



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

**MINUTES OF ANNUAL GENERAL MEETING
HELD AT 11 TAI SENG DRIVE, SINGAPORE 535226**

DAY/DATE : Friday, 25 April 2025

TIME : 10:00 a.m.

PRESENT : *In Attendance:*

Dr. Shi Xu	Executive Chairman and Group 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

Absent with apologies:

Mr. Steve Ghanayem	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 2024 (“**FY2024**”). 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 10.00 a.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 which have not been responded to in the Company’s announcement dated 19 April 2025, 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.

After the Q&A session and voting, the Scrutineer will collect and verify the voting slips before announcing the voting results.

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
- Mr. Cho Form Po, 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 formally expressed the absence of Mr. Steve Ghanayem, Independent Director, from the Meeting due to his conflicting schedule with the Company’s Meeting timing.

NOTICE

With the consent of the Meeting, the Notice convening the Meeting dated 10 April 2025 (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 2024 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 2024 be approved.”

3. RE-ELECTION OF MR. WAN KUM THO AS A DIRECTOR – RESOLUTION 3

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 Kum Tho will, upon re-election as a Director of the Company, remain as the Chairman of the Board Risk Committee¹ and a member of the Audit Committee and Nominating Committee. In addition, Mr. Wan Kum Tho will be appointed as a member of the Remuneration Committee with effect from 25 April 2025.

4. RETIREMENT OF MR. KRISTIAN JOHN ROBINSON

Chairman informed the shareholders that item 4 of the Agenda was to note the retirement of Mr. Kristian John Robinson as a Director of the Company upon the conclusion of the Meeting.

Concurrently, Mr. Kristian John Robinson ceased to serve as Chairman of the Nominating Committee and as a member of the Remuneration Committee. The Board recorded its appreciation for his service and contributions to the Company.

5. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025 – RESOLUTION 4

The Chairman informed that Resolution 4 was to approve the payment of Directors' fees for the financial year ending 31 December 2025.

¹ Post AGM note: With effect from 1 June 2025, the Audit Committee and Board Risk Committee of the Company had been combined to form the Audit and Risk Committee (“ARC”). Following the formation of the ARC, Mr. Wan Kum Tho has been appointed as a member of the ARC. Mr. Wan has also been re-designated as Chairman of the Nominating Committee. Mr Wan remains a member of the Remuneration Committee.

The following resolution was proposed by the Chairman:-

“That the Directors’ fees of S\$363,616.44 for the financial year ending 31 December 2025 be approved and that the fees be paid quarterly in arrears.”

6. RE-APPOINTMENT OF AUDITORS – RESOLUTION 5

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 Company Secretary, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS

7. AUTHORITY TO ISSUE NEW SHARES – RESOLUTION 6

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). Unless prior shareholder approval is required under the Listing Rules, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits;
- (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/transferred and outstanding or subsisting at the time of the passing of this Resolution."

8. AUTHORITY TO ISSUE SHARES UNDER THE NANOFILM EMPLOYEE SHARE OPTION SCHEME 2017 ("NANOFILM ESOS 2017") – RESOLUTION 7

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."

9. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE NANOFILM EMPLOYEE SHARE OPTION SCHEME 2020 (THE “NANOFILM ESOS 2020”) – RESOLUTION 8

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 pursuant to the exercise of options granted during the Relevant Period, specified in sub-paragraph (a) above,

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) delivered and/or to be delivered, pursuant to (1) options already granted under the Nanofilm ESOS 2020; (2) the Nanofilm Restricted Share Plan (as defined in paragraph 10 below); and (3) 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) on the date preceding the date of grant of the relevant new option.”

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

- (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) 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.”

11. RENEWAL OF SHARE PURCHASE MANDATE – RESOLUTION 10

The following resolution was proposed by the Chairman:-

“That:

- (a) for the purposes of Sections 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	444,303,302	100.00
No. of shares voted against	16,800	0.00

Ordinary Resolution 2

	Votes	%*
No. of shares voted for	444,365,702	100.00
No. of shares voted against	14,400	0.00

Ordinary Resolution 3

	Votes	%*
No. of shares voted for	444,295,802	99.98
No. of shares voted against	84,300	0.02

Ordinary Resolution 4

	Votes	%*
No. of shares voted for	444,284,802	99.98
No. of shares voted against	85,300	0.02

Ordinary Resolution 5

	Votes	%*
No. of shares voted for	444,300,302	99.98
No. of shares voted against	79,800	0.02

Ordinary Resolution 6

	Votes	%*
No. of shares voted for	417,962,063	94.06
No. of shares voted against	26,418,039	5.94

Ordinary Resolution 7

	Votes	%*
No. of shares voted for	411,327,102	92.58
No. of shares voted against	32,983,000	7.42

Ordinary Resolution 8

	Votes	%*
No. of shares voted for	411,327,102	92.58
No. of shares voted against	32,983,000	7.42

Ordinary Resolution 9

	Votes	%*
No. of shares voted for	411,291,102	92.56
No. of shares voted against	33,079,000	7.44

Ordinary Resolution 10

	Votes	%*
No. of shares voted for	444,221,202	99.97
No. of shares voted against	118,900	0.03

*rounded to the nearest two decimal places

Based on the results of the poll, Chairman declared that Ordinary Resolutions 1 to 10 were duly carried.

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 11:59 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 25 APRIL 2025**

No.	Questions from shareholders	Response from the Company
1.	<p>Shareholder 1 asked the following:</p> <p>a) Why is the Company issuing shares [under a share issue mandate] and how will the proceeds be used?</p> <p>b) How [what basis] does the Company grant share awards and options?</p> <p>c) Why does the Company conduct share buybacks and issue shares [at the same time pursuant to the share issue mandate]?</p>	<p>The Group Chief Strategy Officer, Mr Gian Yi-Hsen (“CSO”), responded that the share issue mandate is sought to maintain flexibility for potential future funding needs, including strategic investments or acquisitions. The authority to issue shares allows the Company to act promptly when necessary.</p> <p>The share option scheme and share award scheme of the Company are essential components of the Company’s employee retention and motivation strategy. Share options are granted to employees to reward them for their performance in accordance with their key performance indicators (“KPIs”) and to align their interest with that of the Company. For lower-level employees, share awards may be provided as a form of compensation.</p> <p>The Group Chief Financial Officer, Mr. Kay Lim (“CFO”), added that share buybacks support capital management objectives, including the return of surplus capital to shareholders and the fulfilment of share-based compensation obligations. Over the past 3 years, approximately S\$50 million worth of shares were repurchased by the Company, some of which were utilised for settlement of awards and options granted under the employee share schemes.</p> <p>CFO further elaborated that capital deployment decisions are made with a long-term view of return on capital and operational efficiency. Treasury shares may also be utilised as part of the purchase consideration in mergers and acquisitions. Treasury shares may also be cancelled by the Company, when appropriate.</p>

No.	Questions from shareholders	Response from the Company
2.	<p>Shareholder 2 asked the following:</p> <p>a) How will the Company manage the challenges related to Capex, share buybacks and dividend?</p> <p>b) How does the Company optimise pricing in its contracts, particularly in terms of negotiating competitive pricing?</p> <p>c) What is the Company's approach to contract management, especially in relation to pricing flexibility with customers, noting that some customers allow room for negotiation, while others set fixed terms?</p>	<p>The CFO explained that the Company does not provide forward guidance on capital expenditure (Capex). In the past 3 years, the Company had invested heavily in infrastructure and equipment, including plants in China and India, to support strategic expansion. On that front, Management expects Capex to moderate this year, with future Capex focusing on intelligent spending on equipment upgrading to increase operational efficiency, which aligns with business needs of the Company.</p> <p>The Group's capital management strategy spans across share buybacks, dividends and Capex. Through previous infrastructure investments, the Company is well-positioned to support key customers and navigate global supply chain changes.</p> <p>The CSO informed that the Company has a robust contract management process at both the procurement and customer levels which encourages competitive pricing through conducting tenders and bids. The Company adapts to customers' business models as some customers allow pricing flexibility, whilst others set fixed pricing.</p> <p>He further informed that the Company is well-protected due to its customer-driven pricing, which is directly determined by Customer Z, but cautioned that foreign exchange volatility, especially between the RMB and the USD, could pose risks.</p> <p>The CFO also shared that there had been an increase in FY2024 Group net profits from S\$3 million to S\$7.7 million. The S\$7.7 million does not take into consideration an amount of S\$14 million which would have been added to the Group's profits if they had not expensed as investment costs.</p>
3.	<p>Shareholder 3 asked the following:</p> <p>a) Given the softness of AMBU and IEBU, will the Group's gross and net margins be lower compared to historical trends?</p>	<p>The CFO clarified that the IEBU business model has a long lead time as contract negotiations need to be carried out, IEBU equipment needs time to be built and developed, and revenue is generally only recognised upon equipment delivery. Based on the Company's order book, IEBU equipment delivery would take place in 2025.</p> <p>For AMBU, margins decreased due to the costs associated with investment in infrastructure and delayed projects, particularly due to further calibration requested by customers. However, production has now resumed in key locations such as India and Vietnam, leading to a hopeful acceleration in margins moving forward.</p>

No.	Questions from shareholders	Response from the Company
	<p>b) What are the characteristics of a good CEO or leader who can bring the Company forward, considering the recent management changes?</p>	<p>The importance of operational excellence was emphasised, with a focus on reducing wastage and optimising resources to drive margin improvement. The Company is working towards expanding revenue streams and enhancing its efficiency.</p> <p>The Executive Chairman highlighted the Company's efforts in recent years, including establishing sites in China, Vietnam, and acquiring companies in Europe to strengthen its presence in these regions. Further, these investments position the Company well in addressing potential tariff challenges. He emphasised the importance of these investments in protecting margins and supporting long-term sustainability.</p> <p>Regarding leadership succession, the Executive Chairman outlined the qualities sought in a future leader, namely passion, determination, innovation, vision and execution. The Chairman also emphasised the importance of setting clear standards for the future, ensuring the Company's alignment with shareholder interests to maintain a steady growth trajectory.</p>
4.	<p>Shareholder 4 asked the following:</p> <p>a) Besides the leadership quality, what are the other key factors being looked into to help the Company, especially in terms of increasing the share price?</p> <p>b) Is it possible to convert plans into action and execute them effectively?</p>	<p>The Executive Chairman explained that the Company had faced significant challenges in the past few years due to substantial investments being made across various locations to enhance its long-term capability. These investments had eroded the Company's profitability during the first few years after listing. However, these initiatives were necessary for long-term growth. He emphasised that the Company is now better positioned to generate improved returns from those efforts and has regained a stronger footing in the market. With a renewed focus on operational performance, Management is confident in the Company's ability to execute its long-term plans and adapt to evolving industry needs.</p> <p>The Executive Chairman outlined the Company's strategic goal of becoming a global leader in coating technology, particularly in consumer-related and industrial applications. He emphasised that the Company focuses on its various areas of strength and leverages on its technology platform across sectors. The Company is simultaneously enhancing its marketing and business development capabilities. He also highlighted the importance of granting autonomy and accountability to the 4 major business units, each serving distinct markets with different models. He assured shareholders that top management is fully aligned in driving these strategies forward with a clear commitment to operational excellence.</p>

NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)

Summary of the Question & Answer Segment at Annual General Meeting held on 25 April 2025

Page 4

No.	Questions from shareholders	Response from the Company
5.	<p>Shareholder 5 asked the following:</p> <p>a) What is the order backlog, and what is the forecast for it?</p> <p>b) Is a specific backlog value available?</p> <p>c) What is the maintenance, repair and operations (“MRO”) business model?</p>	<p>The CFO informed that specific forecast figures are not provided but the business trend indicates that certain business segments are gaining momentum.</p> <p>The CSO further elaborated on the Company’s strong presence in the consumer electronics industry where services are provided to major global clients. The Company maintains a global footprint in the consumer electronics coating space, supporting OEMs in sectors such as headphones and wearable devices.</p> <p>In response to whether the Company operates under an after-sales service or MRO model, it was clarified that such model applies predominantly to industrial equipment sales and not the Company’s business of coating services.</p> <p>Further, the Group Chief Commercial Officer, Mr Ian Howe (“CCO”), after-sales service model was closely related to the industrial equipment sales business which the Company is focused on driving increased revenue on.</p>
6.	<p>Shareholder 6 asked the following:</p> <p>a) Is IEBU’s market share being lost to competitors or is there a general drop in demand?</p> <p>b) Is coating equipment manufactured in Vietnam or India and is equipment being sold to the US, and if so, are they subject to tariffs?</p> <p>c) Is there a plan to diversify into the US market, potentially selling coating technology to major players like Tesla?</p> <p>d) Has there been consideration given to using coating robots in equipment production or installing solar panels in the Vietnam and India facilities to reduce expenses and improve margins?</p>	<p>The CCO shared that the IEBU had reached the bottom of its sales cycle in FY2024 and hopes for an improvement in FY2025. Although there was slow revenue recognition in 1Q 2025, the Company is hopeful that there will be growth in the following quarters. Additionally, he highlighted the Company’s successful geographic expansion into Europe, with its first equipment delivery in FY2025.</p> <p>Regarding tariffs, CSO informed that the Company does not face significant direct exposure to US tariffs, as the Company provides coating services in India and Vietnam for the consumer electronics industry, which currently remains largely tariff-free.</p> <p>CCO informed that the Company may consider US expansion as part of its long-term strategy but the focus is on expanding into Europe first.</p> <p>The CSO addressed tariff costs, automation and solar energy, stating that these are costs the Company may incur along with automation efforts and when appropriate. He further explained that the priority for customers at this stage is the availability of services and the Company’s unique offerings in the market allows it to maintain its position without needing to reduce</p>

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Summary of the Question & Answer Segment at Annual General Meeting held on 25 April 2025

Page 5

No.	Questions from shareholders	Response from the Company
	e) Are customers requesting that the Company share the cost of tariffs, such as in cases where devices like iPhones are produced in India and shipped to the US?	transportation prices as it generally does not deliver its products directly to the US.
7.	Shareholder 7 asked whether share price performance is considered in the setting of employee KPIs.	<p>The CSO clarified that KPIs are generally not based on a single metric but assessed through a multi-dimensional approach. While share price was considered as a potential KPI, the Company decided not to tie incentives solely to share price movements as this could promote short-term behaviour that is misaligned with the Company's long-term goals.</p> <p>The CFO added that one of the KPIs is linked to the Total Shareholders' Return, though this extends beyond share price changes.</p> <p>The Executive Chairman highlighted that share price as a KPI would not extend beyond the senior management team to other employees. The senior management of the Company had agreed to endure stagnant remuneration amidst strategic expansions of the Company in order to keep its momentum and support the Company's long-term value creation. Management remains confident that results will begin to materialise.</p>
8.	<p>Shareholder 8 asked the following:</p> <p>a) In light of high or uncertain US tariffs, particularly in Vietnam or other countries, is Management's plan to further diversify operations, and how might that affect margins?</p> <p>b) What is the view on transparency regarding China market situations and analysis?</p>	<p>The Executive Chairman opined that it is unlikely for the US to indefinitely impose high tariffs across all countries, but that China may continue to face certain trade restrictions.</p> <p>In anticipation of this, the Company continues to maintain and execute a "China Plus One" and "China Plus Two" manufacturing strategy, with existing operations already established in both Vietnam and India. This approach is intended to mitigate risk through diversification. He emphasised the practical constraints of global supply chain replication, particularly for large-scale customers, and would work with its customers to handle these issues.</p> <p>The Company conducts detailed market intelligence and forecasts as it remains focused on market positioning. Management reaffirmed its commitment to collaborating with supply chain partners to maintain resilience under varying global trade conditions.</p>

NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)

Summary of the Question & Answer Segment at Annual General Meeting held on 25 April 2025

Page 6

No.	Questions from shareholders	Response from the Company
9.	<p>Shareholder 9 asked the following:</p> <p>a) What is guidance on capacity utilisation?</p> <p>b) What is the guidance on the trend of Chinese device manufacturers compensating for Customer Z's decline in China?</p> <p>c) Are new orders manufactured in Europe, China or Vietnam, and what is the potential impact if the EU applies tariffs to China?</p> <p>d) Is it anticipated that Chinese customer volumes may eventually become comparable to non-Chinese brands, and what is the expected timeline for this development?</p>	<p>The CFO reported a higher utilisation rate in 2024 of 55% to 60% compared to 2023, reflecting more effective use of manufacturing assets.</p> <p>The CSO shared that Chinese device manufacturers are increasingly adopting premium PVD coating technologies, transitioning from base structures to titanium. This shift requires advanced coatings for enhanced aesthetics and durability. The Company has made significant strides in key growth areas, particularly in mobile phone frames and watch casings and hopes to generate further growth in 2H2025.</p> <p>The CFO also highlighted that, during FY2024, revenue from Customer Z grew approximately 18%, while non-Customer Z revenue grew approximately 63%. This trend continued into Q1 2025, with a growth in the low teens from Customer Z and a 5% year-on-year increase in non-Customer Z revenue in the coatings and nanofabrication business.</p> <p>The CCO addressed the potential EU tariffs on imports from China as there are some coating service projects in Germany. Current exposure to this risk remains low, as equipment can be manufactured either in China or in alternative locations as needed.</p> <p>The CSO added that although Chinese brands currently make up a small share of the Company's customer base, volumes could reach parity with international customers in the coming years, though no firm timeline could be given due to market uncertainties such as supply chain shifts and the rise of local brands. While the situation remains fluid due to macroeconomic and regulatory factors, this segment is being closely monitored as part of the Company's strategic planning.</p>