

MULTI-CHEM LIMITED
(Company Registration No.: 198500318Z)
(Incorporated in the Republic of Singapore)
(the “Company”)

Minutes of the Annual General Meeting of the Company held at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 on Friday, 21 April 2023 at 11.30 a.m..

PRESENT

Directors : Mr Lim Keng Jin (Chairman & Independent Director)
Mr Foo Suan Sai (Chief Executive Officer)
Mdm Han Juat Hoon (Chief Operating Officer)
Mr Wong Meng Yeng (Independent Director)
Mr Neo Mok Choon (Independent Director)
Mr Foo Maw Shen (Independent Director)
Mr Foo Fang Yong (Executive Director)

In Attendance : Ms Chan Lai Yin (Company Secretary)
Ms Amanda Zhang Xiaowen (Financial Controller)

Shareholders : As per Attendance List

CHAIRMAN

Mr Lim Keng Jin, the Non-Executive Chairman of the Company, chaired the meeting.

QUORUM

The Secretary confirmed that a quorum was present and the Chairman declared the meeting open.

NOTICE

The Notice convening the Meeting, having been in the hands of the members for the requisite statutory period, was with the concurrence of the meeting taken as read.

POLL VOTING

The Chairman informed that he had exercised his right as Chairman of the meeting and demanded for all resolutions tabled at the meeting to be voted by poll. The Company has appointed Entrust Advisory Pte Ltd as scrutineer for the poll at the Annual General Meeting (“AGM”). In order to facilitate the conduct at the meeting, voting by poll for all 8 resolutions will be conducted after all resolutions have been proposed and seconded with shareholders given time to complete the poll voting slips and cast their votes.

The Chairman further informed that he had voted in accordance with the respective instructions of shareholders who have appointed the Chairman as proxy, which the proxy forms had been checked and verified by scrutineer.

The Company had published its response to substantial and relevant questions submitted in advance by shareholders via SGXNET on 15 April 2023. It was noted there was no question received by the Company after 11.30 a.m. on 13 April 2023.

ORDINARY BUSINESS

1. ORDINARY RESOLUTION 1 - DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Chairman proposed the following motion for Resolution 1:

“That the Audited Financial Statements and the Directors' Statement and the Auditor's Report for the financial year ended 31 December 2022 be hereby received and adopted.”

The motion was seconded by Ms Teo Gik Chen.

Questions raised by members and replies during the AGM relating to Resolution 1 are set out in the “Appendix A” annexed to these minutes.

2. ORDINARY RESOLUTION 2 - RE-ELECTION OF MADAM HAN JUAT HOON AS A DIRECTOR

The Chairman informed members present that in accordance with Regulation 106 of the Company's Constitution, Madam Han Juat Hoon, would retire at the AGM and, being eligible, offered herself for re-election.

The Chairman informed members that Madam Han Juat Hoon, upon her re-election will remain as Executive Director of the Company.

The Chairman proposed the following motion for Resolution 2:

“That Madam Han Juat Hoon be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Lee Kim Ming.

3. ORDINARY RESOLUTION 3 - RE-ELECTION OF MR WONG MENG YENG AS A DIRECTOR

The Chairman informed members present that in accordance with Regulation 106 of the Company's Constitution, Mr Wong Meng Yeng, would retire at the AGM and, being eligible, offered himself for re-election.

The Chairman informed members that Mr Wong Meng Yeng, upon his re-election will remain as a Director of the Company, Chairman of Nominating Committee, and a member of the Audit and Risk Management Committee and Remuneration Committee. Mr Wong Meng Yeng will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

The Chairman proposed the following motion for Resolution 3:

“That Mr Wong Meng Yeng be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Yap Yoong Lok.

**4. ORDINARY RESOLUTION 4
- RE-ELECTION OF MR LIM KENG JIN AS A DIRECTOR**

Mr Lim Keng Jin passed the Chair of the meeting to Mr Foo Suan Sai in respect of the motion for his re-election as a director. Mr Foo Suan Sai took over as Chairman of the meeting for Resolution 4.

Mr Foo Suan Sai informed members that Mr Lim Keng Jin, upon his re-election will remain as a Director of the Company, Chairman of Remuneration Committee, and a member of the Audit and Risk Management Committee and Nominating Committee. Mr Lim Keng Jin will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Foo Suan Sai proposed the following motion for Resolution 4:

“That Mr Lim Keng Jin be re-elected as a Director of the Company.”

The motion was duly seconded by Mr Wang Xi.

Mr Foo Suan Sai passed the Chair of the meeting back to Mr Lim Keng Jin as Chairman of the meeting. Mr Lim Keng Jin took over as Chairman of the meeting.

**5. ORDINARY RESOLUTION 5
- FINAL DIVIDEND**

The Chairman informed members present that the proposed final dividend, if approved at the AGM, would be paid on 26 May 2023, to members registered in the Register of Members at by 5.00 p.m. on 16 May 2023.

The Chairman proposed the following motion for Resolution 5:

“That the final tax exempt (one-tier) dividend of SGD0.111 per ordinary share for the financial year ended 31 December 2022 be approved.”

The motion was duly seconded by Mr Ah Hot Gerard Andre.

Questions raised by members and replies during the AGM relating to Resolution 5 are set out in the “Appendix A” annexed to these minutes.

**6. ORDINARY RESOLUTION 6
- DIRECTORS’ FEES**

The Chairman informed members that the payment of directors’ fees for the financial year ended 31 December 2022 was S\$241,243.75.

The Chairman proposed the following motion for Resolution 6:

“That the payment of Directors’ fees of S\$241,243.75 for the financial year ended 31 December 2022 be approved”.

The motion was duly seconded by Mr Chan Han Sheen.

**7. ORDINARY RESOLUTION 7
- RE-APPOINTMENT OF AUDITOR**

The Chairman informed members present that Messrs BDO LLP had confirmed their willingness to accept re-appointment as Auditor of the Company.

The Chairman proposed the following motion for Resolution 7:

“That Messrs BDO LLP be re-appointed as the Company’s auditor and to authorise the Directors to fix their remuneration”.

The motion was duly seconded by Ms Teo Gik Chen.

Questions raised by members and replies during the AGM relating to Resolution 7 are set out in the “Appendix A” annexed to these minutes.

**8. ORDINARY RESOLUTION 8
- AUTHORITY TO ISSUE SHARES**

The Chairman proposed and Mr Tan San Eng seconded the motion for Resolution 8 as set out below:

“That, pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares in the capital of the Company (“shares”) 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) 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 Instrument 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 fifty per cent. (50%) of the Company’s total number of issued shares excluding treasury shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the Company’s total number of issued shares excluding treasury shares (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) is based on the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards; and
- (ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (i) and (ii) 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 Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(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 the earlier."

Questions raised by members and replies during the AGM relating to Resolution 8 are set out in the "Appendix A" annexed to these minutes.

The Company Secretary explained the procedures for the conduct of voting by poll for all 8 resolutions tabled at the AGM.

After a recess of 10 minutes for the vote to be counted and verified, the Chairman announced the poll results as follow:

For Resolution 1 relating to the Directors' Statements and Audited Financial Statements for the financial year ended 31 December 2022, 62,535,625 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 1 carried.

For Resolution 2 relating to the Re-election of Madam Han Juat Hoon as a director of the Company, 37,423,750 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 2 carried.

For Resolution 3 relating to the Re-election of Mr Wong Meng Yeng as a director of the Company, 62,527,875 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 3 carried.

For Resolution 4 relating to the Re-election of Mr Lim Keng Jin as a director of the Company, 62,536,375 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 4 carried.

For Resolution 5 relating to the Final Tax Exempt (One-tier) Dividend, 62,536,375 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 5 carried.

For Resolution 6 relating to the payment of Directors' fees, 62,536,375 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 6 carried.

For Resolution 7 relating to the Re-appointment of Messrs BDO LLP as Auditor and authorise Directors to fix their remuneration, 62,536,375 ordinary shares representing 100 % voted 'For' the Resolution. The Chairman declared Resolution 7 carried.

For Resolution 8 relating to the Authority to allot and issue shares, 62,518,200 ordinary shares representing 99.9709% voted 'For' the Resolution and 18,175 ordinary shares representing 0.0291% voted "Against" the Resolution. The Chairman declared Resolution 8 carried.

CONCLUSION

There being no other business, the Chairman thanked the members for their attendance and declared the AGM closed at 12.55 p.m..

SIGNED AS A TRUE RECORD OF THE PROCEEDINGS

CHAIRMAN

MULTI-CHEM LIMITED
(Company Registration No.: 198500318Z)
(Incorporated in the Republic of Singapore)
(the "**Company**")

Q & A Session at the Annual General Meeting of Multi-Chem Limited held at 18 Boon Lay Way, #04-110 Tradehub 21, Singapore 609966 on Friday, 21 April 2023 at 11.30 a.m..

Resolution 1 – Directors' Report and Audited Financial Statements

1. Mr G enquired on the growth potential of the Group. He sought elaboration on the type of growth being targeted and what is the main driver of the growth for the coming years.

Mr Foo Suan Sai explained that the Group planned to increase revenue by strengthening current relationships with vendors and build relationships with new vendors.

Madam Han Juat Hoon further explained that the Group sought to be the major distributor to vendors so that more products can be marketed to existing customers. In terms of geographical expansion, the Group intends to reinforce market share in existing countries.

2. Mr G referred to the Annual Report and noted that the Group made the most revenue from Singapore. Mr G sought clarification whether there will be more priorities for some countries to have more growth and to drive sales.

Mr Foo Suan Sai referred to the Annual Report explaining that the countries would be Singapore and ASEAN. The reason why will be the ease of doing business in those countries, the Group has a strong presence and competent people in those countries.

3. Mr G noted that the Group has more than 70 products and enquired whether the Group wishes to procure more vendors.

Mr Foo Suan Sai explained that the Group is still looking for more vendors from cyber security industry. While the Group seek growth opportunities, it has to be selective and obtain technological updates such as 5G technology.

4. Mr G enquired on the profile of vendors whether it is big vendors or small medium enterprise ("SME"). He enquired on the preferred type of customers.

Mr Foo Suan Sai apprised on the profile of vendors which are mainly government agencies and large enterprises. The Group welcomes opportunity to start a business relationship with big vendors. However issues may arise which large vendors will compete with existing vendors of which consent will be sought. Preference is to work with large enterprises instead of SME due to cost of manpower. Exception is working with re-sellers.

Madam Han Juat Hoon further explained that the potential new big vendors and existing vendors may have clash of interests due to overlap and that has to be taken into consideration before proceeding with onboarding.

5. Mr G enquired on the large amount of receivables, of which there are some past due over 5 months. Mr G sought clarification whether these receivables are from those big corporations.

Mr Foo Suan Sai explained that the receivables build-up is from the large re-sellers.

Madam Han Juat Hoon emphasized that the Group does not service end users directly and does not sell directly to the end users. The Group only sell to the system integrators which are the re-sellers.

6. Mr G enquired about percentage concentration on certain vendors.

Mr Foo Suan Sai explained the ratio of 80:20 of which 20% of vendors contributed the bulk of revenue/profit which the Group will focus as well as build excellent relationship. Approximately 15 vendors are under the 80% contribution.

7. Mr G noted that there is a substantial amount of cash on the balance sheet. He enquired the amount of cash required for the Group's working capital.

Mr Foo Suan Sai explained that approximately S\$70 million to S\$80 million will be required annually. The Group will continue to monitor payment and exercise prudence in its expenditure.

8. Mr W enquired whether there were products in which Group is in a monopoly position.

Madam Han Juat Hoon replied that the Group wishes to be top in each country for 1 or 2 products but not to have any monopoly,

9. Mr W observed the Group's revenue has been increasing in recent years with net profit margin reduced. He enquired about competition and whether it will continue. Mr W sought clarification whether the profit margin will be depressed because of this issue.

Mr Foo Suan Sai explained that the answer lies in 2 parts. Part 1 where the Group in Singapore is probably the biggest in Singapore as provider of digital and security services. The Group also has major presence in ASEAN countries. Next is because the Management worked hard to deliver results and received support from good and competent staff in the respective countries. In 2020 and 2021 the Group performed well due to the pandemic. In addition, he confirmed that the high competition has affected the profit margin. In 2022, cost increase and other factors such as foreign currency fluctuation adversely affected earnings. Starting 2023, the Group implemented cost discipline.

10. Mr W enquired whether the management is taking any steps to increase liquidity of the shares in the market considering market float is very low despite good dividend declared. He suggested for the Company to consider share split.

Mr Foo Suan Sai replied that the Board will consider his suggestion.

11. Mr Y enquired about the risk of principal brands being consolidated.

Madam Han Juat Hoon replied that merger and acquisitions ("M&A") is beyond the Group's control. If there are any conflicts, the Group would re-work relationships with the vendor post-M&A. As the Group had journeyed with some vendors through the M&As, the Group is always on the look-out for new vendors to partner with to mitigate any loss of vendors.

12. Mr W enquired whether the Group sign long-term deals with vendors.

Madam Han Juat Hoon shared there are usually no limit to the duration in the contracts but there is exit clause which works both ways.

13. Mr G enquired whether there is any exclusivity to specific vendor.

Madam Han Juat Hoon replied that there is no exclusivity to specific vendor while the Group aspires to be major distributor for each vendor.

Mr Foo Suan Sai added that the Group on average works with 2 major vendors for each country.

14. Mr W enquired whether the current trend of moving towards cloud supplier would affect the Group's business.

Mr Foo Suan Sai shared that the Group was formerly a supplier to PCB manufacturers and expanded to regional cyber security and network performance products value added distributor. Due to market expansion, business grew despite cloud suppliers in the market. In the midst of the booming cloud computing, the Group still have relevance for government and large enterprises which require cyber security.

Mr Foo Fang Yong explained on the cloud computing business which the Group had just secured which can add value to existing vendors. He further shared on the AWS solutions and channel partner platform.

15. Mr L enquired whether the Group is looking to expand into new market and review of contracts signed overseas.

Madam Han Juat Hoon explained that the Group has a fairly wide footprint in ASEAN, India and Greater China. It will focus on existing countries with more collaboration with existing vendors. There is no plan to expand into USA or Europe.

For contracts signed overseas, Madam Han Juat Hoon explained that the Group has a legal team in Singapore to review contracts before signing while for overseas contracts, we engage local legal firms in those countries to provide advice.

16. Mr Y noted that there was a substantial increase in revenue in 2020 and 2021. He enquired about the reason for the good results.

Mr Foo Suan Sai shared the pandemic had caused good results in 2020 and 2021 due to emphasis on cyber security. Everyone in the Group worked hard to achieve the good results as the business is showing no sign of slowing down and was not affected by any downturn unlike areas such as semiconductors.

17. Mr L enquired on the Group's gearing. He further enquired about the challenges in view of the rising interest rate and inflation.

Mr Foo Suan Sai highlighted that the Group has low gearing currently. Inflation will affect staff salary which the Group will manage the cost. However, there is still demand in the industry for cyber security products especially from large enterprises which continue to spend.

18. Mr G enquired on the S\$4 million stock obsolescence for year 2022.

Mr Foo Suan Sai explained the Group's stock provision policy which is to make full provision for inventories aged more than 12 months despite the fact it can still be used to generate income. Most of the inventories provided were purchased as part of customer maintenance support.

19. Mr Y enquired about the reason for the amount of cash and bank balances reduced by S\$3 million in China.

Ms Amanda Zhang shared the intention to minimize holding cash in China and the Group seeks to repatriate cash to Singapore, whenever possible.

20. Mr Y enquired about the proportion of revenue contribution for training to customers.

Mdm Han Juat Hoon replied training provided to customers contributed approximately 5% of revenue.

Resolution 5 – Final Dividend

1. Mr G enquired whether the Company has dividend policy or guideline.

Mr Foo Suan Sai informed that the Company did not have dividend policy or guideline. However, the Board pays attention to cash flow.

Resolution 7 – Re-appointment of Messrs BDO LLP as Auditor

1. Mr L enquired about the length of appointment of BDO LLP as auditor and whether the Company has any inclination to change auditors.

Mr Foo Suan Sai expressed satisfaction with the performance of BDO LLP as auditor and fees have been constant over the years. BDO has been appointed as auditor since 2008. The Company has no intention to change auditor.

Resolution 8 – Authority to Issue Shares

1. Mr L noted the Company has no share buyback mandate and no treasury shares. He enquired on the Company's policy to deal with shares.

Mdm Han Juat Hoon replied that the Company did not have any policy for dealing with shares and did not have any share buyback mandate.

2. Mr W expressed there was limited shares available in the market and current share price was low. He expressed disappointment if the Company has plan for delisting.

Mr Foo Suan Sai noted shareholders' concern about the current market value of the Company's shares. He is unable to reply on any plan for delisting.

3. Mr G enquired about the benefits for the Company to remain listed on the SGX.

Madam Han Juat Hoon shared the Company's listing status has its advantages such as confidence for vendors doing business with the Group in terms of compliance with regulations and other rulings, etc.

4. Mr Y enquired if there is any advantage if the listed company is M.Tech instead of Multi-Chem.

Mdm Han Juat Hoon shared there is sentimental value in the Multi-Chem name for the listed entity. In view of the business environment, it is important to improve business.

5. Mr L enquired whether the Company has considered script dividend in lieu of cash dividend.

The Chairman replied that script dividend will incur cost which the Company would want to reduce cost.