

**ADVANCED HOLDINGS LTD. (THE “COMPANY”)
MINUTES OF FIFTEENTH ANNUAL GENERAL MEETING
HELD AT 30 WOODLANDS LOOP, SINGAPORE 738319
ON TUESDAY, 30 APRIL 2019 AT 2.00 P.M.**

DIRECTORS PRESENT

Mr Lim Boon Cheng
Dr Wong Kar King
Dr Ho Choon Hou

BY INVITATION

Mr Chua Chee How – Chief Financial Officer
Mr Chua How Kiat – Audit Partner, Deloitte & Touché LLP
Ms Ong Beng Hong – Company Secretary

SHAREHOLDERS PRESENT

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

(These minutes should be read with Annex A which records the questions posed and answers given during the meeting.)

NOTICE OF MEETING

The Notice convening this meeting was taken as read.

CHAIRMAN

Mr Lim Boon Cheng was elected to chair the meeting.

QUORUM

As a quorum was present, the Chairman declared the meeting open.

ORDINARY BUSINESS:

1. ORDINARY RESOLUTION 1: ADOPTION OF AUDITED FINANCIAL STATEMENTS AND REPORTS

Ordinary Resolution 1 on the Agenda was to receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Directors’ Statement and the Auditors’ Report thereon.

In view that the said documents were in the shareholders’ hands for the prescribed period, the Chairman proposed, with the shareholders’ permission, that the said documents be taken as read.

The Chairman then invited the shareholders to raise questions if they required clarification or had any queries pertaining to the resolution.

Several shareholders raised several questions the details of which and the answers thereto were recorded in Annex A of these minutes.

When there were no further questions from the shareholders, the Chairman asked for a shareholder to propose the motion and another shareholder to second the proposal.

Shareholder A proposed the motion which was seconded by Shareholder B.

The following resolution was then passed by way of a poll (the detailed results of which are appended hereto):

“Resolved that the Audited Financial Statements for the financial year ended 31 December 2018 together with the Directors’ Statement and the Auditors’ Report be and are hereby approved and adopted.”

2. ORDINARY RESOLUTION 2: RE-ELECTION OF DR HO CHOON HOU

Ordinary Resolution 2 on the Agenda was to re-elect as a Director, Dr Ho Choon Hou. Under Article 91 of the Company’s Constitution. Dr Ho Choon Hou, a Director of the Company, retires and being eligible, offers himself for re-election. Dr Ho Choon Hou will, upon re-election as Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of each of the Audit Committee and the Remuneration Committee.

The Chairman invited the shareholders to raise questions if they required clarification or had any queries pertaining to the resolution.

As there were no questions raised by the shareholders, the Chairman asked for a shareholder to propose the motion and another shareholder to second the proposal.

Shareholder A proposed the motion which was seconded by Shareholder B.

The following resolution was then passed by way of a poll (the detailed results of which are appended hereto):

“Resolved that Dr Ho Choon Hou, who retires pursuant to Article 91 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

3. ORDINARY RESOLUTION 3: APPROVAL OF DIRECTORS’ FEES

Ordinary Resolution 3 on the Agenda was to approve the payment of Directors’ fees for the financial year ending 31 December 2019, to be paid quarterly in arrears. It was noted that the Board of Directors had recommended for approval a sum of S\$170,000.00 to be paid quarterly in arrears as Directors’ fees for the financial year ending 31 December 2019.

The Chairman invited the shareholders to raise questions if they required clarification or had any queries pertaining to the resolution.

As there were no questions raised by the shareholders, the Chairman asked for a shareholder to propose the motion and another shareholder to second the proposal.

Shareholder A proposed the motion which was seconded by Shareholder B.

The following resolution was then passed by way of a poll (the detailed results of which are appended hereto):

“Resolved that Directors’ fees of S\$170,000.00 to be paid quarterly in arrears for the financial year ending 31 December 2019 be and are hereby approved.”

4. ORDINARY RESOLUTION 4: RE-APPOINTMENT OF AUDITORS

Ordinary Resolution 4 on the Agenda was to re-appoint Deloitte & Touché LLP as the Company’s Auditors and to authorise the Directors to fix the Auditors’ remuneration.

The Chairman invited the shareholders to raise questions if they required clarification or had any queries pertaining to the resolution.

As there were no questions raised by the shareholders, the Chairman asked for a shareholder to propose the motion and another shareholder to second the proposal.

Shareholder A proposed the motion which was seconded by Shareholder B.

The following resolution was then passed by way of a poll (the detailed results of which are appended hereto):

“Resolved that Deloitte & Touché LLP be re-appointed as the Auditors of the Company to hold office until the next Annual General Meeting at a fee to be determined by the Directors.”

The Chairman noted that since no notice of any other ordinary business had been received by the Company, he would proceed to deal with the special business of the meeting.

SPECIAL BUSINESS:

5. ORDINARY RESOLUTION 5: AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT NEW SHARES AND CONVERTIBLE SECURITIES

Ordinary Resolution 5 on the Agenda was to seek shareholders’ approval for authority to be granted to the Directors to allot and issue new shares and convertible securities in the Company, the details of which were set out in the text of the Ordinary Resolution in item 6 of the Notice of AGM.

The Chairman invited the shareholders to raise questions if they required clarification or had any queries pertaining to the resolution.

A shareholder raised a question the details of which and the answer thereto were recorded in Annex A of these minutes.

When there were no further questions from the shareholders, the Chairman asked for a shareholder to propose the motion and another shareholder to second the proposal.

Shareholder A proposed the motion which was seconded by Shareholder B.

The following resolution was then passed by way of a poll (the detailed results of which are appended hereto):

“That pursuant to Section 161 of the Companies Act, Cap. 50 (“**Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in 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 or issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions, for such purposes and to such persons as the Directors of the Company 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 of the Company while this Resolution was in force,

provided always that:

- (I) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to the shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below);
- (II) (subject to such 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 (I) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the Company at the time of the passing of this Resolution, after adjusting for:
 - (aa) new shares arising from the conversion or exercise of any convertible securities;
 - (bb) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (cc) any subsequent bonus issue, consolidation or subdivision of shares;
- (III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (IV) unless revoked or varied by the Company in a general meeting, such authority 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 the earlier.”

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed and thanked everyone for their attendance.

MR LIM BOON CHENG
Chairman of the Meeting

APPENDIX – RESULTS OF THE POLL

Resolution Number and Details	Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST		
		No. of shares	As a percentage of total votes for and against the resolution (%)	No. of shares	As a percentage of total votes for and against the resolution (%)	
Ordinary Business						
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Directors' Statement and Auditors' Report	46,450,073	46,240,741	99.55	209,332	0.45
2	Re-election of Dr Ho Choon Hou as a Director	46,450,073	46,237,408	99.54	212,665	0.46
3	Approval of Directors' fees amounting to S\$170,000.00	46,450,073	46,237,408	99.54	212,665	0.46
4	Re-appointment of Messrs Deloitte and Touché LLP as the Company's Auditors	46,450,073	46,240,741	99.55	209,332	0.45
Special Business						
5	Authority to allot and issue shares	46,450,073	46,150,108	99.35	299,965	0.65

ADVANCED HOLDINGS LTD.

**Questions and Answers at
Annual General Meeting held on 30 April 2019**

NO.	QUESTIONS	RESPONSES
<u>Resolution 1 – Adoption of Audited Financial Statements and Reports</u>		
1.	Referring to page 10 of the Annual Report, Shareholder A pointed out that the Group’s revenue fluctuated during the period 2014 to 2018, but presented an overall declining trend. He further noted that the Group’s profits during the said period were erratic and that the profit margin was very thin. He queried if, going forward, the Company had any plans to improve the profitability of the Group.	<p>In relation to the revenue trend, Mr Chua Chee How (“Mr Chua”) replied that the revenue trend had to be understood in light of the acquisitions and/or disposals undertaken by the Group in the past few years. He explained that there was a significant decrease in revenue from 2016 to 2017 due to the disposal of Applied Engineering Pte Ltd (“AEPL”), which used to contribute approximately S\$20 million to S\$22 million in revenue. He noted that there was subsequently a slight improvement in revenue from 2017 to 2018.</p> <p>In relation to the profit margin, Mr Chua informed the shareholders that the average gross profit margin of the Group was approximately 15% to 20%. He shared that the Company had decided to dispose of AEPL due to lack of orders and low gross profit margin. He noted that AEPL was loss-making at the time it was disposed. He highlighted that immediately after the disposal, even though the revenue of the Group decreased, there was an improvement in the Group’s profit margin to 32%. He added that the Group’s profitability in 2017 was partially affected by the professional fees incurred on the proposed acquisition of Agricore Global Pte. Ltd. (“Agricore”).</p>
2.	Shareholder A queried if AEPL was engaged in the water treatment business.	Mr Chua replied in the negative and clarified that AEPL was the subsidiary with the factory in Tuas.
3.	Shareholder A queried the amount of professional fees incurred on the proposed acquisition of Agricore.	Mr Chua replied that initially, an amount of S\$2.2 million in professional fees was estimated for the reverse takeover. However, as the reverse takeover did not take place, reversals would be made to certain accruals in 2019.
4.	Shareholder A queried what the Company could expect from Agricore going forward. He noted that Agricore was not profit-generating and queried if Agricore was cash-earning.	Mr Chua replied that based on the Management’s assessment and pending confirmation from the auditors, Agricore would be equity-accounted for under the line item “share of results of associate” in the

		<p>Group’s consolidated income statement. As such, there would be no significant impact on the Group.</p> <p>In relation to Agricore’s cash-earning capacity, Mr Chua replied that some of Agricore’s plantations had obtained HGU status and could potentially be commercialised.</p>
5.	<p>Shareholder A noted that the return on equity (“ROE”) of the Group was poor and queried how the Group planned to improve its profitability.</p>	<p>Dr Wong Kar King (“Dr Wong”) agreed that the ROE was poor. He noted that many other companies dependent on the oil and gas industry had been in the same predicament as the Group since 2016. He stated that the Group had been doing what it could to stay afloat in these difficult times, for instance, by disposing of businesses that were expected to incur significant losses, such as AEPL. He shared that the Group could either close the business down or sell it to a third party and in the case of AEPL, the Group was fortunate to find a buyer. He noted however that not all businesses were sellable.</p> <p>He shared that the Group was currently exploring options to reduce the losses in the Middle East and this might result in the closure of the two business units there. Shareholder A queried if Dr Wong was referring to the joint ventures in the Kingdom of Saudi Arabia and the United Arab Emirates. Dr Wong replied in the affirmative. Shareholder A agreed that something should be done about the Middle East businesses, as they had caused the Group to lose approximately S\$1 million in FY2018.</p> <p>Dr Wong stated that the Group would continue to weed out loss-making businesses while seeking to generate businesses in areas that were profitable.</p>
6.	<p>Referring to page 89 of the Annual Report, Shareholder A sought clarification as to whether the tenure listed therein referred to the remaining tenure of the relevant property.</p>	<p>Mr Chua confirmed that the tenure stated therein referred to the remaining tenure of the relevant property.</p>
7.	<p>Shareholder A queried if the leasehold property at 30 Woodlands Loop, Singapore 738318 (the “Woodlands Loop Property”) was leased out.</p>	<p>Mr Chua replied in the affirmative. He clarified that only part of the Woodlands Loop Property was leased out in accordance with JTC guidelines.</p>

8.	Shareholder A queried if the properties in Shanghai and Germany were being used as operating factories.	Mr Chua replied in the affirmative.
9.	Referring to page 10 of the Annual Report, Shareholder B noted the Group seemed to have paid dividends in the bad years but not the good years. He queried if the Group had any dividend policy.	Mr Chua replied that the Group did not have a definitive dividend policy. However, the Group tried to reward shareholders whenever possible. He further noted that the Group issued dividends to shareholders even in years when the Group was not performing as well. He explained that even though the Group was loss-making in 2016 and 2017, dividends were declared and paid in both years with cash generated from the disposal of the water business in 2016 and the disposal of AEPL in 2017 respectively.
10.	Shareholder A noted that the net asset value (“NAV”) per share of the Company was S\$0.57 but the current market price of the Company’s shares was S\$0.158 per share. He queried how much cash the Group would have after the acquisition of Agricore.	Mr Chua replied that the Group had S\$33 million in cash as at 31 December 2018. The consideration for the acquisition was S\$15 million. As such, the Group would have approximately S\$18 million in cash remaining after the acquisition.
11.	Shareholder A queried why there was no resolution for share buyback mandate in the notice of AGM. He noted that the shares of the Company were currently trading far below NAV and suggested that the Company consider conducting a share buyback.	<p>Dr Wong replied that as the single largest shareholder, he shared Shareholder A’s sentiments that his investment as a shareholder was not rewarded in terms of share price.</p> <p>He noted however that share buyback was not a sustainable way to improve the share price and the only sustainable way was to improve the financial results of the Group. He was of the view that any excess cash would be better spent on the business of the Group. He noted that the Company had previously conducted a share consolidation (3:1), which was supposed to increase the share price from approximately S\$0.20 to S\$0.75. However, the share price had declined considerably and remained depressed since then. He stated that the Management had been working very hard to increase the profit margins of the Group in light of the declining oil and gas industry.</p>
12.	Referring to page 112 of the Annual Report, Shareholder A queried if the Group could improve the presentation of the segmental results by showing the results for each sector.	<p>Mr Chua How Kit from Deloitte and Touché LLP, the Company’s auditors, clarified that the results as currently presented were already in line with the requirement of the accounting standards to present the results according to each business segment of the Group.</p> <p>He clarified that the Group had only one</p>

Annex A to Minutes of 2019 AHL AGM

		business segment, namely, “engineering service and manufacturing” and that the categories of “petrochemicals and chemicals”, “oil and gas”, “iron and steel” and “others” referred to the industries in which the Group served. He stated that the accounting standards did not require the Company to disclose results by each industry served.
13.	Shareholder A queried if the Group would have another business segment for Agricore next year.	Mr Chua replied that Agricore would most likely be included in “share of results of associate” instead.
14.	Shareholder A queried if the Company was currently selling any product or providing any service that leveraged on its expertise to Agricore, since the circular on the proposed acquisition of Agricore (the “ Circular ”) stated that there would be synergies between the Company and Agricore after the acquisition.	Dr Wong replied that the Company was not currently selling or providing products or services to Agricore. He noted however that there were plans for the Company to provide its technical expertise and consultancy services to Agricore. He was confident that the Company would be one of the first few parties invited to provide assistance to Agricore when Agricore starts building its own palm mills or refineries in the future.
15.	Shareholder A noted that the Circular mentioned the potential initial public offering (“ IPO ”) of Agricore and queried if this was still going to take place.	Mr Chua replied that as disclosed in the Circular, there was intention for Agricore to be listed. He noted however that the manner and place of listing would be decided by the board and the shareholders of Agricore.
16.	Shareholder A queried if the Company had a seat on the board of directors of Agricore.	Mr Chua replied in the affirmative.
17.	Shareholder A queried if the Company would be replying to the questions by Securities Investors Association of Singapore (“ SIAS ”).	<p>The Chairman noted that the first question pertained to the value propositions of the Group. He noted that the Group’s value propositions, strategies and focus were set out on page 1 of the Annual Report.</p> <p>Shareholder A noted that the second question pertained to receivables. The Chairman informed shareholders that the audit committee (the “AC”) reviewed the analysis on the receivables and took into account the internal and external audit findings to ensure that the expected credit loss rate was reasonable. He noted that the expected credit loss in the Group’s industry was quite low, as the main customers were major petrochemical companies and Chinese government-linked companies. Further, the Group utilised financial instruments such as letters of credit.</p> <p>The Chairman noted that the third question pertained to the independence and attendance</p>

		<p>of Dr Ho Choon Hou (“Dr Ho”). He noted that Dr Ho was a shareholder of Agricore and as such, to maintain his independence, Dr Ho had abstained from all meetings and discussions relating to Agricore.</p> <p>In relation to Dr Ho’s absence at certain meetings, Mr Chua noted that Dr Ho was only absent from meetings on two dates, namely, the scheduled quarterly meeting on 27 February 2018 and the ad-hoc meeting on 20 July 2018. He informed shareholders that the directors would try their best to dial in by teleconference if they were unable to be physically present for the meeting. However, Dr Ho was unable to dial in for the meetings of the nominating committee (“NC”), remuneration committee (“RC”) and the Board held after the audit committee on 27 February 2018, as he was on the plane at the time of these meetings.</p> <p>The Chairman added that all information and materials requiring the directors’ deliberation was circulated to the directors for their consideration.</p> <p>Dr Ho stated that he tried not to show up physically at meetings where Agricore would be discussed, as he did not want his presence to exert undue pressure on the Board. He noted that the minutes of meetings provided to him were also redacted to exclude the discussions on Agricore.</p>
18.	Shareholder A queried if the Company could expect more projects related to the oil and gas industry in the future.	Dr Wong replied that the Group had been receiving enquiries and there appeared to be more activities, but competitors were also more aggressive and it would be more difficult to secure the projects. Dr Ho added that the volatility of the oil price was detrimental to projects.
<p><u>Resolution 5 – Authority to Directors to Issue and Allot New Shares and Convertible Securities</u></p>		
19.	Shareholder A queried if the Company had any plan to issue new shares in the short term.	The Chairman replied in the negative.