



**HOTEL ROYAL LIMITED**  
(Co. Reg. No. 196800298G)  
(Incorporated in the Republic of Singapore)

**Minutes of the 50th Annual General Meeting of Hotel Royal Limited (“Company”) held at the Hotel Royal@Queens, Queen’s Room, Level 3, 12 Queen Street, Singapore 188553 on Saturday, 27 April 2019 at 2.30 p.m.**

**Present**

**Board of Directors**

1. Dr Lee Keng Thon – Non-Executive Group Chairman
2. Dr Pang Eng Fong – Lead Independent Non-Executive Director
3. Dr Tan Kim Song – Independent Non-Executive Director
4. Mr Yang Wen-Wei – Independent Non-Executive Director
5. Mr Lee Khin Tien – Non-Executive Director
6. Mr Lee Kin Hong – Non-Executive Director

**Company Secretary**

1. Ms Sin Chee Mei

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in this minutes.

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Chairman of the Board of Directors, Dr Lee Keng Thon, chaired the Annual General Meeting (“AGM” or the “Meeting”). Having noted that a quorum was present, he called the Meeting to order.

He then welcomed all shareholders and all those present. With the permission of the Meeting, the notice convening the Meeting was taken as read.

Chairman informed that in his capacity as Chairman of the Meeting, he had been appointed as proxy by a number of shareholders and that he would be voting in accordance with their instructions.

Chairman further informed that voting on all resolutions to be passed at the AGM would be conducted by poll pursuant to Rule 730A of the Listing Manual of the SGX-ST. He then demanded for a poll pursuant to the authority availed to him in accordance with the provisions of the Company’s Constitution. The polls were carried out electronically. ZICO BPO Pte. Ltd. was appointed scrutineer of the Meeting. The electronic poll voting services was provided by Trusted Services Pte. Ltd. A PowerPoint presentation explaining the electronic poll voting process was shown. A test resolution was conducted to familiarise the shareholders with the electronic poll voting system.

Chairman proceeded with the business of the Meeting. The following were the resolutions passed at the AGM.

The summary of questions raised by shareholders and the replies provided by the Non-Executive Group Chairman - Dr Lee Keng Thon and CEO - Mr Lee Chou Hock are recorded in Appendix A.



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Duly proposed and seconded, the following Ordinary Resolutions No. 1 to 8 were duly passed.

**ORDINARY BUSINESS**

**ORDINARY RESOLUTION 1 - ADOPTION OF DIRECTORS' STATEMENT, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT**

"It was resolved that the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 together with the Auditors' Report thereon be and are hereby received and adopted."

**ORDINARY RESOLUTION 2 – DECLARATION OF ONE-TIER TAX EXEMPT FIRST AND FINAL DIVIDEND**

"It was resolved that the payment of the First and Final Dividend of 5 cents per ordinary share one-tier tax exempt for the financial year ended 31 December 2018 be and is hereby approved."

**ORDINARY RESOLUTION 3 – DECLARATION OF ONE-TIER TAX EXEMPT SPECIAL DIVIDEND**

"It was resolved that the payment of the Special Dividend of 1 cent per ordinary share one-tier tax exempt for the financial year ended 31 December 2018 be and is hereby approved."

**ORDINARY RESOLUTION 4 – APPROVAL OF DIRECTORS' FEES**

"It was resolved that the payment of Directors' Fees of S\$233,250 for the financial year ended 31 December 2018 be and is hereby approved."

**RETIREMENT OF DR LEE KENG THON AS DIRECTOR**

"It was noted that the retirement of Dr Lee Keng Thon as Director of the Company at the conclusion of the Annual General Meeting. Dr Lee Keng Thon has ipso facto ceased as Non-Executive Chairman of the Board."

**ORDINARY RESOLUTION 5 - RE-ELECTION OF DR PANG ENG FONG AS DIRECTOR**

"It was resolved that Dr Pang Eng Fong, who retired pursuant to Article 117 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company.

It was noted that Dr Pang Eng Fong would be considered an independent director of the Company and would remain as the Chairman of Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee."

**ORDINARY RESOLUTION 6 - RE-ELECTION OF MR YANG WEN-WEI AS DIRECTOR**

"It was resolved that Mr Yang Wen-Wei, who retired pursuant to Article 102 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company.



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It was noted that Mr Yang Wen-Wei would be considered an independent director of the Company and would remain as the Chairman of Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee.”

**ORDINARY RESOLUTION 7 - RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AS AUDITORS**

“It was resolved that Messrs Deloitte & Touche LLP be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 8 - AUTHORITY TO ISSUE SHARES**

“That, pursuant to Section 161 of the Companies Act, Cap. 50 and the rules, guidelines and measures issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

- (A) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (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,
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalization issues,

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 Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (a) the aggregate number of 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 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (b) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro rata basis, then the aggregate number of shares to be issued under such circumstances (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (b) below); and



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- (b) (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 subparagraph (a) above, the percentage of issued shares 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 this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of convertible securities;
  - (ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
  - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by 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
- (d) (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.”

There being no further business, the Meeting ended at 3:30 p.m.. Chairman thanked the support of all the shareholders of Hotel Royal Limited.

Confirmed as a correct record of  
the proceedings of the Meeting,

*(SIGNED)*

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**DR LEE KENG THON**  
Chairman

**Note:**

The results of the poll on all the resolutions put to the Annual General Meeting were announced to the Singapore Exchange Securities Trading Limited via SGX-Net on 27 April 2019. Please click on the link below for details of the results of the poll.

<https://links.sgx.com/1.0.0/corporate-announcements/0NUXBBBB09YYXOX2/6beb18bf9fc1194f762d8e3f2788b97ff817f3e393b67ea407c0a48e08febd44>



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**Appendix A**

**Below is the summary of questions raised by shareholders and the replies provided by the Non-Executive Group Chairman - Dr Lee Keng Thon and CEO - Mr Lee Chou Hock.**

**Based on the profitability by geographical location reported on page 26 of the Annual Report, is the profitability in FY2018 boosted from a loss in FY2017 due to the Baba House in Malacca? When is the completion date for the newly acquired Royale Chulan Bukit Bintang Hotel in Kuala Lumpur and what is the returns expected to increase the profitability in Malaysia?**

CEO: The profitability of the hotel operation in Malaysia had improved in FY2018 over that FY2017 and would have been better if not for the interest expense incurred by Baba House in Malacca which is undergoing a major refurbishment.

The conduct of due diligence on Royale Chulan Bukit Bintang Hotel is still in progress. The acquisition is currently pending clearance from the Economic Planning Unit of the Prime Minister's Department, Malaysia. Barring unforeseen circumstances, the completion date of the acquisition would take place in July 2019.

The Company will commence the renovation works of Royale Chulan Bukit Bintang Hotel upon the completion of the acquisition. However, the hotel would continue to operate as normal while the renovation on a floor by floor basis is in progress.

**How does the Company manage to convert the land title of the carpark of Baba House, Melaka from leasehold to freehold?**

CEO: The Melaka State Authority accepted the Company's application for conversion of the carpark land from leasehold to freehold when we amalgamate the carpark land to the freehold site where Baba House is located as the smaller car park land is very much smaller than the freehold site. This application was made during the major refurbishment of the Baba House.

**Would the Company consider converting Hotel Royal @ Queens, which is strategically located at the central Singapore, to residential or mixed development?**

CEO: Hotel Royal @ Queens' has a high current plot ratio. If it is converted into residential development, we need to explore if this the plot ratio could be maintained. The residential market is also difficult presently. However, the Group would take note of this suggestion.

**The Return on Equity of the Company has decreased in FY2018 as compared to FY2017. Does the Company has any plan to use more debt and less equity?**

CEO: The Company would take a long term loan denominated in Malaysian Ringgit of about 70% of the purchase price of RM197 million of Royal Chulan Bukit Bintang Hotel. This would increase the Group's borrowing.



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**What are the capital expenditure commitments as reported for the financial year ended 31 December 2018?**

CEO: The capital expenditure commitment mainly consists of upgrading of Grand Complex in Wellington, New Zealand.

**What are the quoted equity shares and unquoted equity shares as reported on Page 122 of the Company's Annual Report?**

CEO: The quoted equity shares are referring to those shares listed on the various stock exchanges.

The unquoted investment are shares of an unlisted related company whose main business is in real estate investment. The Company has elected to designate the investments in equity instruments as financial assets at fair value through other comprehensive income as we believe that recognising short-term fluctuations in the investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments and realising their performance potential in the long run. After the re-designation of the investments, the value of the investments have increased from S\$496,000 in 2017 to S\$16.462 million in FY2018.

**The Company could dispose of its less profitable properties so as to re-cycle its capital.**

Chairman: We thank you for the suggestion and would study it.

**A shareholder shared his observation on the maintenance and housekeeping of the hotels and further suggested the Management to hiring younger work force at reception for the hotels.**

Chairman: The Company would look into its human resource management to enable the hotels to deliver better customer service.

**Is there any land use planning as the Hotel Royal Newton's carpark area is occupying a large plot of land. Would the Company consider to renovate its existing hotels or to tear down and re-build?**

Chairman: Hotel Royal Newton's permitted plot ratio has been fully utilised. Hence, the Company cannot build over the car park space. The Company might consider the redevelopment of Hotel Royal Newton at an appropriate time. The existing hotels are renovated and upgraded every 3-5 years.

**What is the plan for the office unit located in Maxwell Road as the leasehold tenure is 99 years?**

Chairman: The Maxwell property is attempting for an en bloc sale. As the Company is not the sole owner of the property, the decision would require 80% of the owners to agree to an en bloc sale.

**Which are the key cities in Asia Pacific that the Group are considering to expand its hospitality room inventory?**

CEO: It depends highly if the Group is able to locate good and profitable investments.