

MICRO-MECHANICS (HOLDINGS) LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 199604632W)
(the “**Company**”)

Minutes of the Twenty-Eighth Annual General Meeting of the Company held at Big Picture Theatre, Level 9, Capital Tower, 168 Robinson Road, Singapore 068912 on Wednesday, 30 October 2024 at 2.00 p.m.

DIRECTORS PRESENT

- Ms Sumitri Mirnalini Menon @ Rabia - Independent Non-Executive Chairman
- Mr Christopher Reid Borch – Executive Director and Chief Executive Officer (“**CEO**”)
- Mr Kyle Christopher Borch – Executive Director and Deputy Chief Executive Officer (“**Deputy CEO**”)
- Ms Lai Chin Yee – Independent Director
- Mr Kwan Yew Kwong Kenny – Independent Director
- Mr Kazuo Jozeph Takeda - Independent Director
- Ms Chua Siew Hwi – Independent Director

IN ATTENDANCE

- Ms Wendy Tan Wei Lee - Vice President, Finance and Company Secretary (“**VP Finance**”)
- Ms Nor Hafiza Alwi – Company Secretary

OPENING & PRESENTATION

The Chairman, Ms Sumitri Menon, declared the Company’s 28th Annual General Meeting (“**AGM**”) open after ascertaining that the quorum was present. She welcomed all shareholders and attendees present to the AGM.

With permission from the shareholders, the Notice of AGM was taken as read.

The Chairman introduced the Directors and Ms Wendy Tan, the VP Finance to the shareholders and then invited Mr Christopher Borch, the CEO, Mr Kyle Borch, the Deputy CEO and Ms Wendy Tan, the VP Finance to present an update of the Group’s business.

The CEO welcomed all shareholders to the AGM. He informed that together with Deputy CEO and VP Finance, they would share some presentation slides covering the followings to the shareholders:

1. Corporate overview
2. FY2024 operation update
3. FY2024 financial
4. FY2034 ESG update
5. 1QFY2025 financials
6. Outlook and summary

He also said they would be giving an update of the Group’s financial performance for 1Q2025 as the Company had just announced these financial results to SGX during lunch hour that day. The presentation slides would be made available on SGXNET with a Company announcement after the AGM.

The Chairman thanked the CEO, Deputy CEO and VP Finance for the presentation and invited questions from the shareholders on the presentation.

Q&A on the presentation:

- Question: A shareholder commended the Company for its solid performance in the past fiscal year, noting both its financial stability and operational advancements. He highlighted the strong first-quarter results and growth signals, particularly in the new five-star factory initiative and other strategic efforts in the semiconductor sector. The shareholder inquired about the potential impact of AI on the Company’s future revenue and profitability, with a specific focus on increasing demand for advanced chips and wafer fabrication.

Reply: The CEO and Deputy CEO offered insights into the growing influence of AI in the semiconductor industry, explaining that while the current impact on revenue is moderate, the Company is proactively positioning itself to address rising demand for high-performance chips. This includes targeted technological investments and infrastructure enhancements, like the five-star factory, which are strategically designed to support long-term growth in this area.

Question: The shareholder asked about MMH's focus on US wafer fabrication, considering the substantial wafer fabrication activity taking place in Asia.

Reply: The CEO clarified that the Company's US factory supplies essential components to US-based equipment manufacturers, with strategic partnerships in Silicon Valley playing a pivotal role.

Question: A shareholder raised a question regarding MMH's strategy for managing potential US-China trade tensions, particularly in the event of tariff reinstatements, and inquired whether the Company is considering listing in the US to enhance its value.

Reply: The CEO acknowledged the challenges of predicting the political landscape but noted the inevitable concerns for a global industry. He remarked that politics can sometimes overshadow the unique contributions of suppliers worldwide and expressed doubt about the sustainability of an industry fragmented and divided geographically, a concern reflected in current political discussions. He emphasized that the industry does not operate effectively or efficiently without its global nature.

In response to the question about a potential US listing, the CEO stated that while currently listed in Singapore, there is no definitive decision regarding a US listing. The experience on the Singapore Stock Exchange has been positive, particularly due to the strong governance practices that have proven highly beneficial. The primary focus remains on strengthening business fundamentals, effective capital management, developing efficient processes, driving earnings, and prioritizing stakeholder value.

Addressing the topic of tariffs, the Company noted that it has successfully navigated similar challenges over its 40 to 50 years in business. Being headquartered in Singapore offers advantages, as it avoids many regulatory requirements that would apply if it were a US-based company. Additionally, the Company maintains a strong presence in China, with a focus on growth and supporting the local market. Thanks to its strategic organizational structure, the Company is well-positioned and not overly concerned about potential tariff-related issues.

The segment on questions and answers on the presentation by Management ended and the formal meeting in accordance with the AGM agenda began.

The Company had also received some questions from a few shareholders before the AGM this year and the responses to substantial and relevant questions were published on SGXNET and the Company's website on 25 October 2024.

Before proceeding to the formal business of the AGM, the Chairman informed that as required under the Listing Rules, all resolutions put to the vote at this AGM would be voted on by way of a poll. She explained the polling procedures and also announced that CACS Corporate Advisory Pte Ltd was appointed to act as scrutineer for the meeting.

The meeting then proceeded to table the resolutions and discuss the formal business of the AGM.

ORDINARY BUSINESS

1. Adoption of Directors' Statement and Audited Financial Statements

1.1 The following Ordinary Resolution 1 was duly proposed and seconded:

"That the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2024 and the Auditors' Report thereon be received and adopted."

1.2 Q&A on Ordinary Resolution 1:

Question: A shareholder asked about the inter-segment revenue figures presented in the financial statements.

Reply: VP Finance explained that these revenues originated from products manufactured in Singapore and sold to subsidiaries in countries such as China, the Philippines, and Malaysia.

Question: A shareholder raised tax concerns related to the financial performance of the US segment, highlighting declining revenues and growing losses over recent years.

Reply: The CEO acknowledged this as an accurate summary of the US segment's recent performance. He stressed that a key priority is to restructure and enhance the operating performance of the US plant. He also noted that, according to the first quarter results, the Company successfully turned around the US plant's performance, achieving a profit of approximately S\$200,000 in the past quarter. The Company remains mindful of the challenges ahead and the importance of delivering positive financial contributions from not only the US but all other locations as well.

For the last quarter, the US plant moved from a loss position to a profit position. The Company is committed to continuing this positive trajectory moving forward.

Question: The shareholder further inquired about the interested person transaction concerning the increasing rental costs.

Reply: VP Finance explained that the increase was attributed to the USD to SGD conversion rate and lease renewals from the previous year. Additionally, the Company incurred additional expenses related to solar energy initiatives provided by the landlord.

The CEO explained that the U.S. facility is operated under Sarcadia LLC, a company owned by himself and his family members. As an interested person transaction, it is subject to thorough review by the Audit Committee and the Board.

He highlighted that the rental agreement with MMH is structured at approximately 30% below market rental rates. Additionally, in recent years, the facility has significantly expanded its solar electricity production, allowing MMH to purchase electricity at rates more than 50% lower than standard utility prices. This arrangement led to significant cost savings last year, with the Company generating approximately 70% of its electricity from solar energy and sourcing the remaining 30% from the grid, as outlined in the sustainability report.

Before approving these transactions, the Board obtained independent valuations and market benchmarks for the lease rental rates to ensure alignment with fair market practices.

Question: A shareholder inquired whether a substantial number of parts remain under qualification and are not yet in active production, given the Company's recent entry into this product line and the rigorous standards of its primary customers. The shareholder pointed out that these stringent requirements could pose challenges in replacing critical parts currently supplied by other vendors. Additionally, he asked whether several critical parts currently undergoing qualification for the new series of process equipment and if this equipment is expected to be produced within a one-to-two-year timeframe.

Reply: The CEO clarified that some parts have already been qualified and are transitioning into volume production as the industry scales up, while new parts are continually being developed to meet evolving customer needs, either through enhancements to existing components or the introduction of entirely new ones.

When asked about the proportion of parts in mass production versus those in qualification, the CEO explained that given the industry's continuous advancements, it can be difficult to quantify the exact split. MMH's approach focuses on iterative improvement in parallel with industry progress.

Question: The shareholder sought clarification on the nature of consumable parts, focusing specifically on critical components used in wafer fabrication.

Reply: The Deputy CEO explained that the lifecycles of consumable parts vary significantly, depending largely on customer specifications, material type, and application. For example, some parts may need replacement every few hours, while others can remain effective for months or even for up to a year. In MMH's tooling division, which primarily serves semiconductor assembly sector, most components are consumable. Similarly, in wafer fabrication, where critical parts endure harsh conditions such as gas exposure and vacuum environments, a significant portion of MMH's parts are consumable. While it may not reach 90%, a substantial percentage falls into this category.

Question: The shareholder inquired about recent "right-sizing" measures at the US factory, noting the first-quarter profit of S\$200,000. He asked whether MMH could provide specific figures on the cost savings achieved during the quarter and whether further reductions, potentially an additional 10% in the coming quarters might be feasible, or if the current cost structure represents the limit of achievable savings.

Reply: The CEO responded that the bulk of the restructuring efforts were completed in FY2024, positioning the Company to focus on strategic growth initiatives rather than pursuing additional cost reductions.

1.3 As there were no further questions, the Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 1 by completing the poll voting slips.

2. Declaration of Final Dividend

2.1 The following Ordinary Resolution 2 was duly proposed and seconded:

"That a final dividend of 3.0 cents per ordinary share tax exempt (one-tier) for the financial year ended 30 June 2024 be paid on 18 November 2024 to members registered in the books of the Company on 8 November 2024 be approved."

2.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 2 by completing the poll voting slips.

3. Approval of Directors' Fees

3.1 The following Ordinary Resolution 3 was duly proposed and seconded:

"That a sum of S\$430,000/- be approved for payment as directors' fees for the financial year ended 30 June 2024."

3.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 3 by completing the poll voting slips.

4. Re-election of Director – Mr Kwan Yew Kwong Kenny

4.1 The following Ordinary Resolution 4 was duly proposed and seconded:

“That Mr Kwan Yew Kwong Kenny retiring by rotation pursuant to Regulation 97 of the Company’s Constitution be re-elected as director of the Company.”

4.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 4 by completing the poll voting slips.

5. Re-election of Director – Mr Kazuo Jozeph Takeda

5.1 The following Ordinary Resolution 5 was duly proposed and seconded:

“That Mr Kazuo Jozeph Takeda retiring by rotation pursuant to Regulation 103 of the Company’s Constitution be re-elected as director of the Company.”

5.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 5 by completing the poll voting slips.

6. Re-election of Director – Ms Chua Siew Hwi

6.1 The following Ordinary Resolution 6 was duly proposed and seconded:

“That Ms Chua Siew Hwi retiring pursuant to Regulation 103 of the Company’s Constitution, be re-elected as director of the Company.”

6.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 6 by completing the poll voting slips.

6.3 Q&A on Ordinary Resolutions 5 & 6:

Question: A shareholder emphasized the importance of directors holding shares in the Company, as it aligns their interests with those of the shareholders and reinforces their commitment to the Company's success.

Reply: Mr Takeda expressed philosophical support for player ownership, viewing it as beneficial for aligning with the Company’s goals. However, he is still navigating the specifics of what is feasible within his current role, considering both regulatory and practical constraints. He emphasized that the primary focus has been on improving operations, particularly through initiatives like the five-star factory. Reflecting on his previous roles, where he was a shareholder in each company, this situation is new for him, especially given the complexities of being a US citizen in Singapore. He plans to consult with his financial advisor in the US to understand his options.

Ms Chua shared her philosophy of holding shares in every company she works with, a practice she has consistently followed. Joining MMH as a director is a new experience for her, and she is still familiarizing herself with the Company’s Management philosophy. Over the past six months, she has observed a strong alignment in governance and financial prudence, underscoring the importance of responsibility and accountability for both the Board and the Management team.

Question: The shareholder inquired about Mr Takeda’s vision for the Company and how his expertise could contribute to its transformation.

Reply: Mr Takeda shared his background in industrial engineering and operational improvements. He emphasized his focus on enhancing efficiencies, productivity, and utilization within the Company. He has visited various plants and provided suggestions for operational improvements.

Question: The shareholder asked Mr Takeda about his ability to attract more customers,

especially from the US.

Reply: The Chairman explained that Mr Takeda's role does not directly involve customer acquisition.

Question: A shareholder raised concerns about the process and timing of the transitions for the Board Chairman and the Audit Committee Chairperson. He expressed apprehension about the substantial loss of institutional knowledge with both chairs stepping down simultaneously due to regulatory limits on director tenure. While acknowledging the potential impact of this change on the Board's continuity and institutional knowledge he appreciated the long transition period and the continued involvement of the founder-CEO.

Reply: The Chairman explained that the transitions were driven by regulatory requirements, which impose a mandatory tenure limit, rendering both chairs ineligible to continue as independent directors after a certain period.

Ms Lai Chin Yee clarified that the transition process had been planned, however the search for suitable replacements took longer than anticipated, resulting in both chairs stepping down simultaneously.

RETIREMENTS OF MS SUMITRI MIRNALINI MENON @ RABIA AND MS LAI CHIN YEE

Mr Christopher Borch informed that Ms Sumitri Mirnalini Menon @ Rabia and Ms Lai Chin Yee will retire at the conclusion of the AGM. Details of their retirement were appended in the Explanatory Notes to the Notice of AGM dated 30 September 2024.

On behalf of the Board of Directors, Mr Christopher Borch thanked Ms Sumitri and Ms Lai for their valuable contributions to the Company during their tenure as Directors and wished them all the best in their future endeavours.

7. Re-appointment of Auditors

7.1 The following Ordinary Resolution 7 was duly proposed and seconded:

"That KPMG LLP be re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the directors be authorized to fix their remuneration."

7.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 7 by completing the poll voting slips.

SPECIAL BUSINESS

8. Authority to allot and issue shares in the capital of the Company

8.1 The following Ordinary Resolution 8 was duly proposed and seconded:

"That pursuant to Section 161 of the Companies Act 1967 ("**Act**"), the Constitution and the SGX-ST Listing Manual, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro-rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below); and
 - (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated 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 convertible securities or from the exercise of share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Shares;
 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the listing rules 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 general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."
- 8.2 The Chairman called for a poll on the resolution. The shareholders were requested to exercise their votes on Ordinary Resolution 8 by completing the poll voting slips. Thereafter, the scrutineers collected all the poll voting slips for counting.

9. Results of the Poll

9.1 The scrutineers submitted their report to the Chairman and based on the scrutineers' report, the results of the poll were as follows:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against		
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	
Ordinary Business						
1.	Adoption of the Audited Financial Statements for the financial year ended 30 June 2024 together with the Directors' Statement and the Auditors' Report thereon	77,281,157	77,276,157	99.99	5,000	0.01
2.	Approval of tax exempt (one-tier) final dividend of three cents per ordinary share for the financial year ended 30 June 2024	77,281,157	77,276,157	99.99	5,000	0.01
3.	Approval of Directors' fees of S\$430,000 for the financial year ended 30 June 2024	77,278,157	77,269,557	99.99	8,600	0.01
4.	Re-election of Mr Kwan Yew Kwong Kenny as a Director of the Company	77,275,357	77,203,857	99.91	71,500	0.09
5.	Re-election of Mr Kazuo Jozeph Takeda as a Director of the Company	77,272,357	77,267,357	99.99	5,000	0.01
6.	Re-election of Ms Chua Siew Hwi as a Director of the Company	77,272,357	77,240,057	99.96	32,300	0.04
7.	Re-appointment of KPMG LLP as Auditors of the	77,281,157	77,272,557	99.99	8,600	0.01

	Company and to authorize the Directors to fix their remuneration					
Special Business						
8.	Authority to allot and issue shares in the capital of the Company	77,281,157	77,261,157	99.97	20,000	0.03

9.2 Based on the above results of the poll, it was noted that the following resolutions were carried and passed:

- Ordinary Resolution 1 carried by the requisite majority
- Ordinary Resolution 2 carried by the requisite majority
- Ordinary Resolution 3 carried by the requisite majority
- Ordinary Resolution 4 carried by the requisite majority
- Ordinary Resolution 5 carried by the requisite majority
- Ordinary Resolution 6 carried by the requisite majority
- Ordinary Resolution 7 carried by the requisite majority
- Ordinary Resolution 8 carried by the requisite majority

10. Conclusion

There being no other business to transact, the Chairman declared the AGM of the Company closed at 4.05 p.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings held

SUMITRI MENON
 CHAIRMAN OF THE MEETING