



HONG FOK CORPORATION LIMITED

**MINUTES OF FIFTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON
MONDAY, 29 APRIL 2024 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 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 Chong Weng Hoe (Non-executive Independent Director)
Mr Kwik Sam Aik (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 (Joint 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
- 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 29 April 2024 together with the results of the AGM).

- 3.2 On financial highlights of the Group for the financial year ended 31 December 2023 (“FY2023”), the Chairman informed the Meeting that the Group’s revenue for FY2023 had decreased by approximately 28% as compared to FY2022. This was primarily due to lower sales of residential units in Concourse Skyline, although it was marginally cushioned by increase in rental income generated from the Group’s investment properties. The Group’s profit for FY2023 decreased by approximately \$139 million as compared to FY2022. The decline was mainly due to a dip of approximately \$110 million in fair value gain from the revaluation of the Group’s investment properties, and a dip of approximately \$27 million from the sales of residential units in Concourse Skyline. The increase in additional buyer stamp duty (“ABSD”) rates from 30% to 60% for foreign buyers had impacted the sales of the Group’s residential units. On the review of the Group’s revenue, there was a dip in revenue during the COVID-19 outbreak but rebounded and is approaching a normalized level of revenue level prior to COVID-19 pandemic. This pattern of change was also the same for the Profit & Loss of the Group.
- 3.3 Moving on to the financial position of the Group, total assets increased from \$3.5 billion as at 31 December 2022 to \$3.67 billion as at 31 December 2023. Total liabilities increased by approximately \$10 million. Net current assets increased by approximately \$17 million from \$128 million as at 31 December 2022 to \$145 million as at 31 December 2023. Net debt decreased by about 3% and this translated to an improvement in the net asset value (“NAV”) per share with an increase of \$0.12 from \$3.45 as at 31 December 2022 to \$3.57 as at 31 December 2023. 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. This signified an overall stronger position for the Group.
- 3.4 The Chairman provided an update on the Group’s business segments for FY2023, which included property investment, property development and construction, property management, and other operations. The largest increase in revenue came from the property investment segment, which increased from 46% of revenue in FY2022 to 72% of revenue in FY2023. It was also noted that there was a decline in revenue from the property development and construction segment due to decrease in sales of units in Concourse Skyline. Both reportable segment assets and liabilities in FY2023 showed minimal or little change as compared to FY2022.

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

Singapore Properties

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

Hong Kong Properties

- Magazine Gap Towers
- Magazine Heights

3.6 The Chairman shared the 2024 outlook for the performance of YOTEL Singapore Orchard Road ("YOTEL"). It was noted that YOTEL has shown promising performance, with occupancy rate rebounded from about 60% in FY2022 to above 85% over last year. While occupancy rate is nearly back to pre-COVID levels, China's market share remains low due to the limitations in the flights capacity. The Group is optimistic in its room rates and occupancy rate for YOTEL as tourism sector is expected to continue to improve in 2024. The occupancy rates of the Group's other investment properties are expected to remain stable if the leasing demand for commercial and residential units remains healthy. However, the higher ABSD rates for residential properties and the money laundering measures in Singapore will be the deterrent factors for some foreign buyers.

4 NOTICE OF MEETING AND VOTING PROCEDURE

4.1 The Notice of the AGM dated 5 April 2024 ("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 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.

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 2023 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 2023 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 2023 and the Auditors' Report thereon be and are hereby received and adopted.”

6.2 **Shareholder A**

Shareholder A commended on the development of The Concourse and YOTEL as the defining moments for the Group which increased the value of the properties tremendously. He asked whether there would be any potential developments or plans for Magazine Gap Towers and Magazine Heights in Hong Kong as well as the International Building in Orchard Road and our stake at International Plaza in Anson Road.

6.3 The Company Secretary and Vice President (Accounts & Finance), Ms Koh Chay Tiang (“Ms Koh”) clarified that the unit at International Plaza was sold in 2023 and that the information on the sale of this property could be found on page 76 of the Annual Report 2023 – Statements of Comprehensive Income disclosed as “Loss on disposal of investment property” of \$74,000.

6.4 The Chairman then addressed Shareholder A's query on the potential redevelopment plans for properties in Hong Kong (Magazine Gap Towers and Magazine Heights) and International Building. He stated that the properties have undergone refurbishment and renovation in the past years, and there have been ongoing Board's discussions of their potential redevelopment. However, the timing to carry out the redevelopment is critical which should take into account the timing of the market, cost of debt which are anticipated to persist. He emphasized the need to avoid excessive debts and ensure market readiness before proceeding with any redevelopment plans. The Chairman assured shareholders that active Board's discussions on redevelopment possibilities have been ongoing. Given the current high interest rates, the Chairman said that redevelopment in the near term would be unlikely due to the high financing costs and risks.

6.5 Regarding the question on potential plans for the International Building, the Chairman responded that there was no concrete proposal made yet as the Company will have to be cautious for the potential redevelopment of other properties along Orchard Road. The Chairman emphasized the need for the Group to closely observe the market developments of these potential redevelopments before making any decisions.

Mr Chong Weng Hoe (“Mr Chong”), the Independent Director of the Company commented that the Board will also need to observe the future market demand for office space rental and act cautiously on any plan.

6.6 Shareholder A also queried on another property located near Cold Storage in Orchard Road and the potential development plans for the site. Ms Koh stated that the Group's property is 362 & 364 Orchard Road which consists of two units and have been leased to a tenant to run food and beverage business. The units are currently undergoing renovation. Ms Cheong Hooi Kheng, the Executive Director added that if the property at International Building is to be redeveloped, the Group may consider to integrate these units into the redevelopment project.

6.7 Shareholder A asked whether there are any plans to monetize or redevelop the Hong Kong properties at Magazine Gap Road. Mr Marc Cheong, the Alternate Director to Mr Cheong Pin Chuan responded that since 2018, ongoing renovation efforts have been made, which increased the rental income significantly. When asked about development potential, Mr Marc Cheong mentioned that there are no immediate plans for redevelopment due to the challenging market conditions in Hong Kong. However, the Board will continue to monitor the market conditions and may consider redevelopment in the future if the timing is favorable/right.

6.8 **Shareholder B**

Shareholder B asked why there was no share buy-backs in 2023 considering those long time shareholders have aged and looking at legacy planning. The Chairman responded that the Company has been here for long-term since the 70s, doing business in a stable and conservative approach and does not take up too much risks in the market. Concerning the decision to undertake any share buy-back in the future, the Chairman said that the Board will need to consider and strike a balance between liquidity, financing costs, opportunity costs and market conditions.

6.9 **Shareholder C**

Shareholder C enquired about the rationale behind the Company's decision to declare dividend of 1 cent since the Group was profitable for 2022 and 2023. The Chairman explained that the Company's policy is to maintain stable dividends distribution to conserve cash, especially in the current high interest rate environment, but this may change based on the market conditions in the future.

Shareholder C asked whether there are detailed disclosure on the breakdown of remuneration of the Directors in the Annual Report 2023. Shareholder C referred the Meeting to page 76 and Note 22 Employee benefit expenses of the Annual Report 2023. The Chairman mentioned that it will be mandatory to disclose the exact amount and the breakdown of remuneration paid to all Directors for FY2024. Mr Chong, the Remuneration Committee Chairman added that the disclosure practice of the Company for the current year has remained consistent with the previous years. Ms Koh referred Shareholder C to pages 19 and 20 of the Annual Report 2023 on the breakdown of remuneration of the Directors and key management personnel.

Shareholder C commented on the generous remuneration made to the Executive Directors and hoped that the Board could also be generous to the shareholders in terms of dividend payment considering the interests of the shareholders. The Chairman noted the feedback and said that it will be discussed at Board level.

6.10 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 99.92% representing 512,382,222 shares.

Percentage of Votes "Against" is 0.08% representing 432,246 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 of a first and final tax exempt (one-tier) dividend at 1 cent per ordinary share for the financial year ended 31 December 2023.

If approved, the final dividend will be paid on 24 May 2024 to members registered in the books of the Company on 13 May 2024.

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 2023."

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 99.64% representing 512,649,322 shares.

Percentage of Votes "Against" is 0.36% representing 1,834,650 shares.

The Chairman declared that Resolution 2, carried.

**8 ORDINARY RESOLUTION 3
APPROVAL OF DIRECTORS' FEES OF \$477,723 FOR THE FINANCIAL YEAR
ENDING 31 DECEMBER 2024, 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 \$477,723 for the financial year ending 31 December 2024 be approved and 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 99.64% representing 512,567,162 shares.

Percentage of Votes "Against" is 0.36% representing 1,860,690 shares.

The Chairman declared that Resolution 3, carried.

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

9.1 Resolution 4 was on the re-election of Mr Cheong Pin Chuan 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 Pin Chuan 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 99.56% representing 512,042,821 shares.

Percentage of Votes “Against” is 0.44% representing 2,260,031 shares.

The Chairman declared that Resolution 4, carried.

10 **ORDINARY RESOLUTION 5**
RE-ELECTION OF MS CHEONG HOOI KHENG AS DIRECTOR UNDER REGULATION
104 OF THE CONSTITUTION OF THE COMPANY

10.1 Resolution 5 was on the re-election of Ms Cheong Hooi Kheng as Director of the Company in accordance with Regulation 104 of the Constitution of the Company.

The Chairman proposed the following motion:

“That Ms Cheong Hooi Kheng 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 99.23% representing 510,377,552 shares.

Percentage of Votes “Against” is 0.77% representing 3,947,300 shares.

The Chairman declared that Resolution 5, carried.

11 **ORDINARY RESOLUTION 6**
RE-ELECTION OF MR KWIK SAM AIK AS DIRECTOR UNDER REGULATION 114 OF
THE CONSTITUTION OF THE COMPANY

11.1 Resolution 6 was on the re-election of Mr Kwik Sam Aik as Director of the Company in accordance with Regulation 114 of the Constitution of the Company.

The Chairman proposed the following motion:

“That Mr Kwik Sam Aik be and is hereby re-elected a Director of the Company in accordance with Regulation 114 of the Constitution of the Company.”

- 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 99.58% representing 512,315,637 shares.

Percentage of Votes “Against” is 0.42% representing 2,168,335 shares.

The Chairman declared that Resolution 6, carried.

12 **ORDINARY RESOLUTION 7
RE-ELECTION OF MR TAN KOK KWEE AS DIRECTOR UNDER REGULATION 114 OF
THE CONSTITUTION OF THE COMPANY**

- 12.1 Resolution 7 was on the re-election of Mr Tan Kok Kwee as Director of the Company in accordance with Regulation 114 of the Constitution of the Company.

The Chairman proposed the following motion:

“That Mr Tan Kok Kwee be and is hereby re-elected a Director of the Company in accordance with Regulation 114 of the Constitution of the Company.”

- 12.2 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 99.62% representing 512,468,502 shares.

Percentage of Votes “Against” is 0.38% representing 1,941,350 shares.

The Chairman declared that Resolution 7, carried.

13 **ORDINARY RESOLUTION 8
RE-APPOINTMENT OF KPMG LLP AS THE COMPANY’S AUDITORS**

- 13.1 Resolution 8 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.”

- 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 99.94% representing 512,819,642 shares.

Percentage of Votes "Against" is 0.06% representing 292,786 shares.

The Chairman declared that Resolution 8, carried.

SPECIAL BUSINESS

14 ORDINARY RESOLUTION 9 AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES

- 14.1 Resolution 9 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.”

14.2 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.

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

The voting results for Resolution 9 were as follows:

Percentage of Votes “For” is 97.30% representing 500,631,236 shares.

Percentage of Votes “Against” is 2.70% representing 13,870,756 shares.

The Chairman declared that Resolution 9, carried.

15 **ORDINARY RESOLUTION 10
RENEWAL OF THE SHARE BUY-BACK MANDATE**

15.1 Resolution 10 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 5 April 2024 to shareholders of the Company (being an addendum to the notice of annual general meeting dated 5 April 2024)) 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.”

15.2 **Shareholder B**

At this juncture, Shareholder B asked how those treasury shares bought back by the Company would be dealt with. In response, the Chairman said that discussions on the potential usage are ongoing and there are no concrete plans for utilization yet.

15.3 **Shareholder D**

Shareholder D noted the inconsistency in the disclosure in terms of the number of shares held by some individuals reported under the Top Twenty Shareholders list and the Statement of Shareholdings of Substantial Shareholders on pages 128 and 129 of the

Annual Report 2023. The Chairman clarified that the numbers stated under the Top Twenty Shareholders list represented shares held in their own names, whereas the numbers in the Statement of Shareholdings of Substantial Shareholders include those shares held through their nominees.

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

The voting results for Resolution 10 were as follows:

Percentage of Votes "For" is 99.89% representing 513,863,006 shares.

Percentage of Votes "Against" is 0.11% representing 578,786 shares.

The Chairman declared that Resolution 10, carried.

16 **CONCLUSION**

- 16.1 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.
- 16.2 The Chairman declared the AGM of the Company closed at 11.22 a.m..

Confirmed By:
Chan Pengee, Adrian
Chairman