

ECOWISE HOLDINGS LIMITED
(Company Registration No.: 200209835C)
(Incorporated in Singapore)
(the “Company”)

MINUTES OF ANNUAL GENERAL MEETING

MODE OF MEETING : By electronic means

DATE : Friday, 29 May 2020

TIME : 10.00 a.m.

PRESENT : Mr Lee Thiam Seng – Executive Chairman and Chief Executive Officer
Mr Cao Shixuan – Deputy Chief Executive Officer
Mr Er Kwong Wah - Lead Independent Director
Mr Hew Koon Chan – Independent Director
Mr Tan Wei Shyan – Independent Director
Mr Ivan Lye – Assistant Financial Controller (“AFC”) and Company Secretary
ZICO Capital Pte. Ltd. – Continuing Sponsor
RSM Chio Lim LLP – Auditors
Boardroom Corporate and Advisory Services Pte. Ltd - Polling Agent
Ardent Business Advisory Pte. Ltd. – Scrutineer

CHAIRMAN OF THE MEETING : Mr Er Kwong Wah – Lead Independent Director

SHAREHOLDERS AND PROXIES PARTICIPATION : Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in this minutes.

SPECIAL NOTE ON CONDUCT OF MEETING

In adhering to the various advisories and guidance issued by the authorities amid the COVID-19 outbreak, the Annual General Meeting of the Company (the “**Meeting**” or “**AGM**”) was conducted via live webcast and live audio only means (“**electronic means**”). Shareholders of the Company (“**Shareholders**”) who pre-registered with the Company, observed the proceedings of the Meeting by electronic means. The Company has been granted an automatic time-limited exemption by the Ministry of Trade and Industry during the “circuit breaker” period to hold the Meeting.

INTRODUCTION & QUORUM

Mr Er Kwong Wah, the Lead Independent Director of the Company, was appointed in accordance with the Constitution of the Company to preside as the Chairman of the Meeting.

He took the opportunity to introduce the Directors, the AFC and the Company Secretary, and other professionals who joined the Meeting either by electronic means or physical presence.

As a quorum was present, the Chairman of the Meeting declared the meeting opened at 10.00 a.m.

NOTICE OF AGM

The Chairman of the Meeting was informed that proxy forms lodged had been checked and found to be in order.

The Notice of AGM dated 14 May 2020 convening the Meeting was taken as read.

The Chairman of the Meeting informed the Shareholders that he has been appointed as a proxy by some shareholders and will be voting in accordance with their instructions.

VOTING BY WAY OF POLL

The Chairman of the Meeting informed the Shareholders that Boardroom Corporate and Advisory Services Pte. Ltd. had been appointed as Polling Agent and Ardent Business Advisory Pte. Ltd. had been appointed as Independent Scrutineers for the conduct of the poll. The validity of the proxy forms submitted by Shareholders by the submission deadline of 10.00 a.m. on 26 May 2020 had been reviewed and the votes of all such valid proxies had been counted and verified.

The Chairman of the Meeting also informed that some Shareholders had agreed to act as proposer and seconder for all the resolutions to be tabled at this Meeting.

ORDINARY BUSINESS

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 - RESOLUTION 1

The first item on the Agenda of the AGM was to receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 October 2019, together with the Auditors' Report thereon.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	421,813,639	98.60
Against the Resolution	6,000,000	1.40
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 1 carried.

2. RE-ELECTION OF MR CAO SHIXUAN AS A DIRECTOR - RESOLUTION 2

Resolution 2 dealt with the re-election of Mr Cao Shixuan as a Director of the Company in accordance with Regulation 107 of the Constitution of the Company.

Mr Cao Shixuan, an Executive Director of the Company, holding 42,535,114 shares in the Company, had voluntarily abstained from voting in respect of Resolution 2 which relates to his own re-election.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	360,967,525	93.69
Against the Resolution	24,311,000	6.31
Total number of valid votes cast	385,278,525	100.00

Based on the results, the Chairman of the Meeting declared Resolution 2 carried.

3. RE-ELECTION OF MR TAN WEI SHYAN AS A DIRECTOR - RESOLUTION 3

Resolution 3 dealt with the re-election of Mr Tan Wei Shyan as a Director of the Company in accordance with Regulation 117 of the Constitution of the Company.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	403,502,639	94.32
Against the Resolution	24,311,000	5.68
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 3 carried.

4. RE-ELECTION OF MR HEW KOON CHAN AS A DIRECTOR - RESOLUTION 4

Resolution 3 dealt with the re-election of Mr Hew Koon Chan as a Director of the Company in accordance with Regulation 117 of the Constitution of the Company.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	403,502,639	94.32
Against the Resolution	24,311,000	5.68
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 4 carried.

5. APPROVAL OF DIRECTORS' FEES AMOUNTING TO S\$151,000 FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2019 - RESOLUTION 5

The Board had recommended the payment of Directors' fees of S\$151,000 for the financial year ended 31 October 2019.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	403,502,639	94.32
Against the Resolution	24,311,000	5.68
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 5 carried.

6. **APPROVAL OF DIRECTORS' FEES AMOUNTING TO S\$165,000 FOR THE FINANCIAL YEAR ENDING 31 OCTOBER 2020, TO BE PAID HALF-YEARLY IN ARREARS - RESOLUTION 6**

The Board had recommended the payment of Directors' fees of S\$165,000 for the financial year ending 31 October 2020, to be paid half-yearly in arrears.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	403,502,639	94.32
Against the Resolution	24,311,000	5.68
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 6 carried.

7. **RE-APPOINTMENT OF RSM CHIO LIM LLP AS THE AUDITOR OF THE COMPANY AND TO AUTHORISE DIRECTORS TO FIX THEIR REMUNERATION - RESOLUTION 7**

The Meeting was informed that RSM Chio Lim LLP, the Auditor of the Company, had expressed their willingness to continue in office until the conclusion of the next annual general meeting of the Company.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	421,813,639	98.60
Against the Resolution	6,000,000	1.40
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 7 carried.

8. **ANY OTHER BUSINESS**

As no notice of any other business was received by the Company Secretary, the Chairman of the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:

9. PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE - RESOLUTION 8

The Chairman of the Meeting tabled Resolution 8 to the meeting for approval:

That:

- (a) for the purposes of Sections 76C and 76E of the Singapore Companies Act, Cap. 50, of Singapore (the “**Act**”), the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) market purchases transacted on Catalist through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the share buyback (“**Market Purchases**”); and/or
 - (ii) off-market purchases effected pursuant to an equal access scheme as defined in Section 76C of the Act (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws and regulations, including but not limited to, the Company’s Constitution, the provisions of the Act and the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) as may for the time being be applicable (the “**Share Buyback Mandate**”);
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from 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 is required by law to be held;
 - (ii) the date on which the purchases or acquisitions of the shares pursuant to the Share Buyback Mandate is carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred in the Share Buyback Mandate is varied or revoked by the shareholders in a general meeting,whichever is the earliest (“**Relevant Period**”).
- (d) for purposes of this Resolution:

“**Prescribed Limit**” means 10% of the total number of issued ordinary shares of the

Company (“**Shares**”) as at the date of passing of this Resolution unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time); and

“**Maximum Price**” in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

- (iii) “**Average Closing Price**” means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period;
 - (iv) “**day 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, stating the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and
 - (v) “**market day**” means a day on which the SGX-ST is open for trading in securities.
- (e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	421,813,639	98.60
Against the Resolution	6,000,000	1.40
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 8 carried.

9. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE ECOWISE PERFORMANCE SHARE PLAN – RESOLUTION 9**

The Chairman of the Meeting tabled Resolution 9 to the meeting for approval:

That pursuant to Section 161 of the Singapore Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the ecoWise Performance Share Plan (the “**Plan**”) and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Plan, provided the total number of new shares which may be issued pursuant to awards granted under the Plan shall not exceed fifteen per centum (15%) of the issued shares of the Company (excluding any shares held in treasury and subsidiary holdings) from time to time 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 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.

Based on the proxies received, the voting results of the poll were as follows:

	Number of Shares	Percentage (%)
For the Resolution	421,006,139	98.41
Against the Resolution	6,807,500	1.59
Total number of valid votes cast	427,813,639	100.00

Based on the results, the Chairman of the Meeting declared Resolution 9 carried.

RESPONSE TO SHAREHOLDERS’ QUERIES

The Chairman of the Meeting informed that the Company received queries from Shareholders prior to the AGM, and would like to address and respond to them at the Meeting.

Question 1: What are the action plans that have been established to achieve the goals of the Company and what measures have been taken by the Board to monitor the management performance towards achieving the goals?

Company’s response:

The Company has been focusing on its core business namely renewable energy, resource recovery and integrated environmental management solutions. The Company is continuously reviewing its business model, restructuring and disposal of those labour-intensive, low technology businesses to stay relevant and competitive. Meanwhile, the Company is building and growing on its existing businesses which are profitable and at the same time, controlling its operating costs (being, management expenses, labour cost, inventory management cost, warehousing cost and purchasing cost). With respect to inorganic growth opportunities, the Company will invest in projects within its expertise (those which are in similar/related industries), to maintain stability, reduce unnecessary business risk and increase the returns to Shareholders. For those projects proposal which are not in similar/related industries, evaluations and further work have been suspended to conserve resources, working capital and to control our investments.

The Board and management of the Group (“**Management**”) are also working hand in hand to restructure the Group’s unprofitable business and maximise the upside opportunities from those profitable business segments so as to increase the value to Shareholders. The Board will continue to monitor and measure

the performance of Management and track it against these goals. The independent Directors of the Company (“IDs”) also evaluate the performance of Management from various angles - internal control, working capital etc, and they operate independently, raise questions directly to Management where necessary with respect to any concerns they have in their evaluation. The IDs communicate directly with Management via meetings/emails/calls, including being on the ground to communicate with Management for actual investigation on the project operations, actual operation to identify any potential risk and suggest areas of improvement. Management will upon reviewing those potential risks highlighted by the IDs take the necessary actions to protect and maximise Shareholders’ interest.

Question 2: It was announced by the Company on 15 April 2020 that there were material variances between the unaudited results and the audited financial statements for the financial year ended 31 October 2019 after the finalisation of audit.

As a result, the unaudited profit after tax of \$33,000 turned into an audited loss after tax of (\$487,000) and the total equity at Company level declined by \$4.1 million to \$27.7 million, after the audit is finalized. There were many material variances being highlighted.

In view of the above, can the Board and management provide some assurance to the shareholders that this incident would not occurred in the future by providing the appropriate background information on the reasons attributed to the lapse and the corrective measures taken? Whether the Audit Committee performed an evaluation of the Company’s financial reporting and internal control systems and the findings? Whether the finance team is adequately resourced with experienced and qualified staff to ensure the integrity of the financial statements?

Company’s response:

The Board and Management would like to highlight that the variance for the total equity at the Company level does not affect the Group’s total equity. In addition, all adjustments have also no impact to the net tangible assets of the Group.

The Board and Management would also like to highlight that the Company has always strived to be fair and transparent in its dealings and disclosures to Shareholders to ensure the interest of Shareholders are protected. As such, the Board and the Management would adopt a more stringent process in the upcoming review/audit including but not limited to the following to prevent such re-occurrence:

- Regular reporting to the Audit Committee of the Company (“AC”) with detailed review on certain selected areas of focus by the AC.
- Aside from the existing internal control processes, we have also appointed an independent internal auditor to review, improve and strengthen the internal control processes. Likewise, Management will also conduct its own internal review in different areas such as inventory management, procurement etc.

With respect to the Group’s finance team, the Company places high importance on the experience and qualification of its finance staff – staff must possess high quality professional educational background (locally or overseas), professional finance related certification (such as ACCA etc), and have practical experience and personal integrity.

Question 3: What are the contingencies and business continuity plan that is developed to cope with the anticipated impacts on the Group, due to the tough business environment?

Company’s response:

As set out in response 1 above, the Group has been undergoing a review of its business model to focus

on enhancing the value-add of those profitable business stream and disposing those non-core business stream. The Group has also been streamlining its workflow processes and redeployment of employees to other business department to enhance the productivity and value-add of employees with the aim of reducing the overall cost to the Group. Further to these strategic business review, the Group has also implemented the following processes to minimize the impact of the tough business environment to the Group:

- i) accelerating the collection of accounts receivables from customers in February 2020 and March 2020 prior to and during the lock-down due to the COVID-19 outbreak;
- ii) maintaining sufficient stock on hand (being, raw materials) to ensure that production is able to continue for up to three (3) months especially for those confirmed orders from customers;
- iii) securing sufficient funding from principal bankers to ensure continuity of our business. Management has in fact, six (6) months prior, touched base with various banks for increased credit limit, which has already been approved, ready to be tapped on anytime, upon any contingencies;
- iv) implementing safety measures and inspection protocol since the onset of COVID-19, for both office workers and general workers, with business continuity planning measures (such as splitting of employees into team which will allow for back-up in the event of any suspect/confirmed cases of COVID-19, temperature monitoring of employees throughout the day etc). It should also be noted that none of the Group's employees have contracted the coronavirus;
- v) suspending all new projects (including investments) which are not in similar/related industries to conserve and ensure stable working capital such that the Company is able to deal with any unexpected contingencies during difficult times; and
- vi) payment of salaries to all of the Group's employees on time without any reduction.

CONCLUSION

There being no other business to transact, the Chairman of the Meeting declared the Meeting closed at 10.37 a.m. and thanked Shareholders for their attendance.

Confirmed As True Record of Proceedings Held

ER KWONG WAH
Chairman of the Meeting