

APAC REALTY LIMITED
Company Registration No. 201319080C
(Incorporated In Singapore)

MINUTES OF ANNUAL GENERAL MEETING

PLACE : 450 Lorong 6 Toa Payoh, ERA APAC Centre, Singapore 319394
DATE : Thursday, 20 April 2023
TIME : 10.00 a.m.
PRESENT : As set out in the attendance records maintained by the Company
CHAIRMAN : Mr Chua Khee Hak

NOTICE OF MEETING, QUORUM AND INTRODUCTION

The Chairman welcomed shareholders to the Annual General Meeting (the “AGM” or “Meeting”) and called the meeting to order at 10.00 a.m. He introduced the Directors present and apologised for the Director who was absent. He also introduced the Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer.

A quorum was present. The Chairman sought and obtained shareholders’ permission to take the Notice dated 29 March 2023 convening the Meeting as read.

APPOINTING CHAIRMAN OF MEETING AS PROXY AND POLL VOTING

The Chairman informed the Meeting that he had been appointed by some shareholders as proxy and would be voting in accordance with their instructions.

He informed the shareholders that in compliance with the listing rules of the Singapore Exchange Securities Trading Limited and Article 64(B) of the Company’s Constitution, the voting of all proposed resolutions will be by poll. The Chairman also informed the shareholders that the voting will be done after all the proposed resolutions have been dealt with and on a single poll slip. DrewCorp Services Pte. Ltd. and Boardroom Corporate & Advisory Services Pte. Ltd. were appointed as Scrutineer and Polling Agent respectively for the purpose of the poll.

SUBMISSION OF QUESTIONS

The Chairman reported that no questions were received from the shareholders, other than the questions from Securities Investors Association (Singapore) which had been responded to by the Company and announced on SGXNet on 14 April 2023.

ORDINARY BUSINESS:

Resolution 1 – Adoption of Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2022

The Meeting proceeded to receive and consider the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors’ Report.

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors’ Report be received and adopted.”

The Chairman opened the floor for questions and a summary of the ensuing exchange of key salient questions and answers between the Directors, Management and certain shareholders were set out below:

Questions from Shareholder 1

1. Why did NorthStar, a former substantial shareholder of the Company, sell its shareholding to Morgan Stanley, a current substantial shareholder of the Company, at a price that represented a 20% discount to the price per share back then?
2. Did the sale benefit the Group in any way and did the share price of the Company improve after Morgan Stanley became a substantial shareholder of the Company?
3. How have the Group's overseas ventures contributed to its results?

Responses by the Company

1. The transaction between NorthStar and Morgan Stanley was on a willing seller, willing buyer basis. The Company is not involved in the transaction and has no control over this.
2. Ever since Morgan Stanley became a substantial shareholder, the Group has been actively expanding its footprint in regional markets.
3. With the acquisition of ERA Indonesia and ERA Vietnam, the Group has been able to ride on the benefits of the buoyancy of real estate market of Indonesia and Vietnam. The contribution of ERA Indonesia was included in the Group's results for the financial year ended 31 December 2022.

The Chairman noted the comment made by Shareholder 1 that the Company should improve its communications with shareholders by having a CEO's briefing at annual general meetings.

Questions from Shareholder 2

1. There was no segment reporting for the overseas businesses in the Annual Report 2022 and the Company should provide separate reporting line for the overseas businesses, such as amount of profit and cost of investment.
2. Please share the business plan for ERA Indonesia.
3. Is it projected that the business of ERA Indonesia will grow substantially in 2023?
4. What is the recent valuation of ERA APAC Centre and has the Group reaped any capital gains on the building?
5. Why have Other Operating Expenses increased substantially?
6. Why does the write-off on trade receivables occur every year?
7. Do members of senior management hold shares in the Company? If not, how do they align their interest with the Company's and shareholders' interest?
8. The Company should exercise caution when acquiring businesses.

Responses by the Company

1. The Company would provide separate disclosure of its overseas business in the business update to the shareholders. For ERA Thailand, the total cost of investment was approximately S\$200,000 in 2021. For ERA Indonesia, the Group only completed its acquisition in the fourth quarter of 2022. However, as its contribution to the Group was immaterial, it was not subject to disclosure in the Annual Report 2022. For ERA Vietnam, the Company had only increased its stake to 60% in January 2023.
2. In addition to the current business model of ERA Indonesia which is based on the franchise model, Management intend to also operate ERA Indonesia based on the same business model as the Singapore office, that is to have agents under the company instead of under member brokers.
3. It would take time to transform the business model of ERA Indonesia. ERA Indonesia was listed on the Indonesian Stock Exchange in June 2021 and may raise funds from the public or the Group may support by providing loans for its business.
4. ERA APAC Centre was last valued at S\$69 million in 2022 and most of the space in the building is used for the Group's own operations. The building is recorded at cost in the books and depreciated every year.

5. The Group always practises cost control. The substantial increase of Other Operating Expenses was mainly due to the resumption of physical activities such as conferences, events for consumer outreach after the uplift of the COVID-19 restrictions.
6. The write-off on trade receivables is part of the credit risk of the Group and arose mostly from HDB transactions whereby the agents would bear the bulk of the risk of not receiving commissions from the customers. The Group did not face any issues with collecting commissions from the developers.
7. The Chairman and some of the members of senior management do hold shares in the Company.
8. The Company would acquire a majority stake of a business in order to have control and consolidate its results with the Group. Management will exercise caution in any acquisition and noted the shareholder's concerns.

Questions from Shareholder 3

1. What is the business plan for ERA Indonesia?
2. How many agents does ERA Indonesia have?
3. What is the current business model of ERA Vietnam?
4. Is the amount of profit reflected on page 111 of the Annual Report 2022 for ERA Vietnam fully accounted in the Group's results?
5. What is the market share of the Group?
6. What is the regulation risk in the market as there are not many big players in the market?
7. What is the revenue breakdown from the HDB transactions?

Responses by the Company

1. Management intends to transform the business model of ERA Indonesia to the one operated by the Singapore office, together with the current model under member brokers.
2. There are 4,500 agents with the 110 franchisee offices.
3. ERA Vietnam is based on the same business model as the Singapore office. ERA Vietnam has about 4,000 agents currently and is mainly focused on the primary market (i.e. new launches).
4. The amount of profit on page 111 was not adjusted for the proportion of ownership interest held by the Group.
5. Currently, ERA Singapore has more than 8,600 agents which represents about 25% market share based on a total of more than 35,000 real estate agents in Singapore. The Group intends to grow its number of agents by recruiting new agents as well as agents from other real estate agencies.
6. There is no such risk currently as no single real estate agency holds more than 51% of the market share.
7. Management would present a short briefing on the results of every segment after the conclusion of the Meeting.

Question from Shareholder 4

He was concerned that the overseas businesses would expose the Group to the risk of being sued.

Response by the Company

Such risk is negligible as each overseas business is owned by an independent entity and the capital invested in each overseas business is not substantial to the Group.

Question from Shareholder 5

The results of the overseas businesses should be presented to shareholders at forums such as at the annual general meeting.

Response by the Company

The Group operates mainly in Singapore with revenue predominantly generated in Singapore. As such, analysis of revenue and assets of the Group by geographical distribution is not presented in the Annual Report 2022. Nonetheless, Management has taken note of the comment and would provide the necessary information to the shareholders wherever possible.

After dealing with the questions raised by the shareholders, the Chairman proceeded to the next resolution.

Resolution 2 – Payment of one-tier tax-exempt final dividend of 2.75 Singapore cents per share for the financial year ended 31 December 2022

The Board of Directors had recommended the payment of a one-tier tax-exempt final dividend of 2.75 Singapore cents per share for the financial year ended 31 December 2022.

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That the payment of a one-tier tax-exempt final dividend of 2.75 Singapore cents per share for the financial year ended 31 December 2022 be approved.”

The Chairman opened the floor for questions and a summary of the ensuing exchange of key salient questions and answers between the Directors, Management and certain shareholders were set out below:

Question from shareholder 3

Was there a dividend policy and if yes, any amendment made to it after boarding of the new substantial shareholder?

Response by the Company

The Company had a stated dividend policy of distributing between 50% to 80% of the Group’s profits and it was not amended since its implementation.

After dealing with the question raised by the shareholder, the Chairman proceeded to the next resolution.

Retirement of Mr Tan Bong Lin as a Director of the Company

Mr Tan Bong Lin retired as a Director of the Company pursuant to Article 94 of the Company’s Constitution and he had decided not to seek re-election at the Meeting.

On behalf of the Company, the Chairman thanked Mr Tan for his contributions to the Company.

The Meeting was opened to the floor for questions. As there were no questions raised, the Chairman proceeded to the next resolution.

Resolution 3 – Re-election of Ms Tan Poh Hong as a Director of the Company

Ms Tan Poh Hong retired as Director of the Company pursuant to Article 94 of the Company’s Constitution and she had signified her consent to continue in office.

Ms Tan Poh Hong will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Risk and Nominating Committees and will be considered independent.

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That Ms Tan Poh Hong be re-elected as a Director of the Company.”

The Meeting was opened to the floor for questions. As there were no questions raised, the Chairman proceeded to the next resolution.

Resolution 4 – Re-election of Mr Andrew Scobie Hawkyard as a Director of the Company

Mr Andrew Scobie Hawkyard retired as Director of the Company pursuant to Article 100 of the Company's Constitution and he had signified his consent to continue in office.

Mr Andrew Scobie Hawkyard will, upon re-election as a Director of the Company, remain as a member of the Audit and Risk, Nominating and Remuneration Committees and will be considered non-independent.

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That Mr Andrew Scobie Hawkyard be re-elected as a Director of the Company.”

The Meeting was opened to the floor for questions. As there were no questions raised, the Chairman proceeded to the next resolution.

Resolution 5 – Approval of Directors' fees of S\$195,000 for the financial year ended 31 December 2022

The Chairman informed that the Board of Directors had recommended the payment of a sum of S\$195,000 as Directors' fees for the financial year ended 31 December 2022.

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That the amount of S\$195,000 as Directors' fees for the financial year ended 31 December 2022 be approved for payment.”

The Meeting was opened to the floor for questions. As there were no questions raised, the Chairman proceeded to the next resolution.

Resolution 6 – Re-appointment of Ernst & Young LLP as the Auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration

The Auditors, Messrs Ernst & Young LLP, had expressed their willingness to continue in office.

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That Ernst & Young LLP be re-appointed as the Auditor of the Company for the ensuing year and that the Directors be authorised to fix its remuneration.”

The Meeting was opened to the floor for questions. As there were no questions raised, the Chairman proceeded to the next resolution.

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

SPECIAL BUSINESS:

Resolution 7 – Authority to issue shares

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in 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) 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 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, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall 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 shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with subparagraph (2) below);
- (2) (subject to such manner of 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) at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from the exercise of share options or vesting of share awards; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) 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 of the passing of this Resolution;

- (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 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.”

The Meeting was opened to the floor for questions and a summary of the ensuing exchange of key salient questions and answers between the Directors, Management and certain shareholders were set out below:

Question from shareholder 2

Will the Company exercise the authority to issue shares?

Response by the Company

There was no plan in exercising the authority to issue shares at the moment.

After dealing with the question raised by the shareholder, the Chairman proceeded to the next resolution.

Resolution 8 – Renewal of the Share Buy-back Mandate

The Chairman proposed the motion to pass the following resolution, which was seconded by a shareholder:

“That:

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

- (i) on-market purchase(s) (each an “**On-Market Share Buy-back**”) transacted on the SGX-ST through the SGX-ST’s trading system; and/or
- (ii) off-market purchase(s) (each an “**Off-Market Equal Access Share Buy-back**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors 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 and 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 Buy-back 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 Buy-back Mandate may be exercised by the Directors 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 required by law to be held, whichever is the earlier;
- (ii) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

- (iii) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by the Company in a general meeting; and
- (c) in this Resolution:

“Average Closing Market Price” means the average of the closing market prices of the Shares over the last five market days on which transactions in the Shares were recorded before the day of the On-Market Share Buy-back or, as the case may be, the day of the making of the offer pursuant to the Off-Market Equal Access Share Buy-back, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

“day of the making of the offer” means the day on which the Company makes an offer for the purchase of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Equal Access Share Buy-back;

“Maximum Limit” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the listing rules of the SGX-ST as amended, modified or supplemented from time to time));

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed (in the case of both an On-Market Share Buy-back and an Off-Market Equal Access Share Buy-back) 105% of the Average Closing Market Price of the Shares; 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 or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

The Meeting was opened to the floor for questions and a summary of the ensuing exchange of key salient questions and answers between the Directors, Management and certain shareholders were set out below:

Question from shareholder 2

What was the intention of the Company on this resolution? If the Company bought back shares using cash, this would reduce the cash available for the declaration of cash dividend to shareholders and jeopardise the minority shareholders’ interest.

Response by the Company

The Company would consider carefully before exercising the Share Buy-back Mandate.

After dealing with the question raised by the shareholder, the Chairman proceeded to the next resolution.

Resolution 9 – Proposed adoption of performance share plan

The Chairman proposed the motion as set out below and it was seconded by a shareholder:

“That:

- (a) a new share incentive scheme to be known as the “APAC Realty Limited Performance Share Plan” (the “**Performance Share Plan**”), under which awards (“**Awards**”) of fully-paid ordinary

shares, will be granted, to eligible participants under the Performance Share Plan, summary details of which are set out in the Circular to Shareholders dated 29 March 2023 issued together with this Notice, be and is hereby approved and adopted with effect from the date of the passing of this Resolution;

- (b) the Directors be and are hereby authorised:
- (i) to establish and administer the Performance Share Plan; and
 - (ii) to modify and/or alter the Performance Share Plan at any time and from time to time, provided that such modifications and/or alterations are effected in accordance with the provisions of the Performance Share Plan, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Performance Share Plan; and
- (c) the Directors be and are hereby authorised to grant Awards in accordance with the provisions of the Performance Share Plan and to issue and/or transfer from time to time such number of fully paid-up ordinary shares as may be required to be issued and/or transferred pursuant to the vesting of Awards under the Performance Share Plan, provided that the total number of ordinary shares which may be allotted and issued and/or delivered pursuant to Awards granted under the Performance Share Plan on any date, when added to:
- (i) the total number of new ordinary shares allotted and issued and/or to be allotted and issued, and issued Shares delivered and/or to be delivered, pursuant to Awards granted under the Performance Share Plan; and
 - (ii) all ordinary shares, options or awards granted under any other share option or share scheme of the Company then in force (if any),

shall not exceed 15% (or such other lower limits as the SGX-ST may determine from time to time) of the total number of issued ordinary shares (excluding treasury shares) on the date preceding the date of the grant of the relevant Award.”

The Meeting was opened to the floor for questions and a summary of the ensuing exchange of key salient questions and answers between the Directors, Management and certain shareholders were set out below:

Questions from shareholder 2

1. Was the adoption of the Performance Share Plan supported by the substantial shareholders?
2. What was the rationale behind the adoption of the Performance Share Plan?
3. Did the eligible participants hold shares in the Company?
4. His concern was that if the eligible participants would sell the shares immediately after being granted the shares to him/her which would defeat the purpose of rewarding them.

Responses by the Company

1. Yes.
2. The Performance Share Plan was to recognise, reward and retain the eligible participants.
3. Some of the eligible participants are also shareholders of the Company.
4. The eligible participants could only sell the shares granted under the Performance Share Plan in tranches and in full only after 7 years from grant date and the Company has clawback provisions under the Performance Share Plan should the employee leave the company before the full amount of the shares are disbursed. Please refer to the circular for more details.

After dealing with the questions raised by the shareholders, the Chairman invited the Polling Agent to explain the poll procedures to the shareholders.

After the polling slips were collected, the Chairman invited the shareholders to have some refreshments.

The meeting was recessed at 11.15 a.m. to allow the Scrutineers to count the votes. At 11.45 a.m., the meeting resumed and the Chairman announced the results of the votes:

Resolution number and details	Total Number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
As Ordinary Business					
<u>Ordinary Resolution 1</u> Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022	237,269,227	237,241,827	99.99	27,400	0.01
<u>Ordinary Resolution 2</u> Payment of one-tier tax-exempt final dividend of 2.75 Singapore cents per share for the financial year ended 31 December 2022	237,358,427	237,321,527	99.98	36,900	0.02
<u>Ordinary Resolution 3</u> Re-election of Ms Tan Poh Hong as a Director of the Company	237,358,427	234,905,594	98.97	2,452,833	1.03
<u>Ordinary Resolution 4</u> Re-election of Mr Andrew Scobie Hawkyard as a Director of the Company	237,358,427	237,126,427	99.90	232,000	0.10
<u>Ordinary Resolution 5</u> Approval of Directors' fees amounting to S\$195,000 for the financial year ended 31 December 2022	237,358,427	237,301,027	99.98	57,400	0.02

Resolution number and details	Total Number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
As Ordinary Business					
<u>Ordinary Resolution 6</u> Re-appointment of Ernst & Young LLP as the Auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration	237,358,427	237,286,027	99.97	72,400	0.03
As Special Business					
<u>Ordinary Resolution 7</u> Authority to issue shares	237,323,427	234,955,994	99.00	2,367,433	1.00
<u>Ordinary Resolution 8</u> Renewal of the Share Buyback Mandate	237,184,327	237,156,927	99.99	27,400	0.01
<u>Ordinary Resolution 9</u> Proposed adoption of performance share plan	236,146,890	233,707,957	98.97	2,438,933	1.03

Based on the results of the poll, the Chairman declared that Ordinary Resolutions 1 to 9 carried.

CLOSE OF THE MEETING

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed at 11.55 a.m. and thanked everyone for their attendance.

Certified as a True Record of Minutes

Chua Khee Hak
Executive Chairman