



HOTEL ROYAL LIMITED

(Co. Reg. No. 196800298G)

(Incorporated in the Republic of Singapore)

Minutes of the 47th Annual General Meeting of Hotel Royal Limited (“Company”) held at Hotel Royal @ Queens, Queen’s Room, Level 3, 12 Queen Street, Singapore 188553 on Saturday, 30 April 2016 at 10.00 a.m.

Present	Shareholders
Board of Directors/Company Secretary	
1. Dr Lee Keng Thon (i) Non-Executive Group Chairman (ii) Shareholder (iii) Proxy for: - Bank of Singapore Nominees Pte Ltd - DBS Nominees Pte Ltd - Lee Chin Chuan - The Great Eastern Life Assurance Company Limited - The Great Eastern Trust Private Limited - UOB Overseas Bank Nominees (Private) Limited	1. Boey Kum Tong Francis (Mei Jintang) 2. Chan Kwee Yeow 3. Chan Sig Yam 4. Chan Toh Weng 5. Chan Wah Soon 6. Chia Kok Yee 7. Chiam Ai Huem 8. Chiam Toon Chew 9. Chiow Gek Inn 10. Chong Kwang Heng 11. Chow Kwok Pun 12. Distant Denis Walter 13. Fong Seng Narp 14. Fong Siew Fhong 15. Foong Soon Hoe 16. Ho Ah Moy @ Ho Lia Eng 17. Huwa Hong @ Thor Kwan Wai 18. Kam Dayi (Gan Dayi) 19. Kang Poh Lock 20. Koh Chin Hwa 21. Koh Siok Ngoh 22. Kong Ah Lay 23. Kwok Yue Meng 24. Lau Tat Fong 25. Liew Yok Lien 26. Lim Chuan Seng 27. Lim Kok Sun (Lin GuoShan) 28. Lim Swee Jin 29. Lim Yam Heng 30. Low Chen Kiong 31. Low Hee Koon 32. Low Moh Ngee 33. Lum Weng Yu 34. Mccallum John Charles 35. Ng Geok Buay 36. Ng Poh Soon 37. Ong Han Kiat 38. Ong Sze Wang (Wang Siyuan) 39. Poh Hou Chieng 40. Puah Poo Boon (Pan Fuwen) 41. Seet Hong Kheng 42. Shiao Chung Chiang 43. Song Kheng Kong 44. Tan Ah Lan 45. Tan Ah Soong 46. Tan Beng Chuan Frederick 47. Tan Kah Gek 48. Tan Kian Chuan (Chen JianZhuan) 49. Tan Kok Wah 50. Tan Kong Jok @Tan Kong Jeok 51. Tan See Wah 52. Tan Tok Jin
2. Col (Ret) Rodney How Seen Shing (Lead Independent Non-Executive Director)	
3. Professor Pang Eng Fong (Independent Non-Executive Director)	
4. Dr Tan Kim Song (Independent Non-Executive Director)	
5. Mr Lee Khin Tien (i) (Non-Executive Director) (ii) Shareholder (iii) Proxy for: - Aik Siew Tong Limited - Asia Building Berhad - Chan Tai Moy - Chip Keng Holding Berhad - Melodies Limited	
6. Mr Lee Kin Hong (i) (Non-Executive Director) (ii) Shareholder (iii) Proxy for: - The Singapore-Johore Express Pte Ltd - Eng Keng Estate Management Pte Ltd	
In Attendance	
1. Ms Sin Chee Mei (Company Secretary)	
2. Mr Lee Chou Hock (i) (Chief Executive Officer) (ii) Shareholder (iii) Proxy for: - Hock Tart Pte Ltd	



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3. Mr Lee Chou Hor George (i) (General Manager of Group's Key Subsidiaries) (ii) CPF/SRS Proxy for: - DBS Nominees Pte Ltd	53. Tan Yam Muay 54. Tay Bee Geok 55. Teng Cheong Guan 56. Toh Kiok Kun 57. Wee Hian Kok 58. Yap Hong Gek 59. Yap Swee Kee 60. Yeo Chee Wah 61. Yeow Meng Quee 62. Young Siew Low
4. Mrs Wong-Yeo Siew Eng Deloitte & Touche LLP	Proxies
5. Ms Teow Seok Boey Deloitte & Touche LLP	63. Tan Seng Ho Phillip Proxy For Chan Seoh Khim Angelia
6. Mr Tyron Voon BDO Corporate Services Pte. Ltd.	64. Kong Yew Chye Proxy For Kam Ee Chen @Kam See Chen
7. Mr Roy Chia BDO Corporate Services Pte. Ltd.	65. Tan Yoik Born Proxy For Kam Ee Chen @Kam See Chen
8. Ms Koo Wei Jia BDO Corporate Services Pte. Ltd.	66. Ang Zi Yang Proxy For Chan Chee Kiong/Lam Kum Kiu
9. Ms Hong Lee Young BDO Corporate Services Pte. Ltd.	67. Jake Chiam Tau Wen Proxy For Sloane Court Hotel Pte. Ltd.
10. Ms Helen Tan B.A.C.S. Private Limited	68. Lim Gnee Kiang CPF/SRS Proxy For United Overseas Bank Nominees (Private) Limited
11. Ms Evelyn Ang B.A.C.S. Private Limited	Observers
12. Ms Ng Geok Lan ZICO BPO Pte. Ltd.	1. Chiam Heng Hsien 2. Kam See Chen 3. Kwok Lin Heng 4. Long Boo Teck 5. Yeong Ming Thim 6. Yong Kwet Pow

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 by poll. He then demanded for a poll in accordance with the provisions of the Articles of Association of the Company. The Meeting also noted that under the Articles of Association, where a poll is demanded, it shall be taken in such manner as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. 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 Source Pte. Ltd. A short PowerPoint presentation explaining the electronic poll voting process was shown. A test resolution was conducted to familiarize 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.



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The summary of questions raised by shareholders and the replies provided by the Non-Executive Group Chairman - Dr Lee Keng Thon, CEO - Mr Lee Chou Hock, General Manager of Group's Key Subsidiaries - Mr Lee Chou Hor George and the representative of the external auditors are recorded in Appendix A.

Duly proposed and seconded, the following Ordinary Resolutions No. 1 to 10 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 2015 and 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 2015 be and is hereby approved."

ORDINARY RESOLUTION 3 – APPROVAL OF DIRECTORS' FEES

"It was resolved that the payment of Directors' Fees of S\$207,300 for the financial year ended 31 December 2015 be and is hereby approved."

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

"It was resolved that Mr Lee Kin Hong, who retired pursuant to Article 117 of the Company's Articles of Association, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company."

ORDINARY RESOLUTION 5 - RE-APPOINTMENT OF DR LEE KENG THON AS DIRECTOR

"It was resolved that Dr Lee Keng Thon, who is over the age of 70 be and is hereby re-appointed as Director of the Company."

ORDINARY RESOLUTION 6 - RE-APPOINTMENT OF COL (RET) RODNEY HOW SEEN SHING AS DIRECTOR

"It was resolved that COL (Ret) Rodney How Seen Shing, who is over the age of 70 be and is hereby re-appointed as Director of the Company."

ORDINARY RESOLUTION 7 - RE-APPOINTMENT OF PROFESSOR PANG ENG FONG AS DIRECTOR

"It was resolved that Professor Pang Eng Fong, who is over the age of 70 be and is hereby re-appointed as Director of the Company."

ORDINARY RESOLUTION 8 - RE-APPOINTMENT OF MESSRS DELOITTE & TOUCHE LLP AS AUDITORS

"It was resolved that Messrs Deloitte & Touche LLP be and are 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."



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SPECIAL BUSINESS

ORDINARY RESOLUTION 9 - AUTHORITY TO ISSUE SHARES

“It was resolved that pursuant to Section 161 of the Companies Act, Cap. 50 (the “Act”), the Articles of Association and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital 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 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 may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force):
 - (i) issue additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and
 - (ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments in (b)(i) above,

provided that:

- (1) 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% of the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 5% of the Company’s total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below); and
- (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, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares, if any) at the time of the passing of this Resolution, after adjusting for:-
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and



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- (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.”

ORDINARY RESOLUTION 10 – RENEWAL OF SHARE PURCHASE MANDATE

“It was resolved that for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in section entitled “Definitions” set out on Page 4 of the Circular dated 9 April 2009 to the Shareholders of the Company and in accordance with the “Guidelines on Share Purchases” set out in Appendix I of the said Circular and this mandate shall, unless revoked or varied by the Company in general meeting, 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.”

There being no further business, the Meeting ended at 11.15 a.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 30 April 2016. Please click on the link below for details of the results of the poll.

http://infopub.sgx.com/FileOpen/HRL_Resolutions%20Passed%20At%20AGM_30Apr16.ashx?App=Announcement&FileID=402515



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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, CEO - Mr Lee Chou Hock, General Manager of Group's Key Subsidiaries - Mr Lee Chou Hor George and/ or external auditors.

Could the Company hold its Annual General Meeting in early April?

Chairman: The Company is not able to hold its Annual General Meeting in early April because the accountants will require sufficient time to consolidate all the financial statements of the subsidiaries from New Zealand, Thailand and Malaysia.

Why did the Group's profit decrease for the financial year ended 31 December 2015?

Chairman: The Group's profit decreased due mainly to higher cost of sale and weaker room revenue, especially from the newly re-opened Hotel Royal Bangkok @ Chinatown, impairment loss on hotel building and higher foreign exchange loss from Malaysia subsidiaries as Ringgit Malaysia had weakened against Singapore Dollar. In addition, the Group is running in the newly acquired The Baba House in Malacca.

What is the payback period for Hotel Royal Bangkok @ Chinatown at Bangkok and The Baba House at Malacca?

Chairman: The Company's Management anticipated positive return on investment in Hotel Royal Bangkok @ Chinatown and The Baba House after a few years barring unforeseen geopolitical issues.

How much more capital expenditure would be needed to put the hotels in the position to operate?

Chairman: For Hotel Royal Bangkok @ Chinatown, no further capital expenditure is required. For The Baba House in Malacca, the newly bought property is an old run-down property and needs to be renovated to get its full potential.

CEO: Moving forward, the capital expenditure will be less. As for the upgrading cost for The Baba House, Malacca, the amount will be manageable. As set out in the annual report, the estimated amounts committed for future capital expenditures is S\$4,348,000. The Company is very mindful on the spending and will finance the expenditures through available cash flow as far as possible.

Hotel Royal Newton is old hotel. Is it making profit?

Chairman: Hotel Royal Newton is the best performer among the hotels in the Group. Hotel Royal Newton has been undergoing periodic renovations and its interior is good.

Hotel Royal Newton is occupying a large plot of land, is there any land use planning for carpark area?

Chairman: Hotel Royal Newton has been built to the maximum permitted gross floor area. The plot ratio has been fully utilised. Hence, we cannot build over the car park space.



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Shareholder suggested the Company to issue and distributes vouchers to shareholders to enable them to book a room and experience the stay in Malaysia and Thailand and to also increase the hotel's occupancy.

CEO: It will be time consuming for the staff and the Management to issue, distribute and validate such vouchers to shareholders. Management would focus on travel agents, corporates and internet booking portals to increase the Group's businesses instead of looking to shareholders as a source to increase room occupancy.

Will the Company consider declaring a special dividend?

Chairman: The Company had paid special dividend some years ago. For the current year, the Board has recommended a first and final tax-exempt dividend of 5 cents per share unchanged from the previous year's full year dividend of 5 cents. The Directors will take into consideration the Group's profit growth, cash position and projected capital requirements for business operation and expansion in recommending any dividend payment.

What is current gearing level of the Group?

Chairman: The current gearing ratio of the Company is 0.22 times (debt to adjusted net assets value). It is not high.

How did the exchange differences on translation of foreign operations arise?

Chairman: The negative translation reserve of S\$14.6 million (page 81 of the Annual Report) arose mainly due to the weaker Ringgit Malaysia and New Zealand dollar. When translating the Malaysia's and New Zealand's assets and liabilities to the stronger Singapore dollars, it gave rise to such foreign exchange loss. However, these foreign exchange losses are unrealised.

Why is there an increase in the audit fees paid from S\$239,000 in Year 2014 to S\$312,000 in Year 2015? Are the audit works performed for statutory purposes?

Chairman: The audit fees rose last year due to more statutory audit work for Burasari Resort in Phuket, Thailand and The Baba House in Malacca, Malaysia. The more stringent compliance accounting standards also contributed to the increase.

Whether the auditors of a listed company is required to retire by rotation?

Auditors: The audit partner of a listed company must not be in charge for more than 5 consecutive years as set out in the SGX Listing Manual. Messrs Deloitte and Touche LLP has strictly complied with this requirement.



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Noted that in Malacca, the tourism sector is growing. Please explain what is the goodwill for investment in The Baba House?

Chairman: The freehold property in Malacca was poorly maintained when acquired. The property was bought at a value higher than the book value which resulted in the impairment loss. However, the Management believes that it is a good long term investment because of its prime location which is just a few minutes' walk to Jonker Street, the most famous heritage street in Malacca.

Is there any future plan for the Company to expand its investment further in overseas?

Chairman: The Company will prudently assess overseas investment opportunities with great business potential with an aim to capitalise on these opportunities to add shareholders' value.

The adjusted net value of asset per share is S\$8.23 as at 31 December 2015 and the current share price of the Company is traded at about S\$3.00 at the market, which is undervalued. Is there any action plan to be taken by the Company to create greater value to the shareholders such as increase the share price of the Company?

Chairman: It is beyond the control of the Board of Directors to determine the market share price of the Company which is affected by various factors including global economic, supply and demand. However, the Company will continue to strive for good and steady performance in its operation and investment.