

INNOTEK LIMITED
(Incorporated in Singapore)
(Co. Reg. No. 199508431Z)

MINUTES OF THE 28TH ANNUAL GENERAL MEETING

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| PLACE | : | Queen Room, Level 2, Copthorne King's Hotel, 403 Havelock Road, Singapore 169632 |
| DATE | : | 26 April 2024 |
| TIME | : | 9.30 A.M. |
| PRESENT | : | <u>Directors Present</u> As set out in the attendance record maintained by the Company. <u>Shareholders</u> As set out in the attendance record maintained by the Company. <u>By Invitation</u> As set out in the attendance record maintained by the Company. |
| NOTICE OF MEETING | : | The Notice convening the Annual General Meeting (the “ Meeting ”) was taken as read. |
| CHAIRMAN | : | Mr Neal M. Chandaria (the “ Chairman ”) was elected to chair the meeting. |

QUORUM

As a quorum was present, the Chairman declared the Meeting open at 9.30 a.m. and introduced the members of the Board to the Shareholders.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Mr. Lou Yiliang, the Chief Executive Officer, presented his report to the Shareholders.

PRESENTATION OF THE SUMMARY OF THE GROUP'S PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (“FY2023”)

The Chairman presented a summary of the Group's performance for FY2023. A copy of the presentation slides was released via SGXNET on 26 April 2024.

PROCEEDINGS OF MEETING

The Chairman informed the meeting that in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), which requires all resolutions at general meetings to be voted by poll and to enhance transparency so as to accord due respect to the full voting rights of Shareholders, all resolutions tabled at the Meeting would be voted on by way of poll.

It was noted that Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as the Polling Agent and DrewCorp Services Pte Ltd had been appointed as the Scrutineers.

The Chairman noted that the Shareholders had previously been invited to submit their questions prior to the Meeting in advance by 19 April 2024. The Chairman noted that no questions had been received from the Shareholders as at the cut-off time.

The Chairman noted that proxies lodged had been checked and were found to be in order. The Notice of the AGM, having been in the Shareholders' hands for the statutory period, was taken as read.

The Chairman noted that, as Chairman of the Meeting, he had been appointed as proxy by Shareholders to vote for and against certain resolutions, to be proposed at the Meeting. Therefore, he would be voting according to their directions stated in the proxy forms.

ORDINARY BUSINESS:

1. RESOLUTION 1 - ADOPTION OF REPORTS AND ACCOUNTS

Resolution 1 on the Agenda 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 Auditors' Report.

In view that the Directors' Statement, the Audited Financial Statements of the Company for the financial year ended 31 December 2023, the Chairman Message to Shareholders and the Auditors' Report had been in the Shareholders' hands for the prescribed period, the Chairman proposed, with the Shareholders' permission, that the documents be taken as read.

The Chairman proposed the resolution. In relation to this resolution, three Shareholders raised questions and details of their questions and the answers in response thereto are recorded in Annex A as attached hereto.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and the Auditors' Report of the Company be and are hereby approved and adopted.”

2. RESOLUTION 2 - DECLARATION OF FIRST AND FINAL DIVIDEND

Resolution 2 on the Agenda was to declare a one-tier tax-exempt First and Final Dividend of 2.0 Singapore cents per share for the year ended 31 December 2023. The First and Final Dividend, if approved, would be paid to the Shareholders on 23 May 2024. As announced on 11 April 2024, the share transfer books and register of the Company would be closed at 5.00 p.m. on 9 May 2024.

The Chairman proposed the resolution. As there were no questions raised by the Shareholders, the following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that the payment of the final dividend of 2.0 Singapore cents per share for the financial year ended 31 December 2023 be approved.”

3. RESOLUTION 3 - RE-ELECTION OF MR LOU YILIANG

Resolution 3 on the Agenda was to re-elect Mr Lou Yiliang who was retiring from office by rotation.

In accordance with Rule 720(5) of the SGX-ST Listing Manual, Mr Lou Yiliang, as a Director, was retiring by rotation and who, being eligible, offered himself for re-election. It was noted that Mr Lou Yiliang would, upon re-election, remain as the Chief Executive Officer and Executive Director of the Company.

The Chairman proposed the resolution. In relation to this resolution, one Shareholder raised a question and details of this question and the answer in response thereto are recorded in Annex A as attached hereto.

The following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that Mr Lou Yiliang, who retires pursuant to Rule 720(5) of the SGX-ST Listing Manual, be and is hereby re-elected as a Director of the Company.”

4. RETIREMENT OF DIRECTORS

The Chairman noted that Mr Steven Chong Teck Sin (“**Mr Chong**”) and Mr Sunny Wong Fook Choy (“**Mr Wong**”), who were retiring in accordance with Regulation 103 of the Company’s Constitution, had indicated that they would not be seeking re-election. Accordingly, Mr Chong and Mr Wong will retire as Directors of the Company with effect from the conclusion of the Meeting.

The Board put on record its heartfelt appreciation to both Mr Chong and Mr Wong for their invaluable contribution as Directors during their tenure of service.

5. RESOLUTION 4 - APPROVAL OF DIRECTORS’ FEES

Resolution 4 on the Agenda was to approve the payment of Directors’ fees for the financial year ending 31 December 2024. It was noted that the Board of Directors had recommended the payment of a sum of up to S\$377,000 as Directors’ fees for the financial year ending 31 December 2024.

The Chairman proposed the resolution. As there were no questions raised by the Shareholders, the following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that Directors’ fees of up to S\$377,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears, be and are hereby approved.”

6. RESOLUTION 5 - RE-APPOINTMENT OF AUDITORS

Resolution 5 on the Agenda was to re-appoint Ernst & Young LLP as the Company’s Auditors and to authorise the Directors to fix their remuneration.

The Chairman proposed the resolution. As there were no questions raised by the Shareholders, the following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that Ernst & Young LLP be re-appointed as Auditors of the Company to hold office until the next Annual General Meeting at a fee to be determined by the Directors.”

SPECIAL BUSINESS:

7. RESOLUTION 6 - AUTHORITY TO ISSUE NEW SHARES

Resolution 6 on the Agenda was to seek the Shareholders’ approval for the Directors to be granted the authority to allot and issue new shares and convertible securities in the Company, the details of which are set out in the text of the Ordinary Resolution in item 8 of the Notice of Meeting.

The Chairman proposed the resolution. As there were no questions raised by the Shareholders, the following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”), the directors of the Company (“**Directors**”) be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“**shares**”) whether by way of rights or bonus; 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 that 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 is 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 ordinary shares (excluding treasury shares) 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 20% of the total number of issued ordinary shares (excluding treasury shares) 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 ordinary shares (excluding treasury shares) shall be based on the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company 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 which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue to be 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.”

8. RESOLUTION 7 - AUTHORITY TO ALLOT AND ISSUE NEW SHARES IN ACCORDANCE WITH THE PROVISIONS OF THE INNOTEK EMPLOYEES’ SHARE OPTION SCHEME 2021

Resolution 7 on the Agenda was to authorise the Directors to allot and issue new shares, pursuant to the exercise of options under and in accordance with the provisions of the InnoTek Employees’ Share Option Scheme 2021.

The Chairman proposed the resolution. As there were no questions raised by the Shareholders, the following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that approval be and is hereby given to the Directors to allot and issue such number of ordinary shares in the capital of the Company as may be issued pursuant to the exercise of the options under the InnoTek Employees’ Share Option Scheme 2021 (“Share Plan”) in accordance with the provisions of the Share Plan, provided always that the aggregate number of shares to be issued pursuant to the Share Plan shall not exceed 15% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time.”

9. RESOLUTION 8 - THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Resolution 8 on the Agenda was to approve the renewal of the Share Purchase Mandate.

The Chairman proposed the resolution. As there were no questions raised by the Shareholders, the following resolution was passed by way of poll (detailed results of which are appended as an appendix hereto):

“Resolved that:

- (a) for the purposes of Section 76C and 76E of the Companies Act 1967 (the “Companies Act”) and such other laws and regulations as may for the time being be applicable, the exercise by the Directors of the Company (“Directors”) of all the powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company (“Shares”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the

Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) on-market purchases transacted on the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“**On-Market Purchase**”); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual (“**Off-Market Purchase**”),

(the “**Share Purchase Mandate**”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next annual general meeting of the Company (“**AGM**”) is held or required by law to be held, whichever is earlier;
 - (ii) the date on which the share purchases are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied;
- (d) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days (“**Market Day**” being a day on which the SGX-ST is open for trading in securities) on which transactions in the Shares were recorded, before the day on which the purchases are made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and is deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs after the relevant five (5)-day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase; and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 115% of the Average Closing Price of the Shares,

“**Prescribed Limit**” means 10% of the total number of Shares as at the date of the last AGM of the Company held before this Resolution is passed or as at the date of passing of this Resolution, whichever is the higher (excluding any treasury shares that may be held by the Company from time to time), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the relevant period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered; and

- (e) the Directors and each of them be and is hereby authorised to do any and all such acts (including to execute all such documents as may be required, approve any amendments, alterations or modifications to any documents, and sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may, in their absolute discretion deem necessary, desirable or expedient to give effect to this Ordinary Resolution and the Share Purchase Mandate.”

10. TERMINATION

There being no other business to transact, the Chairman declared the Meeting of the Company closed and thanked everyone for their attendance.

Neal Manilal Chandaria
Chairman of the Meeting

The poll results in respect of the resolutions tabled at the AGM are as follows:

| Resolution Number and Details | | Total number of shares represented by votes for and against the relevant resolution | FOR | | AGAINST | |
|-------------------------------|---|---|---------------|---|---------------|---|
| | | | No. of shares | As a percentage of total number of votes for and against the resolution (%) | No. of shares | As a percentage of total number of votes for and against the resolution (%) |
| Ordinary Business | | | | | | |
| 1 | Directors' Statement and the Audited Financial Statements for the year ended 31 December 2023 | 130,950,625 | 130,949,125 | 100.00 | 1,500 | 0.00 |
| 2 | Declaration of First and Final dividend | 129,882,825 | 129,881,325 | 100.00 | 1,500 | 0.00 |
| 3 | Re-election of Mr. Lou Yiliang as a Director | 129,899,525 | 129,026,725 | 99.33 | 872,800 | 0.67 |
| 4 | Approval of Directors' fees for 2024 | 129,899,525 | 129,898,025 | 100.00 | 1,500 | 0.00 |
| 5 | Re-appointment of Ernst & Young LLP as Auditors | 129,879,525 | 129,878,025 | 100.00 | 1,500 | 0.00 |
| Special Business | | | | | | |
| 6 | Authority to allot and issue new shares | 129,899,525 | 121,563,300 | 93.58 | 8,336,225 | 6.42 |

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| 7 | Authority to allot and issue new shares in accordance with the provisions of the Share Plans | 129,859,525 | 119,527,400 | 92.04 | 10,332,125 | 7.96 |
| 8 | Renewal of Share Purchase Mandate | 129,836,325 | 129,834,825 | 100.00 | 1,500 | 0.00 |

ANNEX A

QUESTIONS RAISED BY SHAREHOLDERS AT THE COMPANY’S ANNUAL GENERAL MEETING HELD ON 26 APRIL 2024 IN RELATION TO THE RESOLUTIONS AND THE RESPONSES MADE IN RELATION THERETO

| NO. | QUESTIONS | RESPONSES |
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| <u>Resolution 1 – Directors’ Statement and the Audited Financial Statements for the year ended 31 December 2023</u> | | |
| 1. | Shareholder A enquired on (a) the Company Capital Expenditure (“CapEx”) plans and updates for the upcoming financial year, and (b) the utilisation rate for the overseas plants which are located in Thailand and Vietnam. | <p>The Chairman shared that the Company expects the CapEx to return to normal levels, as compared to the previous year. It was noted that the CapEx in the previous year was higher due to the opening of the new Vietnam plants.</p> <p>The Chairman further noted that the utilisation of the Vietnam plants had been low as the plants are newly set up, while the utilisation of the Thailand plants was relatively low during the COVID-19 pandemic. However, it was noted that the utilisation rate is expected to improve due to new projects which are in the Company’s pipeline.</p> |
| 2. | Shareholder A further inquired on the estimated utilisation rate of the new facilities. | The Chairman shared that while it is generally difficult to give an estimate on the utilisation for new facilities, the Company expects an increase of up to 50% as the business ramps up post-pandemic. |
| 3. | Shareholder A queried on the impairment of US\$1.4 million in the China subsidiary and whether there will be any additional impairments. | The Chairman explained that the impairment was the result of turmoil in the Electric Vehicle (“EV”) industry in China. There were many EV brands in China that had left the market, with many existing models quickly being superseded by newer models. The Company had been affected by the fast-changing industry as some of its final-stage customers had planned big projects, only to have to curtail such plans. The Chairman further shared that the Company had also been selective in choosing its customers. The Chairman noted that it is a challenging time for the EV industry and this is expected to continue for the next year or two. |
| 4. | Shareholder A enquired on the Company’s receivables, and whether there would be any write-down in 2024. | The Chairman shared that the Company’s revenue had increased, resulting in a corresponding increase in receivables as the Company deals mainly with the Chinese domestic automotive sectors which generally have longer payment terms. |

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| | | <p>As the Chairman had earlier shared that the Company was selective in choosing its customers, the Company was of the position that the Company would not face any significant impairments.</p> <p>Mr Lou Yiliang further shared that the Company’s customers are mostly global leading automotive companies, and the possibility of bad debts is relatively low.</p> |
| 5. | Shareholder A sought clarification on the “Other Investment” of \$7.2 million under the Cashflow statement. Shareholder A enquired on the purpose of the “Other Investment” and the reason as to why the Company was not focusing on their main core of business – manufacturing, and sought for a better understanding of the returns of Company’s investments. | The Chairman informed Shareholders that the trading activities are purely for the purposes of the Company’s cash management and the management is not involved in the trading activities as it had been outsourced to a third party financial institution to manage the portfolio. As for the cash component, it was noted that the Company was trying to get better returns for its cash, which are not required to be used currently. The Chairman confirmed that the exact amount of return on its investment portfolio stands at approximately \$882,000. |
| 6. | Shareholder B enquired on the new business contribution in FY2024. | The Chairman shared that growth will be mainly from the Graphics Processing Units (“GPU”) server sector as growth in that sector is accelerating and the Company is benefitting from such current industry trend. |
| 7. | Given the significant growth, Shareholder B would like to know if the Shareholders will be required to put in more investments? | <p>The Chairman shared that the Company should have sufficient capacity but, if required, the Company may make the necessary investments to automate some of the existing processes.</p> <p>Mr Lou shared that the Company is expecting the sales from its new business to grow in 2024 and the investments from shareholders is expected to grow eventually. However, as at this juncture, the Company does not foresee any issues with its current capacity.</p> |
| 8. | Shareholder B enquired on the EV segment’s contribution to the growth of the Company’s business in 2023. Additionally, Shareholder B queried if the new EV charging business would help to elevate the Company’s competition in the EV sector. | <p>Mr Ukawa shared that the Company’s sales in the EV sector consisted of two segments, the first being the direct sales to EV battery makers, and the second being sales to “Tier 1” clients that makes indirect sales to EV companies in Europe and United States of America (“US”).</p> <p>Mr Ukawa shared that direct sales segment commenced approximately two years ago and its sales had faced rapid growth. On the hand, it was</p> |

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| | | noted that the market in Europe and US face slower development than the Chinese EV market. |
| 9. | Shareholder B noted that most tech-related companies are benefitting from the artificial intelligence (“AI”) business. Given that the Company is a \$200 million company, but the AI market is expected to grow into a billion dollar market, Shareholder B queried if the Company was looking to tap into the growing AI market, and if so, the reasons as to why customers would choose the Company as a supplier. | <p>The Chairman shared that the Company expects its server segment to become one of its core pillars, along with the automotive and TV display business. The Chairman posited that the server segment would grow rapidly and be of increasing importance to the Company.</p> <p>Notwithstanding that, the Chairman shared that the Company only supplies the metal components to the servers, of which such components only make up a small portion of the final price of the servers.</p> <p>Insofar as the customers’ selection of the Company as their suppliers are concerned, the Chairman shared that the customers’ choice was a reflection of the Company’s capacity, capability, quality and ability to meet the customers’ expectations and requirements. In that regard, the Chairman further noted that for some of its customers, the Company was in fact, the sole source of metal components, which further shows the customers’ confidence in the Company.</p> |
| 10. | Shareholder B states that the Company has a strong balance statement and the CapEx is expected to become more moderate in 2024. Notwithstanding that, Shareholder B notes that dividends had been stable and inquired if the Company intends to increase the efficiency of the Shareholders’ cash contributions. Shareholder B states that many companies in similar industries had carried out share buy-back exercises to take advantage of the undervalued share price. Shareholder B would like to know if it would be better for the Company to (a) invest in bonds / fixed deposits, (b) carry out share buy-back exercises to purchase the undervalued shares or (c) consider increasing the pay-out of dividends to the Shareholders. | <p>The Chairman shared that the Company will consider carrying out share buy-back exercises should the need arise. The Chairman stated that its customers’ confidence in the Company comes from the strength of the Company’s strong and stable cash reserves and balance sheet. The Chairman shared that as the Company’s profitability improves in the future, the Company will look into increasing the dividends, as appropriate.</p> <p>Mr Lou further shared that with the growing profitability of the Company, the Shareholder’s concern in relation to the dividend pay-out will be addressed.</p> |
| 11. | Shareholder C noted that since the Company’s diversification of business into the Thailand and Vietnam markets in 2018, less than 5% of the revenue came from Thailand and Vietnam. Shareholder C would like to know (a) if the Company was prepared to drive more revenue from Thailand and Vietnam, and (b) how a trade war would affect the business in China. | The Chairman shared that while the Company was disappointed with the subsidiary’s performance in Thailand, it was noted the plants were affected by the COVID-19 pandemic. The Company hopes that with the ramping up of its business in Thailand post-pandemic, its revenue will improve accordingly. The Chairman shared that the business in Vietnam is still new and more time |

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| | | <p>would be required to generate a higher revenue.</p> <p>The Chairman shared that the Company has maintained a strong cash reserve to ensure that it can respond to the changes in the clients' needs.</p> |
| <p><u>Resolution 3 – Re-election of Mr. Lou Yiliang as a Director</u></p> | | |
| 12. | <p>Shareholder D noted that there were two directors who were retiring and enquired on the replacements for the outgoing directors.</p> | <p>The Chairman shared that the Company would be appointing a new director shortly.</p> |