

**XMH HOLDINGS LTD.**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201010562M)  
(the “Company”)

**MINUTES OF ANNUAL GENERAL MEETING OF THE COMPANY FOR  
THE FINANCIAL YEAR ENDED 30 APRIL 2022 (“FY2022”)  
(THE “AGM” or “MEETING”)**

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**MODE OF MEETING** : **IN-PERSON ONLY**

Board of Directors

Mr. Tan Tin Yeow (Chairman and Managing Director)

Ms. Tan Guat Lian (Executive Director)

Mr. Hong Pian Tee (Lead Independent Non-Executive Director)

Mr. Khoo Song Koon (Independent Non-Executive Director)

Mr. Raymond Lam Kuo Wei (Independent Non-Executive Director)

Management of the Company

Mr. Tan Leong Kim (Chief Financial Officer)

Company Secretary

Mr. Chua Kern

Auditors, Share Registrar, Polling Agent, Scrutineers,  
Representatives from Company Secretary office, Shareholders and  
Proxies

**DATE** : Friday, 26 August 2022

**TIME** : 10:00 a.m.

**PRESENT** : As set out in the attendance record maintained by the Company

**CHAIRMAN** : Mr. Tan Tin Yeow  
(*Chairman and Managing Director*)

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**CHAIRMAN**

Mr. Chua Kern (“**Mr. Chua**” or the “**Company Secretary**”) informed that he would be assisting Mr. Tan Tin Yeow (“**Mr. Tan**” or the “**Chairman**”) to conduct the AGM. On behalf of the Chairman, Mr. Chua duly welcomed all who were present at the Meeting.

**QUORUM**

On behalf of the Chairman, Mr. Chua called the Meeting to order at 10:00 a.m. after ascertaining that a quorum was present and thereafter introduced the Directors who were present at the Meeting.

**NOTICE OF THE AGM**

All pertinent information relating to the proposed resolutions tabled at the Meeting (the “**Resolutions**”) had been set out in the Notice of AGM of the Company which was circulated to Shareholders via the SGXNet announcement and on the Company’s corporate website on 8 August 2022. As such, the Notice of AGM was taken as read.

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**MODE OF VOTING**

Mr. Chua informed all present that in Mr. Tan’s capacity as Chairman of the Meeting, he had been appointed as proxy by some shareholders and he would be voting in accordance with their instructions.

It was noted that the Chairman of the Meeting had demanded for a poll which is in accordance with Regulation 58 of the Company’s Constitution. This also complies with the requirements of the Mainboard Listing Rules of Singapore Exchange Securities Trading Limited.

For the conduct of the poll, Complete Corporate Services Pte Ltd and Moore Stephens LLP had been appointed as Polling Agent and Scrutineer respectively.

Mr. Chua proceeded with reviewing the Resolutions tabled at the Meeting.

**ORDINARY BUSINESS**

**RESOLUTION 1 – ADOPTION OF THE DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022, TOGETHER WITH THE AUDITOR’S REPORT THEREON**

Mr. Chua invited the shareholders to raise questions on the audited financial statements, if any.

- (a) Shareholder A commended the Group on its financial performance for FY2022.

He enquired about the Group’s gearing ratio and asked if the high gearing ratio was normal for the Group’s industry, especially in view of the increasing lending rates.

Mr. Tan Leong Kim, Chief Financial Officer (“**Mr. Tan**”) replied that the net gearing ratio was less than one and that cash flow generated from the Group’s operations was positive. Mr. Tan added that the gearing ratio largely comprised loans taken to finance the construction of the Company’s building which the Group currently occupies. It was noted that the said building is self-financed from rental revenue generated from leasing out parts of the building premises.

- (b) Shareholder A then referred to the *Chairman’s Message* on page 11 of the Company’s annual report for FY2022 (“**Annual Report**”) and enquired about the Group’s distribution business in Indonesia, in particular whether the Group intends to focus its business mainly in Indonesia and the potential risk involved.

Mr. Tan Tin Yeow, Chairman and Managing Director (“**Mr. Tan TY**”) highlighted that the sale and distribution of diesel engines in Indonesia is based on advanced payments prior to delivery instead of providing credit terms. The diesel engines are therefore fully paid for before they are shipped to the buyer and as such, the risk is low. Mr. Tan TY clarified that only spare parts are supplied on credit terms and the amount is not substantial. Mr. Tan TY added that the Group will focus more on its business in Indonesia as there has been an increase in demand for our products and services from Indonesia.

- (c) Shareholder A also noted the strong demand from data centres and enquired if the provision of power back-up solutions to data centres is a new segment for the Group’s project business. Mr. Tan TY replied in the negative and added that the Group has been involved in this area of business for more than six years and will be placing more focus on the same going forward as the demand for data centres continues to grow. Shareholder A enquired further about whether the Group provides any after-sales services in respect of the supply of generators. Mr. Tan TY replied affirmatively and added that service contracts for maintenance of generators are usually signed

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with the customer once the initial warranty period has ended.

- (d) Shareholder A noted the Group’s relatively low profit margin of less than 5% as reflected in the consolidated statement of comprehensive income for FY2022 and asked if profit margins will improve.

Mr. Tan TY replied that generally profit margins would depend on market conditions and in particular the level of competition in the market. The Group has spared no effort in dealing with the headwinds faced by the industry arising from the pandemic, including the challenges of rising costs and expenses. The Company’s current strategy is to first focus on securing more projects as well as ensuring staff retention and thereafter improving profit margins.

Mr. Tan added that under the financial highlights in the Annual Report, the Group’s revenue increased by 12% while the total operating expenses had only increased marginally by 0.9%. This showed that the Group had been efficient in managing its costs and resources in the midst of rising business volume and activities.

Shareholder A further enquired if there was a pre-determined profit margin before bidding for a project. Mr. Tan TY replied affirmatively but added that it is not uncommon for the customer to request for a discount resulting in a lower profit margin. He added however that a lower quote does not always guarantee that the Group can secure a new project or supply contract and the customer would also consider other commercial factors and conduct interviews and negotiations before deciding who to award the project or supply contract to.

- (e) Shareholder A commented that current supply chain disruptions have affected businesses globally and enquired about the Group’s inventory management strategy and inventory turnover. Mr. Tan TY replied that the Group would stock up its inventory depending on the market demand and supply situation and the Group’s order book, as well as the volume of sales enquiries received. Mr. Tan highlighted that the increase in inventory in FY2022 was largely attributable to stocks which were pending delivery for on-going projects as reflected in the order book and as such the risk of inventory obsolescence was not a concern. Detailed information regarding inventory could be found in the Annual Report.

- (f) Shareholder A next commented that the Company is still on the SGX watchlist and enquired what steps have been taken to address this issue. Mr. Hong Pian Tee, Lead Independent Director (“**Mr. Hong**”) replied that the duties and obligations of the Board of Directors (“**Board**”) are primarily to ensure that the business and operations of the Company are properly managed. The Company share price, on the other hand, is dependent on market sentiments and various other factors beyond the Board’s control.

Shareholder A reiterated his concern regarding the watchlist status of the Company as this may prevent certain institutional investors from investing in the Company’s shares. Mr. Khoo Song Koon, Independent Director (“**Mr. Khoo**”) responded that there are two criteria to be met before a company could exit the watchlist status, namely profitability and market capitalisation of S\$40 million. As mentioned earlier by Mr. Hong, achieving profitability falls within the Board’s purview. However, market capitalisation is beyond the control of the Board and management. Mr. Khoo added that any proposed corporate actions, such as share consolidation, bonus issue or transfer to the Catalist Board, would not guarantee that the Company could achieve the requisite market capitalisation of S\$40 million. He concluded that market capitalisation is dependent on whether investors can see value in the Company, among other factors.

Mr. Raymond Lam Kuo Wei, Independent Director (“**Mr. Lam**”) added that the Board will continue to carefully consider this matter with shareholders’ interests in mind before taking any actions.

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Shareholder B commented that the recent exercise of options granted under the XMH Share Option Scheme (“**Scheme**”) had a positive impact on market sentiment in respect of the Company’s shares and suggested that the Company consider adopting another option scheme with a higher exercise price to increase the Company’s share value. Mr. Hong responded that before proposing any option scheme and issuing any stock options, the impact thereof on the profitability of the Company has to be considered carefully. He added that the stock options which were recently exercised were granted many years ago and the Scheme had since lapsed.

There were no further questions regarding Resolution 1.

Upon a proposal by Mr. Chua Ghim Hock (Cai JunFu) which was seconded by Mr. Ou Yang Yan Te, the following resolution was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 1 as follows:

Those in favour: 91,326,431 votes (100%)

Those against: 0 votes (0%)

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Total number of valid votes casted: 91,326,431 votes (100%)

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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 1 was duly carried unanimously, on a poll vote.

**RESOLUTION 2 – APPROVAL OF THE PAYMENT OF A FINAL ONE-TIER TAX EXEMPT DIVIDEND OF 0.25 SINGAPORE CENT PER ORDINARY SHARE AND A SPECIAL ONE-TIER TAX EXEMPT DIVIDEND OF 0.45 SINGAPORE CENT PER ORDINARY SHARE FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

Mr. Chua invited the shareholders to raise questions on the final and special dividend, if any.

There being no questions from the shareholders and upon a proposal by Mr. Ou Yang Yan Te which was seconded by Mr. Ong Poh Seng, the following resolution was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 2 as follows:

Those in favour: 91,325,531 votes (100%)

Those against: 0 votes (0%)

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Total number of valid votes casted: 91,325,531 votes (100%)

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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 2 was duly carried unanimously, on a poll vote.

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**RESOLUTION 3 – APPROVAL OF THE PAYMENT OF DIRECTORS’ FEES OF S\$170,600 FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022**

Mr. Chua invited the shareholders to raise questions on the Directors’ fees, if any.

There being no questions from the shareholders and upon a proposal by Ms. Shia Leng Ling which was seconded by Ms. Ong Siok Ling, the following resolution was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 3 as follows:

Those in favour: 90,543,231 votes (100%)

Those against: 0 votes (0%)

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Total number of valid votes casted: 90,543,231 votes (100%)

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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 3 was duly carried unanimously, on a poll vote.

**RESOLUTION 4 – RE-ELECTION OF MR. TAN TIN YEOW AS A DIRECTOR OF THE COMPANY**

Mr. Chua invited the shareholders to raise questions on the re-election of Mr. Tan Tin Yeow as a Director of the Company, if any.

There being no questions from the shareholders and upon a proposal by Mr. Ou Yang Yan Te which was seconded by Ms. Ong Siok Ling, the following resolution was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 4 as follows:

Those in favour: 46,262,681 votes (100%)

Those against: 0 votes (0%)

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Total number of valid votes casted: 46,262,681 votes (100%)

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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 4 was duly carried unanimously, on a poll vote.

**RESOLUTION 5 – RE-ELECTION OF MS. TAN GUAT LIAN AS A DIRECTOR OF THE COMPANY**

Mr. Chua invited the shareholders to raise questions on the re-election of Ms. Tan Guat Lian as a Director of the Company, if any.

There being no questions from the shareholders and upon a proposal by Mr. Ou Yang Yan Te which was seconded by Mr. Sim Chor Chye, the following resolution was put to vote by way of a poll.

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Mr. Chua announced the results of the poll for Resolution 5 as follows:

Those in favour:	83,974,387 votes (100%)
Those against:	0 votes (0%)
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Total number of valid votes casted:	83,974,387 votes (100%)
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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 5 was duly carried unanimously, on a poll vote.

**RESOLUTION 6 – RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS THE AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION**

Mr. Chua invited the shareholders to raise questions on the re-appointment of Messrs Ernst & Young LLP as the Auditors of the Company, if any.

There being no questions from the shareholders and upon a proposal by Mr. Ou Yang Yan Te which was seconded by Mr. Sim Chor Chye, the following resolution was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 6 as follows:

Those in favour:	91,326,431 votes (100%)
Those against:	0 votes (0%)
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Total number of valid votes casted:	91,326,431 votes (100%)
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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 6 was duly carried unanimously, on a poll vote.

**ANY OTHER ORDINARY BUSINESS**

As there were no further items of ordinary business arising, the Meeting proceeded to deal with the items of special business.

**SPECIAL BUSINESS**

**RESOLUTION 7 – AUTHORITY TO ALLOT AND ISSUE SHARES IN THE CAPITAL OF THE COMPANY**

Mr. Chua invited the shareholders to raise questions on the authority to allot and issue shares in the capital of the Company, if any.

There being no questions from the shareholders and upon a proposal by Mr. Chua Ghim Hock (Cai JunFu) which was seconded by Mr. Ou Yang Yan Te, the following resolution was put to vote by way of a poll.

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Mr. Chua announced the results of the poll for Resolution 7 as follows:

Those in favour: 90,544,131 votes (100%)

Those against: 0 votes (0%)

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Total number of valid votes casted: 90,544,131 votes (100%)

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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 7 was duly carried unanimously, on a poll vote.

**RESOLUTION 8 – PROPOSED RENEWAL OF SHARE BUYBACK MANDATE**

Mr. Chua invited the shareholders to raise questions on the proposed renewal of share buyback mandate, if any.

There being no questions from the shareholders and upon a proposal by Ms. Ong Siok Ling which was seconded by Ms. Shia Leng Ling, the following resolution was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 8 as follows:

Those in favour: 90,544,381 votes (100%)

Those against: 0 votes (0%)

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Total number of valid votes casted: 90,544,381 votes (100%)

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Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 8 was duly carried unanimously, on a poll vote.

**CONCLUSION OF MEETING**

There being no other business, the Meeting concluded at 10:55 a.m. with a vote of thanks to the Chairman.

Mr. Chua also informed Shareholders that the Company will release the announcement on the results of the AGM on SGXNet and the Company’s corporate website after trading hours on the same day and the minutes of the Meeting proceedings will be released on SGXNet and the Company’s corporate website within one (1) month from the date of Meeting.

**CONFIRMED AS A TRUE AND ACCURATE RECORD OF THE PROCEEDINGS**

[SIGNED]

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MR. TAN TIN YEOW  
CHAIRMAN AND MANAGING DIRECTOR  
CHAIRMAN OF THE MEETING