



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)

(Incorporated in Singapore on 13 May 1999)

**MINUTES OF ANNUAL GENERAL MEETING
HELD AT 28 AYER RAJAH CRESCENT #02-02/03, SINGAPORE 139959**

DATE : Friday, 26 April 2024

TIME : 2:00 p.m.

PRESENT : *In Attendance:*

Dr. Shi Xu	Executive Chairman
Mr. Gary Ho Hock Yong	Executive Director and Chief Executive Officer
Ms. Ong Siew Koon @ Ong Siew Khoon	Lead Independent Director and Chairman of Audit Committee
Mr. Wan Kum Tho	Independent Director and Chairman of Board Risk Committee
Mr. Kristian John Robinson [#]	Independent Director and Chairman of Nominating Committee
Ms. Lee Lee Khoon	Independent Director and Chairman of Remuneration Committee
Mr. Steve Ghanayem [#]	Independent Director

Absent with apologies:

Mr. Russell Tham Min Yew	Non-Executive and Non-Independent Director
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[#]attended the AGM meeting virtually

IN ATTENDANCE / BY INVITATION : **Shareholders, Management and other external professionals who attended**

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 2023 (“**FY2023**”). The Chairman on behalf of the

Board also extended his appreciation to the Shareholders for their support.

As a quorum was present, the Chairman declared the Meeting open at 2:00 p.m..

Q&A SESSION AND VOTING

The Chairman informed the Meeting that there would be a question and answer (“**Q&A**”) session and that any shareholder of the Company (“**Shareholder**”) may raise his hand, state his name, and whether he is a shareholder, proxy, or corporate representative and the name of the person or company he represents.

Shareholders noted that the Company would address all relevant and substantial questions raised during the Q&A session as well as those submitted by post or email before the AGM, 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.

Shareholders were invited at the end of the AGM to join the Management for a tour around the Company's site facilities.

INTRODUCTION

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

- Mr. Kay Lim Kian Onn, Group Chief Financial Officer
- Mr. Gian Yi-Hsen, Group Chief Strategy Officer
- Mr. Ian Howe, Group Chief Commercial Officer
- Ms. Zhan Aijuan, Company Secretary
- Ms. Lao Mei Leng, Partner-in-charge & Audit Partner of Moore Stephens LLP
- Representatives from the Share Registrar and Boardroom Corporate & Advisory Services Pte. Ltd.

The Chairman had formally expressed the absence of Mr. Wan Kum Tho, Independent Director and Chairman of the Board Risk Committee and Mr. Russell Tham Min Yew, Non-Executive and Non-Independent Director from the Meeting due to their conflicting schedules with the Company's Meeting timing. It is noted that Mr. Wan Kum Tho joined the Meeting at about 3.00 p.m..

NOTICE

With the consent of the Meeting, the Notice convening the Meeting dated 11 April 2024 (the “**Notice**”) was taken as read.

VOTING BY WAY OF A POLL

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 Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as Scrutineer and Polling Agent respectively, for the conduct of the poll.

A representative from Reliance 3P Advisory Pte. Ltd. explained the conduct of poll voting.

PROPOSAL OF THE MOTIONS

The Meeting was informed that all motions on the agenda of the Meeting would be proposed by the Chairman.

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 2023 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\$0.0033 per ordinary share for the financial year ended 31 December 2023 be approved.”

3. RE-ELECTION OF MR. GARY HO HOCK YONG AS A DIRECTOR – RESOLUTION 3

Mr. Gary Ho Hock Yong, 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. Gary Ho Hock Yong be re-elected as a Director of the Company.

Mr. Gary Ho will, upon re-election as a Director of the Company, remain as an Executive Director, Chief Executive Officer and a member of the Board Risk Committee.”

4. RE-ELECTION OF MS. LEE LEE KHOON AS A DIRECTOR – RESOLUTION 4

Ms. Lee Lee Khoon, 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 Ms. Lee Lee Khoon be re-elected as a Director of the Company.

Ms. Lee will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee.

Ms. Lee 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 MS. ONG SIEW KOON @ ONG SIEW KHOON AS A DIRECTOR – RESOLUTION 5

Ms. Ong Siew Koon, 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 Ms. Ong Siew Koon be re-elected as a Director of the Company.

Ms. Ong will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Board Risk Committee and Nominating Committee.

Ms. Ong will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST."

6. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 – RESOLUTION 6

The Chairman informed that Resolution 6 was to approve the payment of Directors' fees for financial year ending 31 December 2024.

The following resolution was proposed by the Chairman:-

"That the Directors' fees of Four Hundred and Forty-Eight Thousand Singapore Dollars (S\$448,000) for the financial year ending 31 December 2024 be approved and that the fees be paid quarterly in arrears."

7. RE-APPOINTMENT OF AUDITORS – RESOLUTION 7

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

8. AUTHORITY TO ISSUE NEW SHARES – RESOLUTION 8

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 and treasury 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.”

9. AUTHORITY TO ISSUE SHARES UNDER THE NANOFILM EMPLOYEE SHARE OPTION SCHEME 2017 (“NANOFILM ESOS 2017”) – RESOLUTION 9

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 Shares from time to time as may be required to be issued pursuant to the exercise of the options granted under the Nanofilm 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.”

10. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE NANOFILM EMPLOYEE SHARE OPTION SCHEME 2020 (THE “NANOFILM ESOS 2020”) – RESOLUTION 10

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 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.”

11. AUTHORITY TO GRANT AWARDS AND ISSUE SHARES UNDER THE NANOFILM RESTRICTED SHARE PLAN 2021 (THE “NANOFILM RESTRICTED SHARE PLAN”) – 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:

- (a) offer and grant awards ("**Awards**") in accordance with the provisions of the Nanofilm Restricted Share Plan; and
- (b) allot and issue from time to time such number of fully-paid new Shares and/or transfer such number of existing Shares held in treasury, free of charge, as may be required to be delivered 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 and options already granted under the Nanofilm ESOS 2020; and (ii) 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) on the date preceding the date of grant of the relevant Award."

12. RENEWAL OF SHARE PURCHASE MANDATE – RESOLUTION 12

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 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	450,915,947	99.99
No. of shares voted against	42,000	0.01

Ordinary Resolution 2

	Votes	%*
No. of shares voted for	451,061,047	99.99
No. of shares voted against	39,600	0.01

Ordinary Resolution 3

	Votes	%*
No. of shares voted for	450,555,606	99.89
No. of shares voted against	510,041	0.11

Ordinary Resolution 4

	Votes	%*
No. of shares voted for	450,968,450	99.97
No. of shares voted against	132,197	0.03

Ordinary Resolution 5

	Votes	%*
No. of shares voted for	414,282,854	91.84
No. of shares voted against	36,817,793	8.16

Ordinary Resolution 6

	Votes	%*
No. of shares voted for	450,947,047	99.98
No. of shares voted against	109,000	0.02

Ordinary Resolution 7

	Votes	%*
No. of shares voted for	450,350,450	99.97
No. of shares voted against	120,197	0.03

Ordinary Resolution 8

	Votes	%*
No. of shares voted for	413,866,984	91.75
No. of shares voted against	37,203,663	8.25

Ordinary Resolution 9

	Votes	%*
No. of shares voted for	410,440,146	90.99
No. of shares voted against	40,630,501	9.01

Ordinary Resolution 10

	Votes	%*
No. of shares voted for	408,937,545	90.66
No. of shares voted against	42,133,102	9.34

Ordinary Resolution 11

	Votes	%*
No. of shares voted for	411,406,201	91.21
No. of shares voted against	39,651,446	8.79

Ordinary Resolution 12

	Votes	%*
No. of shares voted for	451,003,250	99.98
No. of shares voted against	82,797	0.02

*rounded to the nearest two decimal places

Based on the results of the poll, Chairman declared that Ordinary Resolutions 1 to 12 were duly carried.

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 4:16 p.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings Held

Dr. Shi Xu
Chairman



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APPENDIX A

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AT
THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2024**

No.	Questions from shareholders	Response from the Company
1.	<p>Shareholder 1 asked the following:</p> <p>With Nanofilm's CapEx plan proceeding at a slower pace in 2024, there is a higher possibility that operating cash flow will exceed CapEx requirements. Will the Company consider utilizing its entire share buyback mandate to purchase 10% of its shares in the open market, with a cost of approximately SGD \$50 million?</p>	<p>The Group Chief Financial Officer, Mr Kay Lim ("CFO"), responded that the Company's share buyback is an ongoing exercise and Management may not fully utilise the entire share buyback mandate.</p> <p>Emphasising the Company's commitment to increasing shareholders' value, the CFO highlighted that the share buyback mandate is one of several strategies which Management takes to achieve this objective. The exercise of the share buyback mandate will align with the Company's broader capital allocation strategy which prioritizes responsible financial management. In addition, the Company will balance its cash flow needs with its operational requirements whilst pursuing organic and inorganic growth opportunities. The terms of the mandate and the Singapore Code on Take-overs and Mergers are also factors that Management will take into account in exercising the share buyback mandate.</p>
2.	<p>Shareholder 2 asked the following:</p> <p>a) Why does the Company perceive itself to be a trendsetting company, and what is the Company's competitive advantage over the others?</p> <p>b) Does the Company patent its products?</p> <p>c) What does it take for the Company to turn around the results?</p>	<p>The Group Chief Executive Officer, Mr Gary Ho ("CEO"), highlighted that the Company specialises in deep technology within the material science space, distinguishing it from other industry players. The CEO emphasized that the Company's 25-year history of breakthrough had been achieved through technological leverage, particularly noting its entry into the automotive industry through the provision of its Filtered Cathodic Vacuum Arc (FCVA) coating solutions in many countries including Japan and China.</p> <p>In addition, the CEO pointed out the Company's increasing presence in the hydrogen market. The Company offers tailored solutions for diverse applications and international markets. Notably, the Company remains as a sole source supplier for many of its customers. The Company has also maintained healthy profit margins, accentuated by increased demand for electronic devices during Covid, with many manufacturers relying on the Company's coating</p>

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Summary of the Question & Answer Segment at Annual General Meeting held on 26 April 2024

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No.	Questions from shareholders	Response from the Company
		<p>solutions. Looking forward, the CEO emphasized the Company's commitment to sustainable growth through deep technology solutions, with allocation of at least 6% of revenue for research and development.</p> <p>The Group Chief Strategy Officer, Mr Gian Yi-Hsen ("CSO"), echoed the CEO's sentiments, characterising the Company as trendsetting in deep technology. The CSO highlighted collaborative efforts with customers and partners, often resulting in sole source contracts with strong customer engagement and high-quality products.</p> <p>Further, the Group Chief Commercial Officer, Mr Ian Howe ("CCO"), responded that the Company has innovative technologies and is in active pursuit of its intellectual property strategy, particularly in coating technology. The CCO highlighted that the Company's culture of innovation and talent development are key differentiators, along with a clear understanding of its competitive landscape and unique solutions. It was noted that there had been improvements in the Company's performance for the first quarter of the financial year ended 31st March 2024 ("1Q2024") and the Company has confidence in its differentiated approach and strategic initiatives to further improve its performance for the coming year.</p>
3.	Shareholder 3 asked about the profitability of the Company's subsidiaries and whether there are plans for future expansion.	<p>The CFO clarified that within the Group's structure, some entities function as holding companies, while others as operating companies. These subsidiaries serve distinct purposes that are aligned with the Company's overall business strategy, prioritizing operational efficiency and risk management. Consequently, not all subsidiaries are currently profitable but there are a few key operating entities within the Group which generate profits for the Group. The overall performance of the Group is consolidated in the Company's financial statements.</p> <p>Expanding on this, the CEO highlighted the diversity of operations across different entities, each addressing specific challenges and opportunities. The overarching commitment of the Company remains to foster long-term sustainable growth by adhering to local regulations and practices. Recognizing the impact of inventory rebalancing on consumer demand last year, the Company has been actively optimizing costs while pursuing expansion into key markets such as Vietnam, China, India, and Germany, where it aims to deliver value to its customers.</p>
4.	Shareholder 4 asked the following: a) Why was the Company unable to meet market expectations, resulting in a significant drop in share price?	<p>The CEO shared that during the COVID-19 pandemic, the Company experienced a surge in business activity initially. After the opening of China post-Covid, against expectation, market conditions shifted and volume in demand decreased, resulting in a decline in the Group's performance. In response, the Company implemented</p>

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Summary of the Question & Answer Segment at Annual General Meeting held on 26 April 2024

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No.	Questions from shareholders	Response from the Company
	<p>b) What alternative strategies could the Company have done to avoid such a sharp decline this year?</p> <p>c) What is the current utilisation rate of the Company's facilities?</p>	<p>cost control measures to minimize costs and optimize profitability, although startup costs impacted its FY2023 results. Further, the Company is focused on investing adequately to ensure that it will be able to capture opportunities as market evolves. Encouragingly, 1Q2024 results showed signs of recovery, particularly due to revenue growth in the Group's Advanced Materials Business Unit and Computer, Communications, and Consumer Electronics (3C) segments as well as inventory stabilization. Importantly, the Company maintained its customer base, leveraging on its first-mover advantage and remains as the preferred supplier for many of its customers.</p> <p>The Company is also diligently working on new project development which typically would enter into peak season at the end of the second quarter of the financial period ending 30 June 2024 ("2Q2024") and expects the utilization rate to improve in 2Q2024. Management remains hopeful of the return of the utilisation rate to pre-COVID levels during the upcoming peak season.</p>
5.	<p>Shareholder 5 asked the following:</p> <p>a) Was the decrease in gross margin in FY2023 primarily due to a decline in sales, an increase in the cost of materials or both?</p> <p>b) Does the Company plan to increase its dividend payout in the future?</p>	<p>The CFO shared that as a deep technology company that invested to solidify its fundamentals in the past years, the Group has a relatively high fixed cost structure. Due to a decline in revenue, this had resulted in a decrease in gross margin in FY2023.</p> <p>In response to whether the Company will increase its dividend payout in future, the Chairman outlined that the Company distributes dividends every year depending on its business performance and aims to strike a balance between ensuring long term sustainable growth and short term gains for shareholders. Given that the bottom line for FY2023 was not high, Management had exercised caution and prudence in considering the declaration of the final dividend for the year.</p>
6.	<p>Shareholder 6 asked the following:</p> <p>a) Are bi-polar plates exclusively designed for hydrogen fuel cells or can they also be used in hydrogen batteries?</p> <p>b) Could the Company elaborate further on its 3C business segment?</p>	<p>The CSO shared that the Company is specifically working on the electrification of bi-polar plates for use in hydrogen fuel cells instead of hydrogen batteries which typically require other materials.</p> <p>With regards to the 3C business segment, in a positive development for 1Q2024, the Company secured a new global client employing its solutions for AI-enabled smartphones, accounting for 10% of the Company's revenue in 1Q2024. Management expressed confidence in the continuing evolution of the 3C business segment, anticipating further advancements in products within this sector.</p>

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Summary of the Question & Answer Segment at Annual General Meeting held on 26 April 2024

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No.	Questions from shareholders	Response from the Company
7.	Shareholder 7 asked the following: a) What is the remaining duration of the Company's patents? b) What are the potential implications on the Company once the patents lapsed?	<p>The Company has a robust intellectual property strategy to prolong the overall protection of its technology in various applications. Firstly, it actively files numerous patents across various products, regions and timeframes within the technology sector. Secondly, the Company safeguards its trade secrets internally. Lastly, to ensure the protection of the Company's intellectual property, it directly provides after-sales services to many of its customers. The Company has a long history of patents. It filed its first patent in 1995 and its most recent patent was filed in 2024.</p>
8.	Shareholder 8 asked about the long-term business plan for Sydrogen.	<p>The CSO highlighted the strong position that Sydrogen Energy Pte. Ltd. ("Sydrogen") is in in the hydrogen space, particularly in the area of bipolar plates. Notably, Sydrogen has already made significant strides in the Chinese market which presently has high entry barriers for its competitors. With its robust technology and manufacturing plant in China, the Company possesses the capability to scale operations effectively.</p> <p>Furthermore, the CSO shared that due to the Chinese government's implementation of clean fuel policies, this has resulted in the increased adoption of fuel cell heavy cell vehicles in various regions. The supportive policy landscape therefore offers opportunities for Sydrogen's expansion of coating services for bipolar plates.</p>