

MINUTES OF THE 46TH ANNUAL GENERAL MEETING HELD AT 10:00 A.M. ON FRIDAY, 22 NOVEMBER 2024 AT MEETING ROOM 330, LEVEL 3, SUNTEC SINGAPORE INTERNATIONAL CONVENTION & EXHIBITION CENTRE, 1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593

PRESENT : As set out in the attendance records maintained by the Company.

1.0 INTRODUCTION

- 1.1 Opening and Introduction Mr. Samuel Lim Syn Soo, Chairman of the Board and the Annual General Meeting (“Chairman”), welcomed everyone to the 46th Annual General Meeting of the Company (“AGM” or “Meeting”).
- 1.2 Chairman confirmed that a quorum was present and declared the Meeting opened.
- 1.3 Chairman introduced the Directors, who were present at the Meeting and extended the apologies on behalf of Mr. Timothy Brooks Smith for being unable to attend the Meeting. He added that representatives from Ernst & Young LLP, the Company’s auditors, were also in attendance to assist the Board in addressing questions on the audit or the audited financial statements.
- 1.4 Procedural Matter on Proxy and Voting Chairman advised that Proxy Forms submitted 72 hours before the Meeting had been checked and verified by the Scrutineer. He noted that a number of shareholders had appointed him as their proxy. As such, he would vote according to their specified instructions stated in the Proxy Form. He further added that as shareholder of the Company, he would be proposing all the resolutions.
- 1.5 Shareholders were informed that voting on all resolutions would be put to vote by way of poll. Chairman introduced Complete Corporate Services Pte Ltd (“CCS”) and Moore Stephens LLP (“MS”) as the appointed polling agent and Scrutineer respectively. He explained that MS would scrutinise the polling process and verify the results of the poll on each resolution.
- 1.6 Substantial and relevant questions submitted in advance of AGM Chairman informed that the Company did not receive any questions submitted by shareholders as at the stipulated cut-off time for submission of questions in advance of the Meeting
- 1.7 Questions & Answers Protocols Chairman stated that during the course of the Meeting, he and the Directors would respond to questions relevant to the agenda items when the resolution was called upon. Shareholders were requested to keep their comments and questions brief to allow shareholders and proxies to have the opportunity to speak. He also sought the understanding of shareholders that the Board would not be able to respond to commercially sensitive questions.

2.0 PRESENTATION BY CHAIRMAN/CEO

- 2.1 Chairman gave a presentation covering an overview and challenges the Group faced in FY2024, the measures that were taken to enhance the Group's capital and cost efficiency and the strategic focus and actions that the Group is taking in the face of the challenges in FY2025.
- 2.2 Shareholders were informed that the Group's revenue reached another low point in FY2024 due to the significant headwinds. Chairman explained the misalignment between the Group's performance and the industry growth trend were due to: (i) the Group currently does not serve the memory market, which is one of the growth drivers of the industry; and (ii) given the highly cyclical nature of the industry, the Group has to navigate long lead times between its investments and returns, along with ongoing supply chain disruptions.
- 2.3 Chairman said amidst the challenging business environment, several strategic measures were taken to enhance capital and cost efficiency. These measures included asset monetisation program to unlock value for underutilized assets, such as the reduction of factory space; (ii) realigning human capital with the business demands to optimise operational performance, and (iii) commitment from top leadership team to a pay freeze or fee reduction. Additionally, various pathways are being explored for enhancing shareholders' value creation, such as capital reduction, group restructuring, etc. He further added that despite the Group reporting a profit, the Company recorded a cumulative loss and a loss for the year to enable it to declare a dividend. To lay down a more stable platform for delivering long-term shareholders' value, the Company shall focus on growing revenues and rebuilding reserves.
- 2.4 Chairman assured shareholders that the Company remains committed to building a strong and diverse workforce. It is continuously developing the human resource pipeline to recruit younger talent to contribute fresh perspectives, energy and innovation. These actionable steps would position the Group to better navigate future challenges and build a stronger foundation for the years ahead.
- 2.5 Moving on into FY2025, the Chairman informed that the Group shall focus on continuous investments in technology and innovation to support a diverse range of semiconductor manufacturers who are experiencing growing applications in AI for cars and computing markets, as well as to invest in test capabilities to promote the Group's SLT "burn-in and test" solutions. This would position the Group well to align with the rapid growth in AI and EV to support the customers' needs. The challenges that the Group could face in the coming year are the continuing USA and China trade relation tensions and the volatile global economic conditions that might impact the customers' budgets and purchasing decisions. He said nevertheless the Group would push ahead to stay agile and strategically prepared itself to adapt as demand shifts.
- 2.6 The presentation slides (attached as Appendix A to these minutes for records purpose) were published on the SGXNet and the Company's website, after the conclusion of the Meeting.

3.0 NOTICE OF MEETING

- 3.1 Chairman reported the Notice of AGM dated 25 October 2024 (“Notice”) convening the Meeting had been announced on SGXNet, as well as published on the Company’s website and in The Business Times. With the consent of the Meeting, the Notice was taken as read.
- 3.2 He informed a total of six ordinary resolutions would be tabled for approval at the Meeting.
- 3.3 The representative from CCS is then invited by the Chairman to explain the procedures for the electronic voting. A test resolution to familiarise Shareholders with the electronic voting system was successfully conducted.

ORDINARY BUSINESS

4.0 ORDINARY RESOLUTION 1 – ADOPTION OF DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2024 (“FY2024”) AND THE AUDITOR’S REPORT THEREON

- 4.1 Chairman informed the first item on the agenda was to receive and adopt the Directors’ Statement and audited financial statements for FY2024 together with the Auditor’s Report thereon.
- 4.2 Chairman invited questions from Shareholders. The Directors had an open dialogue with the Shareholders on their views, clarifications and comments on the Chairman’s presentation and the audited financial statements, a gist of which were summarised in Appendix B attached to these minutes.
- 4.3 Chairman put Ordinary Resolution 1 to the vote.
- 4.4 The results of the poll were as follows:

TOTAL NO. OF SHARES REPRESENTED BY VOTES FOR AND AGAINST	FOR		AGAINST	
	No. of shares	%	No. of shares	%
73,167,454	73,073,054	99.87%	94,400	0.13%

- 4.5 Based on the poll results, Chairman declared Ordinary Resolution 1 carried and it was RESOLVED:

“THAT the Directors’ Statement and audited financial statements for the financial year ended 31 July 2024 together with the Auditor’s Report thereon be hereby received and adopted.”

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5.0 ORDINARY RESOLUTION 2 – RE-ELECTION OF RETIRING DIRECTOR, MR KENNETH TAN TEOH KHOON

5.1 Shareholders were informed that Mr Kenneth Tan Teoh Khoon was due for rotational retirement under Article 87 of the Company’s Constitution and had signified his consent to continue in office.

5.2 Chairman added that upon re-election, he would continue to serve as a member of the Nominating Committee.

5.3 Chairman invited questions from Shareholders. There being no question, Chairman put Ordinary Resolution 2 to the vote.

5.4 The results of the poll were as follows:

TOTAL NO. OF SHARES REPRESENTED BY VOTES FOR AND AGAINST	FOR		AGAINST	
	No. of shares	%	No. of shares	%
71,697,654	70,607,854	98.48%	1,089,800	1.52%

5.5 Based on the poll results, Chairman declared Ordinary Resolution 2 carried and it was RESOLVED:

“THAT Mr Kenneth Tan Teoh Khoon be re-elected as a Director of the Company.”

6.0 ORDINARY RESOLUTION 3 – RE-ELECTION OF RETIRING DIRECTOR, MS SANDY FOO FEI YING

6.1 Shareholders were informed that Ordinary Resolution No. 3 was to re-elect Ms Sandy Foo Fei Ying, who was also due for rotational retirement under Article 87 of the Company’s Constitution.

6.2 Chairman said Ms Sandy Foo Fei Ying had signified her consent to continue in office. Shareholders noted that upon re-election, Ms Sandy Foo Fei Ying would continue to serve as Independent Non-Executive Director as well as a member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee.

6.3 Chairman invited question from Shareholders. There being no question, he put Ordinary Resolution 3 to the vote.

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6.4 The results of the poll were as follows:

TOTAL NO. OF SHARES REPRESENTED BY VOTES FOR AND AGAINST	FOR		AGAINST	
	No. of shares	%	No. of shares	%
73,165,454	72,048,654	98.47%	1,116,800	1.53%

6.5 Based on the poll results, Chairman declared Ordinary Resolution 3 carried and it was RESOLVED:

“THAT Ms Sandy Foo Fei Ying be re-elected as a Director of the Company.”

7.0 ORDINARY RESOLUTION 4 – ELECTION OF DIRECTOR, DR. BABAK ALIZADEH TAHERI

7.1 Shareholders were informed that Ordinary Resolution No. 4 was to elect Dr. Babak Alizadeh Taheri, to fill the vacancy as Mr Timothy Brooks Smith would step down after the Meeting.

7.2 Chairman said the Nominating Committee and the Board had assessed Dr. Babak Alizadeh Taheri to be a suitable candidate and had proposed his election for shareholders’ approval.

7.3 Shareholders were informed that upon election, Dr. Babak Alizadeh Taheri would serve as Independent Non-Executive Director as well as a member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee.

7.4 Chairman invited question from Shareholders. There being no question, he put Ordinary Resolution 4 to the vote.

7.5 The results of the poll were as follows:

TOTAL NO. OF SHARES REPRESENTED BY VOTES FOR AND AGAINST	FOR		AGAINST	
	No. of shares	%	No. of shares	%
73,003,454	72,676,866	99.55%	326,588	0.45%

7.6 Based on the poll results, Chairman declared Ordinary Resolution 4 carried and it was RESOLVED:

“THAT Dr. Babak Alizadeh Taheri be elected as a Director of the Company.”

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8.0 RESOLUTION NO. 5 – APPROVAL OF DIRECTORS’ FEES OF S\$150,000 IN RESPECT OF FY2024

8.1 Chairman sought the approval of Shareholders for the proposed payment of S\$150,000 as directors’ fees in respect of FY2024.

8.2 Chairman invited questions from Shareholders. A shareholder opined it unnecessary to reduce the directors’ fees so long as Directors provide good inputs and it should not be linked to the Company’s performance whereas another shareholder said he supported the voluntary fee cut given the Company did not pay dividend. He added the fee reduction goes to show the Directors are aligned with and have the interest of shareholders at heart. The shareholder expressed his appreciation to the Directors, he also reminded the Company to be cognisance that shareholders need the dividend for survival.

8.3 Ms Sandy Foo thanked the shareholders for their comments. She highlighted that the Company is in the league of the big boys and operating in a sunrise industry. It has a visionary chairman and an executive in the helm, who are under the Board’s constant scrutiny. She assured shareholders that the independent directors are mindful of the concerns raised and the Board have been reviewing various options, such as looking for partnership or otherwise industry expert, considering capital reduction or otherwise focusing on growing revenues and sustainable profits, continuing to invest in research and development, etc. Ms Foo added it is a continuing work for the independent directors to monitor and engage management actively on the ongoing issues. She also highlighted that whilst the Group has been innovating to keep up with new technologies, that is quickly developing, however its fortunes are tied with its customers.

8.4 Chairman put Ordinary Resolution 5 to the vote.

8.5 The results of the poll were as follows:

TOTAL NO. OF SHARES REPRESENTED BY VOTES FOR AND AGAINST	FOR		AGAINST	
	No. of shares	%	No. of shares	%
71,389,354	71,363,954	99.96%	25,400	0.04%

8.5 Based on the poll results, Chairman declared Ordinary Resolution 5 carried and it was RESOLVED:

“THAT the payment of S\$150,000 as directors’ fees in respect of financial year ended 31 July 2024 be and is hereby approved.”

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9.0 RESOLUTION NO. 6 – RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS AUDITOR

9.1 Shareholders were informed that the Audit and Risk Committee (“ARC”) had proposed the re-appointment of the retiring Independent Auditor, Messrs Ernst & Young LLP (“EY”). The ARC was satisfied that the nature and extent of non-audit services to be provided by EY would not prejudice their independence and objectivity.

9.2 Chairman added EY had also indicated their willingness to continue in office.

9.3 Chairman invited questions from Shareholders. There being no question, he put Ordinary Resolution 6 to the vote.

9.4 The results of the poll were as follows:

TOTAL NO. OF SHARES REPRESENTED BY VOTES FOR AND AGAINST	FOR		AGAINST	
	No. of shares	%	No. of shares	%
71,646,654	71,532,366	99.84%	114,288	0.16%

9.5 Based on the poll results, Chairman declared Ordinary Resolution 6 carried and it was RESOLVED:

“THAT Messrs Ernst & Young LLP be re-appointed Auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and that the Directors be authorised to fix their remuneration.”

9.0 CLOSURE

9.1 There being no other business to transact, the Chairman thanked everyone present for their attendance and declared the AGM closed at 11:53 a.m.

**CONFIRMED AS A CORRECT RECORD BY:
SAMUEL LIM SYN SOO
CHAIRMAN**

PRESENTATION SLIDES OF EXECUTIVE CHAIRMAN/CHIEF EXECUTIVE OFFICER



FY2024: Measures Taken For Capital & Cost Efficiency



- **Realized Asset Monetization Program**
- **Realigned Human Capital**
- **Reviewed Shareholders Value Creation**
- **Reported Group Positive Earnings but Distributable Reserves Fall Short for Dividends**

22 Nov 2024



FY2025 : Navigating Winter to Spring



Continuous Investments in Technology Innovation

- **Increasing NPIs – AI Product Driving New Devices**
- **Advancing Testing Capabilities**
- **Promoting “Burn-in & Test” SLT Solutions**

Challenges

- **US–China Relation Trade Tensions**
- **Economic Volatility May Impact Customer Budgets and Purchasing Decisions**

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APPENDIX B

SUMMARY OF KEY MATTERS DISCUSSED AT THE 46TH AGM HELD AT 10:00 A.M. ON FRIDAY, 22 NOVEMBER 2024 AT MEETING ROOM 330, LEVEL 3, SUNTEC SINGAPORE INTERNATIONAL CONVENTION & EXHIBITION CENTRE, 1 RAFFLES BOULEVARD, SUNTEC CITY, SINGAPORE 039593

Questions

1. Note 12 (page 113) and segment reporting on page 136 (Note 28(a) gives only geographic breakdown, it doesn't tell how the KESM group perform versus the Singapore operations on sales and profits. Can the breakdown of sales and profits between KESM group and Singapore group be provided?

2. In the Chairman's presentation it was mentioned the Company had engaged consultant to look into its valuation and shareholders' interest, etc. but the concluding remark is no dividend will be paid. What did the consultant recommend?

3. Can you do capital reduction to cancel the shares and pay back to shareholders in one lump sum?

4. Sunright share value is very low. Why would shareholders continue to stay invested in Sunright when there is no dividend or capital appreciation?

Answers

Sunright Group's financial information comprise the information of all its subsidiaries. There is no breakdown for individual subsidiary's profitability or revenues. Given KESM is listed, KESM group financial information is publicly available on the website of Bursa Malaysia Securities Berhad.

Note 4(a) on page 99 provides the Group revenue breakdown, by sale of goods and service. The "service" line reflects principally KESM group's revenue.

On the Group profitability, both KESM group and Sunright group were profitable.

The Company reported a loss and it also does not have distributable reserve for declaration of dividend. The top priority is to focus on making profits, i.e. growing revenues and building reserves to ensure that the Company has a sustainable stream of income to declare dividend.

The Board had deliberated and felt that growing revenues and profits are the most meaningful and substantive methods.

The intrinsic value of Sunright rests on the following: (i) it is a company serving a broad range of international customers; (ii) it is supported by a strong, talented and innovative employees led by visionary leaders; and (iii) the Group is operating in a sunrise industry such as transformative changes that will be brought about by AI and EV.

The primary objective of the Board is to see how it can maximise the business of the Group and also maximise the shareholders' return. Due to weak performance, share price appreciation and dividend payment had not been forthcoming.

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The Singapore operation is facing challenges and the Board and management are working together to overcome them from a business revenue perspective. Separately, from a cost perspective, cost controls measures had been implemented, for e.g. total salaries costs and directors' fees had been reduced.

The underlying reason why Sunright is unable to declare dividend is because Sunright, at the company level, does not have a positive distributable reserve.

5. How many directors will be receiving the directors' fees, given one is stepping down?

Independent directors continue to receive directors' fees.

6. The fee cut is unnecessary because so long as the independent directors are offering good inputs to the Company and the fee is fair, it should not be linked to the Company's performance.

The independent directors volunteered the fee cut. They wanted to share their sentiments with shareholders.

7. The previous report painted a very positive outlook that you are going into the growing market in EV and AI but the reported results turned out be disappointing. What happened to your positive remarks before?

Technology is evolving and AI is at its infant stage of deployment into EV. Sunright has been servicing the growing automotive sector of our customers before AI has come along. So we are at the very early stage of AI for the automotive devices. In fact, we are only at the beginning of the first generation of the AI devices and our customers are still working on improving the AI capability in their devices. Although Sunright is well positioned to benefit from this opportunity because it has in its existing customers portfolio the largest automotive customer, unfortunately most of our customers' new product introduction did not quite make it to the marketplace and a re-design is required. As a result, the volume has not built up yet.

8. Do you have Chinese customers given the size of the Chinese market?

We are growing our Chinese base.

9. Does your customer do qualification of your machines?

Yes.

10. Are there any products or equipment you are supplying for the memory market?

The Company had already exited from the memory segment.

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11. At what stage are we at on the SLT? *SLT is not an end product by itself. It is a solution product that has contact and thermal control technologies and is meant to be sold along with the end product to perform as a total solution. There is high interest from customers and we are working with them on the product solution. We plan to feature the product on the Company's website next year.*
12. In the business of technology, I understand there is high competition and as such you need to conserve for research and development, etc. I hope the Board can work with the Chairman to evaluate should the Company do it alone or partner with someone with capital or who has strategic synergy that would enable realising the dream quicker, smoother and safer. *It is better going together instead of doing it alone, depending on what we want to do. Over the years, we had explored with potential partners and also acquired technologies from third party.*
13. We sold the factory for a profit of S\$7.7 million but the number is not reflected in the net profit line. Is it the Singapore operation made a loss of S\$7-8 million? *The Group has businesses in Singapore, Taiwan, USA and others. As units reported losses, it resulted in reduced profits.*
14. Are we spending major capital expenditure for the coming year? *It depends because the business environment is very volatile. If the opportunity arises and the investment is sufficiently attractive, we will.*
15. The revenue is not going to increase for the next 1-2 years. Is there way that we can reduce losses? *Going forward there is no certainty we are not growing the top line. The priority is to grow the top line and the profit.*
16. In the presentation it was mentioned there is a sharp decline in mobile devices. What is the reason for the drop? *During Covid-19 period, there was urgent need for mobile communications, resulting in sudden demand for mobile devices, such as mobile phones, tablets, PCs. Inventory began to build up but after Covid-19, demand for mobile devices went down.*
17. AI is software application, not hardware. When you talk about AI, how is it relevant to your chip testing. *We are referring to the different AI applications used in car, PC, etc. We service a broad range of automotive customers and AI application for automotive is our focus. It is a big market with high volumes.*

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18. Can we look forward to a better year ahead and when will the Company start paying dividend?

The market we are in is a very hot market and currently we are trying to align our products with the market place.

Sunright is in the sunrise industry and its guiding principle has been “to be in the right place, right time and do the right thing”. When the right thing happened at the right time and place, we will go for it.

19. The Chairman/CEO had done a marvelous job over the years looking after the Company. But from a corporate governance stance it is recommended to separate the two roles.

The Board will consider it when the Group has reached a certain stage of growth and scale and it is deemed necessary to do so.