



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED
(Company Registration Number 199902564C)
(Incorporated in Singapore on 13 May 1999)

MINUTES OF ANNUAL GENERAL MEETING HELD BY ELECTRONIC MEANS

| | | |
|----------------|---|---|
| DATE | : | Friday, 28 April 2023 |
| TIME | : | 10:00 a.m. |
| PRESENT | : | Dr. Shi Xu Executive Chairman |
| | | Mr. Gary Ho Hock Yong Executive Director and Chief Executive Officer |
| | | Mr. Russell Tham Min Yew Non-Executive and Non-Independent Director |
| | | Ms. Ong Siew Koon @ Ong Siew Khoon Lead Independent Director and Chairman of Audit Committee |
| | | Mr. Kristian John Robinson Independent Director and Chairman of Nominating Committee |
| | | Ms. Lee Lee Khoon Independent Director and Chairman of Remuneration Committee |
| | | Mr. Wan Kum Tho Independent Director and Chairman of Board Risk Committee |
| | | Mr. Steve Ghanayem Independent Director |

IN ATTENDANCE / BY INVITATION : Shareholders, Management and other external professionals who attended via “Live” webcast or audio conference

As set out in the attendance records maintained by the Company.

CHAIRMAN OF THE MEETING : Dr. Shi Xu

QUORUM

Dr. Shi Xu, the Executive Chairman of the Company (the “**Chairman**”), welcomed Shareholders to the Annual General Meeting (the “**Meeting**” or “**AGM**”) of Nanofilm Technologies International Limited (the “**Company**”) for the financial year ended 31 December 2022 (“**FY2022**”). The Chairman on behalf of the Board also extended his appreciation for the Shareholders’ support.

As a quorum was present, the Chairman declared the Meeting open at 10:00 a.m..

LIVE Q&A SESSION AND VOTING

The Chairman informed the Meeting that there would be a live question and answer ("**Q&A**") session and that shareholders of the Company ("**Shareholders**") may send their questions relating to the agenda of the Meeting via the "Live Questions" feature on the webcast platform.

Shareholders noted that the Company would address all relevant and substantial questions submitted via the webcast platform as well as those submitted by post or email before the AGM and during the Q&A session, after all resolutions have been read.

Shareholders were invited to vote on each Resolution tabled at the Meeting at any time during the AGM proceedings or after the end of the Q&A session, as they deemed fit.

INTRODUCTION

The Chairman introduced the Board of Directors of the Company and the following:

- Mr. Kay Lim Kian Onn, Chief Financial Officer
- Mr. Gian Yi-Hsen, Chief Commercial & Strategy Officer
- Mr. Lars Ralf Rainer Lieberwirth, Chief Technology Officer
- Ms. Eunice Hooi, Company Secretary
- Ms. Chan Rouh Ting, Partner-in-charge & Audit Partner of Moore Stephens LLP
- Representatives from the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd.

NOTICE

With the consent of the Meeting, the Notice convening the Meeting dated 13 April 2023 (the "**Notice**") was taken as read.

VOTING BY WAY OF A POLL

It was noted that Shareholders who wished to vote on the resolutions to be tabled at the AGM may:

- (a) vote "live" via electronic means at the AGM, or (whether the Shareholder is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or
- (b) (whether the Shareholder is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, Shareholders must give specific instructions as to voting, or abstain from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

The Meeting was informed that the Chairman had been appointed as proxy by some Shareholders and he would be voting in accordance with their instructions.

The Chairman demanded for a poll in accordance with Regulation 64 of the Company's Constitution.

Shareholders were further informed that Reliance 3P Advisory Pte. Ltd. and Septus Singapore Pte. Ltd. had been appointed as Scrutineer and Polling Agent respectively, for the conduct of the poll.

PROPOSAL OF THE MOTIONS

The Meeting was informed that all motions on the agenda of the Meeting would be proposed by the Chairman, except the motion for Resolution 3. Mr Kristian Robinson, Independent Director, would propose the motion for Resolution 3.

The Chairman then proceeded with the business of the Meeting.

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

The following resolution was proposed by the Chairman:-

“That the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon be received and adopted.”

2. DECLARATION OF FINAL DIVIDEND – RESOLUTION 2

The following resolution was proposed by the Chairman:-

“That the declaration of a final dividend (tax exempt one-tier) of S\$0.011 per ordinary share for the financial year ended 31 December 2022 be approved.”

3. RE-ELECTION OF DR. SHI XU AS A DIRECTOR – RESOLUTION 3

The Chairman informed the Shareholders that as the proposed Resolution 3 relates to his re-election as a Director, he would pass the conduct of the meeting to Mr Kristian Robinson to preside over the motion.

Dr. Shi Xu, who was retiring under Regulation 94 of the Company's Constitution, had consented to continue in office.

The following resolution was proposed by Mr Kristian Robinson:-

“That Dr. Shi Xu be re-elected as a Director of the Company.

Dr. Shi Xu will, upon re-election as a Director of the Company, remain as the Executive Chairman of the Board.”

Following the proposed resolution, Mr Kristian Robinson returned the chairmanship to Dr. Shi Xu to resume the conduct of the meeting.

4. RE-ELECTION OF MR. KRISTIAN JOHN ROBINSON AS A DIRECTOR – RESOLUTION 4

Mr. Kristian John Robinson, who was retiring under Regulation 94 of the Company's Constitution, had consented to continue in office.

The following resolution was proposed by the Chairman:-

“That Mr. Kristian John Robinson be re-elected as a Director of the Company.

Mr. Kristian John Robinson will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Remuneration Committee.

Mr. Kristian John Robinson will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”).”

5. RE-ELECTION OF MR. WAN KUM THO AS A DIRECTOR – RESOLUTION 5

Mr. Wan Kum Tho, who was retiring under Regulation 94 of the Company’s Constitution, had consented to continue in office.

The following resolution was proposed by the Chairman:-

“That Mr. Wan Kum Tho be re-elected as a Director of the Company.

Mr. Wan will, upon re-election as a Director of the Company, remain as Chairman of the Board Risk Committee and a member of the Audit Committee.

Mr. Wan will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.”

6. RE-ELECTION OF MR. STEVE GHANAYEM AS A DIRECTOR – RESOLUTION 6

Mr. Steve Ghanayem, who was retiring under Regulation 100 of the Company’s Constitution, had consented to continue in office.

The following resolution was proposed by the Chairman:-

“That Mr. Steve Ghanayem be re-elected as a Director of the Company.

Mr. Steve Ghanayem will, upon re-election as a Director of the Company, remain as a member of the Board Risk Committee.

Mr. Steve Ghanayem will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.”

7. ADDITIONAL DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 – RESOLUTION 7

The Chairman informed that Resolution 7 was to approve the payment of additional Directors’ fees for the financial year ended 31 December 2022.

The following resolution was proposed by the Chairman:-

“That the additional Directors’ fees of Ten Thousand, Twenty-Seven Singapore Dollars and Forty Cents (S\$10,027.40) for the financial year ended 31 December 2022 be approved for payment.”

8. DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023 – RESOLUTION 8

The Chairman informed that Resolution 8 was to approve the payment of Directors’ fees for financial year ending 31 December 2023.

The following resolution was proposed by the Chairman:-

“That the Directors’ fees of Five Hundred and Eighty-Eight Thousand Singapore Dollars (S\$588,000) for the financial year ending 31 December 2023 be approved and that the fees be paid quarterly in arrears.”

9. RE-APPOINTMENT OF AUDITORS – RESOLUTION 9

The retiring auditors, Moore Stephens LLP, had expressed their willingness to continue in office.

The following resolution was proposed by the Chairman:-

“That Moore Stephens LLP be re-appointed as the Company’s Auditors until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

ANY OTHER BUSINESS

As no notice of any other ordinary business has been received by the Secretary, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS

10. AUTHORITY TO ISSUE NEW SHARES – RESOLUTION 10

The following resolution was proposed by the Chairman:-

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

- (a) (i) allot and issue ordinary shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other similar instruments convertible into Shares; and/or
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,
- 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;
- (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; and
 - (c) complete and do all such acts and things, including without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Resolution,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (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 Shareholders (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (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 the issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be 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 any convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; 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 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 Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

Adjustments in accordance with sub-paragraph (2)(a) or sub-paragraph (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.”

11. AUTHORITY TO ISSUE SHARES UNDER THE NANOFILM EMPLOYEE SHARE OPTION SCHEME 2017 (“ESOS 2017”) – RESOLUTION 11

The following resolution was proposed by the Chairman:-

“That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to allot and issue new fully-paid Shares (“**New Shares**”) from time to time as may be required to be issued pursuant to the exercise of the options granted under the ESOS 2017 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

12. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE NANOFILM EMPLOYEE SHARE OPTION SCHEME 2020 (THE “NANOFILM ESOS 2020”) – RESOLUTION 12

The following resolution was proposed by the Chairman:-

“That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

- (a) offer and grant options pursuant to the rules of the Nanofilm ESOS 2020 and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier (“**Relevant Period**”); and
- (b) allot and issue New Shares as may be required to be issued from time to time pursuant to the exercise of options granted during the Relevant Period,

provided that the total number of Shares over which options may be granted under the Nanofilm ESOS 2020 on any date, when added to the total number of New Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares and subsidiary holdings, if any) delivered and/or to be delivered, pursuant to (i) options already granted under the Nanofilm ESOS 2020; (ii) awards already granted under the Nanofilm Restricted Share Plan (as defined in paragraph 11 below); and (iii) any options and awards already granted under the Company’s other share options or share schemes adopted post the initial public offering of the Shares on the SGX-ST (“**Listing**”), shall not exceed 5% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) on the date preceding the date of grant of the relevant new option.”

13. AUTHORITY TO GRANT AWARDS AND ISSUE SHARES UNDER THE NANOFILM RESTRICTED SHARE PLAN (THE “NANOFILM RESTRICTED SHARE PLAN”) – RESOLUTION 13

The following resolution was proposed by the Chairman:-

“That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors to:

- (a) offer and grant awards (“**Awards**”) in accordance with the provisions of the Nanofilm Restricted Share Plan and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force during the Relevant Period; and
- (b) allot and issue New Shares, as may be required to be issued from time to time pursuant to the vesting of Awards under the Nanofilm Restricted Share Plan,

provided that the total number of Shares which may be delivered pursuant to Awards granted under the Nanofilm Restricted Share Plan, when added to: (i) the total number of New Shares allotted and issued and/or to be allotted and issued, issued Shares (including treasury shares and subsidiary holdings, if any) delivered and/or to be delivered, and Shares released and/or to be released in the form of cash in lieu of Shares, pursuant to all Awards granted under the Nanofilm Restricted Share Plan; (ii) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares and subsidiary holdings, if any) delivered and/or to be delivered, pursuant to options already granted under the Nanofilm ESOS 2020; and (iii) the total number of Shares subject to any other share option or share schemes adopted by the Company after the Listing, shall not exceed 5% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings, if any) from time to time.”

14. RENEWAL OF SHARE PURCHASE MANDATE – RESOLUTION 14

The following resolution was proposed by the Chairman:-

“That:

- (a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices 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 purchase(s) (“**Market Purchases**”), transacted through the SGX-ST trading system and/or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (“**Off-Market Purchase**”), if effected otherwise than on the SGX-ST or a securities exchange in accordance with an equal access scheme(s) (as defined in Section 76C of the Companies Act) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,
- and otherwise in accordance with the Companies Act and all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing on and from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next AGM of the Company is held or required by law to be held; or
 - (ii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) for purposes of this Resolution:–

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) consecutive market days on which Shares are transacted on the SGX-ST or, as the case may be, such other securities exchange on which the Shares may for the time being be listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual of the SGX-ST for any corporate action which occurs during the relevant five (5) market day period and the date on which the Market Purchase is made or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

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

“**Maximum Limit**” means that number of issued Shares representing 10% of the total issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed, in the case of a Market Purchase, 105% of the Average Closing Price of the Shares and, in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

Q&A SESSION

The Board of Directors and senior management of the Company then proceeded to respond to questions received from Shareholders.

All substantial and relevant questions received from Shareholders and the answers to these questions are as set out in **Appendix A**.

The Chairman then proceeded with the formal business of the Meeting.

CONDUCT OF POLL

The Chairman directed the Shareholders to cast their vote for each Resolution proposed at the Meeting.

RESULTS OF THE VOTING

Following the Polling Agent’s tabulation and counting of votes, and the Scrutineer’s verification of the votes counted, the results of the poll were shown on the screen and announced as follows:

Ordinary Resolution 1

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,311,199 | 99.98 |
| No. of shares voted against | 81,600 | 0.02 |

Ordinary Resolution 2

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,456,299 | 99.98 |
| No. of shares voted against | 81,600 | 0.02 |

Ordinary Resolution 3

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 485,016,697 | 99.69 |
| No. of shares voted against | 1,521,202 | 0.31 |

Ordinary Resolution 4

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,389,391 | 99.97 |
| No. of shares voted against | 148,508 | 0.03 |

Ordinary Resolution 5

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,415,691 | 99.97 |
| No. of shares voted against | 122,208 | 0.03 |

Ordinary Resolution 6

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,424,919 | 99.98 |
| No. of shares voted against | 112,980 | 0.02 |

Ordinary Resolution 7

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,403,297 | 99.98 |
| No. of shares voted against | 116,202 | 0.02 |

Ordinary Resolution 8

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,419,297 | 99.98 |
| No. of shares voted against | 116,202 | 0.02 |

Ordinary Resolution 9

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 486,439,671 | 99.98 |
| No. of shares voted against | 95,828 | 0.02 |

Ordinary Resolution 10

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 422,342,697 | 86.81 |
| No. of shares voted against | 64,195,202 | 13.19 |

Ordinary Resolution 11

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 420,150,104 | 86.36 |
| No. of shares voted against | 66,387,795 | 13.64 |

Ordinary Resolution 12

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 419,926,538 | 86.31 |
| No. of shares voted against | 66,611,361 | 13.69 |

Ordinary Resolution 13

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 419,957,418 | 86.32 |
| No. of shares voted against | 66,580,481 | 13.68 |

Ordinary Resolution 14

| | Votes | %* |
|-----------------------------|--------------|-----------|
| No. of shares voted for | 485,750,769 | 99.84 |
| No. of shares voted against | 777,528 | 0.16 |

*rounded to the nearest two decimal places

Based on the results of the poll, Chairman declared that Ordinary Resolutions 1 to 14 were duly carried.

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 10:50 a.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings Held

Dr. Shi Xu
Chairman



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED
 (Company Registration Number 199902564C)
 (Incorporated in Singapore on 13 May 1999)

APPENDIX A

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AT
 THE ANNUAL GENERAL MEETING HELD ON 28 APRIL 2023**

| No. | Questions from shareholders | Response from the Company |
|-----|--|---|
| 1. | <p>Nano had just announced its Q1 business update. The revenue had decreased by 40%. Is the management working to turn around the poor performance?</p> | <p>The Group Chief Executive Officer, Mr Gary Ho (“CEO”), responded that the Company remains a key nanotechnology solutions provider to customers and is focused on executing pipeline projects for both its existing and new verticals. Beyond organic growth, the Company is also exploring inorganic and synergistic opportunities.</p> <p>In addition, the Company is taking measures to prudently control costs and intend to expand the Company’s geographical footprint in high-growth areas and continue investing to maintain its technological edge.</p> <p>Although the Company remains in a net cash position, Management will continue to be prudent in their cost management to drive lean operations. These cost-saving initiatives include the incorporation of automation to reduce labour involvement, slowing down manpower hiring in non-critical areas, and restructuring production direct and indirect labour for further operational efficiency.</p> |
| 2. | <p>In relation to the share schemes, what is the rationale for the authority to issue shares pursuant to the ESOS and RSP (Ordinary Resolutions 11, 12 and 13) and also in relation to the members of the RC, who manage the ESOS and RSP, being beneficiaries of the same plans?</p> | <p>Ms. Lee Lee Khoon, Remuneration Committee Chairman (“Ms Lee”), responded that one of the primary reasons for issuing share incentives is to retain and motivate key employees and attract potential employees with relevant skills that could contribute to the growth of the Group.</p> <p>Ms. Lee shared that the ability to issue share incentives as a retention mechanism is important in today’s competitive employment market, where talented employees are often poached to join other companies, including competitor companies. By issuing options under the Employee Share Option Scheme 2020 (“Options”) to employees, it ties the interest of the employees with the Company and helps to ensure stability in the workforce, enhance loyalty and promote good performance.</p> |

NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)

Summary of the Question & Answer Segment at Annual General Meeting held on 28 April 2023

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| No. | Questions from shareholders | Response from the Company |
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| | | <p>Ms. Lee added that issuing share incentives provides the Company with more flexibility in structuring the remuneration packages and performance incentives of the Group employees, which in turn, would help the Company to better manage its cash flow.</p> <p>The share Options issued by the Company are subject to certain conditions. It was noted that only employees who achieved certain performance ratings are granted the share incentives.</p> <p>Ms. Lee further explained that most of the Options granted or to be granted each year are reserved for its Group employees. Only a small number of the total options granted to-date were for Non-Executive Directors, as a token of appreciation for their contributions to the Group. No award of shares under the Restricted Share Plan ("Awards") to Non-Executive Directors has been granted to date.</p> <p>To avoid any potential conflicts of interest, a member of the Remuneration Committee would recuse from voting in respect of any grant of Options or Awards to himself/herself.</p> |
| 3. | What is the rationale for the share issue mandate (Ordinary Resolution 10)? | <p>The Group Chief Financial Officer ("CFO"), Mr. Kay Lim, responded that the issuance of shares up to a limit of 50% of the outstanding share capital is made with pre-emptive rights to shareholders who can participate on a pro-rata basis. Out of this 50%, only 20% may be issued without pre-emptive rights. The reason for the issuance of shares up to a 20% limit instead of a 10% limit is to allow the Company to have the flexibility in pursuing opportunities that would require them to enter into transactions involving the issuance of shares, especially if such transactions are time-sensitive.</p> <p>The CFO added that notwithstanding that a mandate may be granted, the acquisition of any target at a consideration that exceeds 20% of the Company's market capitalization would still require shareholders' approval. This would ensure that shareholders will have the opportunity to vote on any major M&A deal before the mandate is used to issue Company's shares as consideration for an acquisition.</p> <p>Separately, the Directors have the responsibility to ensure that the mandate is utilised prudently and in the best interest of shareholders. In addition, the Listing Rules require that shares that are issued out of the mandate cannot be at a discount of more than 10% to the volume weighted average price, and no shares may be issued out of the mandate to directors, substantial shareholders, and their associates, except in very restricted situations.</p> |

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(Company Registration Number 199902564C)

Summary of the Question & Answer Segment at Annual General Meeting held on 28 April 2023

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| No. | Questions from shareholders | Response from the Company |
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| | | It was noted at the AGM that the share issue mandate would avoid the costs and expenses associated with convening general meetings to seek shareholders' approval. |
| 4. | What is the Company's comment/take when analysts are issuing downgrades on the Company? | The CFO responded that the Company is operating in a very challenging environment. How analysts view and analyze the Company may be based on market view, their own independent assessments and time horizons. Further, analysts' views may change according to developments in the macro environment and outlook of the global economy. The Company remains committed to providing regular business updates to the investment community. |
| 5. | <p>What is the company base business planning scenario for 2023/4?</p> <p>What is the best and worst case?</p> <p>What steps will the Company take to protect itself from risk, and leverage if there is growth opportunity?</p> | <p>CEO responded that the Company continues to strengthen the foundations of its business through its four pillars:</p> <ul style="list-style-type: none"> (i) Geographical Diversification & Coverage – expanding its presence in Osaka, Vietnam, and potentially Europe; (ii) New Segments with Capability & Product Expansion; (iii) Joint Ventures / Mergers and Acquisitions; and (iv) Research and Development Engineering and Product Development. <p>The Company will continue to be prudent in its cost management to drive lean operations. The above actions would help the Company to weather the volatile environment and leverage as and when growth opportunities arise.</p> |
| 6. | <p>Your share price has been fairly suppressed and subdued over the past year. The Chairman has previously highlighted the need to proactively manage investor relations. However, Shareholders see limited exposure in that regard.</p> <p>Can the Company comment on the action plan going forward?</p> | <p>The CFO responded that the Company acknowledges that the share price has been suppressed in the past year. The Company has been working on improving its investor relations. On that front, the Company has made quarterly business updates through SGX announcements and will continue to update the investment community on a timely basis.</p> <p>The CFO shared that the Company had participated in more than 150 one-on-one and group meetings with market participants last year and that they had also taken part in several non-deal roadshows organized by various financial institutions.</p> <p>The Company will continue its active engagements with the investment community.</p> |