

HEATEC JIETONG HOLDINGS LTD.
(Company Registration No.: 200717808Z)
(Incorporated in the Republic of Singapore)
(the “**Company**”)

MINUTES OF EXTRAORDINARY GENERAL MEETING

DATE : Friday, 20 January 2023

TIME : 10:00 a.m.

VENUE : 10 Tuas South Street 15 Singapore 637076

CHAIRMAN : Mr Soon Yeow Kwee Johnny
(*Executive Chairman and Executive Director*)

PRESENT : Board of Directors
Mr Soon Jeffrey
(*Executive Director and Chief Executive Officer*)
Mr Lim Soon Hock*
(*Non-Executive and Non-Independent Director*)
Mr Loke Weng Seng
(*Alternate Director to Mr Lim Soon Hock*)
Mr Chong Eng Wee
(*Non-Executive and Lead Independent Director*)
Mr Anthony Ang Meng Huat
(*Non-Executive and Independent Director*)
Ms Lie Ly @ Liely Lee
(*Non-Executive and Independent Director*)
Mr Chua Siong Kiat
(*Non-Executive and Independent Director*)

**Attended the EGM by way of teleconference.*

Management

Mr Ng Wei Jet
(*Financial Controller*)

Company Secretary

Mr Tan Wei Yang

Continuing Sponsor (Novus Corporate Finance Pte. Ltd.)

Mr Pong Chen Yih
Ms Lin Huiying

Legal Adviser (RHTLaw Asia LLP)

Mr Chew Kok Liang
Mr Yang Eu Jin

Independent Financial Adviser (W Capital Markets Pte. Ltd.)

Mr Foo Say Nam
Ms Alicia Chang

Independent Valuer (Chay Corporate Advisory Pte. Ltd.)

Mr Chay Yiowmin

Auditors (Crowe Horwath First Trust LLP)

Ms Lynn Teo
Mr Jason Wong

Minutes of Extraordinary General Meeting held on 20 January 2023

Share Registrar and Polling Agent (Boardroom Corporate & Advisory Services Pte. Ltd.)

Ms Stella Yang

Mr Haven Tan

Ms Venice Lee

Mr Zac Zhou

Scrutineer (Reliance 3P Advisory Pte. Ltd.)

Ms Ti Wei Ying

Mr Thivarkar

SHAREHOLDERS 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to the provisions of the Personal Data Protection Act 2012, the names of the shareholders present at the meeting will not be published in these minutes.

INTRODUCTION

Mr Chong Eng Wee (“**Mr Chong**”), the Non-Executive and Lead Independent Director of the Company, welcomed the shareholders of the Company to the Extraordinary General Meeting (the “**EGM**”) of the Company and informed shareholders that Mr Soon Yeow Kwee Johnny (“**Mr Soon Johnny**”), the Executive Chairman of the Company, had requested that he chair the EGM on his behalf due to his interests in the resolutions to be tabled at this EGM. Mr Chong also introduced the other Directors, Financial Controller, Company Secretary, Continuing Sponsor, Legal Adviser, Independent Financial Adviser, Independent Valuer, Auditors, Share Registrar and Polling Agent, Scrutineer and other professionals who were present at the EGM.

QUORUM

As a quorum was present, Mr Chong welcomed the shareholders of the Company and declared the EGM open at 10.00 a.m.

CIRCULAR AND NOTICE OF EGM TO SHAREHOLDERS

Mr Chong informed shareholders that the Circular, together with the notice of EGM (the “**Notice of EGM**”) and proxy form, had been circulated to the shareholders on 5 January 2023. With the consent of the shareholders, the Notice of EGM was taken as read.

VOTING BY WAY OF POLL

Mr Chong informed the shareholders that in accordance with SGX-ST Catalist Rule 730A, all the resolutions tabled for consideration at the EGM were to be decided by way of a poll.

Mr Chong informed shareholders that they may submit their proxy form to appoint the Chairman of the EGM (or any person other than the Chairman) as their proxy or proxies to cast votes on their behalf. Accordingly, the Company has checked and verified all proxy forms received at the Company's registered office and through the Company's designated email address stated in the Notice of EGM and found such proxy forms to be in order.

Reliance 3P Advisory Pte Ltd and Boardroom Corporate & Advisory Services Pte. Ltd. have been appointed as Scrutineer and Polling Agent, respectively. The validity of the proxy forms submitted by the shareholders has been reviewed, and all valid votes have been counted and verified.

Minutes of Extraordinary General Meeting held on 20 January 2023

The Scrutineer explained how the poll voting slips are to be completed at the EGM. Shareholders noted that all votes in respect of each Resolution tabled at the EGM have been counted on the basis of both the proxy forms received by the Company as at the cut-off time at 10.00 a.m. on 17 January 2023 and by way of physical voting at the EGM.

Shareholders were also informed that Resolution 2 (in respect of the Proposed Acquisition as a major transaction), Resolution 3 (in respect of the Proposed Acquisition as an interested person transaction), Resolution 4 (in respect of the Proposed Consideration Shares Issue), Resolution 5 (in respect of the Proposed Transfer of Controlling Interest), Resolution 6 (in respect of the Whitewash Resolution) and Resolution 7 (in respect of the Proposed Joint Venture as an interested person transaction) are conditional on each other. This means that if any of Resolution 2, Resolution 3, Resolution 4, Resolution 5, Resolution 6 or Resolution 7 is not approved, none of the foregoing Resolutions 2, 3, 4, 5, 6 and 7 will be passed.

QUESTIONS FROM SHAREHOLDERS

Mr Chong informed shareholders that the Company had not received any question from shareholders in advance of the EGM, as at 10.00 a.m. on 12 January 2023. However, Shareholders had the opportunity to raise questions they may have in respect of the resolutions after each of the resolution has been read out at the EGM.

The following questions raised by a shareholder at the EGM were addressed by the independent directors and alternate director. Shareholders should note that the questions and responses are not reproduced verbatim and have been paraphrased for greater clarity.

Question 1:	<i>Can I request each of the independent directors and/or other board of directors to individually express their opinion on this transaction?</i>
<i>Mr Chong</i>	<i>As pointed out by the shareholder, it is probably fair to say that the financial results of the Company have not been that fantastic due to the difficulties faced by the Company in the industries that it is operating in. As such, management and the board have been looking for opportunities to diversify the business and bring in new income stream for the Company. As the independent directors note that the present transaction is an interested person transaction, the independent directors took measures to ensure, among others, that proper due diligence was conducted on the target company, negotiation of the deal being led by the chairman of the Audit and Risks Committee and all necessary professionals, such as the independent financial adviser and valuer had been duly appointed for the purposes of this transaction. In addition to being a profitable company, the target company offered a good opportunity for the Company to diversify and cross sell due to the cross synergies between the business of the target company and that of the Group.</i>
<i>Mr Chua Siong Kiat</i>	<i>I was assigned to lead the negotiation of this transaction sometime on or around May 2022. We decided that the acquisition should be structured as a control buy-out instead of total buy-out due to dilution considerations. Taking into consideration the preliminary valuation, the financial and legal due diligence, the directors had agreed that the valuation of the target company should be lowered and that the price of the consideration shares to be issued to the vendor should be issued at a premium. We observed that there is synergy in the business of the target company which is why I support the transaction.</i>
<i>Mr Anthony Ang</i>	<i>I have been a director of the Company since 2017 to which I have seen a lot of effort by management to seek new opportunities within the sector and find ways to diversify the Group's business. This transaction presents an</i>

Minutes of Extraordinary General Meeting held on 20 January 2023

	<i>opportunity to bring in an additional income stream to the Company and for the Company to be able to actively diversify beyond its traditional business base.</i>
<i>Ms Liely Lee</i>	<i>I have been a director of the Company since 2018. Since then, the Company had gone through various cost-cutting measure, but I do not think it is the way forward anymore. We have reviewed the valuation and assessed the target company, including the opportunity provided by the target company, and agreed that the transaction will be able to generate new cash flow for the Company.</i>
<i>Mr Lim Soon Hock</i>	<i>I have provided my views as set out in the Circular and do not disagree with the views of the independent directors that the Company has to diversify and seek new growth opportunities.</i> <i>However, I have raised concerns that the issue price for the consideration shares would dilute the shareholdings of the independent shareholders, including the minority shareholders given that the issue price is a substantial discount from the net tangible asset per share. This is because the market price of the Company's shares is not an accurate reflection of the true value of the shares given its relative illiquidity. As stated in the Circular, I have abstained from making any recommendations to the shareholders.</i>
Question 2:	<i>Following Mr Lim's response, do the independent directors and/or the other board of directors have any comment on the issue price?</i>
<i>Mr Chua Siong Kiat</i>	<i>To clarify, the market price of the shares is not determined or controlled by the Company and is instead a reflection of what the market perceives or believes to be the true value of the Company. In this regard, I would like to highlight that the share price has always been around that price (i.e. S\$0.03) save for a one-off spike in share price. The Company had also appointed all relevant professionals to provide their assessment and/or advice on the transaction to ensure that the transaction is undertaken in accordance with the usual mergers and acquisitions. Taking Mr Lim's response into consideration, and on the understanding that cost-cutting measures cannot and should not be the solution, the transaction is in the best interests of the Company as the target company is generating positive cash flow and as mentioned, there is certain synergies between the business of the target company and that of the Group.</i>
<i>Mr Loke Weng Seng</i>	<i>To follow up on the shareholder's earlier question, no shareholder would object to growth by diversification. However, the question is whether this particular transaction is a correct one for the Company to undertake. The Company is caught between a rock and a hard place. If it does not undertake this acquisition, there may be difficulties for the Company, but even if the Company decides to proceed, the terms of the acquisition is also imperfect.</i>
<i>Mr Chua Siong Kiat</i>	<i>Shareholders can consider looking at the gearing ratio to have a better understanding as to where the Company currently stands in terms of its financials – hopefully that can help you in making a decision.</i>

Mr Chong confirmed that there were no further questions from shareholders. The following resolutions were proposed and passed at the EGM.

Minutes of Extraordinary General Meeting held on 20 January 2023

ORDINARY BUSINESS:

1. THE PROPOSED EXPANSION AND DIVERSIFICATION – RESOLUTION 1

The following Resolution 1 was duly proposed and seconded:-

- (a) *That approval be and is hereby given for the Company to expand the Group’s existing business and for the diversification by the Group of its Existing Business to include the New Business (as described in Section 2.2 of the Circular).*
- (b) *The Company (whether directly or via any other Group Company) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time, any assets, businesses, investments shares and/or interests in any entity that is related to the New Business, and to enter into any other contracts, agreements and undertakings as the Directors may in their absolute discretion consider necessary, desirable or expedient to undertake in relation to the New Business.”*

As the votes have been counted and verified, the poll result for Resolution 1 is as follows:-

	Number of Shares	%
Votes “For”	105,212,697	99.97
Votes “Against”	27,800	0.03
Total number of valid votes cast	105,240,497	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 1 duly carried.

2. THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION – RESOLUTION 2

It was noted that in accordance with Rule 919 of the Catalist Rules, Mr Soon Jeffrey and Mr Soon Johnny and their associates are required to abstain from voting on this Resolution 2 in respect of their respective shareholdings in the Company (if any),

The following Resolution 2 was duly proposed and seconded:-

“That for the purposes of Chapter 10 of the Catalist Rules, approval be and is hereby given for the acquisition by the Company, as purchaser, of 60% of the shares in the capital of the Target Company from the Vendor subject to and otherwise in accordance with the terms and conditions of the SPA.”

As the votes have been counted and verified, the poll result for Resolution 2 is as follows:-

	Number of Shares	%
Votes “For”	72,723,020	99.96
Votes “Against”	27,800	0.04
Total number of valid votes cast	72,750,820	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 2 duly carried.

3. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION – RESOLUTION 3

It was noted that in accordance with Rule 919 of the Catalist Rules, Mr Soon Jeffrey and Mr Soon Johnny and their associates are required to abstain from voting on this Resolution 3 in respect of their respective shareholdings in the Company (if any),

The following Resolution 3 was duly proposed and seconded:-

Minutes of Extraordinary General Meeting held on 20 January 2023

“That for the purposes of Chapter 9 of the Catalist Rules, approval be and is hereby given for the acquisition by the Company, as purchaser, of 60% of the shareholding interests in the Target Company from the Vendor subject to and otherwise in accordance with the terms and conditions of the SPA.”

As the votes have been counted and verified, the poll result for Resolution 3 is as follows:-

	Number of Shares	%
Votes “For”	72,723,020	99.96
Votes “Against”	27,800	0.04
Total number of valid votes cast	72,750,820	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 3 duly carried.

4. THE PROPOSED CONSIDERATION SHARES ISSUE – RESOLUTION 4

It was noted that in accordance with Rule 919 of the Catalist Rules, Mr Soon Jeffrey and Mr Soon Johnny and their associates are required to abstain from voting on this Resolution 4 in respect of their respective shareholdings in the Company (if any),

The following Resolution 4 was duly proposed and seconded:-

“That pursuant to Section 161 of the Companies Act 1967 of Singapore and Rule 804 of the Catalist Rules, approval be and is hereby given for the proposed allotment and issue of 81,818,181 new Shares at an issue price of S\$0.033 for each Share to the Vendor subject to and otherwise in accordance with the terms and conditions of the SPA.”

As the votes have been counted and verified, the poll result for Resolution 4 is as follows:-

	Number of Shares	%
Votes “For”	72,723,020	99.96
Votes “Against”	27,800	0.04
Total number of valid votes cast	72,750,820	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 4 duly carried.

5. THE PROPOSED TRANSFER OF CONTROLLING INTEREST IN THE COMPANY – RESOLUTION 5

It was noted that in accordance with Rule 919 of the Catalist Rules, Mr Soon Jeffrey and Mr Soon Johnny and their associates are required to abstain from voting on this Resolution 5 in respect of their respective shareholdings in the Company (if any),

The following Resolution 5 was duly proposed and seconded:-

“That pursuant to Rule 803 of the Catalist Rules, approval be and is hereby given for the transfer of controlling interest in the Company to the Vendor arising from the Proposed Consideration Shares Issue.”

As the votes have been counted and verified, the poll result for Resolution 5 is as follows:-

	Number of Shares	%
Votes “For”	72,723,020	99.96
Votes “Against”	27,800	0.04
Total number of valid votes cast	72,750,820	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 5 duly carried.

Minutes of Extraordinary General Meeting held on 20 January 2023

6. THE WHITEWASH RESOLUTION – RESOLUTION 6

It was noted that pursuant to the SIC Conditions, the Vendor and its Concert Parties as well as parties not independent of them are required to abstain from voting rights on this Resolution 6 as set out in Section 6.2 of the Circular.

The following Resolution 6 was duly proposed and seconded:-

“That subject to and contingent upon the passing of Resolutions 1, 2, 3, 4, 5 and 7 and satisfaction of all SIC Conditions (as detailed in Section 6.4 of the Circular), the Independent Shareholders do hereby, on a poll taken, unconditionally and irrevocably waive their rights to receive a mandatory general offer from the Vendor, in accordance with Rule 14 of the Code, for all the Shares not already owned or controlled by the Vendor and its Concert Parties as a result of the allotment and issuance of the Consideration Shares.”

As the votes have been counted and verified, the poll result for Resolution 6 is as follows:-

	Number of Shares	%
Votes “For”	72,723,020	99.96
Votes “Against”	27,800	0.04
Total number of valid votes cast	72,750,820	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 6 duly carried.

7. THE PROPOSED JOINT VENTURE AS AN INTERESTED PERSON TRANSACTION– RESOLUTION 7

It was noted that in accordance with Rule 919 of the Catalist Rules, Mr Soon Jeffrey and Mr Soon Johnny and their associates are required to abstain from voting on this Resolution 7 in respect of their respective shareholdings in the Company (if any),

The following Resolution 7 was duly proposed and seconded:-

“That for the purposes of Chapter 9 of the Catalist Rules, approval be and is hereby given for the Proposed Joint Venture subject to and otherwise in accordance with the terms and conditions of the Shareholders’ Agreement.”

As the votes have been counted and verified, the poll result for Resolution 7 is as follows:-

	Number of Shares	%
Votes “For”	72,723,020	99.96
Votes “Against”	27,800	0.04
Total number of valid votes cast	72,750,820	100.00

Based on the results of the poll, Mr Chong declared Ordinary Resolution 7 duly carried.

CONCLUSION

There being no other business to transact, Mr Chong declared the EGM closed at 11.05 a.m. and thanked everyone for their attendance.

He also informed shareholders that the results of the EGM would be announced on SGXNet after trading hours on the day of the EGM, and that the Company would also publish the minutes of the EGM on SGXNet and on the Company’s corporate website within one month from the date of the EGM.

Minutes of Extraordinary General Meeting held on 20 January 2023

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

CHONG ENG WEE
CHAIRMAN OF THE EGM