



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

Minutes of the 52nd Annual General Meeting of Hotel Royal Limited (“Company”) held by way of electronic means on Saturday, 24 April 2020 at 2.30 p.m.

Present (in person or electronically):

Board of Directors

Dr Pang Eng Fong – Non-Executive Chairman and Lead Independent Non-Executive Director
Dr Tan Kim Song – Independent Non-Executive Director
Mr Yang Wen-Wei – Independent Non-Executive Director
Mr Lee Khin Tien – Non-Executive Director
Mr Lee Kin Hong – Non-Executive Director
Dr Lee Chu Muk – Non-Executive Director
Mr Lee Chou Hor George – Non-Executive Director

Shareholders

As per attendance record maintained by the Company

In attendance

As per attendance record maintained by the Company

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of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in these minutes.

Chairman of the Board of Directors, Dr Pang Eng Fong, chaired the Annual General Meeting (“**AGM**” or the “**Meeting**”).

The Chairman welcomed shareholders for their attendance at this AGM and explained that due to the safe management measure to curb local transmission of COVID-19 and the guidance issued by the relevant regulators in Singapore, the Meeting was convened and held by way of electronic means. He then introduced the Directors, Chief Executive Officer (“**CEO**”) and Company Secretary. They were present in person or virtually at the Meeting.

As there was a quorum present, the Chairman opened and called the Meeting to order. The notice convening the Meeting was taken as read.

The Chairman informed the shareholders 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. He further informed that all resolutions would be proposed by him. He further informed that the Company had appointed B.A.C.S Private Ltd and Finova BPO Pte. Ltd. as polling agent and scrutineer of the Meeting respectively. It was noted that the proxy votes received as at the cut-off date on 21 April 2021 at 2:30 p.m. had been counted and validated by the Company appointed scrutineer. The results shall be deemed to be the resolution of the Meeting.

The Chairman also informed that the Company had invited shareholders to submit, in advance of the AGM, questions related to the resolutions to be tabled for approval at the Meeting. He then invited the CEO to address the questions of a shareholder as set out in Appendix 1 to these minutes on behalf of the Company.



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The Chairman thanked the CEO and also the shareholder who had taken the time to submit questions in advance of the Meeting. He then proceeded to the resolutions which were being tabled for shareholders' approval at the AGM.

ORDINARY BUSINESS

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

The Chairman addressed the first item on the agenda which was to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2020 together with the Auditors' Report thereon. The votes under valid proxies had been counted and the results of the poll votes were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes "FOR" :	60,889,464	100
Number of votes "AGAINST" :	0	0
Total number of votes cast :	<u>60,889,464</u>	<u>100</u>

Based on the results, the Chairman declared that Ordinary Resolution 1 carried and it was resolved:

"THAT the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2020 together with the Auditors' Report thereon, be received and adopted."

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

The Chairman moved on to the next item on the agenda which was to approve the payment of first and final dividend of 2.5 cents per ordinary share one-tier tax exempt for the financial year ended 31 December 2020. The votes under valid proxies had been counted and the results of the poll votes were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes "FOR" :	60,889,464	100
Number of votes "AGAINST" :	0	0
Total number of votes cast :	<u>60,889,464</u>	<u>100</u>

Based on the results, the Chairman declared that Ordinary Resolution 2 carried and it was resolved:

"THAT the declaration of a first and final one-tier tax exempt dividend of 2.5 cents per ordinary shares for the financial year ended 31 December 2020 be and is hereby approved."



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ORDINARY RESOLUTION 3 – PAYMENT OF DIRECTORS’ FEES

Resolution 3 dealt with the payment of Directors’ fees of S\$200,400 for the financial year ended 31 December 2020. The votes under valid proxies had been counted and the results of the poll votes were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes “FOR” :	60,889,464	100
Number of votes “AGAINST” :	0	0
Total number of votes cast :	<u>60,889,464</u>	<u>100</u>

Based on the results, the Chairman declared that Ordinary Resolution 3 carried and it was resolved:

“THAT the declaration of a first and final one-tier tax exempt dividend of 2.5 cents per ordinary shares for the financial year ended 31 December 2020 be and is hereby approved.”

RETIREMENT OF DR PANG ENG FONG AS DIRECTOR

It was noted that the retirement of Dr Pang Eng Fong as Director of the Company as part of the Board rejuvenation process and good corporate governance practice at the conclusion of the Annual General Meeting. Dr Pang Eng Fong has ipso facto ceased as Non-Executive Chairman of the Board, Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee.

ORDINARY RESOLUTION 4 - RE-ELECTION OF MR LEE KIN HONG AS DIRECTOR

Resolution 4 dealt with the re-election of Mr Lee Kin Hong, the Non-Executive and Non-Independent Director. Mr Lee Kin Hong is due for retirement pursuant to Article 117 of the Company’s Constitution. Mr Lee Kin Hong had signified his consent to continue in office. The votes under valid proxies had been counted and the results of the poll votes were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes “FOR” :	60,889,464	100
Number of votes “AGAINST” :	0	0
Total number of votes cast :	<u>60,889,464</u>	<u>100</u>

Based on the results, the Chairman declared that Ordinary Resolution 4 carried and it was resolved:

“THAT Mr Lee Kin Hong be re-elected as a Director of the Company pursuant to Article 117 of the Company’s Constitution.”

ORDINARY RESOLUTION 5 - RE-ELECTION OF MR LEE CHOU HOR GEORGE AS DIRECTOR

Resolution 5 dealt with the re-election of Mr Lee Chou Hor George, the Non-Executive and Non-Independent Director. Mr Lee Chou Hor George is due for retirement pursuant to Article 122 of the Company’s Constitution. Mr Lee Chou Hor George had signified his consent to continue in office. The votes under valid proxies had been counted and the results of the poll votes were as follows:



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The results of the votes were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes "FOR" :	60,889,464	100
Number of votes "AGAINST" :	0	0
Total number of votes cast :	<u>60,889,464</u>	<u>100</u>

Based on the results, the Chairman declared that Ordinary Resolution 5 carried and it was resolved:

"THAT Mr Lee Chou Hor George be re-elected as a Director of the Company pursuant to Article 122 of the Company's Constitution."

ORDINARY RESOLUTION 6 - RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AS AUDITORS

Resolution 6 dealt with the re-appoint of Deloitte & Touche LLP as the Company's Auditors for the ensuing year and to authorise the Directors to fix their remuneration. Deloitte & Touche LLP had expressed their willingness to continue in office. The votes under valid proxies had been counted and the results of the poll votes were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes "FOR" :	60,889,464	100
Number of votes "AGAINST" :	0	0
Total number of votes cast :	<u>60,889,464</u>	<u>100</u>

Based on the results, the Chairman declared that Ordinary Resolution 6 carried and it was resolved:

"THAT Deloitte & Touche 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 and are hereby authorised to fix their remuneration."

ANY OTHER ORDINARY BUSINESS

Chairman stated that the Secretary had informed him that no notice was received for transacting of any other business at this Meeting. The Chairman then moved on with the special business as set out in the Notice of the Meeting.

SPECIAL BUSINESS

ORDINARY RESOLUTION 7 - AUTHORITY TO ISSUE SHARES

The Chairman proceeded to deal with Resolution 7 relating to the authority to be given to the Directors to issue shares in the capital of the Company and informed the Meeting that the full text of the resolution was set out in the Notice. The votes under valid proxies had been counted and the results of the poll votes were as follows:



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	<u>No. of Shares</u>	<u>In Percentage</u>
Number of votes "FOR" :	60,881,400	99.99
Number of votes "AGAINST" :	8,064	0.01
Total number of votes cast :	<u>60,881,400</u>	<u>100</u>

Accordingly, the Chairman declared Ordinary Resolution 7 carried and it was resolved:

"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
- (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 sub-paragraph (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



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- (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.”

CONCLUSION

Chairman expressed his appreciation to the shareholders for their unwavering support. He mentioned that he joined the Board of Hotel Royal Group in December 2011 as an as an independent director and had served nine years, the maximum period stipulated for independent directors. Succession and renewal are vital to any organisation’s long-term future. Mr Yang Wen Wei would succeed him as Chairman of the Company after his retirement as director of the Company. He expressed gratitude to Mr Lee Chou Hock, the Chief Executive Officer of the Group and his dedicated and loyal staff. He then welcomed Mr Yang Wen Wei as the new Chairman of the Company.

On behalf of the Board of Directors, Mr Yang Wen Wei extend a heartfelt thanks to Dr Pang for his contributions and dedication during his term in office and look forward for good outcomes for all stakeholders.

There being no other business, the Chairman declared the AGM of the Company closed at 2:55 p.m. and thanked everyone for their attendance.

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

(SIGNED)

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DR PANG ENG FONG
Chairman



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Appendix 1

Below are the questions raised by a shareholder and the replies provided by the Company:

Question 1:

The Group had suffered about S\$12.3m impairment loss on its hotel and investment properties. And also S\$42.5m decrease in valuation of hotels' freehold land that was captured in the Balance Sheet's Asset Revaluation Surplus. Are such losses recoverable in the future?

The Company's Response:

The Group's hotel and investment properties are well located and freehold in nature.

We believe that such decrease in valuation was mainly due to Covid-19 and temporary in nature. Once the pandemic is behind us, we are confident that such losses are recoverable in the future.

Question 2:

The Group had suffered a financial loss in FY2020. Its first loss in many years. Does the Group have sufficient financial resources to ride out this Covid-19 pandemic?

The Company's Response:

The major portion of the loss in FY2020 was due to decrease in properties' valuation. This was non-cash in nature.

The Group has:

- (a) cash and cash equivalents of about S\$31.2m
- (b) unutilised credit facilities of around S\$202.8m

This totalled about S\$234m. The Group has sufficient financial resources to ride out the current difficulty.

(The question from the shareholder have been edited for clarity.)