

LUM CHANG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Unique Entity Number: 198203949N

MINUTES OF THE 40TH ANNUAL GENERAL MEETING OF LUM CHANG HOLDINGS LIMITED (THE "COMPANY") HELD AT ORCHARD RENDEZVOUS HOTEL, ANTICA I & II, LEVEL 2, 1 TANGLIN ROAD, SINGAPORE 247905 ON 28 OCTOBER 2022 AT 10.30 A.M.

PRESENT: As per attendance record maintained by the Company.

1. COMMENCEMENT OF MEETING

- 1.1 Mr. Raymond Lum Kwan Sung, Chairman of the Annual General Meeting ("**Chairman**"), welcomed shareholders to the 40th Annual General Meeting of the Company ("**AGM**" or "**Meeting**").
- 1.2 The Chairman received confirmation from Mr. Tony Fong, the Company Secretary, that there was a quorum and called the Meeting to order.

2. NOTICE

- 2.1 The Notice of AGM dated 6 October 2022 ("**AGM Notice**") had been made available to all shareholders, as well as announced on SGXNet. With the consent of the Meeting, the AGM Notice was taken as read.

3. QUESTIONS FROM SHAREHOLDERS

- 3.1 The Chairman informed that the Company had invited shareholders to submit substantial and relevant questions in advance of the AGM and had published its responses to all questions submitted by shareholders in advance of the AGM on its corporate website and on SGXNet on 21 October 2022.
- 3.2 The Chairman further informed shareholders attending the AGM that they could still ask questions before voting of each resolution. A number of questions were raised by shareholders at this stage and a copy of the Company's responses to relevant questions were annexed to these minutes and marked as "Appendix 1".

4. OVERVIEW OF BUSINESS RESULTS

- 4.1 The Chairman reported that financial year 2022 was a tough year as the Group had incurred a loss of S\$10.8 million due to increased construction costs arising from supply chain issues and global inflation. He assured the shareholders that the Group still maintain a sound balance sheet and a healthy cash position which would assist the Group to weather the challenges over the next couple of years.

5. AUDITOR'S REPORT

- 5.1 The Chairman invited the Auditor, PricewaterhouseCoopers LLP ("**PWC**"), to make a report to the members.

- 5.2 Ms. Tan Bee Nah of PWC, referred the meeting to the Auditor's Report on Page 91 of the Annual Report for the financial year ended 30 June 2022 and the meeting agreed that the Auditor's Report be taken as read.
- 5.3 Ms. Tan confirmed that the financial statements for the Group were properly drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards.
- 5.4 There were no question raised by shareholders.

6. VOTING AND POLLING PROCEDURES

- 6.1 The Chairman informed the Meeting that voting in respect of each of the resolutions would be conducted by poll.
- 6.2 He also informed the Meeting that he had been appointed by numerous shareholders as their proxy and would be voting on all resolutions in accordance with their specific instructions.
- 6.3 The Chairman introduced the scrutineers, Reliance 3P Advisory Pte Ltd, and proceeded to inform the meeting that voting would be conducted by way of electronic poll, and invited the Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd ("**Boardroom**"), to explain the procedures for electronic voting.
- 6.4 Boardroom explained the procedures via a video presentation, conducted a test poll, and subsequently handed the meeting back to the Chairman.

ORDINARY BUSINESS

7. Ordinary Resolution 1: Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022 and the Auditor's Report thereon

- 7.1 The Chairman suggested that the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2022 as presented in the Annual Report be taken as read.
- 7.2 Ordinary Resolution 1 as set out in the AGM Notice was proposed by Mr. Tony Fong and seconded by Mr. Peter Sim Swee Yam.
- 7.3 The Chairman then invited questions from the shareholders. There being no question from the shareholders, the Chairman put the motion to the vote.
- 7.4 The results on the vote by way of poll were as follows:

Ordinary Resolution 1	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,316,842	99.34	2,006,017	0.66

- 7.5 Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried.

8. Ordinary Resolution 2 - Declaration of a final tax-exempt dividend of 1.0 Singapore cent per ordinary share

8.1 Ordinary Resolution 2 as set out in the AGM Notice was proposed by Madam Constance Lee Sok Koon and seconded by Mr. Clement Leow Wee Kia.

8.2 After responding to questions from shareholders as set out in Appendix 1 of these minutes, the Chairman put the motion to the vote.

8.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 2	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,360,079	100.00	12,600	0.00

8.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

9. Ordinary Resolution 3 - Approval of Directors' Fees amounting to S\$397,366.00

9.1 Ordinary Resolution 3 as set out in the AGM Notice was proposed by Mr. David Lum Kok Seng and seconded by Mr. Tony Fong.

9.2 As there were no question raised on the Approval of Directors' Fees, the Chairman put the motion to the vote.

9.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 3	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,253,626	99.31	2,079,753	0.69

9.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried.

9.5 The Chairman handed over the conduct of the proceedings to Dr. Willie Lee Leng Ghee, the Chairman of the Nominating Committee, for the resolutions on the re-election of Mr. Raymond Lum Kwan Sung, Mr. Kelvin Lum Wen Sum and Mr. Clement Leow Wee Kia.

10. Ordinary Resolution 4 - Re-election of Mr. Raymond Lum Kwan Sung as a Director of the Company

10.1 Ordinary Resolution 4 as set out in the AGM Notice was proposed by Mr. Tony Fong and seconded by a shareholder.

10.2 As there were no question raised on the re-election of Mr. Raymond Lum Kwan Sung, Dr. Willie Lee Leng Ghee put the motion to the vote.

10.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 4	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,258,114	99.99	44,717	0.01

- 10.4 Based on the results of the poll, Dr. Willie Lee Leng Ghee declared Ordinary Resolution 4 carried.
- 10.5 The Chairman thanked the shareholders for re-electing him as a Director of the Company.

11. Ordinary Resolution 5 - Re-election of Mr. Kelvin Lum Wen Sum as a Director of the Company

- 11.1 Ordinary Resolution 5 as set out in the AGM Notice was proposed by Mr. Kenneth Ho Siew Keong and seconded by Mr. Clement Leow Wee Kia.
- 11.2 As there were no question raised on the re-election of Mr. Kelvin Lum Wen Sum, Dr. Willie Lee Leng Ghee put the motion to the vote.
- 11.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 5	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,268,062	99.97	104,717	0.03

- 11.4 Based on the results of the poll, Dr. Willie Lee Leng Ghee declared Ordinary Resolution 5 carried.
- 11.5 Mr. Kelvin Lum Wen Sum thanked the shareholders for re-electing him as a Director of the Company.

12. Ordinary Resolution 6 – Re-election of Mr. Clement Leow Wee Kia as a Director of the Company

- 12.1 Ordinary Resolution 6 as set out in the AGM Notice was proposed by Mr. Kelvin Lum Wen Sum and seconded by Mr. Tony Fong.
- 12.2 After responding to questions from shareholders as set out in Appendix 1 of these minutes, Dr. Willie Lee Leng Ghee put the motion to the vote.
- 12.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 6	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	302,181,262	99.95	151,917	0.05

- 12.4 Based on the results of the poll, Dr. Willie Lee Leng Ghee declared Ordinary Resolution 6 carried.
- 12.5 Mr. Clement Leow Wee Kia thanked the shareholders for re-electing him as a Director of the Company.
- 12.6 Dr. Willie Lee Leng Ghee handed the conduct of the proceedings back to the Chairman.

13. Ordinary Resolution 7 - Re-appointment of Independent Auditor

13.1 Ordinary Resolution 7 as set out in the AGM Notice was proposed by the Chairman and seconded by Madam Constance Lee Sok Koon.

13.2 As there were no question raised on the re-appointment of Independent Auditor, the Chairman put the motion to the vote.

13.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 7	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	302,215,379	99.99	30,400	0.01

13.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 7 carried.

13.5 Ms. Tan Bee Nah thanked the Directors and shareholders for re-appointing PWC as Independent Auditor of the Company.

SPECIAL BUSINESS

14. Ordinary Resolution 8 – Authority to Directors to issue shares

14.1 Ordinary Resolution 8 as set out in the AGM Notice was proposed by Mr. Clement Leow Wee Kia and seconded by Mr. Tony Fong.

14.2 After responding to a question from a shareholder as set out in Appendix 1 of these minutes, the Chairman put the motion to the vote.

14.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 8	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,137,862	99.96	134,817	0.04

14.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 8 carried.

15. Ordinary Resolution 9 – Renewal of the Share Purchase Mandate

15.1 Ordinary Resolution 9 as set out in the AGM Notice was proposed by Mr. Peter Sim Swee Yam and seconded by Mr. Kenneth Ho Siew Keong.

15.2 After responding to a question from a shareholder as set out in Appendix 1 of these minutes, the Chairman put the motion to the vote.

15.3 The results on the vote by way of poll were as follows:

Ordinary Resolution 9	For		Against	
	No. of shares	Percentage %	No. of shares	Percentage %
	300,211,890	99.30	2,121,017	0.70

15.4 Based on the results of the poll, the Chairman declared Ordinary Resolution 9 carried.

16. Closure of Meeting

16.1 There being no other business, the Chairman thanked all present for their attendance and declared the meeting closed at 11.30 a.m.

CONFIRMED BY

**RAYMOND LUM KWAN SUNG
CHAIRMAN OF THE MEETING**

Appendix 1

s/n	Questions and Responses
1.	<i>Shareholder A requested an update on Tekka Place occupancy and the sales progress of One Tree Hill Collection.</i>
	<p>Mr. Kelvin Lum, a non-executive non-independent director, responded that the hotel component of Tekka Place was currently leased out primarily to business travelers and tourists ever since the international borders opened. It was previously leased out as a quarantine hotel during the pandemic. The average occupancy of the hotel currently was approximately 80%. The other component of Tekka Place, a retail mall, was leased out to food & beverage operators, fitness studios and various other trades. The retail occupancy was currently about 80% and Tekka Place was doing much better recently.</p> <p>With regards to One Tree Hill Collection, Mr. Adrian Lum, Director for Property Development, informed the meeting that a further semi-detached unit was sold earlier in the week for One Tree Hill Collection and with this sale, the development was left with only one semi-detached unit to sell. Marketing efforts are on-going to achieve this soon.</p>
2.	<i>Shareholder A further enquired if the Company intend to sell Tekka Place.</i>
	Mr. Kelvin Lum replied that the intention was to hold the asset long term for rental income but might consider divestment at the right time with the right price in the future.
3.	<i>Shareholder A continued to enquire on the progress of the Kallang Way project and whether Family Justice Court was leased out to the government?</i>
	Mr. Tan Wey Pin ("Mr. Tan"), Managing Director for the Construction Division, responded that there were three phases in the Kallang Way construction project and phase one had just underwent TOP inspection. The other two phases were progressing well. Mr. Tan clarified that the Group was undertaking the construction as the main contractor for the Family Justice Court project for the government.
4.	<i>Shareholder B referred to the Annual Report on the existing construction and development projects and commented that the Company did not have much activities for the past 2 years and seemed to be in a divestment mode. What is the strategic position of the Company going forward?</i>
	The Chairman, Mr. Raymond Lum, acknowledged the point made by the Shareholder. He explained that the Group had taken a cautious approach in tendering for new construction projects during the pandemic, in view of the continued foreign labour shortage issues and rising material costs that was plaguing the construction industry. The Chairman also assured that the Group does have a healthy order book to fulfill for the next few years.

s/n	Questions and Responses
4. (cont.)	As for property, prices of residential land were still expensive in Singapore, the Group prefers not to enter into any keen competition with other developers. For Malaysia developments, the Group still have a few phases to launch and complete for Twin Palms Sungai Long which would take a few more years, and also the development for the Petaling Jaya land. The Chairman further assured the Shareholder that the Management was always on a look out for good investment opportunities.
5.	Shareholder B continued to enquire about the Group's construction business. The revenue for the construction segment had increased but yet the segment had fallen into losses in FY2022. He wanted to know the percentage of the unfulfilled order books of contracts secured before and during pandemic.
	Mr. Tan replied that the Group had 2 projects secured before the pandemic and 3 projects secured during the pandemic. Approximately 50% of the value of the unfulfilled order books was secured before the pandemic.
6.	Shareholder B further enquired on Tekka Place and commented that the Group had reported that the occupancy for Tekka Place was already at 80% during pandemic and was now still at 80%. Was there any improvement?
	Mr. Kelvin Lum clarified that during the pandemic, the hotel had high occupancy but with lower rates as the hotel was leased to the government as a quarantine facility. Now that the hotel was opened to the public, higher rates were achieved mainly from business travelers and tourists. For the retail mall, the interests had improved since the government lifted all the restrictions. The Group was leasing out at higher rates and was more selective on tenants to ensure the right mix of trades.
7.	Shareholder B commented on the low gearing, net cash position and sought clarification on the capital management strategy of the Group. He asked the Board's opinion on whether the current capital structure was sufficient to achieve growth and investment targets for the Group and whether the Group was too conservative in its investment approach?
	Mr. Tony Fong ("Mr. Fong"), Executive Director, explained that the reason for the Group's low gearing which resulted in a positive cash position net of borrowings, was mainly due to the disposal of its hotel property in the United Kingdom in FY2022 and the sales proceeds from the disposal had significantly changed the capital structure of the Group. However, this would probably be just a temporary phase as the Group does acquire properties from time to time and this would include reinvesting in the United Kingdom again at the right time with the right opportunity.
8.	Shareholder C enquired whether Tekka Place could sell individual strata units and whether the Group had acquired a hotel license to convert the serviced apartment into an aparthotel? How has been the performance of the aparthotel?
	Mr. Kelvin Lum replied that the sale of individual strata units was not allowed under the current regulations. As for the aparthotel, the Group managed to obtain a hotel license and was now able to rent out on both long-term and short-term basis. Indeed, the property performed well with a hotel license and managed to sell at high rates and with high occupancy

s/n	Questions and Responses
8. <i>(cont.)</i>	especially during the F1 period. The operator for the aparthotel, Ascott Management, had done a good job managing an optimal mix of short and long stay guests.
9.	<i>Shareholder C then continued to enquire about the Group's interior retrofitting business. Was the Group focusing on large-scale retail projects only or offices as well?</i>
	Mr. Lim Thiam Hooi ("Mr. Lim"), the Managing Director for the Group's interior retrofitting division, replied that retrofitting demand had increased recently. The division also carried out additions and alteration work such as the Vivocity upgrading works and would continue to tender for more works in this field. Mr. Lim clarified that other than retail, the division also carries out retrofitting for offices and hotels, and has a good mix of clients of various sizes and project scales.
10.	<i>Shareholder C continued to enquire if the Group was looking to construct the new egg farm for Ellipsiz Ltd, a related company?</i>
	The Managing Director, Mr. David Lum, replied that the construction tender would be an open tender process.
11.	<i>Shareholder C further asked if the Group was positioning to be a niche contractor specializing in high skilled construction?</i>
	Mr. Tan clarified that the Group carries out a good mix of civil and mixed development projects.
12.	<i>Shareholder D asked if the Group was going to bid for the upcoming Terminal 5 at Changi and other MRT contracts?</i>
	Mr. Tan replied the Group would continue to bid for projects by the Land Transport Authority.

Final tax-exempt dividend of one cent per share – Resolution 2

s/n	Questions and Responses
13.	<i>Shareholder D commented that the dividend of one cent per share was too low compared to interest rates given by banks.</i>
	Mr. Fong clarified that the Company had earlier distributed three cents as interim dividend in March 2022. In total, the dividend payout for the current financial year would be four cents per share.
14.	<i>Shareholder B thought that the Company was generous to give dividends when the Group reported a loss. He asked if the Company would continue to pay dividends in the future even when in a loss position?</i>
	Chairman replied that the Company would always try and pay dividends to shareholders every year and this had been the case over the last 20 years or more. As long as the cash flow position for the Group was healthy and provided that any reported losses were not severe, the Board would always propose a dividend to be paid to shareholders.

Re-election of directors – Resolution 6

s/n	Questions and Responses
15.	<i>Shareholder B asked the Nominating Committee if Mr. Leow had exhibited independence in Board meeting discussions since his appointment, in view of his close relationship with one of the controlling shareholders?</i>
	<p>Dr. Willie Lee, the Nominating Committee Chairman, replied that the committee reviews the independence of all independent directors on an annual basis. The committee was satisfied that Mr. Leow, with his vast experiences, had contributed sound independent advice during Board discussions and decision-making processes.</p> <p>Mr. Fong further clarified that Mr. Leow was only a distant relative of the controlling shareholder by marriage. For his appointment and re-election, the committee had taken into consideration his experience over 21 years in corporate finance and investment banking and that he possessed the right skill sets which the Board required.</p>
16.	<i>Shareholder B continued by asking what was the rationale for appointing independent directors who are ex-employees of the Company?</i>
	<p>Madam Constance Lee, an independent director, explained that all the Company's independent directors ("IDs") took their responsibilities as IDs very seriously and were extremely cautious in discharging their duties. She further added that being an ex-employee had its advantage as she understands the Group's history, businesses and staff. This made it more effective for her to probe the right questions to Management.</p> <p>Dr. Willie Lee further added that other than being an ex-employee, Madam Constance Lee's past experiences in audit and knowledge about the construction industry, were also critical considerations in the Nominating Committee's decision in her appointment.</p>

Mandate to issue new shares – Resolution 8

s/n	Questions and Responses
17.	<i>Shareholder D asked if the Company was planning to issue more shares to the market?</i>
	<p>Chairman clarified that the Directors were seeking approval for the mandate to issue shares. It did not mean that the Directors had any immediate plans to issue more shares but just to allow flexibility to exercise the mandate when the situation requires. The Directors and Management would continue to exercise discretion and to act in the best interest of all shareholders.</p>

Renewal of Share Purchase Mandate – Resolution 9

s/n	Questions and Responses
18.	<i>Shareholder B questioned the effectiveness of seeking a share purchase mandate when the Lum Family was already holding close to 80% of the shares of the Company.</i>
	<p>Mr. David Lum explained that share buy-back could help if the Company's share price drops drastically in the event of a financial crisis by supporting the price for the minority shareholders who could be facing liquidity scarcity and might want to cash out. Having the mandate to allow the Company to buy back shares from the market allows the Company to aid in the liquidity in a tight market.</p> <p>The Directors assured that they would always act in the best interest of all shareholders when making a buy-back decision.</p>