



HAFARY HOLDINGS LIMITED

合發利控股有限公司

Incorporated in the Republic of Singapore  
Company Registration No. 200918637C

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Hafary Holdings Limited (the "**Company**") will be held by way of electronic means on Wednesday, 14 April 2021 at 10.30 a.m. (of which there will be a live webcast) for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To declare the final dividend of 0.75 Singapore cent per ordinary share tax exempt one-tier for the financial year ended 31 December 2020 (FY2019: 0.50 Singapore cent). **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to Article 104 of the Company's Constitution and/or Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at the forthcoming Annual General Meeting ("**AGM**"):

Mr Ong Beng Chye

**(Resolution 3)**

Datuk Edward Lee Ming Foo, <sub>JP</sub>

**(Resolution 4)**

Mr Yong Teak Jan @ Yong Teck Jan

**(Resolution 5)**

*Datuk Edward Lee Ming Foo, <sub>JP</sub> will, upon re-election as Director of the Company, remain as Non-Independent Non-Executive Director and will be considered as non-independent.*

*Mr Yong Teak Jan @ Yong Teck Jan will, upon re-election as Director of the Company, remain as Non-Independent Non-Executive Director and will be considered as non-independent.*

4. To re-elect Mr Foo Yong How as Director of the Company pursuant to Article 108 of the Company's Constitution at the forthcoming AGM. **(Resolution 6)**

*Mr Foo Yong How will, upon re-election as Director of the Company, remain as Independent Director, Chairman of the Remuneration Committee and member of Audit Committee and Nominating Committee and will be considered as independent.*

5. To approve the payment of Directors' Fees of S\$229,468 for the financial year ended 31 December 2020. (FY2019: S\$231,000) **(Resolution 7)**
6. To re-appoint Messrs RSM Chio Lim LLP as Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### 8. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50, the Constitution of the Company and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be and are hereby authorised and empowered to:

- (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

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- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution that may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments and made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards provided the options or awards were granted (in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST); and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue to be 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 earlier.

[See Explanatory Note (i)]

**(Resolution 9)**

## 9. **Authority to offer and grant awards and to allot and issue shares under the Hafary Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors of the Company be and are hereby authorised and empowered to offer and grant awards in accordance with the provisions of the prevailing Hafary Performance Share Plan (the “**Plan**”) and to allot and issue and/or deliver such number of new shares as may be required to be delivered pursuant to the vesting of the awards under the Plan, provided always that the aggregate number of shares to be delivered pursuant to the Plan, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue to be 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 earlier.

[See Explanatory Note (ii)]

**(Resolution 10)**

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## 10. **Renewal of General Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

- (a) approval be and is hereby given for the renewal of the general mandate permitting the Company, its subsidiaries and associated companies to enter into any of the transactions falling within the categories of Interested Person Transactions as set out in the Appendix to this Notice of Annual General Meeting (the "Appendix") with any party who is of the class of Interested Persons described in the Appendix, provided that such transactions are carried out on normal commercial terms which are not prejudicial to the interests of the Company and its minority Shareholders (as defined in the Appendix) and are in accordance with the review procedures for such Interested Person Transactions as set out in the Appendix (the "IPT General Mandate");
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in a general meeting, 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 earlier; and
- (c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT General Mandate as they may think fit.

[See Explanatory Note (iii)]

**(Resolution 11)**

## 11. **The proposed continued appointment of Mr Ong Beng Chye as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST**

That, subject to and contingent upon the passing of Resolution 3 by the shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM and the passing of Resolution 13 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer ("CEO") of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST):

- (a) the continued appointment of Mr Ong Beng Chye as Independent Director, for purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Ong Beng Chye as Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (iv)]

**(Resolution 12)**

## 12. **The proposed continued appointment of Mr Ong Beng Chye as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST**

That, subject to and contingent upon the passing of Resolutions 3 and 12 by the shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM and the passing of this Resolution by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the CEO of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST):

- (a) the continued appointment of Mr Ong Beng Chye as Independent Director, for purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Ong Beng Chye as Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (iv)]

**(Resolution 13)**

In compliance with Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and CEO of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 13. The Company will disregard any votes cast by the Directors and the CEO of the Company, and their respective associates, in respect of their holdings of shares (if any) on Resolution 13.

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Mr Ong Beng Chye will, upon the passing of Resolutions 12 and 13, remain as Independent Non-Executive Chairman, Chairman of Audit Committee and member of Nominating Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

If only Resolutions 3 and 12 are passed but Resolution 13 is not passed, Mr Ong Beng Chye shall continue to be designated as an Independent Non-Executive Director up to and including 31 December 2021 and shall thereafter be re-designated as a Non-Independent Non-Executive Director as of and from 1 January 2022.

**13. The proposed continued appointment of Mr Terrance Tan Kong Hwa as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST**

That, subject to and contingent upon the passing of Resolution 15 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the CEO of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST):

- (a) the continued appointment of Mr Terrance Tan Kong Hwa as Independent Director, for purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Terrance Tan Kong Hwa as Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (iv)]

**(Resolution 14)**

**14. The proposed continued appointment of Mr Terrance Tan Kong Hwa as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST**

That subject to and contingent upon the passing of Resolution 14 by the shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM and the passing of this Resolution by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the CEO of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST):

- (a) the continued appointment of Mr Terrance Tan Kong Hwa as Independent Director, for purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Terrance Tan Kong Hwa as Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

[See Explanatory Note (iv)]

**(Resolution 15)**

In compliance with Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022), the Directors and CEO of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), shall abstain from voting on Resolution 15. The Company will disregard any votes cast by the Directors and the CEO of the Company, and their respective associates, in respect of their holdings of shares (if any) on Resolution 15.

Mr Terrance Tan Kong Hwa will, upon the passing of Resolutions 14 and 15, remain as Independent Director, Chairman of Nominating Committee and member of Audit Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

If only Resolution 14 is passed but Resolution 15 is not passed, Mr Terrance Tan Kong Hwa shall continue to be designated as an Independent Non-Executive Director up to and including 31 December 2021 and shall thereafter be re-designated as a Non-Independent Non-Executive Director as of and from 1 January 2022.

By Order of the Board

Tay Eng Kiat Jackson  
Company Secretary  
Singapore, 30 March 2021

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## Explanatory Notes:

- (i) Ordinary Resolution 9 in item 8 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards and any subsequent bonus issue, consolidation or subdivision of shares.

- (ii) Ordinary Resolution 10 in item 9 above, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a General Meeting, whichever is earlier, to offer and grant awards under the Plan in accordance with the provision of the Plan and to deliver from time to time such number of new shares as may be required to be delivered pursuant to the vesting of the awards under the Plan up to a number not exceeding in aggregate (for the entire duration of the Plan) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (iii) Ordinary Resolution 11 proposed in item 10 above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the IPT General Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at 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.
- (iv) The proposed Ordinary Resolutions 12, 13, 14 and 15 in items 11, 12, 13 and 14 above respectively are to seek approval from the shareholders via a Two-Tier Voting process for Mr Ong Beng Chye and Mr Terrance Tan Kong Hwa to continue in office as Independent Directors of the Company for a three-year term, with effect from the passing of these resolutions proposed at the forthcoming AGM until the conclusion of the third AGM of the Company following the passing of these resolutions.

The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such Directors who have, over time, gained valuable insights into the Group, its market and the industry.

The Nominating Committee and the Board have determined that Mr Ong Beng Chye and Mr Terrance Tan Kong Hwa remain objective and independent minded in Board deliberations. Their vast experience would enable them to provide the Board and the various Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and that their length of service do not in any way interfere with their exercise of independent judgment nor hinder their ability to act in the best interests of the Company. Additionally, both Mr Ong Beng Chye and Mr Terrance Tan Kong Hwa fulfil the definition of independent directors of the Listing Manual of the SGX-ST and Code of Corporate Governance 2018. More importantly, the Board is confident that both Mr Ong Beng Chye and Mr Terrance Tan Kong Hwa are capable to continue to discharge their duties independently with integrity and competency.

**Shareholders should note that in the event that the proposed Ordinary Resolutions 12 and 13 and/or Ordinary Resolutions 14 and 15 relating to the continued appointments of Independent Directors are not passed, the Company shall endeavour to fill the vacancy of the independent director/s (which must comprise of at least one-third of the Board) within two months, in any case not later than three months from the date the Independent Directors be re-designated as Non-Independent Non-Executive Directors for the purpose of compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, as applicable.**

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## Notes:

1. The Annual General Meeting (the "Meeting") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" webcast and "live" audio feed), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying document entitled "Instructions to Shareholders for Annual General Meeting 2021". This means shareholders will be able to observe the Meeting proceedings through "live" webcast and "live" audio feed.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. The instrument appointing a proxy accompanying the Notice of the Meeting may be accessed at the Company's website at the URL <https://www.hafary.com.sg>, and will also be made available on the SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes as soon as possible but not less than 7 working days before the Meeting (**by 5.00 p.m. on 1 April 2021**).

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. Duly completed and signed instrument appointing the Chairman of the Meeting as proxy must either be submitted to the Company in the following manner:
  - (a) if submitted by post, to be deposited at the registered office address of the Company at 105 Eunos Avenue 3, Hafary Centre, Singapore 409836; or
  - (b) if submitted electronically, to be submitted via email to [enquiry@hafary.com.sg](mailto:enquiry@hafary.com.sg)

**in either case not less than forty-eight (48) hours before the time appointed for the Meeting i.e. 10.30 a.m. on 12 April 2021.**

A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The proxy form is available for download at the URLs provided in Note 3 above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email to [enquiry@hafary.com.sg](mailto:enquiry@hafary.com.sg)

## Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

## Important Notice from the Company pertaining to the COVID-19 situation:

The Company wishes to remind shareholders that, with the constantly evolving COVID-19 situation, the Company may be required to change its Meeting arrangements at short notice. Shareholders are advised to check SGXNET and the Company's website regularly for updates on the Meeting.