

# Hotung Investment Holdings Limited

(Incorporated in Bermuda)

(“Company”, and together with its subsidiaries, “Group”)

Minutes of Annual General Meeting (“AGM”) of the Company held at 9F, No. 261, Sung Chiang Road, Taipei, Taiwan (R.O.C), on 16 April 2021 (Friday) at 11:00 a.m. Concurrently, the AGM was streamed by “live” webcast for shareholders of the Company, pursuant to the various advisories and guidance issued by the authorities in Singapore amid the COVID-19 outbreak.

## **PRESENT**

### **Directors:**

Ms. Tsui-Hui Huang (Chairman and CEO of the Company and member of the Nominating Committee)

Mr. Andy C.W. Chen (member of the Audit Committee)

Dr. Ng-Chee Tan (Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee)

Dr. Philip N. Pillai (member of the Audit Committee)

Mr. Chang-Pang Chang (Chairman of the Nominating Committee and Remuneration Committee)

Mr. Kung-Wha Ding (member of the Remuneration Committee)

Mr. Kenichi Shimomoto (Director)

Mr. Chun-Chen Tsou (Director)

Ms. Shih-Ping Chen (Director)

Ms. Su-Mei Lin (Director)

**Shareholders:** As per Attendance List maintained by the Company.

### **In Attendance:**

Ms. Hsin-Chieh Chung (Company Secretary of the Company)

Mr. Gang Wong (Singapore Counsel of the Company from Shook Lin & Bok LLP)

Mr. Barry Lee (External Auditor of the Company from KPMG LLP)

Ms. Charlotte Lin (External Auditor of the Company from KPMG LLP)

Mr. Steven Huang (Senior Vice President of Hotung International Company Limited)

Mr. Vincent Jang (Senior Vice President of Hotung International Company Limited)

Ms. Carrie Chen (Vice President of Hotung International Company Limited)

Ms. Felicia Hsu (Chief Financial Officer of the Company)

Mr. Peter Fang (Internal Auditor of the Company)

Ms. Kate Chen (Employee of Hotung International Company Limited)

## **CHAIRMAN**

The Chairman of the Board of Directors of the Company, Ms. Tsui-Hui Huang chaired the AGM.

## **NOTICE**

It was confirmed that Notice of the AGM (“Notice”) together with the relevant documents had been given to all of the members of the Company entitled to attend and vote at the AGM and/or had been published via SGXNET, and that a quorum was present. The Chairman declared all the resolutions at the AGM will be carried out by poll, and that pursuant to the various advisories and guidance issued by the Singapore Exchange Securities Trading Limited amid the COVID-19 outbreak, all resolutions tabled at this AGM would be voted by proxy and only the Chairman of the AGM may be appointed as proxy. Trusted Services Pte. Ltd. was appointed to do the counting of votes and T S TAY Public Accounting Corporation was appointed as the Scrutineer at the AGM for the purpose of the poll.

## **QUORUM**

The Chairman declared that a quorum was present and that the AGM could proceed.

## **ORDINARY BUSINESS**

1. To receive and adopt the Directors’ Statement and the audited Financial Statements of the Company for the financial year ended 31 December 2020, together with the Independent Auditors’ Report thereon.

The Chairman declared Ordinary Resolution No. 1 carried based on the polling results.

The number of shares held by persons who had voluntarily abstained from voting on Resolution 1 is 40,205.

2. To approve the declaration of a first and final dividend for the financial year ended 31 December 2020 of NT\$4.02484 per share as recommended by the directors of the Company (“Directors”), to be payable on such date to be determined by the Directors and to be distributed in such manner as the Directors deem fit. The Directors be and are hereby fully authorized to do all acts and things they consider necessary, expedient and appropriate to effect and implement this resolution.

The Chairman declared Ordinary Resolution No. 2 carried based on the polling results.

3. To re-elect Ms. Tsui-Hui Huang, retiring by rotation pursuant to Bye-laws 94 and 95 of the Bye-laws of the Company and Rule 720(5) of the listing manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Listing Manual”).

The Chairman declared Ordinary Resolution No. 3 carried based on the polling results.

4. To re-elect Dr. Ng-Chee Tan, retiring by rotation pursuant to Bye-laws 94 and 95 of the Bye-laws of the Company and Rule 720(5) of the Listing Manual.

The Chairman declared Ordinary Resolution No. 4 carried based on the polling results.

5. To re-elect Mr. Chun-Chen Tsou, retiring by rotation pursuant to Bye-laws 94 and 95 of the Bye-laws of the Company and Rule 720(5) of the Listing Manual.

The Chairman declared Ordinary Resolution No. 5 carried based on the polling results.

6. To re-elect Mr. Kenichi Shimomoto, retiring pursuant to Bye-law 100 of the Bye-laws of the Company.

The Chairman declared Ordinary Resolution No. 6 carried based on the polling results.

7. To approve the continued appointment of Dr. Ng-Chee Tan as an independent Director by all shareholders of the Company (“Shareholders”), for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022).

The Chairman declared Ordinary Resolution No. 7 carried based on the polling results.

8. To approve the continued appointment of Dr. Ng-Chee Tan as an independent Director by Shareholders (excluding directors and the chief executive officer of the Company, and their associates), for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022).

The Chairman declared Ordinary Resolution No. 8 carried based on the polling results.

The number of shares held by persons who had abstained from voting on Resolution 8 pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) is 23,627,981.

9. To approve the continued appointment of Mr. Chang-Pang Chang as an independent Director by all Shareholders, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022).

The Chairman declared Ordinary Resolution No. 9 carried based on the polling results.

10. To approve the continued appointment of Mr. Chang-Pang Chang as an independent Director by Shareholders (excluding directors and the chief executive officer of the Company, and their associates), for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022).

The Chairman declared Ordinary Resolution No. 10 carried based on the polling results.

The number of shares held by persons who had abstained from voting on Resolution 10 pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) is 23,627,981.

11. To approve the continued appointment of Dr. Philip N. Pillai as an independent Director by all Shareholders, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022).

The Chairman declared Ordinary Resolution No. 11 carried based on the polling results.

12. To approve the continued appointment of Dr. Philip N. Pillai as an independent Director by Shareholders (excluding directors and the chief executive officer of the Company, and their associates), for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022).

The Chairman declared Ordinary Resolution No. 12 carried based on the polling results.

The number of shares held by persons who had abstained from voting on Resolution 12 pursuant to Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) is 23,627,981.

13. To approve Directors' Fees of NT\$9.2 million for the financial year ended 31 December 2020 to the Directors.

The Chairman declared Ordinary Resolution No. 13 carried based on the polling results.

14. To re-appoint KPMG LLP as Auditors of the Company until the conclusion of the next annual general meeting and to authorize the Directors to fix their remuneration.

The Chairman declared Ordinary Resolution No. 14 carried based on the polling results.

### **SPECIAL BUSINESS**

15. To approve the Proposed Share Issue Mandate:

(A) subject to the provisions of the Bye-laws of the Company and the Listing Manual of the SGX-ST, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue (whether by way of rights, bonus or otherwise) and deal with additional shares in the capital of the Company including but not limited to the listing of such additional shares on the SGX-ST and/or the offering of depository receipts in respect of such additional shares and to make or grant offers and agreements which might require the exercise of such power be and is hereby generally and unconditionally approved;

(B) authority be and is hereby given to the Directors to allot and issue shares pursuant to offers, agreements and options made or granted during the Relevant Period (as hereinafter defined) that might or would require shares to be issued, including but not limited to the creation and issuance during the Relevant Period of (as well as adjustments to) warrants, debentures or other instruments convertible into shares (collectively, the "Instruments"), upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, notwithstanding that

such allotment and issuance of shares pursuant to the Instruments are made after the end of the Relevant Period (as hereinafter defined);

(C) the aggregate nominal amount of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an Instrument or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) above (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the aggregate nominal amount of the share capital of the Company in issue (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, of which the aggregate nominal amount of share capital to be allotted other than on a pro-rata basis to the existing members of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed and the said approval shall be limited accordingly;

(D) 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 paragraph (C) above, the percentage of issued share capital shall be based on the issued share capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for :

- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
- (ii) any subsequent consolidation or sub-division of shares; and

(E) for the purpose of this Resolution, “Relevant Period” means the period commencing from the passing of this Resolution and expiring on the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held; or
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

The Chairman declared Ordinary Resolution No. 15 carried based on the polling results.

16. To approve the Proposed Adoption of Share Buy-back Mandate:

- (A) the exercise by the Directors of all the powers of the Company to purchase or acquire issued ordinary shares in the capital of the Company (“Shares”) not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) market purchase(s) (“On-Market Purchases”) on the SGX-ST; and/or
  - (ii) off-market purchase(s) (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 based on the requirements of section 76C of the Companies Act, Chapter 50 of Singapore (“Off-Market Purchases”),

and otherwise in accordance with all other laws and regulations of Singapore and Bermuda and the rules of the SGX-ST as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (“Proposed Share Buy-back Mandate”);

- (B) the authority conferred on the Directors pursuant to the Proposed 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 conclusion of the next annual general meeting of the Company or the date by which it is required to be held;
  - (ii) the date on which the share buy-backs are carried out to the full extent mandated; or
  - (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting;

- (C) in this Resolution:

“Maximum Limit” means such number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the general meeting at which the Proposed Share Buy-back Mandate is approved by the Shareholders; and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall be determined by the Directors, but must not exceed:

- (i) in the case of an On-Market Purchase of a Share, 105% of the Average Closing Price of the Shares; and

- (ii) in the case of an Off-Market Purchase of a Share pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

where:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) days on which the SGX-ST is open for securities trading, on which transactions in the Shares were recorded, preceding the day of the On-Market Purchase or, as the case may be, preceding the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

The Chairman declared Ordinary Resolution No. 16 carried based on the polling results.

The number of shares held by persons who had voluntarily abstained from voting on Resolution 16 is 10,367.

### **QUESTIONS AND ANSWERS**

The Management Team addressed some of the questions raised by the Shareholders prior to the AGM in accordance with the prescribed arrangement as set out in the Notice, as follows:

#### **Question:**

With global and regional VCs raising bigger and bigger funds these 2-3 years, how does Hotung intend to respond this challenge in view of its relatively small fund size? Is Hotung able to access deals? Is Hotung constrained with capital to follow on with investee companies in their future funding rounds?

With respect to the question, Mr. Steven Huang, Senior Vice President of investment department of Hotung International Company Limited (“Investment Department”), answered that the investment industry has always been very competitive. However, as Hotung, being a mid-size fund, has a good reputation in Taiwan for more than thirty years, we have no problem finding new deals. This can be seen from our annual



reports for the past few years. In addition, we also know when to participate or not to participate in the future funding round.

Question:

Does the group find it more challenging to make investments that are fairly priced given that technology companies are enjoying rich valuations as there is so much money chasing after investments with good prospects?

With respect to the question, Mr. Steven Huang answered that yes, it is. If the company's growth is strong then the valuation will be high. Thanks to years of experience, we already know how to choose investment target.

Question:

What guidance has the board given to management with respect to the pace and pricing of its new investments given that private and public markets are at all-time highs and appear to be somewhat frothy?

With respect to the question, Mr. Steven Huang answered that we will closely observe the company's dynamics and choose the right time to invest or divest.

Question:

Has the group sped up its IPO plans for its portfolio companies to take advantage of the current market trends? Is management also leading towards faster monetization of its investments that have been successfully listed in the public markets?

With respect to the question, Mr. Steven Huang answered that yes, we do require our portfolio companies to speed up their IPO plans to catch up with the boom in the wave of capital market, and we also accelerate the speed to divest those portfolios that are already listed or have liquidity.

Question:

Are there any share investments that are related to semiconductor or covid vaccine related?

With respect to the question, Mr. Steven Huang answered that please refer to page 16 of the Annual Report 2020 of the Company, two of our portfolio companies, M3TeK and SAULTECH, are semiconductor companies. M3Tek is a fabless semiconductor design company focusing on developing power management solutions for computing and communication applications. SAULTECH is devoted to the research and development, manufacture, sale, and servicing of precision semiconductor equipment, with a focus on pick-and-place technology.

Question:

Does Hotung's investment team identify niche areas where Hotung has an excellent investment track record and focus on investing in such areas where Hotung has deep industrial knowledge?

With respect to the question, Mr. Vincent Jang, Senior Vice President of Investment Department, answered that our investment team has good knowledge and connection in several fields such as Semiconductor related, Precision Machinery, and Green Energy Materials. We have good investment performance in those fields which have brought substantial investment profits for the Company.

Question:

Can management help the Shareholders understand if the investments in Pharmaceutical are due to the heightened demand in the sector as a result of COVID-19?

With respect to the question, Mr. Vincent Jang answered that the biotech industry has been one of the industries that we have focused on. While lots of biotech companies are working on the development of vaccine, we made a follow-on investment in one of our existing portfolio companies which engages in therapeutic area and is working on symptom improvement of COVID-19 patients.

Question:

Hope to know more about companies that Hotung has been incubating.

With respect to the question, Ms. Carrie Chen, Vice President of Investment Department, answered that key companies that Hotung has been incubating recently are PuriBlood and iKala to name a few. PuriBlood is a medical membrane filtration company, which provides cutting-edge but cost-effective filters for blood transfusion and genetic test to the emerging markets. As the blood components market is growing rapidly, PuriBlood has obtained numerous opportunities to cooperate with industry leaders in near future. iKala is one of the industry leaders in cloud service and AI solution in Taiwan. Due to strong demand for work-from-home and digital transformation, iKala has developed various AI products to enable "AI competencies" of enterprise customers by increasing their customer acquisition capability and customer lifetime value.

Question:

Can management elaborate on which industries will be next focus under group's expanded mandate? And what would be the risk management strategy by maintaining

its competence simultaneously?

With respect to the question, Ms. Carrie Chen answered that 5G, Artificial Intelligence (“AI”) and cyber security can be viewed as key momentums in fast growing digital economy. Big data, cloud-based applications and strong demand for intelligent virtual assistants have made the AI adoption become realistic. We foresee increasing needs for AI technology in many aspects, including AI-enabled manufacturing, AI-based medical services, and AI personal assistant. This trend creates various investment opportunities in both software and hardware sectors, but we will only seek for companies that demonstrate great team spirits, operational maturity and certainty for IPO or M&A by industry leaders to avoid potential shakeout risk.

Question:

If and when the Company has achieved good surplus funds which are well in excess of its financial needs and growth plans, will the Company consider giving special payout or dividend to the Shareholders?

With respect to the question, Ms. Felicia Hsu, Chief Financial Officer of the Company answered that since it is a resilient and very competitive investment environment, the priority of the Company’s consideration with respect to the good surplus funds is to keep a sufficient fund to be ready to participate in the strategic investment opportunities.

Question:

Our Company has been paying regular dividends, and doing shares buyback via market purchases. I hope the Company will continue with these capital management actions. In this context, why did the Company not cancel the treasury shares after the past share buybacks?

With respect to the question, Ms. Hsin-Chieh Chung, Company Secretary of the Company, answered that with respect to the purpose of treasury shares, the Company may make allotment of shares as fully paid bonus shares. In addition, the Company may dispose of or transfer all or any of the treasury shares for cash or other consideration. Considering the above, the Company has decided to hold the shares bought back by the Company as treasury shares currently.

## **VOTING RESULTS**

Based on the results of poll provided by T S TAY Public Accounting Corporation, the scrutineer appointed by the Company at the AGM for the purpose of the poll, the Company made the announcement through SGXNet on 16 April 2021.

**The following are the poll results in respect of the resolutions passed at the AGM of the Company:**

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 (%)
1.	To receive and adopt the Directors' Statement and the audited Financial Statements of the Company for the financial year ended 31 December 2020, together with the Independent Auditors' Report thereon.	38,792,860	38,684,860	99.72%	108,000	0.28%
2.	To approve the declaration of a first and final dividend for the financial year ended 31 December 2020 of NT\$4.02484 per share.	38,833,065	38,725,065	99.72%	108,000	0.28%
3.	To re-elect Ms. Tsui-Hui Huang, retiring by rotation pursuant to Bye-laws 94 and 95 of the Bye-laws of the Company and Rule 720(5) of the listing manual of the Singapore Exchange Securities	38,833,065	38,281,041	98.58%	552,024	1.42%

	Trading Limited ("SGX-ST") ("Listing Manual").					
4.	To re-elect Dr. Ng-Chee Tan, retiring by rotation pursuant to Bye-laws 94 and 95 of the Bye-laws of the Company and Rule 720(5) of the Listing Manual.	38,833,065	38,106,603	98.13%	726,462	1.87%
5.	To re-elect Mr. Chun-Chen Tsou, retiring by rotation pursuant to Bye-laws 94 and 95 of the Bye-laws of the Company and Rule 720(5) of the Listing Manual.	38,833,065	38,694,106	99.64%	138,959	0.36%
6.	To re-elect Mr. Kenichi Shimomoto, retiring pursuant to Bye-law 100 of the Bye-laws of the Company.	38,833,065	38,694,106	99.64%	138,959	0.36%
7.	To approve the continued appointment of Dr. Ng-Chee Tan as an independent Director by all shareholders of the Company ("Shareholders"), for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022).	38,833,065	38,504,668	99.15%	328,397	0.85%
8.	To approve the continued appointment of Dr. Ng-Chee Tan as an independent Director by Shareholders (excluding directors and the chief	15,205,084	14,876,687	97.84%	328,397	2.16%

	executive officer of the Company, and their associates), for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022).					
9.	To approve the continued appointment of Mr. Chang-Pang Chang as an independent Director by all Shareholders, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022).	38,833,065	38,689,473	99.63%	143,592	0.37%
10.	To approve the continued appointment of Mr. Chang-Pang Chang as an independent Director by Shareholders (excluding directors and the chief executive officer of the Company, and their associates), for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022).	15,205,084	15,061,492	99.06%	143,592	0.94%
11.	To approve the continued appointment of Dr. Philip N. Pillai as an independent Director by all Shareholders, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022).	38,833,065	38,688,973	99.63%	144,092	0.37%

12.	To approve the continued appointment of Dr. Philip N. Pillai as an independent Director by Shareholders (excluding directors and the chief executive officer of the Company, and their associates), for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022).	15,205,084	15,060,992	99.05%	144,092	0.95%
13.	To approve Directors' Fees of NT\$9.2 million for the financial year ended 31 December 2020 to the Directors of the Company.	38,833,065	38,725,065	99.72%	108,000	0.28%
14.	To re-appoint KPMG LLP as auditors of the Company and to authorize the Directors of the Company to fix their remuneration.	38,833,065	38,725,065	99.72%	108,000	0.28%
15.	To approve the Proposed Share Issue Mandate.	38,833,065	38,551,127	99.27%	281,938	0.73%
16.	To approve the Proposed Adoption of Share Buy-back Mandate.	38,822,698	38,714,698	99.72%	108,000	0.28%

There being no further business, the proceedings then concluded.

CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS

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Tsui-Hui Huang  
Chairman of the Meeting