

HO BEE LAND LIMITED
(Incorporated in The Republic of Singapore)
Company Registration No. 198702381M

MINUTES OF 32ND ANNUAL GENERAL MEETING OF THE COMPANY HELD VIA
WEBCAST ON TUESDAY, 19 MAY 2020 AT 10.30 A.M.

PRESENT

DIRECTORS

Dr Chua Thian Poh	:	Chairman and Chief Executive Officer
Mr Ong Chong Hua	:	Executive Director and Chief Operating Officer
Mr Desmond Woon Choon Leng	:	Executive Director
Mr Jeffery Chan Cheow Tong	:	Independent Director
Mr Bobby Chin Yoke Choong	:	Lead Independent Director (via webcast)
Mr Ko Kheng Hwa	:	Independent Director (via webcast)
Mr Seow Choke Meng	:	Independent Director (via webcast)
Ms Josephine Choo Poh Hua	:	Independent Director (via webcast)

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

INTRODUCTION AND QUORUM

Dr Chua Thian Poh took the chair of the meeting and informed the meeting that due to the current COVID-19 restriction orders, the Company conducted a webcast annual general meeting. The Chairman welcomed all joining the webcast annual general meeting.

As there was a quorum present, the Chairman opened and called the meeting to order.

He introduced the attendees present in person at the meeting: Mr Ong Chong Hua (Executive Director and Chief Operating Officer), Mr Desmond Woon (Executive Director), Mr Jeffery Chan (Independent Director) and Ms Josephine Lee (Financial Controller).

The Chairman informed the meeting that due to the limit on the number of attendees because of the current COVID-19 outbreak, Mr Bobby Chin, Mr Ko Kheng Hwa, Mr Seow Choke Meng and Ms Josephine Choo (the other Independent Directors); Mr Nicholas Chua (Deputy Chief Executive Officer); Mr Chong Hock Chang (Group Director for Projects & Marketing); Ms Wince Fung (Company Secretary) and Mr Tay Puay Cheng (Audit Partner from KPMG LLP) were attending this meeting virtually.

PRESENTATION

Ms Josephine Lee gave a short presentation on the Group's financial performance.

NOTICE OF MEETING

The notice of annual general meeting was taken as read.

Ho Bee Land Limited

Minutes of Annual General Meeting held on 19 May 2020

Page 2

PRELIMINARIES

The Chairman informed the shareholders that the voting at the meeting was by poll and in view of the COVID-19 alternative arrangements for meetings, all resolutions had been voted prior to the meeting by appointing Chairman of the meeting as proxy. As such, all resolutions were deemed proposed and seconded.

It was noted that the poll votes had been collected, counted and validated by the Company appointed scrutineer, Kreston David Yeung PAC.

The Chairman further informed that the shareholders had been given the opportunity to ask questions prior to the meeting and all substantial and relevant questions submitted have been answered and published on SGXNET and the Company's website on 19 May 2020. Due to the high volume of questions received resulting in overlaps in many of the questions asked, the Company had set out the responses to those questions through the following themes:

- (i) Impact of COVID-19 on the Group
- (ii) Financials
- (iii) Dividends
- (iv) New Projects
- (v) Business Operations and Strategies
- (vi) Board Succession

A copy of the questions and the Company's response is attached as Appendix A.

The Chairman proceeded to read out 2 substantial and relevant questions from shareholders and the answers/explanations given by the Company.

BUSINESS OF MEETING

AS ROUTINE BUSINESS

1 ORDINARY RESOLUTION 1 AUDITED FINANCIAL STATEMENTS

The ordinary resolution voted on was:

“That the directors' statement and audited financial statements for the financial year ended 31 December 2019 and the auditors' report thereon be and are hereby received and adopted.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	525,454,272	100.0000%
Against	0	0.0000%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

Ho Bee Land Limited

Minutes of Annual General Meeting held on 19 May 2020

Page 3

**2 ORDINARY RESOLUTION 2
FIRST AND FINAL ONE-TIER TAX EXEMPT DIVIDEND AND
SPECIAL ONE-TIER TAX EXEMPT DIVIDEND**

The ordinary resolution voted on was:

“That a first and final one-tier tax exempt dividend of 8 cents per share and a special one-tier tax exempt dividend of 2 cents per share for the financial year ended 31 December 2019 be and are hereby approved.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	525,463,542	100.0000%
Against	0	0.0000%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

**3 ORDINARY RESOLUTION 3
DIRECTORS' FEES**

The ordinary resolution voted on was:

“That directors' fees of S\$425,000 for the financial year ended 31 December 2019 be and are hereby approved.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	524,962,542	100.0000%
Against	0	0.0000%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

It was noted that the independent directors who are shareholders had abstained from voting on their shares on this resolution.

**4 ORDINARY RESOLUTION 4
RE-ELECTION OF MR KO KHENG HWA**

The ordinary resolution voted on was:

“That Mr Ko Kheng Hwa, a director retiring in accordance with Article 104 of the Company's Constitution, be and is hereby re-elected as a director of the Company.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	525,442,742	99.9960%
Against	20,800	0.0040%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

It was noted that Mr Ko who is an independent director would remain as the chairman of the Nominating Committee and a member of the Audit & Risk Committee.

Ho Bee Land Limited

Minutes of Annual General Meeting held on 19 May 2020

Page 4

**5 ORDINARY RESOLUTION 5
RE-ELECTION OF MR SEOW CHOKE MENG**

The ordinary resolution voted on was:

“That Mr Seow Choke Meng, a director retiring in accordance with Article 104 of the Company’s Constitution, be and is hereby re-elected as a director of the Company.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	525,170,936	99.9443%
Against	292,606	0.0557%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

It was noted that Mr Seow who is an independent director would remain as a member of the Nominating Committee and the Remuneration Committee.

**6 ORDINARY RESOLUTION 6
RE-APPOINTMENT OF AUDITORS**

The ordinary resolution voted on was:

“That KPMG LLP be and are hereby re-appointed auditors of the Company to hold office until the conclusion of the next annual general meeting and the directors be authorised to fix their remuneration.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	525,463,542	100.0000%
Against	0	0.0000%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

AS SPECIAL BUSINESS

**7 ORDINARY RESOLUTION 7
AUTHORITY TO ISSUE SHARES AND INSTRUMENTS CONVERTIBLE INTO SHARES**

The ordinary resolution voted on was:

“That authority be and is hereby given to the directors of the Company to:

- (a) (i) issue shares 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 into shares,

Ho Bee Land Limited

Minutes of Annual General Meeting held on 19 May 2020

Page 5

at any time and upon such terms and conditions and for such purposes and to such persons as the directors 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 while this resolution was in force,

provided that:

- (1) the aggregate number of the shares to be issued pursuant to this resolution (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution), does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (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 (including shares to be issued in pursuance of instruments made or granted pursuant to this resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed; and
- (ii) any subsequent bonus issue, consolidation or subdivision of shares,

and in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;

- (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 for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this resolution 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.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	515,015,757	98.0117%
Against	10,447,785	1.9883%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

**8 ORDINARY RESOLUTION 8
RENEWAL OF SHARE BUYBACK MANDATE**

The ordinary resolution voted on was:

“That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**shares**”) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) 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) on-market purchase(s) (each a “**Market Purchase**”) transacted through the trading system of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
- (ii) off-market purchase(s) (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 and regulations, including but not limited to, the provisions of the Companies Act 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 Buyback 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 Buyback Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of 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 required by law to be held;
- (ii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by shareholders in a general meeting;

(c) in this resolution:

“**Average Closing Price**” means the average of the closing market prices of a share over the last five market days on which the transactions of the shares are recorded on the SGX-ST, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchase is made;

Ho Bee Land Limited

Minutes of Annual General Meeting held on 19 May 2020

Page 7

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

“**Highest Last Dealt Price**” means the highest price transacted for a share recorded 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;

“**Maximum Price**” in relation to a share to be purchased or acquired, means the purchase price (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; and
- (ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price; and

“**Prescribed Limit**” means the number of shares representing 5% of the total number of issued shares of the Company as at the date of passing of this resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

- (d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution.”

The results of the votes were as follows:

	Number of votes	Percentage (%)
For	525,452,336	99.9979%
Against	11,206	0.0021%

Based on the results, the Chairman declared that the ordinary resolution was duly passed.

CONCLUSION

There being no other business to transact, the Chairman declared the meeting closed at 11.00 a.m. and thanked everyone for their attendance, and understanding, co-operation and patience in conducting the meeting amidst the COVID-19 outbreak. He wished everyone good health and to stay safe.

Chua Tian Poh
Chairman

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

Theme	No.	Questions	Responses
Impact of Covid-19 on the Group	1	Can you update us on the Covid-19 impact on your operations in China, Australia, UK and Singapore?	<p>For China, the Group has joint-venture residential projects in Shanghai, Tangshan and Zhuhai. We are pleased to inform that the residential projects in Shanghai and Tangshan (Phases 1 & 2) are 100% sold. In Zhuhai, there are a total of 3,669 residential units. We have launched about 2,800 units and 96% have been sold. Our risk is minimal for the rest of the development as our land cost is relatively low.</p> <p>For Australia, given the current status of Ho Bee's Australian operations with all projects in the planning phase we have seen little impact from the Covid-19 disruptions.</p> <p>We have set up a local team in 2020 with an initial focus on developing master-planned residential communities. These are landed homes catering predominantly to the local buyers.</p> <p>For Singapore, our residential properties in Sentosa Cove are currently about 88% leased out and to date, we have seen minimal impact on the occupancy due to the pandemic. On the rest of the investments in Singapore and London, to date there is minimal risk except for the loss of some revenue due to rental rebates given to the ancillary F&B tenants.</p> <p>The Group will continue to monitor the situation.</p>
	2	What is the overall impact of Covid-19 on the Company so far and how do we mitigate the risk?	<p>Globally, the negative financial impact of Covid-19 is very severe and totally unprecedented. However, we are not as badly affected during this period because of the following reasons:</p> <p>1) After the last Global Financial Crisis, we have strategically built up a sizeable investment portfolio locally and overseas. The objective was to provide us with a resilient recurrent income base to help us ride through</p>

			<p>another unforeseen crisis.</p> <p>2) Our investment portfolio is concentrated on the office sector which is more resilient than other sectors such as the hospitality and retail sectors.</p> <p>However, we have to absorb some loss in revenue because we are offering rental rebates to the ancillary F&B tenants during the circuit breaker and lockdowns.</p> <p>The general consensus is that world economies will contract over the rest of the year because of circuit breaker and lockdowns. The time taken for the recovery of economies is uncertain. Our offices in Singapore and London are virtually 100% leased and our recurrent income over the next two years will allow us to mitigate the impact of the Covid-19 crisis.</p>
	3	<p>a) Will the Covid-19 in UK affect the rental income?</p> <p>b) Has the tenant asked to reduce rent?</p> <p>c) Have we terminated any tenants because they are unable to pay rentals?</p>	<p>Our UK rental income is marginally affected by Covid-19. Our portfolio of seven investment properties in London are solely offices with only a few units of ancillary F&B outlets. The office sector is the one of the more resilient sectors during the Covid-19 crisis.</p> <p>To date, there are minimal rental arrears because our offices are tenanted to corporates with good credit standing. In fact, two of our offices are fully let to the UK Government.</p> <p>We have a few F&B tenants who have requested for assistance during the London Lockdown. We are assisting them during this difficult period. To date, we have not terminated any tenancies.</p>
	4	<p>In the midst of this very challenging time, are there any silver lining or bright spot, if at all, for our company?</p>	<p>While the Covid-19 pandemic poses unprecedented challenging times for most companies, our strong recurrent income puts us in a relatively better position to seize the more compelling investment/development opportunities that typically surface during a crisis.</p>

Financials	5	How will the current Covid-19 pandemic affect the Company and its financial results for the current year?	While to date our business is minimally affected as a result of Covid-19, the situation is extremely fluid. We are unable to ascertain the full impact of the pandemic on our financial results for FY2020. The Group will provide the necessary updates in compliance with SGX Listing Rules.
	6	The current P/B ratio for Ho Bee Land is only 0.38. The market seems to have grossly undervalued HBL. What is the Management's strategy to unlock shareholders' value in the coming years? Is Management planning to spin off HBL's investment properties as a REIT?	<p>Typically, share prices of real estate companies in Singapore trade at a discount to Net Tangible Asset and Ho Bee is no exception.</p> <p>Ho Bee has improved shareholders' value by consistently posting strong financial results since its listing in 1999. The share price performance is to a large extent market and sentiment-driven.</p> <p>We are constantly reviewing ways to unlock shareholders' value, such as asset recycling and asset enhancement initiatives. We have considered the REIT option and concluded that this option is not appropriate at this juncture.</p>
	7	How much impact to the Group's profits due to Pound Sterling (GBP) fluctuations?	<p>Our management policy in relation to foreign exchange risks is to provide a natural hedge on our overseas investments. By borrowing in GBP, we have effectively created close to 80% natural hedge for the Group's GBP assets, thereby limiting the Group's exposure to fluctuations in the GBP/SGD exchange rate.</p> <p>At the close of FY2018, the GBP/SGD exchange rate was 1.73. By the end of FY2019, the exchange rate had improved to 1.77. As such, the Group did not suffer a translation loss arising from GBP net assets in FY2019.</p>
Dividends	8	<p>On dividends, as the Board's objective is to pay dividends on sustainable basis, can we assume that current dividend of 10 cents (the case for FY17-19) is the sustainable base dividend amount that shareholders can expect going forward barring any material adverse change to its business.</p> <p>For further clarity on dividend policy, can the Group also provide guidance on whether there is any benchmark of sorts, if met, then</p>	Dividend pay-out depends on profitability, cash flows, prevailing market conditions and outlook.

		dividend of 10 cents would probably be amended downwards.	
New Projects	9	What is the construction cost and targeted return of investment on the latest land bid at one-north?	We tendered the Biopolis 6 site because of its strategic location vis-à-vis our flagship development, The Metropolis. We believe there is potential marriage value to be gained when the project is estimated to be completed in 2H 2022. This project is currently in its design development stage. We have yet to call tender for the construction. We expect the project to provide a net yield of between 5% and 6% when the rental income stabilises.
Business Operations and Strategies	10	Over the years the Group has focused on building its base of recurring income. Is building its investment and recurring income base now becoming the strategic priority and focus of the group and not developmental projects?	Our strategy is to build a resilient income model based on both development and investment income.
	11	Could the Management brief more about the China joint-venture projects? How many more years have these projects to go? Are the projects profitable?	<p>We have 3 joint-venture projects in Shanghai, Tangshan and Zhuhai.</p> <p>Our development in Shanghai is fully sold and completed. In Tangshan and Zhuhai, the scale of developments is large, hence they are built in phases. We expect the remaining phases to be fully completed in 3 to 5 years.</p> <p>So far, all the China projects are profitable.</p> <p>For more details, please refer to the corporate presentation at the AGM to be held on 19 May 2020.</p>
	12	Could the Management share more about the Munich project? Would this be a property development project?	<p>We participated in the Munich development project by co-investing with a real estate fund.</p> <p>The intent is to re-develop the existing building and increase the net lettable area. The building will be pre-let and divested in due course.</p> <p>For more details, please refer to the corporate presentation at the AGM to be held on 19 May 2020.</p>

	13	<p>In terms of investment properties, the group invested in a European Real Estate fund and also co-invested in a commercial redevelopment project in Germany. For its overseas business, can the group provide guidance if United Kingdom is still the key focus or can we expect future ventures into other European countries. If yes, which countries are the group potentially looking at.</p> <p>For Singapore market, is the group facing constraints/limitations in any way in further building up its commercial/investment properties?</p>	<p>We are still very focused on UK. However, we have diversified into Europe through a Fund which allows us to opportunistically co-invest into more promising development projects. The Munich commercial redevelopment was such an example.</p> <p>In Singapore, we are not constrained by any factors. We will continue to seek development and investment opportunities in line with the risk appetite and guidelines set by the Board.</p>
	14	<p>The Group invested in a European real estate fund and also co-invested in a commercial redevelopment project in Germany. Is the group setting for itself any form of target in terms of Asset Under Management (AUM) in the foreseeable future? What is the Group's long-term capital management strategy and if current AUM is ripe for the setting up or initiating investment in current REITs for potential capital recycling? If not, what AUM figure would position the group well for venturing into such capital management platforms, and what is the Group's position and thinking on such platforms.</p>	<p>The Group has no fixed target in terms of AUM.</p> <p>We are constantly reviewing ways to unlock shareholders' value, such as asset recycling and asset enhancement initiatives. We have considered the REIT option and concluded that this option is not appropriate at this juncture.</p>
	15	<p>What is the 5-10 year plan for the new Australian setup? Will the Gold Coast land bank (Broadbeach) be the first to be developed?</p>	<p>The 5-10 year plan for the Australian business is to establish HB Land as one of the major residential land developers along the east coast of Australia focusing on Melbourne, Sydney and Brisbane.</p> <p>Maximizing the returns on the capital we already have deployed in Australia will be part of the focus for the Australian team and naturally Broadbeach will be part of that focus. However, it is unlikely to be the first to be developed.</p>
	16	<p>Last year, HBL sold the Villa World shares and earned some profits. Will the company consider acquiring interest in another property company in Australia?</p>	<p>We have no current plans to acquire an interest in any of the listed property business in Australia. However, if the right opportunity were to present itself, we would not rule it out.</p>

	17	With the Australian government having unpleasant relationship with the Chinese Government, will this be an issue in the Group's expansion plans in Australia?	We do not see the relationship between Australia and China impacting our plans for the Australian business.
	18	What is your view on the Australian property market?	We see some short term headwinds for the Australian property market due to the current market conditions. On the long term, we remain confident that the economic growth and high population growth will return and continue to support demand.
	19	What are your plans for Sentosa properties?	We will divest the Cove properties at an opportune time. Meanwhile, we will continue to lease out the apartments. Sentosa Cove is still the only truly waterfront precinct, a rarity in Singapore.
Board succession	20	<p>Can the Group share and provide details of its leadership renewal plan including board renewal plan? How and in what key ways has the appointment of Mr Nicholas Chua as Deputy CEO in 2018 contributed to the Group's overall strategies and management.</p> <p>As it is not stated in the annual report, is Mr Nicholas Chua (Deputy CEO) vested directly or/and otherwise in the Group's shares, and what is the number of shares and percentage of shareholding if the answer is yes.</p>	<p>The Nominating Committee reviews the succession plans for Board and Senior Management annually. In the past year, we have appointed Ms Josephine Lee as Financial Controller and Mr Nicholas Chua as Deputy CEO. Mr Nicholas Chua is very experienced. He has been with the company for nearly twenty years after working five years with a top local bank. He rose through the rank and file. Besides the local developments, he has been charged in the last three years with greater responsibilities to oversee and expand the Group's business overseas.</p> <p>As part of our Board renewal plan, the Board has appointed three new Independent Directors over the last four years.</p> <p>Mr Nicholas Chua is not vested with the Group's shares. His shareholding is disclosed in the Annual report.</p>