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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Excelpoint Technology Ltd.

Stock code: BDF

Meeting details:
Date: 8 April 2022
Time: 3.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Despite a challenging operating environment, the group reported a 44% increase in revenue to US$1.6 billion for FY2021. Net profit rose to US$24.5 million. The company has proposed an ordinary dividend of 4 Singapore cents per share and a special dividend of 4.8 Singapore cents per share.

In the letter to shareholders, the chairman and group CEO said the following (pages 2 & 3):

> *The global chip shortage gave our business a clear advantage, but it was our strong fundamentals on which we have built our business upon including the strong trusted relationships we have built with our principals and partners that once again reinforced our established market positioning known for our strength in demand generation and engineering capabilities. These vital building blocks, together with our dedicated team and well-executed operational planning have enabled our group to capture new opportunities arising from the increase in demand. The impact of the macroeconomic environment will always exist, but I believe that as long as we continue to focus on our core capabilities and enhance our positioning, we will see sustained growth for the business.*

(i) **Can management elaborate further on the impact of the global chip shortage on the group? How did the group gain its "clear advantage" during this period of global chip shortage?**

As mentioned in the operations review, the group has worked with its key principals to offer technology solutions to customers such as battery management systems ("BMS") and energy storage systems ("ESS").

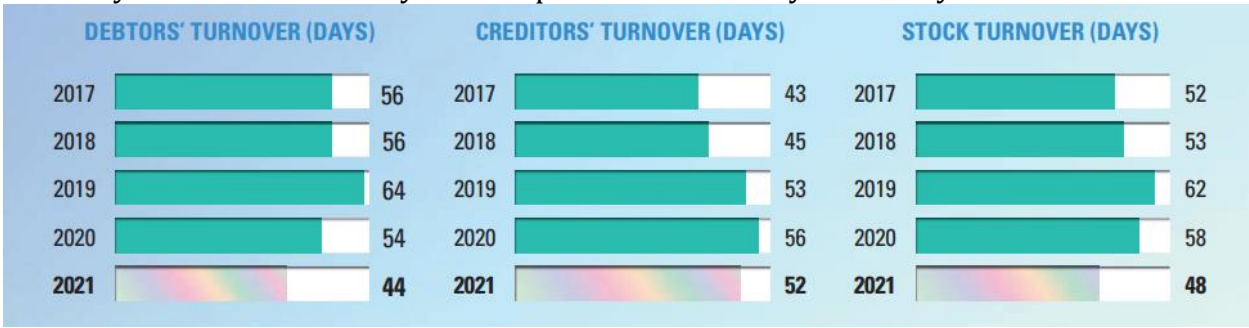
(ii) **Can management clarify on the value-add services it provides to its customers? How large is its engineering/solutions team? Does the group hold any intellectual property?**

(iii) **Is management positioning the group to provide more value-add and thus improving its gross profit margin?**

(iv) **Other than the TraceTogether token, can the company showcase some of the key/notable products that it has helped bring to the market?**

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Q2. As shown on page 6 (Financial highlights), debtors' turnover (days) decreased sharply from 54 days to 44 days while creditors' turnover (days) saw a smaller drop from 56 days to 52 days. Stock turnover days also improved from 58 days to 48 days in 2021.



(Source: company annual report)

(i) **What are the reasons for the significant decrease in debtors' turnover (days) from 64 in FY2019 to 54 in FY2020 to 44 in FY2021?**

(ii) **How much of the decrease in stock turnover can be attributed to improvements in the group's systems and processes?**

Revenue from India increased from approximately US$32 million in FY2017; to US$59-$60 million in FY2018 & FY2019; and to US$111 million in FY2021 after a dip to US$35 million in FY2020. At the end of the reporting period, approximately 15% (2020: 17%) of the group's trade debtors were due from two (2020: two) major customers located in Hong Kong/The People's Republic of China and India (2020: Hong Kong/The People's Republic of China).

(iii) **Is the group's growth in India due to newly acquired customers or existing customers? How different or similar is the India market when compared to the Hong Kong/The People's Republic of China market?**

(iv) **What is the size of the addressable market in India?**

(v) **Can management highlight the risks of operating in these markets to shareholders?**

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Q3. On 24 March 2022, the company announced the retirement of Ms Joanne Khoo Su Nee as independent director of the company pursuant to regulation 89 of the company's constitution at the conclusion of the twenty-first annual general meeting to be held on 8 April 2022.

The profiles of the directors can be found on pages 8 to 10 of the annual report (page 8 reproduced below).



(Source: company annual report)

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The effective date of Ms Joanne Khoo Su Nee's cessation is 8 April 2022. Ms Joanne Khoo Su Nee was appointed to board on 28 September 2016. In the announcement of cessation, the reason for the cessation was "***to support progressive renewal of the board***" [emphasis added].

(i) **Has the nominating committee (NC) reviewed the overall desired competency matrix of the board and identified any gaps in skills or competencies that could be addressed in future director appointments?**

(ii) **What were the circumstances that led to Ms Joanne Khoo Su Nee's retirement "to support progressive renewal of the board" given that she has served on the board for less than 6 years and is the only independent director that has not served for more than 9 years?**

Out of the 7 members in the board, the four non-executive directors are deemed independent. Other than Ms Joanne Khoo Su Nee, the other non-executive directors are Mr. Sunny Wong Fook Choy, Mr. Kwah Thiam Hock and Professor Low Teck Seng. They were appointed on 13 November 2003, 18 April 2007 and 19 April 2006 respectively. The directors have each served on the board for almost 16 years to as long as over 18 years.

The same three directors (with Professor Low Teck Seng as chairman), along with Mr Albert Phuay Yong Hen (chairman, group CEO; also a controlling shareholder), form the NC.

(iii) **Would the NC help shareholders understand the plans for the progressive renewal of the board?**

(iv) **Please elaborate further on the board diversity policy and clarify how the board diversity policy facilitates the progressive renewal of the board.**

(v) **In particular, with all three non-executive long-tenured directors seeking their continued appointment as independent directors in the past two years, will the board's progressive renewal be delayed?**

On 30 November 2021, Mr Tan Boon Gin, chief executive of Singapore Exchange Regulation, gave guidance that companies are expected to use the two-tier rule sparingly to promote renewal and succession planning[1].

(vi) **What deliberations did the NC have following the new guidance from SGX Regco on board renewal and succession planning?**

[1] https://www.businesstimes.com.sg/companies-markets/answer-my-question-before-i-vote-sgx-regco-sets-new-timelines-for-companies-to

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)