reached a plateau due to the financial crisis and thereafter dividend went up again. The CFO mentioned that it would not be possible to make a prediction for the future but hopefully the dividend would not be “wavy” like before. On dividend payout ratio, even before the formal adoption of the dividend policy of 40%, the Company had paid about 80% of earnings most of the time. In fact, despite the financial crisis in FY2009, the Company paid around 500% of its earnings that year.

On revenue trend, the 1Q2020 revenue was better than the previous 3 quarters. For sales breakdown, China was the Company’s largest geographical market with a contribution of 29% to the revenue. This revenue contribution increased to 30% in 1Q2020 despite the China/US trade war. The COO added that the Company’s factory in Suzhou focused on the local market in China which was a big market. Regardless of the trade war, some major customers with local markets required support and the Company continued to support them. For the slide entitled “Profitability”, the CFO informed that the net profit for 1Q2020 was better than the 3 previous quarters. The more important figure was the ratio of operating expenses to revenue which was quite stable at about 25% all these years while the return on equity remained at around 20%.

From the slides on “Cash Flow” and “Balance Sheet”, it showed that the Company managed to collect payments which was not easy particularly during a slowdown and from China customers. The CFO was pleased to announce that trade receivables (outstanding more than 90 days) for FY2019 was zero and for 1Q2020, it was less than 1%. The CFO expressed his thanks to the finance team who together with the Group FC, Ms Wendy Tan, did a great job and this was appreciated by the shareholders at the AGM too.

<u>Q&A on the presentation slides:-</u>

Question: A shareholder would like to know the management’s view on merger and acquisition (M&A) which could enable faster growth and with a strong balance sheet, M&A would not pose a problem to the Company.

Reply: The CFO replied that M&A could be a quick way to grow but due to the business nature of the Company, it would be difficult to find any horizontal acquisition. Even if it could be found, as the Company generally performed better than its competitors, M&A might not be appropriate. For the Company to acquire another industry would derail the focus of its strategy. The Company is a small company, running very lean and rather conservative. With lots of opportunities for organic growth within this industry, the Company would still have room to grow instead of opting for M&A which according to the market, had a high failure rate.

Question: A shareholder asked about the useful lifespan of the machinery acquired by the Company, i.e. with rapid technology changes, would such machinery be obsolete quite fast. He also wanted to know the impact of technological advancement, e.g. “5G” on the Company.

Reply: For the first question, the COO informed that the machinery being kept up to date and well maintained, could last over 20 years. He added that basically as a precision machining company, the Company applied technology in metal machining and it used the latest technology. From the budget, one could see that there was capex for replacement at times in order to continuously upgrade the technology to improve efficiency and productivity.

On the second question, the COO replied that with “4G” moving to “5G” and beyond in future, it signalled good news for the Company. For example, when the full standalone 5G kicks in, all hardware must be changed. Mobile phones must be replaced to enjoy the full 5G speed. With the increase in speed on data transfer, the hardware, modem, including memory chips must be changed to handle the speed. Since the Company’s customers produced such devices and hopefully with increased volume, this spelt good news for the Company.

Question: A shareholder started with an apology to the CFO in that he did not pay attention to the sustainability report despite much efforts and resources were spent in preparing this report. He did care about corporate governance and to him, it was not about the sustainability report, but the welcoming manner in which the CEO (also a director) treated the shareholders at the AGM and the genuine attempt of the directors to address shareholders’ concerns. He had 3 questions. With 5G in mind, this shareholder wanted to know:

- how the Company has positioned itself for the possibility that there might be a shift in the customers as some could be more ready than others, e.g. there might be more orders from customers in China vs US.
- whether the Company received any 5G orders and if so, how much of such orders were reflected in the 1Q results.
- the CEO’s view of the direction of the industry bearing in mind the 1Q2020 results.

Reply: The COO informed that he did not have the market data relating to the questions. His views on the matters raised were that:

(a) on 5G, for the first stage of 5G, the full speed of 5G was not realised yet as it relied on the 4G platform. The hardware must be changed first before full 5G could be rolled out. Within this year or next year, only China would be ready to provide for the 5G market. The full blast of 5G could probably take place around 2025. The change of all related hardware for 5G would be implemented slowly over time.

(b) on customers of the Company, the US and China markets were interlinked somehow. For large players like Qualcomm, Micron and TI (Texas Instruments), their major markets were in China. They relied on China or Asia to manufacture their products which were sold in the local market in China and elsewhere worldwide. On items of memory, Taiwan drove a large amount of chip making but chips were used by everyone.

(c) 5G and subsequent improvement in such technology would result in far-reaching benefits e.g. with the availability of increased speed, advances could be made in medical science, lots of data would be exchanged via the cloud. In conclusion, these technological advancements should benefit the semiconductor industry.

On the final question, the CEO opined that having considered the Company’s results for Q42019 and Q12020, it suggested a rebound in the industry. Also, some customers were increasingly positive. In short term as in long term, the semiconductor industry should be very strong and properly positioned now to start the growth period again.

Question: A shareholder noted that the Company recorded very good gross profit margins. He wanted to know who could be regarded as the strongest competitor and what could prevent the competitors from “copying the Company”.

Reply: The CEO replied that management made a conscious effort to focus on gross profit margin because they believed it served as a real indicator of the competitiveness and strategy of the Company. The Company faced competition but for the tooling business, being a fragmented market, there was no large competitor. In the wafer fab equipment business, there were much larger competitors which included Flextronics (now known as Flex) and Celestica. Sometimes, these large companies might lose their nimbleness and sense of innovation and engagement with customers, which were areas of strength of the Company.

Question: A shareholder had 4 questions. Firstly, he wanted to know the Company's exposure to collaborative robots and sensor companies, if any.

Reply: The CEO replied that the Company did not have any direct relationship with robotics companies, though they might have bought the chips which the Company had helped to build. Automation of any nature meant new applications and new growth opportunities for the chip business. Internally, the Company made use of a lot of automated equipment and moving forward, it aimed to automate more of the processes by acquiring new sensor type of tools to help alleviate labour intensive or tedious parts of running a factory.

Question: This shareholder continued with his next question: "Semiconductor is a growing field with very different varieties e.g. high performance computing, artificial intelligence, cloud computing, autonomous vehicle, 5G. Which of these have the greatest impact on the Company's business – front end (critical parts) and back end (tools)?".

Reply: The CEO informed that for the examples highlighted, though he was not sure how some of them would eventually filter down to the Company's business, they were basically drivers of chips, drivers for increasingly difficult processing of semiconductors which could make the Company's parts and tools even more valuable.

The CEO added that all the parts and tools made by the Company, performed the most critical type of processes, at a stage in the production when a lot of the chips and wafer were nearing completion where the yield loss could be the highest. So both these parts and tools were "critical" and they were equally important to the Company's business.

Question: This shareholder also wanted to know about capacity utilisation. He said that since the capacity utilisation for FY 2019 was 57%, the utilisation of the 24/7 machines could possibly be lower at around 50%. Would it be justifiable to use the 24/7 machines in another sector like aerospace rather than to let the machines remained idle for 50% of the time bearing in mind that the semiconductor downcycle normally lasted around 1 year?.

Reply: The CEO mentioned that the capacity utilisation rate of 57% was an average number taking into account the utilisation of all the machines, equipment etc, kind of distilled all the utilisation into one number. The CEO went on to explain that in order to make certain parts, some equipment with very low utilisation might be required for some unique processes e.g. a lazer welder might take only a few seconds to create a weld but it was needed because it was part of a process. The Company strived to utilise its equipment and machines efficiently and at the same time, it had been mindful of capex spending. To give an estimate of capex spending, over the long term, the capex spending as a percentage over revenue might be in the range of 5% to 10%. It would catch up over a period of time.

Question: On his final question, this shareholder asked: "Any plans to introduce 3D printing for the critical parts or tools?". He said that 99% of hearing aids used 3D printing.

Reply: The COO replied that the current 3D technology printing was not able to fulfil the accuracy of the products manufactured by the Company. The use of 3D printing on hearing aids referred to the outside casing cover which was not a critical part. 3D printing with accuracy of about 20 to 30 micron layers of material, was still far behind the Company's precision engineering capabilities with accuracy of 5 microns.

The segment on presentation by Management ended and the formal meeting in accordance with the Agenda began.

Before proceeding to the formal business of the AGM, the Chairman informed that as required under the Listing Rules, all resolutions put to the vote at this AGM would be voted on by way of a poll. She explained the polling procedures and also announced that TS Tay Public Accounting Corporation was appointed the scrutineers for the purpose of the poll.

The meeting then proceeded to discuss the formal business of the AGM. With permission from the members, the Notice of AGM was taken as read.

ORDINARY BUSINESS

1. Adoption of Directors' Statement and Audited Financial Statements

1.1 The following Ordinary Resolution No. 1 was duly proposed by Mr Sanford Chee and seconded by Mr Herman Phua Cheng Swee:-

"It was resolved that the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2019 and the Auditors' Report thereon be received and adopted."

1.2 Q&A on Ordinary Resolution 1:

Question: A shareholder mentioned that on page 73 of the annual report (consolidated statement of cash flows), under the item "cash flows from investing activities", it showed a reduction of capex from S$12.1 million in 2018 to S$3.4 million in 2019. He wanted to have a better understanding of the reduction in capex.

Reply: The COO explained that basically there were different types of capex e.g. capex for capacity increase, replacement of old equipment, increasing productivity and increasing quality, expansion etc. During FY 2018 and 2019, the Company replaced the old machinery with new machinery of better technology. For FY 2020, perhaps the Company might need to increase capacity by adding new capabilities in terms of certain new machining process. Thus, the Company's capex differed from year to year depending on the exact nature of the investment.

1.3 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 1 by completing the poll voting slips.

2. Declaration of Final and Special Dividends

2.1 The following Ordinary Resolution No. 2 was duly proposed by Ms Heng Li Shih Lisa and seconded by Mr Alain Neo Say Chow:-

"It was resolved that a final dividend of 5.0 cents per ordinary share tax exempt (one-tier) and a special dividend of 1.0 cent per ordinary share tax exempt (one-tier) for the financial year ended 30 June 2019 be paid on 19 November 2019 to members registered in the books of the Company on 7 November 2019."

2.2 Q&A on Ordinary Resolution 2:

Question: A shareholder gave his views on the dividend policy. He asked if an "ideal and expected" dividend policy could be designed bearing in mind the need to balance the usual factors that affected dividend payout.

Reply: The CFO informed that the Company had a dividend policy of not less than 40% of earnings so there was a benchmark. The dividend payout ratio this year was 107% of earnings. Before the directors recommended a dividend, they had to consider 3 aspects and made a balance of them, i.e. earnings of the year, cash position and capex for the coming year. Further, like previous year, the dividend recommended at this year's AGM consisted of 2 components, i.e. final dividend and special dividend which gave flexibility to the Company as the special dividend was variable in nature.

The CEO added that from management's perspective, if dividends were not paid over the last 15 years, there would be cash of about S$100 million. With such accumulated cash, management might not have made decisions as precisely as now where there were less on the balance sheet. Management was able to make better decisions. A point that should not be overlooked.

2.3 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 2 by completing the poll voting slips.

3. Retirement of Director – Mr Girija Prasad Pande

3.1 The Chairman informed that Mr Girija Prasad Pande was also due to retire by rotation pursuant to the Company's Constitution. Mr Pande had informed the board that he would step down as director at the conclusion of the AGM. On behalf of the board, the Chairman thanked Mr Pande for his invaluable contribution during his tenure. When Mr Pande was invited to address the meeting, he mentioned that the best part of being on the board was the fact that management believed in corporate governance. He believed in board renewal and after 9 years, it was a good time to step down.

4. Re-election of Director – Mr Low Ming Wah

4.1 The following Ordinary Resolution No. 3 was proposed by Mr Zurfluh Karl and seconded by Mr Tok Hong Soon:-

"It was resolved that Mr Low Ming Wah retiring by rotation pursuant to Regulation 97 of the Company's Constitution, but being eligible and offering himself for re-election, be re-elected as director of the Company."

4.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 3 by completing the poll voting slips.

5. Re-election of Director – Mr Kwan Yew Kwong Kenny

5.1 The following Ordinary Resolution No. 4 was proposed by Ms Heng Li Shih Lisa and seconded by Mr Ong Wai Meng:-

"It was resolved that Mr Kwan Yew Kwong Kenny retiring pursuant to Regulation 103 of the Company's Constitution, but being eligible and offering himself for re-election, be re-elected as director of the Company."

5.2 Q&A on Ordinary Resolution 4:

Question: A shareholder wanted to know how Mr Kenny Kwan could "add value" and about his suitability as ID to replace Mr Pande.

Reply: The Chairman informed that the board was of the view that Kenny would be up to the job and he would bring lots of expertise to his role as ID, particularly in the area of corporate governance. The CEO mentioned that Kenny would add to the diversity of the board. He would bring a lot of other expertise and it helped to have a board member whose job dealt with corporate governance and compliance nature of public companies. The CEO added that Kenny had great business sense too.

5.3 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 4 by completing the poll voting slips.

6. Approval of Directors' Fees

6.1 The Chairman continued with the proceedings of the meeting. The following Ordinary Resolution No. 5 was proposed by Ms Wendy Tan Wei Lee and seconded by Mr Choo Pow Yong:-

"It was resolved that a sum of S$437,538/- be approved for payment as directors' fees for the financial year ended 30 June 2019."

6.2 Q&A on Ordinary Resolution 5:

Question: The same shareholder who asked the earlier question, noted the proposal to increase directors' fees by 50% from S$290,000 to about S$437,500. He wanted to know whether it would be viable to settle the fees partly in cash e.g. S$290,000 and the balance in the form of shares. To prevent ID from "jumping ship" too fast, such shares could have a lock-up period. He also said that such additional shares might even help with the liquidity of the shares in the market. His second question was: "Would the additional directors' fee of about $140,000 impact future dividends".

Reply: The Chairman informed that last year, the board decided to review the directors' fees which remained the same since IPO in 2003. The board felt that it was time to benchmark the fees against the industry standard. Based on this benchmarking exercise, the proposed fees were fixed. The Chairman added that the board was of the view that the additional directors' fees would not impact future dividends.

The CFO added that the proposed issue of additional shares in part settlement of the directors' fees would not help with the liquidity of the shares. Having considered the various ways of proposed share allotment to the directors which would involve additional costs, it would be best to keep the matter simple by just paying directors' fees in cash. Further, there was no issue of ID "jumping ship" all these years. The CFO also explained that the reason for the hike in directors' fees was because the old fees were set 16 years ago during IPO. When the Company sought to hire a new ID and if this old fee was used, the Company would not be able to find good candidates. In the comparative review of directors' fees involving 5 other companies, the proposed directors' fees were on the lower end.

6.3 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 5 by completing the poll voting slips.

7. Re-appointment of Auditors

7.1 The following Ordinary Resolution No. 6 was proposed by Mr Tok Hong Soon and seconded by Mr Yew Meng Quee:-

"It was resolved that KPMG LLP be re-appointed 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."

7.2 Q&A on Ordinary Resolution 6:

Comment: A shareholder hoped that the auditors, KPMG would not increase audit fee.

7.3 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 6 by completing the poll voting slips.

SPECIAL BUSINESS

8. Authority to allot and issue shares in the capital of the Company

8.1 The following Ordinary Resolution No. 7 was duly proposed by Mr Yew Meng Quee and seconded by Mr Leek Kwong Joo:-

"It was resolved that pursuant to Section 161 of the Companies Act, Chapter 50 (Act), the Constitution and the listing rules of the Singapore Exchange Securities Trading Limited (SGX-ST), authority be and is hereby given to the directors of the Company to:-

(a) (i) allot and issue shares in the capital of 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 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 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:

(1) 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 and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro-rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and

(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, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of 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 SGX-ST Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution 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."

8.2 Q&A on Ordinary Resolution 7:

Question: A shareholder asked whether the Company would consider seeking a share buy-back mandate.

Reply: The Chairman thanked the shareholder for the feedback and the board would consider the matter.

8.3 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution No. 7 by completing the poll voting slips. Thereafter, the scrutineers collected all the poll voting slips for counting.

9. Results of the Poll

9.1 About half an hour later, the scrutineers submitted their report to the Chairman. According to the scrutineers' report, the results of the poll are 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 (%)
Ordinary Business						
1.	Adoption of directors' statement and audited financial statements for the financial year ended 30 June 2019	87,420,113	87,420,113	100	-	0
2.	Payment of final and special dividends	87,420,113	87,420,113	100	-	0
3.	Re-election of Mr Low Ming Wah as director	80,294,112	80,285,591	99.99	8,521	0.01
4.	Re-election of Mr Kwan Yew Kwong Kenny as director	87,420,113	87,420,113	100	-	0
5.	Approval of directors' fees	87,366,113	87,330,813	99.96	35,300	0.04
6.	Re-appointment of KPMG LLP as auditors	87,420,113	87,420,113	100	-	0
Special Business						
7.	Authority to allot and issue new shares	86,781,399	86,729,899	99.94	51,500	0.06

9.2 Based on the above results of the poll, it was noted that the following resolutions were passed:-

9.2.1 Ordinary Resolution No. 1 carried unanimously.
9.2.2 Ordinary Resolution No. 2 carried unanimously.
9.2.3 Ordinary Resolution No. 3 carried by the requisite majority.
9.2.4 Ordinary Resolution No. 4 carried unanimously.
9.2.5 Ordinary Resolution No. 5 carried by the requisite majority.
9.2.6 Ordinary Resolution No. 6 carried unanimously.
9.2.7 Ordinary Resolution No. 7 carried by the requisite majority.

There being no further business, the meeting ended at 3.46 p.m.

SUMITRI MENON
CHAIRMAN