



HONG FOK CORPORATION LIMITED

**MINUTES OF FIFTY-FOURTH ANNUAL GENERAL MEETING
HELD ON WEDNESDAY, 27 APRIL 2022 AT 10.30 A.M.
BY WAY OF ELECTRONIC MEANS**

1 CHAIRMAN

1.1 Mr Chan Pengee, Adrian chaired the Annual General Meeting (“AGM” or “Meeting”).

2 QUORUM

2.1 As a quorum was present, the Chairman declared the AGM opened at 10.30 a.m.

3 WELCOME

3.1 The Chairman welcomed shareholders who had joined the AGM via the live webcast.

The Chairman introduced Mr Cheong Sim Eng (Executive Director & Joint Chief Executive Officer), Ms Cheong Hooi Kheng (Executive Director & Chief Operating Officer), Mr Lim Jun Xiong Steven (Independent Director) and Mr Chong Weng Hoe (Independent Director) who were present at the AGM. He also introduced the rest of the board members, Company Secretary and Auditors of the Company who were attending the AGM remotely namely, Mr Cheong Pin Chuan (Executive Director & Joint Chief Executive Officer), Mr Marc Cheong (the Alternate Director to Mr Cheong Pin Chuan), Ms Lo Swee Oi (Company Secretary from BSL Corporate Services Pte Ltd), Mr Yap Wee Kee (External Auditors from KPMG LLP) and Mr Kevin Goh (External Remuneration Consultant from HR Guru Pte Ltd).

4 PRESENTATION BY CHAIRMAN

4.1 The Chairman proceeded to give a short presentation which covered the following topics:

- Financial Highlights
- Financial Position
- Business Segments
- Properties
- 2022 Outlook

(Note : the presentation slides presented at the AGM were subsequently released to the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 April 2022 together with the results of the AGM).

4.2 On financial highlights, the Chairman reported that the Group had made a good recovery from the effects of COVID-19 pandemic with an increase in revenue mainly from the sale of more residential units in Concourse Skyline, the sale of the last unit at Jewel of Balmoral, higher property management income and dividend income. The contribution from YOTEL Singapore Orchard Road was still fairly muted because of the travel restriction. The Group returned to profitability with a profit of \$44.7 million as compared to a loss of \$26.3 million for FY2020. Profit for FY2021 was principally attributed to fair value gain of approximately \$35.7 million on revaluation of the Group’s investment properties as compared to a fair value loss of approximately \$30.6 million in FY2020.

4.3 With regard to the financial position, net current assets was \$86.0 million as at 31 December 2021 as compared to \$188.5 million as at 31 December 2020. The decrease was mainly due to the maturity and redemption of the \$100 million 4.20 per cent. fixed rate notes, which were fully repaid upon its maturity in March 2022. Financial ratios in FY2021 had improved as compared to FY2020 following a decrease in the Group's net debt.

4.4 The Chairman also briefed the Meeting on the Group's business segments, namely, property investment, property development and construction, property management, and other operations for FY2021. The Meeting was informed that the returns from property investment segment and property development and construction segment contributed to the Group's revenue. Property investment segment had contributed to approximately two-third or 62% of the total revenue of the Group in FY2021 as compared to 75% in FY2020. The assets and liabilities of the respective business segments in FY2021 remained fairly stable and similar to FY2020.

4.5 Slides of the pictures of following Group's properties were presented to the Meeting:

Singapore Properties

- (i) The Concourse
- (ii) International Building
- (iii) YOTEL Singapore Orchard Road
- (iv) Concourse Skyline

Hong Kong Properties

- (i) Magazine Gap Towers
- (ii) Magazine Heights

4.6 The Chairman informed the Meeting that it is expected that the performance of YOTEL Singapore Orchard Road may improve with the relaxation of cross-border travel by the government. The occupancy rate of the Group's other investment properties should remain stable. However, the sale of the Group's residential units in Concourse Skyline will be slow due to the travel restrictions imposed by countries such as China and Hong Kong. This would lead to a decrease in the pool of potential foreign buyers. In addition, the Monetary Authority of Singapore had in December 2021 further tightened the total debt servicing ratio for all property loans to individuals. The government also announced an additional buyer's stamp duty hikes on foreign buyers and non-individual buying any residential properties. All these property cooling measures may have an impact on the sale of residential properties in Singapore.

5 NOTICE OF MEETING AND VOTING PROCEDURE

5.1 The Notice of the AGM dated 5 April 2022 ("Notice") had been published on SGXNet, the Company's website and The Business Times, the Chairman proposed that the Notice be taken as read.

5.2 The Chairman informed the shareholders that in accordance with the COVID-19 (Temporary Measures) Act 2020 and its related order on the conduct of general meetings, voting on all resolutions tabled would be conducted by poll and only the Chairman of the Meeting could be appointed as proxy. In his capacity as Chairman of the Meeting, he had been appointed as proxy by a number of shareholders and had voted in accordance with the specific instructions of each shareholder. All votes on the resolutions tabled at the AGM had been collated in advance and the results for each resolution would be announced accordingly.

- 5.3 Finova BPO Pte. Ltd., the appointed scrutineer of the Company had verified the validity of the proxy forms submitted within the stipulated deadline and tabulated the submitted votes.

6 **BUSINESS OF MEETING**

- 6.1 The Chairman proceeded to announce the results of each of the resolutions.

7 **RESOLUTION 1
DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021 AND THE AUDITORS' REPORT THEREON**

- 7.1 The Chairman informed the shareholders that the first item on the agenda was to receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021 together with the Auditors' Report thereon.

The poll results received for Ordinary Resolution 1 were as follows:

Results	For	Against	Total
Vote	501,106,001	0	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 1 carried and **IT WAS RESOLVED** that the Directors' Statement and the Audited Financial Statements for the year ended 31 December 2021, together with the Auditors' Report thereon, be hereby received and adopted.

8 **RESOLUTION 2
DECLARATION OF FIRST AND FINAL 1-TIER TAX EXEMPT DIVIDEND AT 1 CENT
PER ORDINARY SHARE**

- 8.1 The Chairman referred the Meeting to the resolution on the declaration of first and final 1-tier tax exempt dividend at 1 cent per ordinary share for the financial year ended 31 December 2021.

The poll results received for Ordinary Resolution 2 were as follows:

Results	For	Against	Total
Vote	501,106,001	0	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 2 carried and **IT WAS RESOLVED** that the first and final 1-tier tax exempt dividend at 1 cent per ordinary share for the year ended 31 December 2021 be and is hereby approved.

- 8.2 The Chairman informed the Meeting that the final dividend will be paid on 20 May 2022 to members whose names are entered in the Register of Members or Depository Register as at 5.00 p.m. on 11 May 2022.

9 **RESOLUTION 3**
APPROVAL OF DIRECTORS' FEES OF \$353,640 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022, TO BE PAID QUARTERLY IN ARREARS

9.1 The Chairman referred the Meeting to the resolution on the approval of the Directors' Fees of \$353,640 for the financial year ending 31 December 2022, to be paid quarterly in arrears.

The poll results received for Ordinary Resolution 3 were as follows:

Results	For	Against	Total
Vote	501,106,001	0	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 3 carried and **IT WAS RESOLVED** that the Directors' Fees of \$353,640 for the financial year ending 31 December 2022, to be paid quarterly in arrears be and is hereby approved.

10 **RESOLUTION 4**
RE-ELECTION OF MR CHEONG PIN CHUAN AS DIRECTOR UNDER REGULATION 104 OF THE CONSTITUTION OF THE COMPANY

10.1 The Chairman referred the Meeting to the resolution on the re-election of Mr Cheong Pin Chuan as Director of the Company.

The poll results received for Ordinary Resolution 4 were as follows:

Results	For	Against	Total
Vote	501,106,001	0	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 4 carried and **IT WAS RESOLVED** that Mr Cheong Pin Chuan who retires in accordance with Regulation 104 of the Constitution of the Company, be and he is hereby re-elected as Director of the Company.

11 **RESOLUTION 5**
RE-ELECTION OF MS CHEONG HOUI KHENG AS DIRECTOR UNDER REGULATION 104 OF THE CONSTITUTION OF THE COMPANY

11.1 The Chairman referred the Meeting to the resolution on the re-election of Ms Cheong Hooi Kheng as Director of the Company.

The poll results received for Ordinary Resolution 5 were as follows:

Results	For	Against	Total
Vote	501,105,501	500	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 5 carried and **IT WAS RESOLVED** that Ms Cheong Hooi Kheng who retires in accordance with Regulation 104 of the Constitution of the Company, be and she is hereby re-elected as Director of the Company.

12 **RESOLUTION 6**
RE-ELECTION OF MR CHONG WENG HOE AS DIRECTOR UNDER REGULATION 114 OF THE CONSTITUTION OF THE COMPANY

- 12.1 The Chairman referred the Meeting to the resolution on the re-election of Mr Chong Weng Hoe as Director of the Company.

The poll results received for Ordinary Resolution 6 were as follows:

Results	For	Against	Total
Vote	501,106,001	0	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 6 carried and **IT WAS RESOLVED** that Mr Chong Weng Hoe who retires in accordance with Regulation 114 of the Constitution of the Company, be and he is hereby re-elected as Director of the Company.

13 **RESOLUTION 7**
RE-APPOINTMENT OF KPMG LLP AS THE COMPANY'S AUDITORS

- 13.1 The Chairman referred the Meeting to the resolution on the re-appointment of KPMG LLP as the Company's Auditors.

The poll results received for Ordinary Resolution 7 were as follows:

Results	For	Against	Total
Vote	501,105,501	500	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 7 carried and **IT WAS RESOLVED** that KPMG LLP, Public Accountants and Chartered Accountants, Singapore, be re-appointed as the Company's Auditors to hold office until the conclusion of the next AGM and the Directors are authorised to fix their remuneration.

14 **RESOLUTION 8**
GENERAL AUTHORITY TO ALLOT AND ISSUE NEW SHARES IN THE CAPITAL OF THE COMPANY

- 14.1 The Chairman referred the Meeting to the resolution on the authority to be given to the Directors to allot and issue shares and/or convertible securities in the capital of the Company as set out in item 8 of the Notice.

The poll results received for Ordinary Resolution 8 were as follows:

Results	For	Against	Total
Vote	488,705,883	12,399,318	501,105,201
Percentage	97.53%	2.47%	100.00%

Based on the results of the poll, the Chairman declared Resolution 8 carried and **IT WAS RESOLVED** that pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to issue shares and convertible securities in the capital of the Company, including additional convertible securities issued pursuant to adjustments and new shares arising from the conversion of convertible securities and additional convertible securities (whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority which would or might require shares or convertible securities to be issued during the continuance of this authority or thereafter) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding that such issue of shares pursuant to the offer, agreement or option or the conversion of the convertible securities may occur after the expiration of the authority contained in this Resolution), provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and provided further that where shareholders of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to all existing shareholders of the Company must not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, and for the purpose of this Resolution, the percentage of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company shall be based on the Company’s total number of issued shares excluding treasury shares and subsidiary holdings of the Company at the time this Resolution is passed (after adjusting for (i) new shares arising from the conversion or exercise of convertible securities, (ii) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST and (iii) any subsequent bonus issue, consolidation or subdivision of shares, and provided also that adjustments under (i) and (ii) 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 this Resolution is passed), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.

15 **RESOLUTION 9**
RENEWAL OF THE SHARE BUY-BACK MANDATE

15.1 The Chairman referred the Meeting to the resolution on the renewal of the share buy-back mandate to allow the Company to purchase up to 10% of the issued shares.

The poll results received for Ordinary Resolution 9 were as follows:

Results	For	Against	Total
Vote	501,106,001	0	501,106,001
Percentage	100.00%	0.00%	100.00%

Based on the results of the poll, the Chairman declared Resolution 9 carried and **IT WAS RESOLVED** that the Directors of the Company be and are hereby authorised to make purchases from time to time (whether by way of on-market purchases or off-market purchases in accordance with an equal access scheme) of up to 10% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company as at the date of this Resolution at any price up to but not exceeding the Maximum Price (as defined in the “Guidelines on Share Purchases” (the “Guidelines”) set out in the Appendix of the Addendum dated 5 April 2022 to shareholders of the Company (being an addendum to the notice of annual general meeting dated 5 April 2022)) in accordance with the Guidelines and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force and expire on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier, and in this Resolution, “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST.

The Chairman concluded the business of the 54th AGM of the Company. He thanked the shareholders for their attendance at the virtual AGM and their support, and wished everyone good health and stay safe.

The Chairman declared the AGM closed at 10.45 a.m..

Confirmed By:
Chan Pengee, Adrian
Chairman