



HONG FOK CORPORATION LIMITED

**MINUTES OF FIFTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY
HELD ON WEDNESDAY, 30 APRIL 2025 AT 10.30 A.M.
AT EMPRESS BALLROOM 4 & 5, LEVEL 2, CARLTON HOTEL SINGAPORE,
76 BRAS BASAH ROAD, SINGAPORE 189558**

Present:

- Directors : Mr Chan Pengee, Adrian (Non-executive Non-independent Chairman)
- Mr Cheong Sim Eng (Executive Director and Joint Chief Executive Officer)
- Mr Cheong Pin Chuan (Executive Director and Joint Chief Executive Officer)
– via video conferencing
- Ms Cheong Hooi Kheng (Executive Director and Chief Operating Officer)
- Mr Cheong Tze Hong, Marc (Alternate Director to Mr Cheong Pin Chuan)
- Mr Kwik Sam Aik (Lead Independent Director)
- Mr Chong Weng Hoe (Non-executive Independent Director)
- Mr Tan Kok Kwee (Non-executive Independent Director)
- In Attendance : Ms Koh Chay Tiang (Company Secretary and Vice President (Accounts & Finance))
Ms Kuan Oi Kiew (Manager (Accounts & Finance))
Ms Lim Guek Hong (Company Secretary)
- Key Management : Ms Cheong Puay Kheng (Senior Vice President (Corporate Services))
Mr Ng Sai Kian (Vice President (Property Management))
Ms Charmaine Low (Vice President (Marketing))
- By Invitation : Auditors (KPMG LLP)
Ms Voo Poh Jee
- Remuneration Consultant (HR Guru Pte Ltd)
Mr Kevin Goh

The full attendance list of shareholders and observers who attended the Annual General Meeting (“AGM” or the “Meeting”) is separately maintained by the Company Secretaries.

1 CHAIRMAN

- 1.1 Mr Chan Pengee, Adrian, the Chairman welcomed all shareholders and observers present at the AGM of the Company.

2 **QUORUM**

- 2.1 The Chairman called the AGM to order at 10.30 a.m. after confirming with the Company Secretary that the requisite quorum had been met.

3 **PRESENTATION BY CHAIRMAN**

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

- Financial Highlights
- Financial Position
- Business Segments
- Sustainability Highlights
- Properties
- Looking Ahead

(Note: The presentation slides presented at the Meeting were subsequently released to the Singapore Exchange Securities Trading Limited ("SGX-ST") via SGXNet on 30 April 2025 together with the results of the AGM).

- 3.2 On the Group's financial highlights for the year ended 31 December 2024 ("FY2024"), the Chairman informed the Meeting that the revenue for FY2024 had decreased by approximately 6% as compared to FY2023. This was primarily due to lower sales recognised for its residential units in Concourse Skyline and reduced rental income generated from the Group's investment properties. The Group's profit for FY2024 decreased by approximately 85% compared to FY2023, mainly due to a dip of approximately \$75 million in fair value gain from the revaluation of the Group's investment properties, which resulted in a drop in earnings per share.
- 3.3 With regard to the Group's financial position, it was noted that total assets decreased marginally by approximately \$15 million, from \$3,665 million as of 31 December 2023 to \$3,650 million as of 31 December 2024. Notwithstanding this, total liabilities declined by approximately \$52 million. Net current assets have also decreased by approximately \$42 million from \$145 million as of 31 December 2023 to \$103 million as of 31 December 2024. Net debt has come down by about 2%. This translated into an improved net asset value ("NAV") per share from \$3.57 as at 31 December 2023 to \$3.61 as at 31 December 2024. The Group's financial ratios remained relatively healthy, with the net debt to total assets and net debt to equity at low level. Overall, this reflected a stronger balance sheet position for the Group.
- 3.4 The Chairman provided an update on the Group's business segments for FY2024, which included property investment, property development and construction, property management, and other operations. There is little change in the percentage of each segmental revenue, segmental assets and segmental liabilities for the Group against its respective total amount in FY2024 as compared to FY2023.
- 3.5 On sustainability highlights, the Group achieved several targets in FY2024. On the environment side, it maintained its certified properties for Building and Construction Authority Green Mark, reduced Scope 2 Greenhouse Gas emissions intensity by 6.9% from its baseline year, FY2018, and reduces its water intensity by 5.1% from FY2018. On the social performance, the Group had zero incidents of non-compliance with health and safety regulations, no workplace accidents resulting in a permanent injury or fatality, and remained committed to employee development with each employee receiving an average of 6.5 hours of training in FY2024. Governance achievements included zero incidents of non-compliance with relevant laws and regulations, and no incidents of data breaches due

to cyber-attacks or breaches of Personal Data Protection Act.

- 3.6 Slides showing the following Group's properties in Singapore and Hong Kong were also presented to the Meeting:

Singapore Properties

- Concourse Skyline
- The Concourse
- 362 & 364 Orchard Road
- International Building
- YOTEL Singapore Orchard Road

Hong Kong Properties

- Magazine Gap Towers
- Magazine Heights

- 3.7 Looking ahead, the Group is likely to face geopolitical uncertainties, tariffs and certain economic and operational challenges. The Group will focus on improving operational efficiency, enhancing tenant and guest satisfaction, and maintaining stable rental income from its investment properties. Demand for residential units from foreign buyers is expected to remain muted due to the prevailing level of Additional Buyer's Stamp Duty, particularly for properties located in the central region. This may slightly affect demand for the residential units in Concourse Skyline. Nevertheless, the Group remains optimistic and hopes for improved economic conditions later in 2025 as the situation stabilises.

4 NOTICE OF MEETING AND VOTING PROCEDURE

- 4.1 The Notice of the AGM dated 8 April 2025 ("Notice") had been published on SGXNet, the Company's website and The Business Times. As the Notice of this Meeting has been published for the prescribed period, the Chairman proposed that the Notice be taken as read.
- 4.2 The Chairman informed the shareholders that the Board of Directors and Management have not received any substantial and relevant questions from shareholders prior to the AGM, and 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.
- 4.3 The voting at the AGM was conducted by poll in line with the Company's Constitution and the Listing Rules of the SGX-ST.
- 4.4 B.A.C.S Private Limited and CACS Corporate Advisory Pte Ltd ("CACS") had been appointed as the polling agent and scrutineer of the Company, respectively. ConveneAGM ("Convene") had been appointed as the e-polling service provider. CACS had verified the validity of the proxy forms submitted by the deadline and tabulated the submitted votes.
- 4.5 Shareholders were advised that they could cast their votes during the AGM using their own mobile devices which had been configured at the point of registration to enable voting on the resolutions throughout the AGM proceedings until the conclusion of the voting process.
- 4.6 A short video clip on how to vote was played at the Meeting.

- 4.7 Shareholders were asked to raise their hand to prompt the usher for assistance if encounter any voting issue.

5 BUSINESS OF MEETING

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

ORDINARY BUSINESS:

**6 ORDINARY RESOLUTION 1
DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2024 AND THE AUDITORS' REPORT THEREON**

- 6.1 Resolution 1 was to adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024 and the Auditors' Report thereon.

The Chairman proposed the following motion:

"That the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2024 and the Auditors' Report thereon be and are hereby received and adopted."

6.2 Shareholder A

Shareholder A raised the following questions:

- (1) Why the Group has not engaged in construction, development, or bidding for government land sales either independently or through joint ventures, and sought the Board's perspective on the property industry in Singapore; and
- (2) Whether the Group has plans to monetise its significant asset base of approximately \$3 billion in the form of Real Estate Investment Trust ("REIT") or other means to enhance shareholder value.

The Chairman responded that the Group currently has no plan to establish a REIT which is not the right option for the Group, as it does not have the scale of properties typically required for REIT formation. Instead, the Group remains focused on maintaining strong rental yields and refreshing its properties to maximise returns. He noted that the past developments such as The Concourse, Concourse Skyline, and YOTEL Singapore Orchard Road reflect well on the Group's strategy of maximising shareholders' returns whilst minimising risk exposure.

On government land sales, the Chairman pointed out that a recent tender which closed without any bid reflected a cautious market environment. The Group remains vigilant for opportunities but is mindful not to take undue risks, especially given the current interest rate levels and its preference for maintaining low gearing ratio.

The Chairman highlighted that the Group has recently acquired the remaining units of International Building, thereby attaining full ownership. While the Board has discussed its redevelopment potential, no concrete proposals have been made due to market uncertainties. Several factors such as unsuccessful en bloc attempt around Orchard Road area, prevailing interest rates, best use, timing and regulatory conditions need to be carefully considered before making any decision. He reiterated that redevelopment remains an option, but the Group will proceed cautiously only after thorough evaluation.

Shareholder A also asked whether the Company has any concrete plans to address its low price-to-book value, such as implementing a share buyback programme.

The Chairman acknowledged that having a low price-to-book value is common among property companies. While the Company has actively been conducting share buybacks in the past, especially during the COVID-19 period, it has scaled down in the recent years to maintain price stability. The Company continues to adopt a conservative approach in managing risks and maintain a consistent track record of paying stable and consistent dividends regardless of market conditions. It will consider resuming share buybacks when the time is appropriate/right.

Shareholder A enquired where the Directors' and key management personnel's remuneration were disclosed.

The Chairman replied that the information on Directors' and key management personnel's remuneration could be found on pages 20 and 21 of the Annual Report 2024.

Shareholder A expressed the view that, given the Group had not undertaken significant business or redevelopment activities in the recent years, the high remuneration paid to the Executive Directors appeared to be somewhat unjustifiable.

6.3 **Shareholder B**

Shareholder B acknowledged that Directors should be rewarded for their performance but stressed the importance of ensuring fairness to shareholders in terms of returns.

Shareholder B emphasised the importance of providing fair returns to shareholders in addition to remunerating Directors appropriately. He sought clarification on why a slight drop in revenue resulted in a significant decrease in operating profit.

The Company Secretary and Vice President (Accounts & Finance), Ms Koh Chay Tiang ("Ms Koh") explained that, as highlighted in the AGM presentation slides, the decline in profit was primarily due to a lower revaluation gain on the Group's investment properties. In FY2023, the Group recorded a revaluation gain of \$87 million, compared to only \$12 million in FY2024. Hence, despite a revenue decrease of only 6%, the overall profit declined significantly.

Shareholder B requested clarification on the Group's operating profit.

Ms Koh referred the Shareholder B to the Statement of Comprehensive Income on page 81 of the Annual Report 2024, where the profit before tax for FY2024 was stated as \$15.6 million, including a revaluation gain of \$11.8 million. Excluding the revaluation gain, she explained that the profit before tax was approximately \$3.8 million for FY2024 and \$12 million for FY2023.

6.4 **Shareholder C**

Shareholder C invited the Independent Directors to share their views on the "treatment" to the minority shareholders with regards to the payment of dividends as expressed by the previous shareholders.

Mr Tan Kok Kwee, the Independent Director of the Company responded that, as shown on page 20 of the Annual Report 2024, approximately 50% of the total remuneration of

each Executive Director comprised bonus. This bonus is the result of past years' management decisions and actions to create value for the Group, such as the development of the Concourse Skyline, the topping up of the lease at The Concourse, and the development of YOTEL Singapore Orchard Road. These decisions and actions have increased the value of assets to approximately \$3 billion. The bonus was calculated based on a three-year average of profit/(loss), which are mainly from the revaluation gain/loss. He added that if the revaluation of the properties remains constant in subsequent years, bonus will be reduced accordingly. In his opinion, this approach is fair and reflects the value generated by the past decisions of the Executive Directors.

- 6.5 There being no further question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 1 were as follows:

Percentage of Votes "For" is 99.89% representing 530,435,865 shares.

Percentage of Votes "Against" is 0.11% representing 583,956 shares.

The Chairman declared that Resolution 1, carried.

**7 ORDINARY RESOLUTION 2
DECLARATION OF FIRST AND FINAL TAX EXEMPT (ONE-TIER) DIVIDEND AT 1 CENT**

- 7.1 Resolution 2 was on the declaration and payment of a first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2024.

If approved, the final dividend will be paid on 27 May 2025 to members registered in the books of the Company on 14 May 2025.

The Chairman proposed the following motion:

"That the Company do hereby declare and approve the first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2024."

- 7.2 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 2 were as follows:

Percentage of Votes "For" is 99.89% representing 530,653,289 shares.

Percentage of Votes "Against" is 0.11% representing 580,552 shares.

The Chairman declared that Resolution 2, carried.

**8 ORDINARY RESOLUTION 3
APPROVAL OF DIRECTORS' FEES OF \$486,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025, TO BE PAID QUARTERLY IN ARREARS**

- 8.1 Resolution 3 was on the approval of Directors' fees.

The Chairman proposed the following motion:

“That the Directors’ fees of \$486,000 for the financial year ending 31 December 2025 be paid quarterly in arrears to the Directors.”

- 8.2 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 3 were as follows:

Percentage of Votes “For” is 99.83% representing 530,051,279 shares.

Percentage of Votes “Against” is 0.17% representing 877,222 shares.

The Chairman declared that Resolution 3, carried.

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

- 9.1 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 be and is hereby re-elected a Director of the Company in accordance with Regulation 104 of the Constitution of the Company.”

- 9.2 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 4 were as follows:

Percentage of Votes “For” is 99.76% representing 529,959,050 shares.

Percentage of Votes “Against” is 0.24% representing 1,272,031 shares.

The Chairman declared that Resolution 4, carried.

**10 ORDINARY RESOLUTION 5
RE-ELECTION OF MR CHONG WENG HOE AS DIRECTOR UNDER REGULATION 104
OF THE CONSTITUTION OF THE COMPANY**

- 10.1 Resolution 5 was on the re-election of Mr Chong Weng Hoe as Director of the Company in accordance with Regulation 104 of the Constitution of the Company.

The Chairman proposed the following motion:

“That Mr Chong Weng Hoe be and is hereby re-elected a Director of the Company in accordance with Regulation 104 of the Constitution of the Company.”

- 10.2 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 5 were as follows:

Percentage of Votes “For” is 97.48% representing 517,844,280 shares.

Percentage of Votes “Against” is 2.52% representing 13,386,801 shares.

The Chairman declared that Resolution 5, carried.

**11 ORDINARY RESOLUTION 6
RE-APPOINTMENT OF KPMG LLP AS THE COMPANY’S AUDITORS**

- 11.1 Resolution 6 was on the re-appointment of KPMG LLP as the Company’s Auditors, to hold office until the conclusion of the next AGM, at a remuneration to be agreed between the Directors and the 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, 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 be authorised to fix their remuneration.”

- 11.2 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 6 were as follows:

Percentage of Votes “For” is 99.94% representing 530,923,965 shares.

Percentage of Votes “Against” is 0.06% representing 324,276 shares.

The Chairman declared that Resolution 6, carried.

SPECIAL BUSINESS

**12 ORDINARY RESOLUTION 7
AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES**

- 12.1 Resolution 7 was on the authority to be given to the Directors to allot and issue new shares and 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."

- 12.2 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.

- 12.3 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 7 were as follows:

Percentage of Votes "For" is 97.32% representing 517,024,123 shares.

Percentage of Votes "Against" is 2.68% representing 14,226,118 shares.

The Chairman declared that Resolution 7, carried.

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

- 13.1 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 8 April 2025 to shareholders of the Company (being an addendum to

the notice of annual general meeting dated 8 April 2025)) 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.”

- 13.2 There being no question, the Chairman proceeded to conduct a vote by poll on the resolution.

The voting results for Resolution 8 were as follows:

Percentage of Votes “For” is 99.95% representing 530,927,745 shares.

Percentage of Votes “Against” is 0.05% representing 282,336 shares.

The Chairman declared that Resolution 8, carried.

14 **CONCLUSION**

- 14.1 There being no other business to transact, the Chairman concluded the business of the AGM of the Company. He thanked the shareholders for their attendance at the AGM and their support.

- 14.2 The Chairman declared the AGM of the Company closed at 11.31 a.m..

Confirmed By:
Chan Pengee, Adrian
Chairman