

XMH HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 201010562M)
(the “**Company**” and together with its subsidiaries, the “**Group**”)

**MINUTES OF ANNUAL GENERAL MEETING OF THE COMPANY FOR
THE FINANCIAL YEAR ENDED 30 APRIL 2024 (“FY2024”)
(the “AGM” or “MEETING”)**

| | | |
|----------------------|---|---|
| VENUE | : | 55 Tuas Crescent #07-01 Singapore 638743 |
| DATE | : | Wednesday, 28 August 2024 |
| TIME | : | 10.00 a.m. |
| PRESENT | : | <u>Board of Directors</u> Mr. Tan Tin Yeow (Chairman and Managing Director) Ms. Tan Guat Lian (Executive Director) Mr. Hong Pian Tee (Lead Independent Non-Executive Director) Mr. Khoo Song Koon (Independent Non-Executive Director) Mr. Raymond Lam Kuo Wei (Independent Non-Executive Director) <u>Management of the Company</u> Mr. Tan Leong Kim (Chief Financial Officer) <u>Company Secretary</u> Mr. Chua Kern |
| IN ATTENDANCE | : | <u>Shareholders, Proxies, Auditors, Polling Agent, Scrutineers, Representatives from the Company Secretary Office</u> As set out in the attendance record maintained by the Company |
| CHAIRMAN | : | Mr. Tan Tin Yeow (Chairman and Managing Director) |

CHAIRMAN

Mr. Chua Kern (“**Mr. Chua**” or the “**Company Secretary**”) greeted the shareholders of the Company (the “**Shareholders**”) and informed that he would be assisting Mr. Tan Tin Yeow (“**Mr. Tan TY**” or the “**Chairman**”) to conduct the AGM. On behalf of the Chairman, Mr. Chua duly welcomed all who were present at the Meeting.

QUORUM

On behalf of the Chairman, Mr. Chua called the Meeting to order at 10.00 a.m. after ascertaining that a quorum was present and introduced the Directors of the Company, the audit partner from Ernst & Young LLP and the Company’s Chief Financial Officer who were present at the Meeting.

NOTICE OF AGM

The Notice of AGM dated 8 August 2024 was taken as read as all pertinent information relating to the proposed resolutions tabled at the Meeting (the “**Resolutions**”) were set out in the Notice of AGM of the Company which had been circulated to Shareholders via publication on the SGXNet and on the Company’s corporate website on 7 August 2024.

QUESTIONS FROM SHAREHOLDERS

As set out in the Notice of the AGM dated 8 August 2024, Shareholders who had any questions in relation to any of the Resolutions to be tabled at the Meeting were to send in their queries in advance to the Company by 16 August 2024. It was noted that no questions were received from the Shareholders before the Meeting.

MODE OF VOTING

Mr. Chua informed all who were present that in Mr. Tan TY's capacity as Chairman of the Meeting, he had been appointed as proxy by various Shareholders and he would be voting in accordance with their specific instructions.

Voting on the Resolutions would be conducted by way of a poll in accordance with Regulation 58 of the Constitution of the Company and the requirements of Rule 730A(2) of the Mainboard Listing Rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Listing Rules**"). The poll would be conducted after each Resolution had been duly proposed and seconded.

For the conduct of the poll, Complete Corporate Services Pte Ltd and Moore Stephens LLP have been appointed as the Polling Agent and Scrutineer respectively. The representative from Complete Corporate Services Pte Ltd briefed the Meeting on the procedures for the poll voting process.

After the briefing, Mr. Chua proceeded with the business of the Meeting.

ORDINARY BUSINESS

RESOLUTION 1 – ADOPTION OF THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND OF THE GROUP FOR FY2024, TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT THEREON

Mr. Chua invited the Shareholders to raise their queries on the audited financial statements, if any.

Questions Received from Shareholders

1. Shareholder A –

- (a) The Group's distribution segment reported excellent revenue figures for the year. The Indonesian market contributed S\$75 million in revenue for 2024, as compared to S\$50 million revenue in 2023. Is the revenue from the distribution segment cyclical?**
- (b) How many customers does the Group have in the distribution segment? As the tugboat customers are mainly fragmented into small players, do you see the industry consolidating in the future?**

 - (a) Mr. Tan TY, the Chairman and Managing Director, explained that the Group's customers are spread across Indonesia and vessel construction was primarily driven by customer demands in the current market. The Group delivers the engines according to specifications to their customers upon receipt of orders, and the customers do not normally order these engines in bulk for stockpiling.
 - (b) The Group does not expect the customers to consolidate into large players in the future and the customers will continue to remain diversified. Orders are received annually based on the customers' plans for their building of vessels.

- 2. Shareholder A – Based on customer demographics in the transportation tugboat industry, are the tugboats mostly older builds being retired and subsequently replaced, or newer builds?**

The Group has been in the transportation tugboat industry for more than twenty-five (25) years. Mr. Tan TY clarified that the constant replacement of older tugboats for newer tugboats is a standard practice of the customers. The Group foresees that the transportation tugboat industry in Indonesia will remain relatively stable.

- 3. Shareholder A – After-sales segment revenue was approximately one-eighth and one-tenth of the distribution segment revenue for the Indonesian market for the years 2023 and 2024 respectively. What is the reason for the drop in after-sales segment revenue for the Indonesian market in 2024?**

The after-sales segment is specifically for the repairs and maintenance of diesel engines for the Group's customers. Any significant increase in distribution and project segment revenue does not necessarily translate to an increase in after-sales segment revenue as newly built vessels would require less maintenance.

- 4. Shareholder A – The after-sales segment is performing well, reporting an increase of S\$1.2 million in revenue from S\$11.45 million in 2023 to S\$13.79 million in 2024. Does Management expect this business segment to expand rapidly?**

Mr. Tan TY clarified that most customers engage the Group for after-sales as the Group was able provide quality and efficient after-sales services when customer vessels are harboured in or near Singapore waters.

- 5. Shareholder A –**

(a) The Group currently has land use rights over the property at 55 Tuas Crescent, Singapore 638743 (the “Tuas Property”) and has a remaining tenure of nineteen (19) years. Has Jurong Town Corporation (“JTC”) offered an option to the Group for an extension of the tenure beyond the existing nineteen years?

(b) Is the Tuas Property valued at book value or market value?

(c) Is the Tuas Property rented out? What is the rental income derived from subletting the property?

(a) The land use rights over the Tuas Property is for thirty (30) years and the Group has not reached a stage where it can negotiate a tenure extension with JTC at this juncture.

(b) The Tuas Property is measured at book value for accounting purposes in the financial statements. Mr. Hong Pian Tee (“**Mr. Hong**”), the Lead Independent Director, commented that the book value is lower than the market value and that Management had performed a valuation of the Tuas Property in March 2020. However, the Group had adopted a conservative view for the valuation and speculating on the market value of the Tuas Property would be misleading to the Shareholders.

(c) The Tuas Property is sublet to third parties and the rental income derived from the same amounted to S\$1.56 million in aggregate for FY2024, as disclosed under the notes to the financial statements in the Annual Report.

6. Shareholder B –

(a) Notwithstanding the reduction in the Company's loans and borrowings during the year, finance costs have not reported a similar decrease in FY2024. Has the Company achieved a net cash position four months into the financial year ended 30 April 2025 ("FY2025")?

(b) Will the loan prepayments affect the finance costs payable by the Company?

(a) Mr. Tan Leong Kim ("Mr. Tan LK"), the Chief Financial Officer, clarified that in addition to the scheduled loan repayments, the Company was also making loan prepayments totaling S\$12.5 million during FY2024. This resulted in a reduction in the Company's loans and borrowings from S\$32.56 million to S\$18.22 million in FY2024. The Company will continue to settle its loan payments in the forthcoming months and Mr. Tan LK explained that the Company may achieve a net cash position in the future once all loan payments have been fully settled.

(b) The finance cost will be lower with each prepayment as the outstanding loan balance is reduced after each prepayment.

7. Shareholder B – Rental income has dropped from S\$1.87 million in 2023 to S\$1.56 million in 2024. Is the reduced rental income due to lower monthly rental rates or due to cessation of rental leases with tenants? What is the current occupancy rate of the property being leased out?

The Group currently leases out 30% of the Tuas Property to tenants, with a 100% occupancy rate. The decrease in rental income for FY2024 was due to the expiry of the concession rate to rent out 50% of the property given by JTC.

8. Shareholder B – The last valuation for the Tuas Property was S\$87 million in March 2020. Has Management performed any subsequent valuation on the Tuas Property to date?

There has been no subsequent valuation conducted for the Tuas Property since March 2020.

9. Shareholder B – The Group has been collaborating with sub-dealers and expanding into Thailand, Malaysia, Singapore and Indonesia with BUKH engines. How much is the contribution from this new business segment?

The BUKH engines are small, primarily cater to small-sized fast crafts and lifeboats, and not of high value. The Group entered the market two (2) years ago and Mr. Tan TY is keen on exploring opportunities to expand further into this segment. The revenue from the BUKH engines is categorised under distribution segment revenue.

10. Shareholder B – Despite the significant reduction in the Group's project segment revenue, the Group is optimistic about securing future contracts. What are the terms of these future projects?

The significant reduction in the Group's project revenue arose from challenges amidst the current economic conditions, which have negatively impacted the overall financial performance of the Group in FY2024.

With team effort and strategic planning, the Group has improved its arrangements with suppliers for prompt delivery of materials to mitigate the supply chain issues. Moving forward, Management is expecting improvements in the order book and is cautiously optimistic of securing more future orders.

- 11. Shareholder A – The Group has five (5) major customers which contributed towards 27% to the Group’s revenue during the year as compared to three (3) major customers contributing towards 37% of the Group’s revenue in 2023. What is the reason for the reduction in revenue contribution from major customers this year?**

There is a high demand from all of the Group’s customers due to existing supply issues. The Group is currently sharing its limited engine resources amongst its major customers and other smaller customers, resulting in an averaging out in the contribution of revenue from each customer.

- 12. Shareholder A – Do you foresee the supply chain issues being resolved in the near future?**

Mr. Tan TY explained that the supply chain issues arose from a surge in customer demand in the market. The Group expects the current level of customer demand will continue to remain manageable.

There were no further questions on Resolution 1.

Upon a proposal by Mr. Ou Yang Yan Te and seconded by Mr. Chong Chor Thutt, Resolution 1 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 1 as follows:-

| | | | |
|------------------------------------|---|------------------|-----------|
| Those in favour | : | 94,669,556 votes | (100.00%) |
| Those against | : | 0 votes | (0.00%) |
| Total number of valid votes casted | : | 94,669,556 votes | (100.00%) |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 1 was duly carried on a poll vote.

RESOLUTION 2 – DECLARATION AND APPROVAL OF THE PAYMENT OF A FINAL ONE-TIER TAX EXEMPT DIVIDEND OF 0.25 SINGAPORE CENTS PER ORDINARY SHARE AND A SPECIAL ONE-TIER TAX EXEMPT DIVIDEND OF 3.25 SINGAPORE CENTS PER ORDINARY SHARE FOR FY2024

Mr. Chua invited the shareholders to raise their queries on the final and special dividends, if any.

There being no questions from the shareholders, upon a proposal by Ms. Ang Chai Peng and seconded by Ms. Ong Siok Ling, Resolution 2 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 2 as follows:-

| | | | |
|------------------------------------|---|------------------|-----------|
| Those in favour | : | 94,669,556 votes | (100.00%) |
| Those against | : | 0 votes | (0.00%) |
| Total number of valid votes casted | : | 94,669,556 votes | (100.00%) |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 2 was duly carried on a poll vote.

Mr. Chua took the opportunity to inform Shareholders that Mr. Hong would be retiring and therefore relinquish his position as Lead Independent Director, Chairman of the Remuneration Committee (“**RC**”) and a member of the Audit Committee (“**AC**”) and the Nominating Committee (“**NC**”) of the Company at the conclusion of the Meeting.

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Mr. Raymond Lam Kuo Wei (“**Mr. Raymond Lam**”), on behalf of the Company, conveyed his gratitude and appreciation to Mr. Hong, for his contributions and support throughout his tenure as Lead Independent Director. Mr. Hong, who has been a Director of the Company since 2010, was instrumental in providing invaluable guidance and counsel to Management during various periods of the Company’s growth. The Board of Directors (the “**Board**”) will ensure that Mr. Hong’s legacy is preserved at the Company following his retirement.

RESOLUTION 3 – APPROVAL OF THE PAYMENT OF DIRECTORS’ FEES OF S\$179,130 FOR FY2024

Mr. Chua invited the shareholders to raise their queries on the Directors’ fees, if any.

There being no questions from the shareholders, upon a proposal by Mr. Ou Yang Yan Te and seconded by Ms. Ong Siok Ling, Resolution 3 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 3 as follows:-

| | | | |
|------------------------------------|---|------------------|-----------|
| Those in favour | : | 94,673,756 votes | (100.00%) |
| Those against | : | 0 votes | (0.00%) |
| Total number of valid votes casted | : | 94,673,756 votes | (100.00%) |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 3 was duly carried on a poll vote.

RESOLUTION 4 – RE-ELECTION OF MR. TAN TIN YEOW AS A DIRECTOR OF THE COMPANY

It was noted that Mr. Tan TY, being eligible for re-election, had expressed his consent to continue in office and will upon re-election, remain as the Chairman and Managing Director of the Company. For good corporate governance purposes, Mr. Tan TY, who holds 69,685,187 shares in the capital of the Company, had voluntarily abstained from voting on Resolution 4 in respect of his own re-election as a Director of the Company.

Mr. Chua invited the shareholders to raise their queries on the re-election of Mr. Tan TY as a Director of the Company, if any.

There being no questions from the shareholders, upon a proposal by Mr. Ou Yang Yan Te and seconded by Ms. Ang Chai Peng, Resolution 4 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 4 as follows:-

| | | | |
|------------------------------------|---|------------------|-----------|
| Those in favour | : | 24,984,369 votes | (100.00%) |
| Those against | : | 0 votes | (0.00%) |
| Total number of valid votes casted | : | 24,984,369 votes | (100.00%) |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 4 was duly carried on a poll vote.

RESOLUTION 5 – RE-ELECTION OF MR. KHOO SONG KOON AS A DIRECTOR OF THE COMPANY

It was noted that Khoo Song Koon (“**Mr. Khoo**”), being eligible for re-election, had expressed his consent to continue in office and will upon re-election, remain as an Independent Director, the Chairman of the AC and a member of the NC and the RC of the Company. Mr. Khoo is considered to be independent for the purposes of Rule 704(8) of the Listing Rules.

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Mr. Chua invited the shareholders to raise their queries on the re-election of Mr. Khoo as a Director of the Company, if any.

There being no questions from the shareholders, upon a proposal by Ms. Ang Chai Peng and seconded by Ms. Ong Siok Ling, Resolution 5 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 5 as follows:-

| | | | |
|------------------------------------|---|-------------------------|------------------|
| Those in favour | : | 94,673,506 votes | (100.00%) |
| Those against | : | 0 votes | (0.00%) |
| Total number of valid votes casted | : | <u>94,673,506 votes</u> | <u>(100.00%)</u> |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 5 was duly carried on a poll vote.

RESOLUTION 6 – RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS THE INDEPENDENT AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT AGM AND TO AUTHORISE THE DIRECTORS OF THE COMPANY TO FIX THEIR REMUNERATION

Mr. Chua invited the shareholders to raise their queries on the re-appointment of Messrs Ernst & Young LLP as the Auditors of the Company, if any.

There being no questions from the shareholders, upon a proposal by Mr. Chong Chor Thutt and seconded by Ms. Ang Chai Peng, Resolution 6 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 6 as follows:-

| | | | |
|------------------------------------|---|-------------------------|------------------|
| Those in favour | : | 94,429,406 votes | (99.99%) |
| Those against | : | 8,500 votes | (0.01%) |
| Total number of valid votes casted | : | <u>94,437,906 votes</u> | <u>(100.00%)</u> |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 6 was duly carried on a poll vote.

ANY OTHER ORDINARY BUSINESS

As there were no further items of ordinary business arising, the Meeting proceeded to deal with the items of special business.

SPECIAL BUSINESS**RESOLUTION 7 – ORDINARY RESOLUTION – AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES IN THE CAPITAL OF THE COMPANY**

Mr. Chua invited the shareholders to raise their queries on the authority to allot and issue shares in the capital of the Company, if any.

There being no questions from the shareholders, upon a proposal by Mr. Ou Yang Yan Te and seconded by Ms. Ang Chai Peng, Resolution 7 was put to vote by way of a poll.

Mr. Chua announced the results of the poll for Resolution 7 as follows:-

| | | | |
|------------------------------------|---|-------------------------|------------------|
| Those in favour | : | 94,087,056 votes | (99.38%) |
| Those against | : | 582,500 votes | (0.62%) |
| Total number of valid votes casted | : | <u>94,669,556 votes</u> | <u>(100.00%)</u> |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 7 was duly carried on a poll vote.

RESOLUTION 8 – ORDINARY RESOLUTION – PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

Mr. Chua invited the shareholders to raise their queries on the proposed renewal of the share buyback mandate, if any.

Questions Received from Shareholders

- 1. Shareholder A – What is Management’s comfort level for the percentage of shares held by the public? Does the Company set an internally prescribed limit for the percentage of shares held by the public?**

The Company does not have an internally prescribed limit for the percentage of shares held by the public and will adhere to the prescribed limit of 10% set forth in the Listing Rules.

Mr. Tan LK clarified that Management will closely monitor the percentage of shares held by the public in the event that the Company intends to proceed with a share buyback exercise in the future. The rationale for the renewal of the share buyback mandate is disclosed in the Annual Report.

- 2. Shareholder B – A delisting of the Company’s shares on the Singapore Exchange (“SGX”) would be triggered once the public float falls below the prescribed limit of 10%. Is it legal for the Company to proceed and buy up the remaining shares held by the public?**

Under the Listing Rules, the Company has three (3) months to restore the public float to the prescribed limit of 10% should it fall below the threshold. Mr. Khoo commented that any action taken by the Company would be in accordance with the requirements of the Listing Rules. There were no specific provisions in the Listing Rules prohibiting the majority shareholders from initiating a takeover bid on the Company by acquiring the shares held by the public as long as it complies with the requirements of the Singapore Code on Take-Overs and Mergers.

Mr. Raymond Lam added that the Board have not discussed any potential share buyback exercises to date and the renewal of the mandate is an opportunistic mechanism for the Company to stabilise the share price of the Company during times of economic distress. Mr. Khoo assured that the interests of shareholders will always be taken into consideration in undertaking any share buyback.

There were no further questions on Resolution 8.

Upon a proposal by Ms. Ang Chai Peng and seconded by Ms. Ong Siok Ling, Resolution 8 was put to vote by way of a poll.

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Mr. Chua announced the results of the poll for Resolution 8 as follows:-

| | | | |
|------------------------------------|---|-------------------------|------------------|
| Those in favour | : | 94,669,556 votes | (100.00%) |
| Those against | : | 0 votes | (0.00%) |
| Total number of valid votes casted | : | <u>94,669,556 votes</u> | <u>(100.00%)</u> |

Accordingly, on behalf of the Chairman, Mr. Chua declared that Resolution 8 was duly carried on a poll vote.

CONCLUSION OF MEETING

There being no other business, the Meeting concluded at 10.55 a.m. with a vote of thanks to all present.

Mr. Chua informed Shareholders that the Company will release the announcement on the results of the AGM on SGXNet and the Company's corporate website after trading hours on the same day. The minutes of the Meeting proceedings will be released on SGXNet and the Company's corporate website within one (1) month from the date of Meeting.

CONFIRMED AS A TRUE AND ACCURATE RECORD OF THE PROCEEDINGS

[SIGNED]

MR. TAN TIN YEOW
CHAIRMAN OF THE MEETING