

**AEM HOLDINGS LTD.**

Minutes of 2023 Annual General Meeting held on 27 April 2023

**AEM HOLDINGS LTD.****(Company Registration No. 200006417D)****(Incorporated in the Republic of Singapore)****MINUTES OF ANNUAL GENERAL MEETING**

**PLACE** : Room 324 & 325, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

**DATE** : Thursday, 27 April 2023

**TIME** : 3.00 p.m.

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

**IN ATTENDANCE** : As set out in the attendance records maintained by the Company.

**CHAIRMAN OF THE MEETING** : Mr. Loke Wai San

**QUORUM**

As a quorum was present, the Chairman declared the meeting open at 3:00 p.m.

**INTRODUCTION**

Mr. Loke Wai San, the Non-Executive Chairman of the Company and Chairman of the meeting ("**Chairman**") welcomed all shareholders present to the Company's 2023 Annual General Meeting ("**Meeting**" or "**AGM**"). He then introduced the following Directors, Officers, auditor and scrutineer who were present at the AGM:

Physically present:

Mr. Loke Wai San	Non-Executive Chairman
Mr. James Toh Ban Leng	Lead Independent Director
Mr. André Andonian	Independent Director
Mr. Chok Yean Hung	Non-Executive and Non-Independent Director
Mr. Chandran Nair	Chief Executive Officer (" <b>CEO</b> ")
Ms. Leong Sook Han	Chief Financial Officer (" <b>CFO</b> ") and Joint Company Secretary (" <b>JCS</b> ")
Ms. Yeo Lik Khim	Audit Partner – KPMG
Mr. Kevin Cho	Joint Company Secretary from Boardroom
Boardroom Corporate & Advisory Services	Polling Agent
Reliance 3P Advisory Pte Ltd	Independent Scrutineer

Present by way of electronic means:

Mr. Russell Tham Min Yew	Non-Executive and Non-Independent Director
Ms. Alice Lin	Independent Director

Absent with apologies:

Mr. Loh Kin Wah	Independent Director
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The Chairman informed that Mr. Loh Kin Wah was unable to attend the Meeting and conveyed his apologies for his absence.

**PRESENTATION BY CEO AND CFO**

The Chairman then handed to the CEO, Mr. Chandran Nair and the CFO, Ms. Leong Sook Han to present AEM's Business update and financial performance. A copy of the AGM Presentation was released to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") via SGXNet on 27 April 2023.

The Chairman handed over the meeting to the JCS, Ms. Leong Sook Han to assist him with the proceedings of the AGM.

## **NOTICE OF MEETING**

The Notice convening the meeting was taken as read.

## **VOTING BY WAY OF A POLL**

All resolutions tabled at the meeting would be voted on by electronic polling. Boardroom Corporate & Advisory Services Pte Ltd had been appointed as the polling agent and Reliance 3P Pte Ltd had been appointed as the scrutineer.

Briefing on the procedures for the electronic poll voting process was conducted by the representative of the Scrutineer.

On behalf of the Chairman, the JCS informed shareholders that the Chairman had been appointed as a proxy by a number of shareholders and he would vote in accordance with the wishes of these shareholders who had appointed him as proxy.

## **QUESTIONS AND ANSWERS**

The JCS had also informed that the Company had received questions from the shareholders prior to the meeting and had answered the substantial and relevant questions and published them on the SGXNet and the Company's website on 22 April 2023.

The questions relating to the resolutions raised by Shareholders at the AGM and the responses are summarised and attached as "Annexure A".

## **AGENDA ITEMS**

There being no further questions from the shareholders, the JCS then proceeded by proposing all the motions which had been tabled for approval at this AGM and put these to the vote by poll on behalf of the Chairman.

## **ORDINARY BUSINESS**

### **1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 - RESOLUTION 1**

The first item of the Agenda was to receive and consider the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and the Auditors' Report thereon.

The following motion was proposed by the JCS on behalf of the Chairman:

"That the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 and the Auditors' Report be received and adopted."

After dealing with questions, as shown in the "Annexure A", the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	131,726,052 (99.75%)
Number of valid votes "Against"	:	331,700 (0.25%)

Based on the poll results, the Chairman declared the motion carried.

### **2. APPROVAL OF FINAL DIVIDEND - RESOLUTION 2**

The second item of the Agenda was to approve the payment of a final tax-exempt (one-tier) dividend of 3.6 Singapore cents per ordinary share for the financial year ended 31 December 2022.

The following motion was proposed by the JCS on behalf of the Chairman:

“That the payment of a final tax-exempt (one-tier) dividend of 3.6 Singapore cents per ordinary share for the financial year ended 31 December 2022 be approved.”

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	132,164,152 (99.99%)
Number of valid votes “Against”	:	12,700 (0.01%)

Based on the poll results, the Chairman declared the motion carried.

### **3. RE-ELECTION OF MR. LOKE WAI SAN AS DIRECTOR - RESOLUTION 3**

Resolution 3 dealt with the re-election of Mr. Loke Wai San as a Director of the Company.

Mr. Loke Wai San, would upon re-election as a Director of the Company, continue his office as the Non-Executive Chairman, Chairman of Strategy Committee and a member of the Nominating Committee.

For good corporate governance practice, Mr. Loke Wai San has abstained from voting on this Resolution.

The following motion was proposed by the JCS on behalf of the Chairman:

“That Mr. Loke Wai San be re-elected as a Director of the Company.”

There being no questions, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	110,069,161 (85.06%)
Number of valid votes “Against”	:	19,338,491 (14.94%)

Based on the poll results, the Chairman declared the motion carried.

### **4. RE-ELECTION OF MR. JAMES TOH BAN LENG AS DIRECTOR - RESOLUTION 4**

Resolution 4 dealt with the re-election of Mr. James Toh Ban Leng as a Director of the Company.

Mr. James Toh Ban Leng would upon re-election as a Director of the Company, continue his office as the Lead Independent Director, Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nominating Committee. He shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

For good corporate governance practice, Mr. James Toh Ban Leng has abstained from voting on this Resolution.

The following motion was proposed by the JCS on behalf of the Chairman:

“That Mr. James Toh Ban Leng be re-elected as a Director of the Company.”

After dealing with question, as shown in the “Annexure A”, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	89,820,958 (74.87%)
Number of valid votes “Against”	:	30,147,922 (25.13%)

Based on the poll results, the Chairman declared the motion carried.

**5. RE-ELECTION OF MR. ANDRÉ ANDONIAN AS DIRECTOR - RESOLUTION 5**

Resolution 5 dealt with the re-election of Mr. André Andonian as a Director of the Company.

Mr. André Andonian would upon re-election as a Director of the Company, continue his office as the Chairman of Nominating Committee and a member of the Strategy Committee. He shall be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The following motion was proposed by the JCS on behalf of the Chairman:

“That Mr. André Andonian be re-elected as a Director of the Company.”

There being no questions, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	130,730,375 (98.92%)
Number of valid votes “Against”	:	1,429,988 (1.08%)

Based on the poll results, the Chairman declared the motion carried.

**6. DIRECTORS’ FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023 - RESOLUTION 6**

Resolution 6 was to approve the payment of Directors’ fees for the financial year ending 31 December 2023. The Board had recommended the payment of S\$811,000 as Directors’ fees for the financial year ending 31 December 2023, payable quarterly in arrears.

For good corporate governance practice, all Directors (who hold shares of the Company) have abstained from voting on this Resolution.

The following motion was proposed by the JCS on behalf of the Chairman:

“That the Directors’ fees of S\$811,000 for the financial year ending 31 December 2023 payable quarterly in arrears be approved.”

After dealing with question, as shown in the “Annexure A”, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	116,609,827 (99.20%)
Number of valid votes “Against”	:	938,520 (0.80%)

Based on the poll results, the Chairman declared the motion carried.

**7. RE-APPOINTMENT OF KPMG LLP AS AUDITORS – RESOLUTION 7**

Resolution 7 is to re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

KPMG LLP, who are the Auditors of the Company, have expressed their willingness to continue in office.

The following motion was proposed by the JCS on behalf of the Chairman:

“That KPMG LLP be re-appointed as the Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

There being no questions, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	130,930,893 (99.61%)
Number of valid votes "Against"	:	511,660 (0.39%)

Based on the poll results, the Chairman declared the motion carried.

### **ANY OTHER ORDINARY BUSINESS**

As no notice of any other ordinary business had been received, the JCS proceeded with the Special Business of the meeting.

### **SPECIAL BUSINESS**

#### **8. PROPOSED SHARE ISSUE MANDATE – RESOLUTION 8**

Resolution 8 was to authorise Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The following motion was proposed by the JCS on behalf of the Chairman:

"That pursuant to Section 161 of the Companies Act 1967 of Singapore ("Companies Act") and the listing rules 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 during the continuance of this authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and 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 Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Ordinary Resolution is in force,

provided that:

- (A) the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to shareholders of the Company shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (B) below);

- (B) (subject to such manner of 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 (A) above, the percentage of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for:

- (i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercising share options or vesting of share awards, provided the share options or share awards were granted in compliance with the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares,

provided further that adjustments in accordance with subparagraphs B(i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution;

(C) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the 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

(D) unless revoked or varied by the Company in a general meeting, such authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held whichever is earlier.”

There being no questions, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	130,677,765 (98.87%)
Number of valid votes “Against”	:	1,497,087 (1.13%)

Based on the poll results, the Chairman declared the motion carried.

## **9. SHARE PURCHASE MANDATE RENEWAL – RESOLUTION 9**

Resolution 9 was to renew the Share Purchase Mandate which was approved at the last AGM held on 28 April 2022, and to empower the Directors to purchase or otherwise acquire ordinary shares in the capital of the Company in accordance with the Share Purchase Mandate set out in the Letter to Shareholders dated 10 April 2023.

The following motion was proposed by the JCS on behalf of the Chairman:

“That:

(a) for the purposes of Sections 76C and 76E of the Companies Act as may be amended from time to time, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the “Shares”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST and/or any other stock exchange on which the Shares may from the time being be listed and quoted (“Other Exchange”); and/or

(ii) off-market purchase(s) if effected otherwise than on the SGX-ST or, as the case may be, other Exchange in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Purchase Mandate”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held; or
  - (ii) the date by which the next AGM of the Company is required by law to be held; or
  - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate have been carried out to the full extent mandated; and
- (c) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and to do all such acts and things (including executing such documents as may be required) as they may consider necessary, desirable or expedient in the interests of the Company in connection with or for the purposes of giving full effect to the Share Purchase Mandate.

In this Ordinary Resolution:

“Maximum Limit” means that number of issued Shares representing ten per centum (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this Ordinary Resolution; and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, one hundred and five per centum (105%) of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, one hundred and ten per centum (110%) of the Average Closing Price of the Shares.

where:

“Average Closing Price” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the day of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase.”

There being no questions, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	131,248,853 (99.43%)
Number of valid votes “Against”	:	752,099 (0.57%)

Based on the poll results, the Chairman declared the motion carried.

**10. PROPOSED SPECIFIC SHARE ISSUE MANDATE - AEM PERFORMANCE SHARE PLAN 2017  
- RESOLUTION 10**

Resolution 10 was to authorise Directors to issue Shares under the AEM Holdings Ltd Performance Share Plan 2017 (“AEM Performance Share Plan 2017”).

The Meeting noted that all shareholders (inclusive of Directors who are shareholders of the Company) of the Company who are eligible to participate in the AEM Performance Share Plan 2017, were required to abstain from voting on Ordinary Resolution 10 at the AGM.

The following motion was proposed by the JCS on behalf of the Chairman:

“That, the Directors be and are hereby authorised, pursuant to Section 161 of the Companies Act, to allot and issue from time to time shares in the Company not exceeding in aggregate half per centum (0.5%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, as may be required to be issued pursuant to the grant of awards under the AEM Performance Share Plan 2017 (the “AEM PSP 2017”), and unless revoked or varied by ordinary shareholders of the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM is required by law to be held, whichever is earlier, and provided always that the aggregate number of shares issued or to be issued pursuant to the AEM PSP 2017, when added to (a) the aggregate number of shares issued or issuable in respect of any other share based schemes of the Company then in force (if any) and (b) the number of treasury shares delivered in respect of the AEM PSP 2017 and any other share-based incentive schemes of the Company then in force (if any), shall not exceed fifteen per centum (15%) of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.”

There being no questions, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	98,736,062 (84.30%)
Number of valid votes “Against”	18,391,939 (15.70%)

Based on the poll results, the Chairman declared the motion carried.

**CONCLUSION**

There being no other business to transact, the Chairman declared the AGM of the Company closed at 4.25 p.m. and thanked everyone for their attendance.

**CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD**

**LOKE WAI SAN  
NON-EXECUTIVE CHAIRMAN**



**ANNEXURE A - RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL GENERAL MEETING (“AGM”) HELD ON 27 APRIL 2023**

No.	Questions from shareholders	Response from the Company
1	How would the strategic repositioning of the Company’s largest customer affect both the customer itself and the Company?	The Chairman stated that the Company does not comment on its customers, their performance, or their prospects for the future. However, the Chairman emphasised that the industry is going through a period of marked change that creates a demand for the Company’s Test 2.0 solutions and overall approach to test. Electric vehicles, digitalisation, and now generative AI are acting as catalysts for change within the industry, which is expected to drive an increase in demand for Test 2.0 solutions, counterbalanced with the high interest rate environment which will impact capital allocation decisions by device manufacturers.
2	Is the Company able to secure new customers swiftly amidst the ongoing cyclical downturn in the industry?	<p>The CEO clarified that the Company is actively involved with multiple customers, with each engagement at a different stage of the sales cycle. He emphasised the collaborative approach and effort in addressing the test challenges being faced by these customers for their next generation devices. While the industry is in the midst of a slowdown, there are significant growth prospects with the new customers, but the timing of this growth is contingent upon product release schedules and overall market conditions.</p> <p>The Chairman added that the Company aims to promote the concurrent growth of both its primary customer base and new customers, without placing explicit distribution expectations.</p>
3	What are the contributions of its acquired subsidiaries and their ability to mitigate any potential business downturn linked to the largest customer?	The Chairman elaborated on how the Company’s acquisitions and subsidiaries enabled the Company with the essential capabilities to secure new customers, achieve scalable customisation, and deliver integrated solutions. This strategic approach prioritises long-term success rather than immediate revenue and grant the Company a competitive edge.
4	Are there any potential synergy and collaboration opportunities with other businesses between the AEM Group and Novo Tellus Group’s private equity fund?	The Chairman clarified each private equity fund has its own investment strategies, and while there may be synergies with other companies, there are currently no immediate plans for collaboration.
5	What is the Company’s plans for managing high attrition in Penang, and how does the Company plan to cope with increased operational costs following the removal of energy subsidies by the Malaysian government?	<p>The CEO emphasised the strategic benefits of the Company’s operations in Penang, particularly its robust supply chain ecosystem that aligns with the Company’s requirements. This enables the Company to effectively address operational demands, especially during periods of scaling up. The retention of skilled staff is a crucial focus, and several measures have been implemented to ensure that top talent is retained across various domains.</p> <p>Furthermore, the Company plans to leverage its manufacturing capability in Singapore to develop initial tools and introduce new platforms, with high volume manufacturing being done in Penang.</p>

6	Kindly elaborate on wafer tests, particularly their alignment with the overall testing process and the contribution of wafer tests to the Company.	<p>The Chairman explained the importance of wafer testing, especially in relation to yield management as the world adopts advanced packaging, and that the Company is leveraging its technology capabilities to address the challenges in wafer testing. While this could be a game changer for the company in the mid-term, there are several incumbents that must be respected.</p> <p>The CEO explained wafer testing in the context of Test 2.0, and how it enables the early detection of faults enabling cost savings for the customer. When combining data connectivity with wafer sort, it allows deeper test and process insights as a result of AI-driven analytics, which is part of the Test 2.0 approach.</p>
7	Does the cable test technology fits into the Company's business and complements with other technologies, and would it have better growth potential as a separate entity?	The CEO discussed the successful revenue growth of the acquired cable test technology and shared its potential as a future test capability complementing the Company's main business in the semiconductor industry. The CEO acknowledged the options of allowing its growth within the Company or considering as a separate entity and any decision will be made after careful consideration.
8	What is the Company's strategy for promoting innovation within its group and attracting talent to enhance innovative capabilities?	The Chairman highlighted the Company's acquisition strategy as a key driver of innovation. Additionally, the Chairman emphasised the importance of competitive compensation in order to attract exceptional talent globally.
9	Please share the Company's views on the Chinese market.	The Chairman acknowledged the importance of the Chinese market and recognised tensions related to supply chain, and technology. The Chairman reiterated the Company's commitment to serving the market and strategically exploring partnership opportunities while maintaining its intellectual property rights.
10	Will the Company consider reviewing the dividend pay-out ratio?	The Chairman informed that AEM adopts a dividend policy of distributing 25% of distributable profits excluding exceptional items. In addition, the Company is committed to long-term growth and is investing to stay competitive. Accordingly, the Company will continue to commit to the current dividend policy while allocating capital by investing into the business, especially in developing capabilities and solutions, and for M&A.
11	Why does the Company have high intangible assets, such as customer relationship and high inventory balance?	<p>The Chairman explained that in the sector in which the Company operates in, one is required to stay innovative and competitive. It is not uncommon that intellectual properties, technology, and customer relationships (i.e., intangible assets) having priority over physical assets (tangible assets). Furthermore, there is real intrinsic value with regards to customer relationship and long-term contracts acquired as part of business combination or M&amp;A since new customer wins take time and there is a switching cost for customers, amongst others.</p> <p>In terms of high inventory balances, the CEO clarified the inventories arise from the long dated and non-cancellable purchase order program which the Company is engaged with customer. This program</p>

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		demonstrates customer's confidence in the Company over the long term.
12	What is the rationale for taking up borrowing when company also has cash on hand?	<p>The Chairman highlighted the importance of maintaining a cash cushion during volatile times.</p> <p>The CFO added that while the Company utilises cash generated from operations to meet its working capital requirements, the Company does not exclude debt in its capital structure. The Company will maintain an appropriate cash cushion level and continue to stay vigilant in cash flow management in a rising interest rate environment.</p>
13	How does the Company manage a weaker USD?	The CFO explained that the Company actively monitors the US dollar movements and maximises natural hedging to minimise the effect of currency fluctuations.
14	How many directors will receive directors' fees pursuant to proposed resolution 6?	The CFO clarified that directors' fees will be paid to all directors who hold office. The Company has seven directors.