

BONVESTS HOLDINGS LIMITED
(the “Company”)
(Incorporated in the Republic of Singapore)
Registration No. 196900282M

MINUTES OF THE FIFTY-FIFTH ANNUAL GENERAL MEETING OF THE SHERATON TOWERS SINGAPORE, 39 SCOTTS ROAD, TOPAZ ROOM, LEVEL 2, SINGAPORE 228230 ON FRIDAY, 26 APRIL 2024 AT 2:00 P.M.

PRESENT

Directors : Mr Henry Ngo (Chairman of the Board)
Mr Gary Xie Guojun
Mr Andy Xie Guoyuan
Mr Chew Heng Ching
Mr Fong Heng Boo
Mr Teo Lip Hua Benedict

In Attendance : Ms Foo Soon Soo (Company Secretary)
Ms Chua Lay See (representing Ms Kok Moi Lre, Audit Partner,
PricewaterhouseCoopers LLP)

Shareholders : As per attendance list of the meeting

1. WELCOME NOTE

On behalf of the Board of Directors, the Chairman of the Board, Mr Henry Ngo welcomed the shareholders to the Annual General Meeting (“**AGM**”) of the Company.

The Chairman introduced himself and the members of the Board, Mr Gary Xie Guojun, Mr Andy Xie Guoyuan, Mr Chew Heng Ching, Mr Fong Heng Boo and Mr Teo Lip Hua Benedict, the Secretary, Ms Foo Soon Soo and Ms Chua Lay See, representing Ms Kok Moi Lre, Audit Partner of the Company’s auditor, PricewaterhouseCoopers LLP.

The Chairman requested Mr Gary Xie Guojun to preside over the meeting on his behalf. Mr Gary Xie carried on the proceedings as Chairman of the Meeting (“**Chairman**”).

2. QUORUM

Having confirmed with the Secretary that a quorum was present, the Chairman called the meeting to order at 2.00 p.m.

3. BRIEFING ON THE PROCEEDINGS FOR THE MEETING

Before the Chairman proceeded with the business of the meeting, he informed the shareholders that the agenda for the AGM was set out in the notice of the AGM issued on 11 April 2024. All resolutions would be put to vote by way of electronic poll.

The Chairman informed the meeting that the Company had appointed Complete Corporate Services Pte Ltd as the polling agent and Moore Stephens LLP as the scrutineer.

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The Company had received proxy forms from shareholders appointing Chairman and indicating how the shareholders wish to vote on specific resolutions. As the Chairman, he would be voting or abstaining according to the instructions of the shareholders. The proxy forms and the number of proxy votes had been checked and verified by the scrutineer.

4. VOTING PROCEDURES

The polling agent, Complete Corporate Services Pte Ltd explained the polling procedures.

5. QUESTIONS RECEIVED IN ADVANCE

The Chairman informed the meeting that the Company had not received any questions from the shareholders prior to the AGM. The Company had published its responses to questions received from the Securities Investors Association (Singapore) in relation to the Annual Report on SGXNet and the Company's website on 22 April 2024.

6. NOTICE

The notice of AGM dated 11 April 2024 covering the AGM which had been published on the SGXNet and the Company's website, was taken as read.

7. AUDITED FINANCIAL STATEMENTS, DIRECTORS' STATEMENT AND AUDITORS' REPORT (ORDINARY RESOLUTION 1)

The Chairman addressed the first item on the agenda, which was to receive and adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 December 2023.

The following resolution was proposed by a shareholder:

"That the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' Statement and Auditors' Report thereon be and are hereby received and adopted."

Before the resolution was put to the vote, the Chairman invited questions from the shareholders.

The questions and answers are set out in Appendix 1.

After the questions and answers session, the resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
343,540,717	99.98	53,300	0.02

The Chairman declared the resolution carried.

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8. FINAL DIVIDEND (ORDINARY RESOLUTION 2)

The next item on the agenda was to seek shareholders' approval to declare a final one-tier tax exempt dividend of 0.80 cents per share for the financial year ended 31 December 2023.

The following resolution was proposed by a shareholder:

“That a final one-tier tax exempt dividend of 0.80 cents per share for the financial year ended 31 December 2023 be approved.”

The proposed dividend, if approved by the shareholders, will be paid on 27 May 2024 to shareholders who are registered in the Register of Members on 13 May 2024 as at 5.00 p.m.

The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
343,156,417	99.88	416,800	0.12

The Chairman declared the resolution carried.

9. RE-ELECTION OF DIRECTOR – MR FONG HENG BOO (ORDINARY RESOLUTION 3)

Resolution 3 concerned the re-election of Mr Fong Heng Boo, a Director retiring under Regulation 106(1) of the Company's Constitution. Mr Fong had signified his consent to continue in office.

Mr Fong Heng Boo would, upon being re-elected as a Director, remain as Chairman of the Audit Committee and member of the Nominating and Remuneration Committees. He is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The following resolution was proposed by a shareholder:

“That Mr Fong Heng Boo be and is hereby re-elected as a Director of the Company.”

The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
341,002,737	99.27	2,520,380	0.73

The Chairman declared the resolution carried.

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10. RE-ELECTION OF DIRECTOR – MR ANDY XIE GUOYUAN (ORDINARY RESOLUTION 4)

Resolution 4 concerned the re-election of Mr Andy Xie Guoyuan, a Director retiring under Regulation 106(1) of the Company's Constitution. Mr Andy Xie had signified his consent to continue in office.

The following resolution was proposed by a shareholder:

“That Mr Andy Xie Guoyuan be and is hereby re-elected as a Director of the Company.”

The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
343,474,817	99.96	143,800	0.04

The Chairman declared the resolution carried.

11. DIRECTORS' FEE (ORDINARY RESOLUTION 5)

The next item on the agenda was to approve Directors' fees.

The following resolution was proposed by a shareholder:

“That Directors' Fee of S\$205,000 for the financial year ended 31 December 2023 be and is hereby approved.”

The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
343,326,717	99.98	71,900	0.02

The Chairman declared the resolution carried.

12. RE-APPOINTMENT OF AUDITORS (ORDINARY RESOLUTION 6)

The Chairman informed the meeting that the Audit Committee had recommended the appointment of PricewaterhouseCoopers LLP as Auditors of the Company. PricewaterhouseCoopers LLP had signified their consent to act as Auditors of the Company.

The following resolution was proposed by a shareholder:

“That PricewaterhouseCoopers LLP be and are hereby re-appointed Auditors of the Company until the conclusion of the next Annual General Meeting at a fee to be agreed between the Directors and the Auditors.”

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The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
343,474,217	100.00	6,200	0.00

The Chairman declared the resolution carried.

13. AUTHORITY TO ALLOT AND ISSUE SHARES (ORDINARY RESOLUTION 7)

The Chairman informed the meeting that Resolution 7 as set out in the notice of AGM was to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act 1967.

The resolution set out under item 7 of the notice of AGM was proposed by a shareholder:

The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
340,593,297	99.29	2,429,780	0.71

The Chairman declared the resolution carried.

14. PROPOSED SHARE BUY BACK MANDATE (ORDINARY RESOLUTION 8)

The Chairman informed the meeting that Resolution 8 was on the proposed Share Buy Back Mandate as set out in the notice of AGM.

The resolution set out under item 8 of the notice of AGM was proposed by a shareholder:

The resolution was put to a vote by poll. The result was as follows:

For	% of total votes	Against	% of total votes
343,256,317	99.89	388,500	0.11

The Chairman declared the resolution carried.

15. RETIREMENT OF MR CHEW HENG CHING AS DIRECTOR

The Chairman informed the meeting that to facilitate Board renewal, Mr Chew Heng Ching who had served the Board for more than nine years would retire as Director and Lead Independent Director at the conclusion of today's AGM. The Board thanked Mr Chew for his invaluable contributions during his tenure and wished him all the best in his future endeavors.

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16. ANY OTHER BUSINESS

The Secretary confirmed that there was no notice received for any other business.

17. CONCLUSION OF MEETING

The Chairman concluded the business for the meeting and declared the meeting concluded at 3.15 p.m.

CONFIRMED BY

GARY XIE GUOJUN
CHAIRMAN OF THE MEETING

APPENDIX 1
TO THE MINUTES OF THE AGM HELD ON 26 APRIL 2024

Questions from shareholders and the responses are collated and paraphrased as appropriate.

Question 1

Can the Company make a presentation at each AGM to update shareholders on what were the happenings at the Company and what the Company has been doing to raise shareholders' value? What are the challenges facing the Company?

Answer

Mr Gary Xie:

We note your request for a presentation on the Company's activities.

The cost of capital has gone up much faster than anticipated. Notwithstanding the increase in the cost of capital, our operating results have been relatively stable. With our hotels opening up post-COVID, operating costs such as payroll, utilities and repairs and maintenance have increased. Despite the challenges, we are prudently managing our resources and spend only on necessary capital expenditure.

Question 2

Two very experienced Independent Directors had left in the last 2 years. Also, Mr Chew Heng Ching, Lead Independent Director was leaving at the end of the AGM. How would the Board be able to perform with the remaining two lesser experienced Independent Directors. How could the new directors contribute to enhance the share value of Bonvests?

Answer

Mr Fong Heng Boo:

My contribution will be in auditing, financial management and corporate governance. I spent 20 years with the Auditor-General's Office in Singapore. Later, I was with Singapore Totalisator Board in charge of investment funds. I currently have directorships in four listed companies and I am the audit committee Chairman in each of these companies in Singapore.

Mr Benedict Teo:

I am a Director in Legal Options LLC which I joined in 2016. Prior to that I was a Director in one of the big 4 law firms. I specialise in capital markets, mergers and acquisitions. I was an independent director of Cogent Holdings Limited prior to its acquisition by a state-owned company. The Company has a board with varied experience. Mr Ngo provides strategic guidance. Mr Fong has audit and accounting experience. Mr Gary Xie and Mr Andy Xie have the business and operational skills and knowledge. For myself, I contribute my legal expertise.

Question 3

Reference was made to pages 102 & 103 of the Annual Report. The estimated value of Sheraton Towers Hotel in the financial statement was barely around \$100m compared to the market value of at least \$400m. A recent transaction of Park Royal Hotel at Kitchener Road was above \$500m. Should not the market value of the hotels be highlighted and stated clearly in the Annual Report so that the true asset value of the hotels, etc are known to investors?

Answer

Mr Andy Xie:

Under the accounting standards, the market values of our hotels are not reflected in our financial statements as they are classified as fixed assets for generating income.

Question 4

The annual reports in the last 10 years were almost similar in contents. Every year, there were many repeated photos of the properties, hotels, etc owned by Bonvests. There were no signs that the Company was well-managed and the business had been languishing with diminishing profits over the years. The management was run like an old family business helmed by the Executive Chairman and his two sons. As a result, the share price has dropped in the last 10 years to its lowest price of around 90 cents. I suggest that the Company engages an investment bank or management consultants to improve the management of the Company and to create value for long suffering shareholders.

What is the purpose of owning hotels in various places in Africa which are unknown to most retail investors? There were no details in the Annual Report as to whether the hotels were operating with profits and their market value.

Answer

Mr Ngo:

The Company has weathered and survived COVID and the current inflationary situation with interest rates rising more than 3 to 4 times. Our investments in Mauritius, Tunisia and Maldives require myself to travel and endure long distances to reach these places. We invested in these places at relatively low costs compared to Singapore. Our hotels have been profitable. We have recouped the investments in our hotels in Mauritius and Tunisia. Our hotel in Tunisia has a golf course. Zanzibar was previously part of Oman. Mauritius is an island paradise. We encourage our shareholders to go to these places and visit our hotels to experience the exceptional hospitality extended by our hotels.

Our hotels are not valued at market price in the financial statements. Under the accounting standards, the hotels are classified as assets which are depreciated over time.

Question 5

Why is our share price not going up? The share price is below the net asset value per share. It is noted the chairman has been buying the shares. Why are we not using the share buyback mandate to purchase the shares in the market. The share price usually rose after the share purchase mandate was used by companies listed on the SGX.

The Company should seek out a Straits Times columnist whose review and analysis of the stock markets and stocks is published in the Straits Times every Monday. The Company should get the columnist interested in writing about the Company. Whenever the columnist writes about a particular stock, the share price of that stock moves up..

Answer

Mr Ngo:

The share price is determined by the market, and we can't dictate the performance of the share price.

Mr Gary Xie:

With high interest rates, it would be preferable to conserve cash for our operations. We will consider share buybacks when opportune.

Question 6

Is the Company considering development of Liat Towers with neighbouring sites under the Strategic Development Incentive (SDI) Scheme.

Answer

Mr Ngo:

The Scheme requires the redevelopment of at least 2 adjacent sites as an amalgamated site which will enjoy an uplift in development ratio subject to conditions under the Scheme. There are many considerations. It may be difficult for parties to the Scheme to work together due to factors such as timing differences. Liat Towers is currently tenanted out; there may be contractual terms on renewal and also consideration of loss of income during development. The terms for the uplift may not be satisfied and there is a cost to pay for the uplift. We will consider when the time is appropriate.

Question 7

Are we outsourcing the management of Sheraton Towers?

Answer

Mr Ngo:

In the past, Sheraton Towers was managed by a hotel management company which is now part of Marriott International. Before selling my interest in Sheraton Towers to the Company, I have decided to convert the hotel management agreement into a franchise agreement and to manage the hotel ourselves and develop our management expertise.

Question 8

What is the dividend payout ratio?. Can we have transparency for the dividend payout?

Answer

Mr Gary Xie:

Please refer to page 5 of the Annual Report which shows the gross dividend per share and divided cover over 5 years. The divided cover for FY2023 is 2.23 times.

Question 9

Please post the minutes of the AGM on SGXNet including the questions and answers raised during this AGM.

Answer

Mr Gary Xie:

The minutes with the questions and answers will be posted on the SGXNet and the Company's website.