

HWA HONG CORPORATION LIMITED
(Incorporated in Singapore)
(Company Registration No: 195200130C)
(the “Company”)

**MINUTES OF SIXTY-EIGHTH ANNUAL GENERAL MEETING
HELD BY WAY OF ELECTRONIC MEANS**

| | | |
|-------------------------------------|---|--|
| DATE | : | Friday, 23 April 2021 |
| TIME | : | 10.00 a.m. |
| PRESENT | : | <u>Board of Directors</u> Mr Mak Lye Mun Independent Chairman and Chairman of the Nominating Committee Mr Huang Yuan Chiang Independent Non-Executive Director and Chairman of the Remuneration Committee Mr Tham Chee Soon Independent Non-Executive Director and Chairman of the Audit and Risk Committee Mr Ong Mui Eng Executive Director Dr Ong Hian Eng Non-Executive Director Mr Guan Meng Kuan Non-Executive and Non-Independent Director |
| ABSENT WITH APOLOGIES | : | Mr Ong Choo Eng Executive Director and Group Managing Director |
| IN ATTENDANCE/ BY INVITATION | : | <u>Shareholders, Management and other external professionals who attended via “Live” webcast or audio conference</u> As set out in the attendance records maintained by the Company. |
| CHAIRMAN | : | Mr Mak Lye Mun |

QUORUM

Mr Mak Lye Mun, the Independent Chairman of the Company and Chairman of the Annual General Meeting (the “**Chairman**”), welcomed shareholders to the Annual General Meeting (the “**Meeting**” or “**AGM**”) of the Company.

As a quorum was present, the Chairman declared the AGM open at 10.00 a.m..

CONDUCT OF THE AGM BY WAY OF ELECTRONIC MEANS

The Chairman informed that recording of this Meeting in any form was prohibited.

In convening this Meeting via “live” audio-video webcast and a “live” audio-only stream, the Company has adhered to the various advisories and guidance issued by the authorities on holding meetings amid the current Covid-19 outbreak.

INTRODUCTION

The Chairman introduced the Board of Directors of the Company and the following:

Mr Ong Eng Yaw, Chief Operating Officer;
Ms Yvonne Lee, Chief Financial Officer;
Mr Ong Eng Loke, Senior Vice President, Fund Management;
Mrs Chen, General Manager;
Mr Leong Chang Hong, Company Secretary;
External auditors, Ernst and Young LLP; and
Mr Lawrence Tan, Legal Adviser from Rajah & Tann.

VOTING BY WAY OF A POLL

The Company had on 5 April 2021 released an announcement via SGXNet informing Shareholders to submit their proxy forms to appoint the Chairman of the Meeting to cast votes on their behalf.

The Meeting was informed that the Chairman had been appointed as proxy by numerous Shareholders and would be voting in accordance with their instructions.

Boardroom Corporate & Advisory Services Pte. Ltd. and DrewCorp Services Pte Ltd had been appointed as Polling Agent and Scrutineer respectively for the conduct of the poll. The validity of the proxies submitted by Shareholders had been duly reviewed and the votes of all such valid proxies had been duly counted and verified.

PRESENTATION ON THE GROUP'S BUSINESS AND FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2020 AND QUESTION AND ANSWER ("Q&A") SESSION

The Meeting was informed that the Company had in its announcement dated 5 April 2021 provided a weblink for Shareholders to submit their questions in advance of this Meeting.

The presentation slides for the AGM (including the responses to substantive and relevant questions from Shareholders) had been released via SGXNET prior to this Meeting on 23 April 2021.

Ms Yvonne Lee, the Chief Financial Officer and Mr Ong Eng Yaw, Chief Operating Officer ("**COO**"), presented the following:

- (i) an overview of the Group's financial performance for the financial year ended 31 December 2020 ("**FY2020**");
- (ii) business activities conducted in FY2020;
- (iii) the Group's business focus for FY2021; and
- (iv) potential Covid-19 impact on the Group's business.

The COO also addressed the substantive and relevant questions received as detailed under "**Appendix 1**" attached hereto.

NOTICE

The Notice convening the Meeting dated 5 April 2021 (the "**Notice**") was taken as read.

The Chairman informed the Meeting that in the capacity as Chairman of the Meeting, he would be proposing the motions for all resolutions.

The Chairman then proceeded with the business of the Meeting.

ORDINARY BUSINESS:

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – ORDINARY RESOLUTION 1

- 1.1. The Ordinary Resolution 1 was duly proposed by the Chairman.
- 1.2. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 494,555,684 | – | 99.97% |
| No. of shares voted against | : | 127,500 | – | 0.03% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2020 and the Auditors Report thereon be received and adopted.”

2. FINAL DIVIDEND – ORDINARY RESOLUTION 2

- 2.1. The Board of Directors had recommended the payment of a one-tier tax exempt final dividend of 1 Singapore cent per ordinary share for the financial year ended 31 December 2020.
- 2.2. The Ordinary Resolution 2 was duly proposed by the Chairman.
- 2.3. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 495,435,684 | – | 99.99% |
| No. of shares voted against | : | 47,500 | – | 0.01% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That the declaration of a one-tier tax exempt final dividend of 1 Singapore cent per ordinary share for the financial year ended 31 December 2020 be approved.”

3. DIRECTORS' FEES – ORDINARY RESOLUTION 3

- 3.1. The Ordinary Resolution 3 was duly proposed by the Chairman.
- 3.2. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 463,105,232 | – | 99.97% |
| No. of shares voted against | : | 127,500 | – | 0.03% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That the payment of Directors’ fees of up to Singapore Dollars Three Hundred and Six Thousand (S\$306,000) in aggregate to the Non-Executive Directors of the Company for

the financial year ending 31 December 2021 be approved and that the fees be paid quarterly in arrears at the end of each calendar quarter.”

4. RE-APPOINTMENT OF DR ONG HIAN ENG AS A DIRECTOR – ORDINARY RESOLUTION 4

- 4.1. Shareholders were informed that Dr Ong Hian Eng, who was retiring as a Director of the Company under Article 113 of the Company’s Constitution and Rule 720(5) of the Listing Rules of the SGX-ST had signified his consent to continue in office.
- 4.2. The Meeting noted that Dr Ong Hian Eng would upon re-appointment at this Meeting remain as a Non-Independent Non-Executive Director.
- 4.3. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 452,188,446 | – | 91.43% |
| No. of shares voted against | : | 42,404,738 | – | 8.57% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That Dr Ong Hian Eng be re-appointed as a Director of the Company.”

5. RE-APPOINTMENT OF MR HUANG YUAN CHIANG AS A DIRECTOR – ORDINARY RESOLUTION 5

- 5.1. Shareholders were informed that Mr Huang Yuan Chiang, who was retiring as a Director of the Company under Article 113 of the Company’s Constitution and Rule 720(5) of the Listing Rules of the SGX-ST had signified his consent to continue in office.
- 5.2. The Meeting noted that Mr Huang Yuan Chiang would upon re-appointment at this Meeting remain as an Independent and Non-Executive Director and as Chairman of Remuneration Committee and a member of Audit & Risk Committee and he will be considered as independent under the SGX-ST Listing Rules.
- 5.3. The Ordinary Resolution 5 was duly proposed by the Chairman. Following the proposal of the motion for Resolution 5 by the Chairman, the results of the poll verified by the Scrutineer were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 269,728,362 | – | 59.52% |
| No. of shares voted against | : | 183,481,584 | – | 40.48% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That Mr Huang Yuan Chiang be re-appointed as a Director of the Company.”

6. RETIREMENT OF MR ONG CHOO ENG AS A DIRECTOR

- 6.1. The Meeting noted that the Company has announced via SGXNet on 20 April 2020¹ informing that Mr Ong Choo Eng (“**Mr Ong**”), who was retiring as a Director of the Company pursuant to Rule 720(5) of the Listing Manual of the SGX-ST, had notified the Company of his personal decision not to seek re-election as Non-Independent Director of the Company.
- 6.2. Accordingly, Resolution 6 was not tabled at the Meeting. Mr Ong will retire as a Non-Independent Director and consequently cease to be Group Managing Director at the conclusion of this Meeting.
- 6.3. The Board and Management expressed gratitude and sincere appreciation to Mr Ong for his immense contribution to the Group for the past thirty-nine years. The Meeting was informed that Mr Ong has been instrumental in guiding the Group's strategic direction. During his tenure, he spearheaded and led the Group in its various businesses, including Singapore Piling and Civil Engineering Private Limited and Tenet Insurance Company Ltd as well as the development of Rivergate, the Group's iconic residential development project along the Singapore River. In addition, Mr Ong had expanded the Group's real estate business overseas some 30 years ago by entering the London residential and commercial property market. Under his steady and unwavering leadership, the Group had navigated numerous crises such as the Asian financial crisis and global financial crisis while returning approximately S\$539 million to shareholders during his tenure.

7. RE-APPOINTMENT OF AUDITORS – ORDINARY RESOLUTION 7

- 7.1. Ordinary Resolution 7 was to re-appoint Ernst & Young LLP as the Company's Auditors and authorise the Directors to fix their remuneration.
- 7.2. The Meeting was informed that the retiring Auditors, Ernst & Young LLP, Public Accountants and Chartered Accountants, had expressed their willingness to continue in office.
- 7.3. The Ordinary Resolution 7 was duly proposed by the Chairman.
- 7.4. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 494,455,684 | – | 99.42% |
| No. of shares voted against | : | 2,869,200 | – | 0.58% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That Messrs Ernst & Young LLP, Public Accountants and Chartered Accountants, be re-appointed as the Company's Auditors until the conclusion of the Company's next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

8. OTHER ORDINARY BUSINESS

As no notice of any other ordinary business had been received by the Company Secretary, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:

9. AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 8

- 9.1. Ordinary Resolution 8 was to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the SGX-ST. The text of the resolution was set out under item 9 in the Notice.
- 9.2. The Ordinary Resolution 8 was duly proposed by the Chairman.
- 9.3. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 413,526,582 | – | 99.33% |
| No. of shares voted against | : | 2,795,500 | – | 0.67% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) *issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or*
- (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) warrants, debentures or other instruments convertible or exchangeable 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 may have ceased to be in force) issue shares in pursuance of any Instrument 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 Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed fifty per cent (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 cent (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 manner of calculation and adjustments 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 the passing of this Resolution, after adjusting for:

- (i) new shares arising from the conversion or exercise of any 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 issues, 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, the 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.”*

10. AUTHORITY TO ISSUE SHARES UNDER HWA HONG CORPORATION LIMITED SCRIP DIVIDEND SCHEME – ORDINARY RESOLUTION 9

10.1. Ordinary Resolution 9 was to authorise the Company’s Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of SGX-ST and under the Hwa Hong Corporation Limited Scrip Dividend Scheme. The text of the resolution was set out under item 10 in the Notice.

10.2. The Ordinary Resolution 9 was duly proposed by the Chairman, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 416,194,582 | – | 99.97% |
| No. of shares voted against | : | 127,500 | – | 0.03% |

Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

*“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to issue such shares in the Company as may be required to be issued pursuant to the Hwa Hong Corporation Limited Scrip Dividend Scheme (“**Scrip Dividend Scheme**”) from time to time in accordance to the “Terms and Conditions of the Scrip Dividend Scheme” approved by shareholders of the Company in general meeting on 7 November 2003, and that such authority 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.”*

11. RENEWAL OF THE SHARE PURCHASE MANDATE – ORDINARY RESOLUTION 10

11.1. Ordinary Resolution 10 was to seek Shareholders' approval on the renewal of the Share Purchase Mandate. The text of the resolution was set out under item 11 in the Notice.

11.2. The Ordinary Resolution 10 was duly proposed by the Chairman.

11.3. Based on the verified tabulation of votes, the results of the poll were as follows (percentage rounded to the nearest two decimal places):

| | | | | |
|-----------------------------|---|-------------|---|--------|
| No. of shares voted for | : | 285,194,907 | – | 99.96% |
| No. of shares voted against | : | 127,500 | – | 0.03% |

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED:

“That:

(a) *for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully paid ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:*

- (i) *market purchases (each a “**Market Purchase**”) on the SGX-ST; and/or*
- (ii) *off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,*

*and otherwise in accordance with all other laws, regulations and listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);*

(b) *unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:*

- (i) *the date on which the next Annual General Meeting of the Company is held; or*
- (ii) *the date by which the next Annual General Meeting of the Company is required by law to be held; or*
- (iii) *the date on which purchases or acquisitions of Shares are carried out to the full extent mandated;*

(c) *in this Resolution:*

“subsidiary holdings” has the meaning ascribed to it in the Listing Manual of the SGX-ST;

“Prescribed Limit” means, subject to the Companies Act, 10% of the total number of issued Shares of the Company (excluding any Shares which are held as treasury shares and subsidiary holdings) as at the date of the passing of this Resolution; and

“Maximum Price”, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) *in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and*

(ii) *in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price (as defined hereinafter),*

where:

“Average Closing Price” means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-Market Day period and the day of the Market Purchase;

“Closing Market Price” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“Market Day” means a day on which the SGX-ST is open for trading in securities; and

(d) *the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”*

CONCLUSION

There being no other business to transact, the Chairman declared the AGM of the Company closed at 10.40 a.m. and thanked everyone for their attendance.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

MAK LYE MUN
CHAIRMAN

Appendix 1

HWA HONG CORPORATION LIMITED (the “Company” or “Hwa Hong”)

Minutes of Annual General Meeting – 23 April 2021

Summary of Questions & Answers (“Q&A”)

1. Page 7 of Annual Report: The ROE and ROA of the company is very low at only 2% to 3% pre-COVID and worsen to 1% to 2% due to COVID. In short, the ROE and ROA is perennially low. What is the management doing to improve the ROE and ROA? Are we thinking about how to become asset light & improve on efficiency ratios?

Company's reply:

Please refer to our AGM slides 8 and 9 on our business initiatives which aim to improve our ROE/ROA.

2. Page 20 of Annual Report: The dividend payment is more than 100% for 4 of the last 5 years. Is this sustainable?
3. Will the Group be able to sustain its dividend payout of 1 cent given its declining profit over the last few years? If so, could you please comment how is this achievable?

Company's reply to Q2 and Q3 above:

The Group strives to reward shareholders for their continued confidence in the Group by paying dividends to the shareholders after taking into account our balance sheet, cashflow requirements and profits for the year. The Group ensures that the dividend payment will not jeopardise the cash flows and operations of the Group.

The Group will continue to assess the requirements of the capital requirements, balance sheet position, cash flows and operating results before recommending dividends to shareholders.

4. Page 20 of Annual Report: The EPS is dropping from around 1 cent to now below that. What is the company doing to reverse this negative trajectory?

Company's reply:

Please refer to our AGM slides 8 and 9 on our business initiatives which aim to improve our ROE/ROA.

5. The Board comprises of 7 members. This is not a big company - mkt cap is only around \$200 million. Companies with similar mkt cap have a board size of around 5 people. Why does the Board have so many members? Can the size of the board be reduced? The code of corporate governance states that ID should comprise a majority of the board. Can one of the non-ID directors step down?

Company's reply:

The Directors, as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity for the Group. The Board reviews its succession plan and appropriate size for the Directors regularly, after taking into account the requirements of the Code of Corporate Governance.

HWA HONG CORPORATION LIMITED (the “Company” or “Hwa Hong”)
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Summary of Questions & Answers (“Q&A”)
Appendix 1

6. Page 22 of Annual Report: Why is the biography of Mr Ong Mui Eng so short? Can he elaborate more about himself?

Company's reply:

Mr Ong had about 30 years of experience in the banking industry. He started work in Mercantile Bank Ltd, London HQ for about 3 years, then transferred to Singapore Mercantile Bank main office at Raffles Place. Subsequently after Mercantile Bank merged with HSBC, Mr Ong was transferred to HSBC Ocean Building Branch as a Regional Officer. From time to time, Mr Ong was sent to Hong Kong office, Malaysia office and also Australia office to attach to National Bank of Australasia for a brief period.

He was also a director of People Insurance Ltd, Hong Leong Finance Ltd, Ong Holdings Pte Ltd, Bee Tong Trading Co Private Ltd and Singapore Piling and Engineering Pte Ltd.

Currently, besides being a Director at Hwa Hong Corporation Limited and the subsidiaries, he is also a Director of OME Investment Pte Ltd and Ong Chay Tong & Sons Pte Ltd. Mr Ong has worked in Hwa Hong Corporation Limited since 1982.

7. In terms of human resource, are there any actions taken to ensure smooth succession planning of key executives?

Company's reply:

Succession planning for Directors and key management personnel is under the purview of the Nominating Committee (“NC”) and NC reviews the succession planning minimally on a yearly or regular basis.