



HONG FOK CORPORATION LIMITED

**MINUTES OF FIFTY-FIFTH ANNUAL GENERAL MEETING  
HELD ON FRIDAY, 28 APRIL 2023 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 55th AGM of the Company which was held by way of electronic means.

**4. “LIVE” AUDIO-VISUAL WEBCAST OR ‘LIVE’ AUDIO-ONLY STREAM**

4.1 The Chairman said that arrangements have been put in place to allow members and proxies the options to participate the AGM by (a) watching or listening to the AGM proceedings through a live webcast, (b) submitting questions ahead of or “live” at the AGM, and (c) voting (i) “live” themselves; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf.

4.2 The Chairman informed that a "live" Q&A session and voting would be held during the AGM, where shareholders could ask questions related to the agenda by submitting them through the Live Q&A tab or Live Webcast webpage.

4.3 A short video clip on how to vote “live” and submit text-based questions was played at the Meeting.

4.4 The Chairman also informed that questions from shareholders would be addressed before all proposed resolutions were put to vote. This was to allow shareholders to hear from the Board and Management before casting their votes “live”. Similar questions would be consolidated and those that had already been answered and posted on the Company's website or SGXNet would not be addressed again.

**5 INTRODUCTION OF DIRECTORS, SECRETARIES AND PROFESSIONALS**

5.1 The Chairman introduced Ms Koh Chay Tiang (Vice President (Accounts & Finance)/Company Secretary), Ms Cheong Hooi Kheng (Executive Director & Chief Operating Officer), Mr Lim Jun Xiong Steven (Independent Director), Mr Cheong Sim Eng (Executive Director & Joint Chief Executive Officer), Mr Chong Weng Hoe (Independent Director), Mr Marc Cheong (Alternate Director to Mr Cheong Pin Chuan), Ms Tan Ching Chek (Company Secretary from BSL Corporate Services Pte Ltd), Ms Voo Poh Jee (external auditors from KPMG LLP) and Mr Kevin Goh (external remuneration consultant from HR Guru Pte Ltd) who were present at the AGM. He also introduced Mr Cheong Pin Chuan (Executive Director & Joint Chief Executive Officer) who was attending the AGM remotely.

## 6 PRESENTATION BY CHAIRMAN

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

- Financial highlights
- Financial position
- Business segments
- Properties
- 2023 Outlook

(Note: The presentation slides presented at the AGM were subsequently released to the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 28 April 2023 together with the results of the AGM).

6.2 On financial highlights of the Group for FY2022, the Chairman said that the Group has done quite well in FY2022 with an increase in revenue of approximately 70%, primarily due to higher sales recognised for residential units in Concourse Skyline and higher income from YOTEL Singapore Orchard Road. The profit increased by over 400% compared to FY2021. The Group's profit in FY2022 was mainly due to a fair value gain of approximately \$197.3 million resulting from the revaluation of the Group's investment properties.

6.3 Moving on to the financial position of the Group, total assets increased from \$3,467 million as at 31 December 2021 to \$3,576 million as at 31 December 2022 and total liabilities have decreased. Net current assets have also increased by approximately 49%, from \$86 million as at 31 December 2021 to \$127.9 million as at 31 December 2022. Net debt has decreased by about 6%. This translated into an improved NAV per share with an increase of \$0.45 from \$3.00 in FY2021 to \$3.45 in FY2022. Our financial ratios are looking healthier, net debt to total assets has improved and net debt to total equity has gone down as well due to the decrease in the Group's net debt.

6.4 The Chairman provided an update on the Group's business segments for FY2022, which included property investment, property development and construction, property management and other operations. The largest increase in revenue came from the property development and construction segment, which increased from 34% of revenue in FY2021 to 52% of revenue in FY2022. It was also noted that there was a reduction in property development and construction segment assets due to sales of units in Concourse Skyline. Correspondingly, the segmental liabilities in property development and construction also decreased.

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

### Singapore Properties

- The Concourse
- International Building
- YOTEL Singapore Orchard Road
- Concourse Skyline

### Hong Kong Properties

- Magazine Gap Towers
- Magazine Heights

- 6.6 The Chairman shared the 2023 outlook for the performance of the Group's investment properties. It was noted that if the tourism and hospitality industry continues to improve, it is expected that the performance of YOTEL Singapore Orchard Road will also improve. The occupancy rate for the Group's other investment properties is expected to remain stable. However, with the recent announcement on 27 April 2023 by the Singapore Government on a fresh round of cooling measures aimed at curbing demand for residential properties may adversely affect market sentiment. The new measures include higher additional buyer stamp duty ("ABSD") rates, including a doubling of the ABSD rate from 30% to 60% for foreign buyers. As a result, demand for residential units in Concourse Skyline may be hindered.

## 7 NOTICE OF MEETING AND VOTING PROCEDURE

- 7.1 The Notice of the AGM dated 6 April 2023 ("Notice") had been published on SGXNet, the Company's website and The Business Times. The Chairman proposed that the Notice be taken as read.
- 7.2 The Chairman informed the shareholders that all proxy forms received had been checked and verified. In his capacity as Chairman of the Meeting, he had been appointed as proxy for some shareholders and he would cast their votes in accordance with their specific instructions.
- 7.3 The voting at the AGM was conducted by poll in line with the Company's Constitution and Listing Rules.
- 7.4 B.A.C.S Private Limited and Finova BPO Pte. Ltd. had been appointed as the polling agent and scrutineer of the Company, respectively. Convene had been appointed as the live webcast service provider. The scrutineer had verified the validity of the proxy forms submitted within the stipulated deadline and tabulated the submitted votes. Shareholders were informed that they could submit their votes for all resolutions during the proceedings and had the flexibility to change their vote at any time while the poll was still open.

## 8 BUSINESS OF MEETING

- 8.1 The Chairman proceeded with the business to be transacted at the AGM.

### AS ORDINARY BUSINESS:

## 9 ORDINARY RESOLUTION 1 DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 AND THE AUDITORS' REPORT THEREON

- 9.1 Resolution 1 was to adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors' Report thereon. The Chairman proposed the following motion:

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

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

10.1      Resolution 2 was on the declaration of a first and final 1-tier tax exempt dividend at 1 cent per ordinary share for the financial year ended 31 December 2022. The final dividend, if approved, will be paid on 23 May 2023 to members registered in the books of the Company on 12 May 2023. The Chairman proposed the following motion:

“That the declaration of a first and final 1-tier tax exempt dividend at 1 cent per ordinary share for the financial year ended 31 December 2022, be and is hereby approved.”

11        **ORDINARY RESOLUTION 3**  
**APPROVAL OF DIRECTORS’ FEES OF \$380,168 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023, TO BE PAID QUARTERLY IN ARREARS**

11.1      Resolution 3 was on the approval of Directors’ Fees. The Chairman proposed the following motion:

“That the Directors’ Fees of \$380,168 for the financial year ending 31 December 2023, to be paid quarterly in arrears, be and is hereby approved.”

12        **ORDINARY RESOLUTION 4**  
**RE-ELECTION OF MR CHEONG SIM ENG AS DIRECTOR UNDER REGULATION 104 OF THE CONSTITUTION OF THE COMPANY**

12.1      Resolution 4 was on the re-election of Mr Cheong Sim Eng as Director of the Company in accordance with Regulation 104 of the Constitution of the Company. The Chairman proposed the following motion:

“That Mr Cheong Sim Eng 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.”

13        **ORDINARY RESOLUTION 5**  
**RE-ELECTION OF MR CHAN PENGEE, ADRIAN AS DIRECTOR UNDER REGULATION 104 OF THE CONSTITUTION OF THE COMPANY**

13.1      As the next resolution was on the re-election of the Chairman as Director of the Company, the Chairman invited Mr Cheong Sim Eng, the Executive Director & Joint Chief Executive Officer, to take over the chair for Ordinary Resolution 5.

13.2      Mr Cheong Sim Eng took over the chair and informed the Meeting that Resolution 5 was on the re-election of Mr Chan Pengee, Adrian as Director of the Company in accordance with Regulation 104 of the Constitution of the Company. He proposed the following motion:

“That Mr Chan Pengee, Adrian 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.”

13.3      Mr Cheong Sim Eng then handed the chair back to the Chairman to conduct the rest of the proceedings.

14        **ORDINARY RESOLUTION 6**  
            **RE-APPOINTMENT OF KPMG LLP AS THE COMPANY'S AUDITORS**

- 14.1      Resolution 6 was on the re-appointment of KPMG LLP as the Company's Auditors. The Chairman informed the Meeting that KPMG LLP had expressed their willingness to continue in office and proposed the following motion:

"That KPMG LLP, be re-appointed as the Company's Auditors, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

**AS SPECIAL BUSINESS:**

15        **ORDINARY RESOLUTION 7**  
            **GENERAL AUTHORITY TO ALLOT AND ISSUE NEW SHARES IN THE CAPITAL OF THE COMPANY**

- 15.1      Resolution 7 was on the authority to be given to the Directors to allot and issue shares and/or convertible securities in the capital of the Company. The Chairman proposed the following motion:

"That pursuant to Section 161 of the Companies Act 1967 (the "Act") 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.”

- 15.2 The Chairman said that the share issue mandate, if approved, will empower the Directors to issue new shares and convertible securities in the capital of the Company from the date of this AGM until the date by which the next AGM is required to be held. The maximum number of shares which the Company may issue under this mandate shall not exceed the quantum set out in the resolution.

16 **ORDINARY RESOLUTION 8  
RENEWAL OF THE SHARE BUY-BACK MANDATE**

- 16.1 Resolution 8 was on the renewal of the share buy-back mandate to allow the Company to purchase up to 10% of the issued shares. The Chairman proposed the following motion:

“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 6 April 2023 to shareholders of the Company (being an addendum to the notice of annual general meeting dated 6 April 2023)) 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.”

17 **QUESTIONS AND ANSWERS (“Q&A”) SESSION**

- 17.1 After all the resolutions tabled had been proposed, the Chairman proceeded with the Q&A session.

- 17.2 The Company had received the following questions from a shareholder through the Live Q&A or on the Live Webcast function on the webcast platform. The Company’s responses to the shareholder’s questions were as set out below:

- 17.3 Question 1 : Will the Company consider rewarding shareholders with bonus issue from the huge reserves of \$2.169 billion compare to the meagre annual dividend of \$0.01 per share and the undervalued market share price of slightly above \$1.00 over the NAV of \$3.40 per share?

Response : The Board can consider the possibility of a bonus issue to increase the liquidity of shares and will take that suggestion on board.

Question 2 : Based on the Company’s financial report, under the category of shareholder with 1 million shares held individually, total shares held is around 80% of the issued capital. If there is an investor mounting a takeover, how will the Cheong families react to this issue positively?

Response : The public float is about 30%. Any potential takeover offer is purely speculative at this point. However, if such an offer is made, the Company and the Cheong family will consider it.

17.4 There were no further questions received from shareholders. The Q&A session was declared closed.

17.5 The Chairman informed the Meeting that there were questions raised by the Securities Investors Association Singapore (“SIAS”). The Company had since published its responses to SIAS’s questions on 21 April 2023 on the SGXNet and Company’s website.

## 18 CONDUCT OF POLL

18.1 The Chairman reminded shareholders to submit their votes when the poll was still open and shareholders were given three minutes to cast their votes. The Chairman advised shareholders who faced any technical issues with the “live” voting to contact the number under contact support at the bottom of the screen of their electronic devices.

18.2 A short video clip on how to vote “live” was played twice at the Meeting.

18.3 During the voting period, there was a countdown timer on the screen to track the voting time. Once the timer on the screen stopped, the Chairman declared the voting closed. The scrutineer then proceeded to check and verify the votes.

## 19 RESULTS OF POLL

19.1 After the scrutineer had completed the verifications, the Chairman proceeded to announce the results of the voting for Resolution 1 to Resolution 8, which were displayed on the webcast screen. The Chairman read out the results of the poll as follows:

### Ordinary Resolution 1

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 511,109,830 | 40,000  | 511,149,830 |
| Percentage | 99.99%      | 0.01%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 1, carried.

### Ordinary Resolution 2

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 511,109,830 | 40,000  | 511,149,830 |
| Percentage | 99.99%      | 0.01%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 2, carried.

### Ordinary Resolution 3

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 511,109,830 | 40,000  | 511,149,830 |
| Percentage | 99.99%      | 0.01%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 3, carried.

### Ordinary Resolution 4

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 511,059,830 | 40,000  | 511,099,830 |
| Percentage | 99.99%      | 0.01%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 4, carried.

### Ordinary Resolution 5

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 510,914,029 | 235,801 | 511,149,830 |
| Percentage | 99.95%      | 0.05%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 5, carried.

### Ordinary Resolution 6

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 511,035,829 | 114,001 | 511,149,830 |
| Percentage | 99.98%      | 0.02%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 6, carried.

### Ordinary Resolution 7

| Results    | For         | Against    | Total       |
|------------|-------------|------------|-------------|
| Vote       | 499,131,533 | 12,018,297 | 511,149,830 |
| Percentage | 97.65%      | 2.35%      | 100%        |

Based on the results of the poll, the Chairman declared Resolution 7, carried.

### Ordinary Resolution 8

| Results    | For         | Against | Total       |
|------------|-------------|---------|-------------|
| Vote       | 511,109,830 | 40,000  | 511,149,830 |
| Percentage | 99.99%      | 0.01%   | 100%        |

Based on the results of the poll, the Chairman declared Resolution 8, carried.



20      **CONCLUSION**

- 20.1    There being no other business to transact, the Chairman concluded the business of the 55th 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.
- 20.2    The Chairman declared the AGM of the Company closed at 10.56 a.m..

Confirmed By:  
Chan Pengee, Adrian  
Chairman