

## SUNRIGHT LIMITED

(Company Registration No. 197800523M)  
(Incorporated in the Republic of Singapore)

### MINUTES OF THE FORTY-THIRD ANNUAL GENERAL MEETING (“AGM” OR THE “MEETING”) HELD ON MONDAY, 22 NOVEMBER 2021 AT 9:30 A.M. BY ELECTRONIC MEANS VIA LIVE AUDIO-VISUAL WEBCAST AND LIVE AUDIO-ONLY STREAM

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Present:

Board of Directors	Mr Samuel Lim Syn Soo* <i>Executive Chairman &amp; Chief Executive Officer</i>
	Mr Kenneth Tan Teoh Khoon* <i>Executive Director</i>
	Mr Daniel Soh Chung Hian** <i>Lead Independent Director, Chairman of Nominating Committee and Audit and Risk Committee</i>
	Mr Timothy Brooks Smith** <i>Independent Non-Executive Director, Chairman of Remuneration Committee</i>
	Ms Sandy Foo Fei Ying** <i>Independent Non-Executive Director</i>
Company Secretary	: Ms Adeline Lim Kim Swan*
Senior Management	: Ms Toh Chai Teng, Corporate Controller**

#### Invitees

Ernst & Young LLP <i>External Auditor</i>	: Ms Abby Lim **
Boardroom Corporate & Advisory Services Pte Ltd <i>Share Registrars</i>	: Ms Jolene Ting** Ms Tan Jia Qi**
Complete Corporate Services Pte Ltd <i>Polling Agent</i>	: Ms Nicole Wong* Mr Chee Kok Seng* Mr Jack Chen*
Moore Stephens LLP <i>Independent Scrutineers</i>	: Ms Chan Rouh Ting**
<u>Shareholders***</u>	: As set out in the attendance records maintained by the Company.

\* *Present at broadcast venue.*

\*\* *Attended via live audio-visual webcast.*

\*\*\* *Attended via live audio-visual webcast or live audio-only stream.*

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### **1.0 OPENING OF MEETING AND INTRODUCTION**

1.1 Mr. Samuel Lim Syn Soo, Chairman of the Board and the AGM (“Chairman”) welcomed all shareholders and attendees at the virtual AGM.

1.2 The Chairman informed that due to the ongoing and evolving COVID-19 situation in Singapore, the AGM was conducted by electronic means, as a precautionary measure for the safety and well-being of shareholders. In this connection, he asked the Company Secretary, to take the Meeting through the administrative and housekeeping matters in relation to the virtual Meeting.

1.3 Electronic conduct of meeting. Ms Adeline Lim, the Company Secretary thanked shareholders for taking the time to attend the virtual AGM and hope all shareholders have been staying safe and healthy.

In view that the Meeting was conducted in an electronic manner, the Company Secretary sought the understanding of the shareholders if the broadcast of the live webcast were disrupted by technical issues. She further asked for the co-operation and patience from shareholders to allow time for the technical team to resolve such issues as soon as possible, should such unforeseen circumstance happen.

1.4 Record of attendance. She said that shareholders who accessed the AGM via live audio-visual webcast and live audio-only stream would be treated as present and their names would be recorded in the attendance lists.

1.5 Poll Voting. The Company Secretary advised that as there was no live voting during the Meeting, shareholders had appointed the Chairman of the Meeting as their proxies, to vote on their behalf. As such, the Chairman had voted or abstained from voting, on their behalf, in accordance with their specified instructions stated in the Proxy Forms.

1.6 Poll Results. The Company Secretary further informed that Complete Corporate Services Pte Ltd was appointed as the polling agent. She also advised that all Proxy Forms submitted 72 hours before the AGM had been verified by Moore Stephens LLP, the appointed Independent Scrutineer. She added that the verified results of the votes for each resolution would be announced during the course of the Meeting, as well as displayed on the screen.

1.7 Pre-submitted questions from shareholders. The Company Secretary informed that the Company had responded to substantial and relevant questions received from shareholders. She said the responses were posted on the SGXNet and on the Company’s website, on 20 November 2021.

The questions and responses (attached to this minutes, as Appendix A, for records purpose) were also displayed on the screen for the shareholders’ notation.

1.8 The Company Secretary then handed control of the Meeting to the Chairman.

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1.9 The Chairman introduced the members of the Board. He also added that the Corporate Controller, as well as the representatives from the following professional service providers, namely: the Company's Independent Auditor, Ernst & Young LLP, the share registrars, Boardroom Corporate & Advisory Services Pte Ltd, the polling agent, Complete Corporate Services Pte Ltd, and the scrutineers, Moore Stephens LLP, were also in attendance via live webcast.

### **2.0 QUORUM**

2.1 The Chairman informed that a quorum was present and declared the Meeting open.

### **3.0 NOTICE OF MEETING**

3.1 The Notice of AGM dated 27 October 2021 convening the Meeting made available to shareholders by electronic means via publication on the SGXNet and the Company's website was taken as read.

### **4.0 PRESENTATION BY CHAIRMAN/CHIEF EXECUTIVE OFFICER**

4.1 The Chairman/Chief Executive Officer gave a presentation explaining Sunright's resilience. FY2021 was a challenging year. Despite the unprecedented pandemic with supply chain disruptions, delivery deferrals, changes in profile of customers, our key management personnel have enable Sunright to close with a profitable result. The growth forecast of the worldwide semiconductor industry for 2021 is expected to exceed US\$500 billion. The two mega trends that are driving the growth for the semiconductor market are electric vehicle/autonomous vehicle and digitalisation.

4.2 The presentation slides of the Chairman/Chief Executive Officer (attached as Appendix B to the minutes for records purpose) were published on the SGXNet and the Company's website, after the conclusion of the Meeting.

### **5.0 ORDINARY BUSINESS**

5.1 The Chairman then proceeded to deal with the business of the Meeting.

5.2 He informed that there were 6 ordinary resolutions to pass at the Meeting and he shall propose all the resolutions.

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### **5.3 ORDINARY RESOLUTION 1 – ADOPTION OF DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 (“FY2021”), TOGETHER WITH THE AUDITOR’S REPORT THEREON**

5.3.1 The Chairman said that the first item on the agenda was to propose:

“THAT the Directors’ Statement and audited financial statements of the Company for FY2021, together with the Auditor’s Report thereon, be hereby received and adopted.”

5.3.2 The Chairman informed that the Directors’ Statement and audited financial statements for FY2021 together with the Auditor’s Report have been published online and shall be taken as read.

5.3.3 Based on proxy votes received by the Company, the results were:

Votes For	:	73,913,566 shares	(99.97%)
Votes Against	:	20,000 shares	(0.03%)

5.3.4 The Chairman declared Resolution 1 carried.

### **5.4 ORDINARY RESOLUTION 2 – FINAL DIVIDEND FOR FY2021**

5.4.1 The Chairman informed that Ordinary Resolution 2 was to propose:

“THAT the payment of a first and final dividend of 0.3 Singapore cent per ordinary share, tax exempt (one-tier), in respect of FY2021 be approved.”

5.4.2 He said that the final dividend, if approved, would be paid on 10 December 2021 to shareholders whose names appeared on the Register of Depositors as at 5 p.m. on 25 November 2021.

5.4.3 Based on proxy votes received by the Company, the results were:

Votes For	:	73,913,566 shares	(99.97%)
Votes Against	:	20,000 shares	(0.03%)

5.4.4 The Chairman declared Resolution 2 carried.

### **5.5 ORDINARY RESOLUTION 3 – RE-ELECTION OF MR SAMUEL LIM SYN SOO AS A DIRECTOR**

5.5.1 The Chairman said that pursuant to Article 87 of the Company’s Constitution, he was due for rotational retirement and had offered himself for re-election.

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5.5.2 He informed that Ordinary Resolution 3 was to propose:

“THAT Mr Samuel Lim Syn Soo, who retired pursuant to Article 87 of the Company’s Constitution, be re-elected as Director of the Company.”

5.5.3 He added that upon re-election, he would remain as a member of the Nominating Committee.

5.5.4 Based on proxy votes received by the Company, the results were:

Votes For	:	73,913,566 shares	(99.97%)
Votes Against	:	20,000 shares	(0.03%)

5.5.5 The Chairman declared Resolution 3 carried.

### **5.6 ORDINARY RESOLUTION 4 – RE-ELECTION OF MS SANDY FOO FEI YING AS A DIRECTOR**

5.6.1 The Chairman informed that Ordinary Resolution 4 was to propose:

“THAT Ms Sandy Foo Fei Ying, who was retiring pursuant to Article 94 of the Company’s Constitution, be re-elected as Director of the Company.”

5.6.2 The Chairman informed that the search for Independent Director has been an ongoing process, with referrals from the directors and business associates. He added that Ms Sandy Foo joined the Board as an Independent Non-Executive Director on 1 February 2021. The Chairman said that Ms Sandy Foo is an outstanding legal professional and provides gender and age diversity to the Board. She had offered herself for re-appointment.

5.6.3 He informed that upon her re-appointment as Director, she would remain as a member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee.

5.6.4 Based on proxy votes received by the Company, the results were:

Votes For	:	73,913,566 shares	(99.97%)
Votes Against	:	20,000 shares	(0.03%)

5.6.5 The Chairman declared Resolution 4 carried.

### **5.7 ORDINARY RESOLUTION 5 – APPROVAL OF DIRECTORS’ FEES FOR FY2021**

5.7.1 The Chairman informed Ordinary Resolution 5 was to approve the payment of directors’ fees and proposed:

“THAT the payment of Directors’ fees of S\$202,150 in respect of FY2021, be approved.”

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5.7.2 He further advised that the approved fees would be paid to all Non-Executive Directors.

5.7.3 Based on proxy votes received by the Company, the results were:

Votes For	:	73,913,566 shares	(99.97%)
Votes Against	:	20,000 shares	(0.03%)

5.7.4 The Chairman declared Resolution 5 carried.

### **5.8 ORDINARY RESOLUTION 6 – RE-APPOINTMENT OF INDEPENDENT AUDITOR**

5.8.1 The Chairman informed that the Audit and Risk Committee had recommended the re-appointment of Ernst & Young LLP as Independent Auditor of the Company, and EY had expressed its willingness to accept the re-appointment. He proceeded to table Ordinary Resolution 6, which was to propose:

“THAT Ernst & Young LLP, be re-appointed as the Independent Auditor of the Company, to hold office until the conclusion of the next annual general meeting, at a remuneration to be agreed between the Directors and the Independent Auditor.”

5.8.2 Based on proxy votes received by the Company, the results were:

Votes For	:	73,913,566 shares	(99.97%)
Votes Against	:	20,000 shares	(0.03%)

5.8.3 The Chairman declared Resolution 6 carried.

### **6.0 CLOSURE OF AGM**

6.1 There being no other business, the Chairman thanked all shareholders and invitees for their attendance at the Meeting.

6.2 He also expressed his thanks to the shareholders for their continued support and wished everyone the best of health and to continue staying safe during this COVID-19 period.

6.3 The Chairman declared the Meeting closed at 9:46 a.m.

Signed as a correct record by:  
Samuel Lim Syn Soo  
Chairman of the Meeting

**APPENDIX A**

**SUBSTANTIAL AND RELEVANT QUESTIONS AND ANSWERS**

<b>QUESTIONS</b>	<b>RESPONSES</b>
<p>Q1. Can the management share on their outlook for the industry and how we are positioning the company for the next 5 years?</p>	<p><i>The evolution of electric vehicles to autonomous vehicles is a major growth driver for the semiconductor industry. The development in digitalization involving 5G, AI, data centers, etc. is another expanding market segment which Sunright prioritises its focus on. There is no compromise for safety and reliability for these products and devices need to be tested and burn in.</i></p>
<p>Q2. What is the progress with our new systems level solutions for our customers? Which industries do potential customers belong to and what kind of revenue outlook can shareholders expect?</p> <p>Total semiconductor revenue projected for 2021 &amp; 2021 are significantly higher, but it does not seem to benefit us, any strategic plan in place to win more market share? Expansion or Consolidation.</p>	<p><i>The automotive market is our focus. SLT for communication and computing are major markets as well. Sunright stays relevant through innovation and will respond to new opportunities.</i></p> <p><i>The miniaturization and integration of semiconductors will give rise to emerging new devices bringing new requirements for test and burn in.</i></p>
<p>Q3. There has been much mentioned on the newly developed System Level Test (SLT). The financial benefits however has not been so evident in the recent financial statements. I do understand that such systems do take time to gain traction before its benefits would be shown financially. <b>Hence, I would like to ask, what is the expected financial benefits of the SLT and if possible are you able to provide a projection the financial effects of the SLT?</b> Specifically, I am interested to know the Profit Margins of the SLT and its expected contribution towards the company's revenue in the near future.</p>	<p><i>Sunright is enlarging its "burn in and test" capability from packaged chip to module testing. This evolvement requires additional tests and such test validations could be performed at system level or "SLT" in short. Depending on the success of the market reception for our customers' products, order size may increase. Our contribution margins would improve with bigger order size.</i></p>
<p>Q4. How much does SLT contributes to the company top line by %?</p>	<p><i>SLT is new and contributes marginally to the Group in FY2021.</i></p>

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- Q5. Sunright revenue has been declining since 2018. Is the management optimistic in increasing the revenue much higher than 110mill or will the company stagnant at this level for the next 3 years?
- As the world prepares its transition to endemic and the digital era, Sunright is well-positioned for post-COVID recovery and for the long-term growth.*
- Q6. How much of the company revenue is recurring biz vs equipment or project sales?
- Generally 40% are recurring revenues, with the balance through aggressive sales and marketing efforts.*
- Q7. What % of our revenue comes from Automotive customers?
- About 50%-60% of our revenue comes from Automotive customers.*
- Q8. Revenue has increased 1% but profit has dropped from \$1.7mil to \$1.3mil, does not mean that we did not capture the higher margin business?
- Included in net profit of last financial year was a one-off tax gain relating to reversal of deferred tax liabilities (see Note 20 (c)). No such gain was recorded in the current financial year.*
- Q9. Any potential target/s for Mergers & Acquisitions ?
- Any plan on Privatization?
- The Board will review various options as and when there are any and an announcement will be made if a decision to pursue any corporate exercise is made.*
- Q10. If above plans aren't imminent, will company hike dividend payout?
- The Company's dividend policy aims to balance yield with capital growth to build shareholders' value over the long term. As such, the Board adopts a flexible approach in deciding on the declaration of dividend whilst balancing with the Company's needs to retain earnings to support growth prospects. The Board takes into account various factors such as its profitability, cash flow, retained earnings, projected business and financial performance, working capital requirements and general financing conditions, operating environment and general business conditions, projected level of capital expenditure and expansion plans, investment plans, restrictions on the payment of dividends imposed on the Company etc.*
- Q11. Can the company be more generous with dividend payout or make some capital distribution since the company has been hoarding cash for a long time. This has resulted in very poor company ROE and may deter potential investors from investing in Sunright.
- The Company has sustained its dividend rate despite a lower profit. We are declaring a dividend of 0.3 cent per share, representing a 28% payout.*



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- Q12. What is the succession plan of the company? Is there a younger generation waiting in the wings to helm the company in the near future?
- The Group operates globally and is managed locally. Its management bench has undergone leadership renewals over the last 4 decades.*
- Q13. What's the expected CAPEX projected for 2022?
- CAPEX spending is expected to be higher than past years, to fill the expected ramp and acute chips shortage that the industry is facing. However, these plans may be reduced by the incessant drag in material supplies caused by supply chain disruption and the present pandemic.*
- Q14. Will there be Capital Expense for upcoming Financial Year to improve on efficiency & productivity?
- Our capital expenditure plan includes items for factory productivity and efficiency.*
- Q15. With reference to the Statement of Financial Position and Income Statement, Cash and short-term deposits between FY20 and FY21 has not had a stark difference. However, under Interest Income, there has been a significant decrease from 2,349k (FY20) to 1,451k (FY21). **May I query why has there been such a significant decrease in Interest Income**, that is not proportional to the decrease in Cash and Short Term Deposits as per what has been stated under Point 16?
- The decrease in interest income was mainly due to lower interest rates on placements of fixed deposits, as disclosed in the full year results announcement.*
- Q16. With reference to the income statement, I have noted that Non-Controlling Interest (NCI) takes a significant portion of the Profit Net of Tax. I had previously assumed that it would be a fixed proportion of the profit net of tax, correlating to the Proportion of ownership held by NCI (Point 12(b)). However, having cross-referenced to previous years Annual Reports, it would seem that it is not the case. Hence, **may I query how is the profit attributable to NCI calculated?**
- The profit attributable to NCI is based on the proportion of ownership held by NCI, adjusted for certain consolidation adjustments.*
- Note that in Note 12(c) of the financial statements were amounts before inter-company elimination.*

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Q17. The NCI is allocated a significant proportion of the profits net of tax, which is unique to me across my investments. Additionally, it would seem that the NCI does not hold any outstanding shares in the company. Hence, I would like to enquire, for my personal evaluation of the Net Asset Value (NAV) per share of the company, would it be accurate of me to assume that the NAV/share is simply calculated by NAV/outstanding shares (122,806,000)? Or should I consider that a proportion of the NAV (assuming 52% with reference to Point 12(b)) should be excluded first before dividing by the total number of outstanding shares, as per how the Earnings per share is calculated?


*The NAV per ordinary share attributable to owners of the Company is calculated based on Total equity attributable to owners of the Company\* (\$84,084,000), divided by outstanding shares (122,806,000).*

*\*See page 59 of the Annual Report 2021*

Q18. What % of our revenue is used for R&D purposes?









*As we do not undertake pure research work, our engineering development and innovation costs are expensed.*

**PRESENTATION SLIDES OF CHAIRMAN/CHIEF EXECUTIVE OFFICER**



**THE WORLD'S LARGEST  
INDEPENDENT BURN-IN AND  
TEST SERVICE PROVIDER AND  
A LEADING MANUFACTURER OF  
RELIABILITY TEST SYSTEMS**

**WE ENSURE THE  
RELIABILITY  
OF DEVICES  
MANUFACTURED BY  
OUR CUSTOMERS  
FOR A WIDE RANGE  
OF PRODUCTS**

 AUTOMOTIVE	 COMPUTING
 CONSUMER	 INDUSTRIAL
 DATA PROCESSING	 CLOUD COMPUTING
 COMMUNICATIONS	 INTERNET OF THINGS

**Welcome**

**Annual General Meeting  
2021**

**Sam Lim  
Executive Chairman &  
CEO**

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**Sunright Remained Resilient**

**FY2021 Proved to Be More Challenging Than Previous Year**

- COVID-19 Pandemic Causing Systemic Disruptions To Our Businesses
- Global Chip Shortages Affecting Our Supply Chain
- Delivered Latest SLT Solution
- Offering Integrated Business Model Is An Advantage
- Increased Sales To Non-Auto Customers In The Past 2 Years
- Achievements Led By Strong Key Management Leadership

***“We Closed With A Profitable Result”***

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**Worldwide Semiconductor Industry Growth Forecast**

**“Crossing The US\$500B Mark In 2021”**

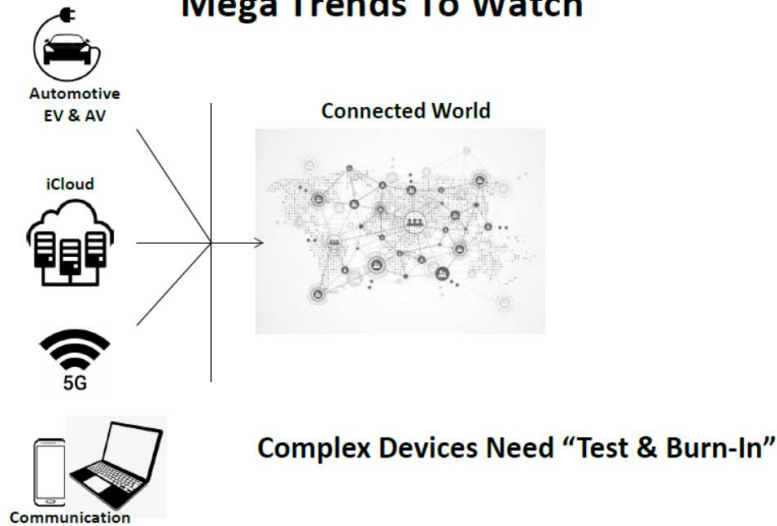


Source: Gartner

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**What Is Driving The Semiconductor Market?**

**“Mega Trends To Watch”**



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Thank You

And Stay Safe & Healthy

**Sam Lim**  
Executive Chairman &  
CEO