

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 23 June 2020 (Tuesday) at 10:00 a.m. Concurrently, the AGM was conducted 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)

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

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

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

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

Mr. Kazuyoshi Mizukoshi (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. Mei-Rong Pan (Company Secretary of the Company)

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

Ms. Esther Ng (Singapore Counsel of the Company from Shook Lin & Bok LLP)

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

Ms. I-Jane Ng (External Auditor of the Company from KPMG LLP)

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

Mr. Steven Huang (Investment Officer of Hotung International Company Limited)

Mr. Vincent Jang (Investment Officer of Hotung International Company Limited)

Ms. Carrie Chen (Investment Officer 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 2019, together with the Independent Auditors’ Report thereon.

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

2. To approve and declare a first and final dividend for the financial year ended 31 December 2019 of NT\$2.558 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 approve Directors' Fees of NT\$9.2 million for the financial year ended 31 December 2019 to the Directors.

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

4. To re-elect Mr. Chang-Pang Chang retiring by rotation pursuant to Bye-law 94 of the Bye-laws of the Company.

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

5. To re-elect Mr. Kung-Wha Ding retiring by rotation pursuant to Bye-law 94 of the Bye-laws of the Company.

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

6. To re-elect Dr. Philip N. Pillai retiring by rotation pursuant to Bye-law 94 of the Bye-laws of the Company.

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

7. To re-elect Ms. Shih-Ping Chen retiring pursuant to Bye-law 100 of the Bye-laws of the Company.

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

8. To re-elect Ms. Su-Mei Lin retiring pursuant to Bye-law 100 of the Bye-laws of the Company.

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

9. 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. 9 carried based on the polling results.

SPECIAL BUSINESS

10. 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 Singapore Exchange Securities Trading Limited (“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 of the Company (“Shareholders”) in general meeting.

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

11. To approve the Proposed Renewal 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, 130% of the Highest Last Dealt Price of the Shares,

where:

“Average Closing Price” means the average closing price of the Shares over the period of five (5) days on which the SGX-ST is open for securities trading (“Market Days”) in which transactions in the Shares on the SGX-ST were recorded before the day on which such On-Market Purchase is made and deemed to be adjusted for any corporate action which occurs during the relevant five (5) day period and the day on which such On-Market Purchase is made;

“Highest Last Dealt Price” means the highest price transacted for a Share on the Market Day on which the Shares were transacted on the SGX-ST immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase; 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. 11 carried based on the polling results.

QUESTIONS AND ANSWERS

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

Question 1:

How does Hotung manage the impact of the COVID-19 crisis on the company's investment?

With respect to the question, Ms. Carrie Chen, VP of Hotung International Company Limited (“HIC”) investment department, answered that Taiwan's success in preventing the spread of COVID-19 has minimized the impact on our economy. However, we will continue to monitor the impact on our portfolio companies and work with them to mitigate operational risk.

COVID-19 has decelerated the potential business growth in the first half of the year 2020. Few of our portfolio companies with production facilities in China did suffer

from production capacity shutdown and business freeze in Q1. But, the weight in our investment portfolio is minor, and most of them have attempted to recover and resume their deferred revenue stream since April.

Question 2

What are the investment opportunities arising from the current situation?

With respect to the question, Ms. Carrie Chen replied that due to work-from-home and disease surveillance requirements, we foresee the strong demand for ICT products brought by urgent needs for digital transformation in both business and consumer sectors. Two of our portfolio companies can be viewed as the beneficiaries from this social reformation. The first company is one of the industry leaders in cloud service and AI solution in Taiwan. The second company's main products are on-line English learning platform and KOL English class, which provide rich and variable contents for remote teaching and learning. We will continue to look for investment opportunities in ICT and related industries and take advantages of the changes in this era.

Question 3

With the recent US-China tense relationship, how does it affect the high tech companies in Hotung's portfolio?

With respect to the question, Mr. Steven Huang, VP of HIC investment department, explained that the trade war between the US and China does have an impact on Taiwan's ICT companies, and it is necessary to move the factory outside of China. Although a few of our investee companies' revenue were temporarily affected, on the whole, the impact on the Group's portfolios ("Portfolios") is not significant.

The impact of the US-China trade dispute on the Portfolios is mainly due to the slowdown in China's domestic demand, which has caused partial impact on the Portfolios.

Question 4

Would the slowdown of China economy have any effect on Hotung's investment?

With respect to the question, Mr. Vincent Jang, VP of HIC investment department, answered that the China-US trade war has lasted for more than 2 years since March 2018, and it has continued to have a negative impact on the growth rate of the Chinese economy.

According to the data released by the National Bureau of Statistics of China, China's GDP growth rate in 2019 was 6.1%, down 0.5% from 6.6% in 2018, and the GDP growth rate in the first quarter of 2020 was negative 6.8%. The outlook for the China-US trade war is still unclear, and the domestic demand market continues to slow down in China.

The Group has a conservative attitude towards China investment. New investments in China only compose 15.3% of total new investments.

We will continue to closely watch our Chinese investees for their cash positions and future developments.

Question 5

How many portfolio companies were launched for IPO in 2019? What are the technology areas of these companies?

With respect to the question, Mr. Vincent Jang indicated that five of our portfolio companies went public in 2019 and one was acquired by a public company. Regarding their technology areas, two are in the internet industry and the rest of them are IC design, optoelectronic, medical device and material science company respectively.

Question 6

What is Hotung's dividend policy?

With respect to the question, Ms. Felicia Hsu, Chief Financial Officer of the Company, answered that in the past years, the Company paid out about 90% of net profit and even with the outbreak of COVID-19 in 2020, the Board still proposed payout of cash dividend in about 80% of 2019 net profit.

The Company reviews the dividend policy annually depends on the Group's cash and operational needs.

Question 7

What are the steps to stabilize or increase cash flow?

With respect to the question, Ms. Felicia Hsu replied that it is the Group's goal to pursue sustainable growth. The Group manages an adequate cash position. In the past two years, the cash position was maintained around NT\$1 billion.

SUMMARY OF THE SPEECH BY THE CHAIRMAN

The Chairman understood that the Shareholders are concerned about the impact of COVID-19, so the Chairman would like to make some remarks as follows:

First, the Chairman stated that the stock market fluctuation has impacted directly on the level one portfolios of the Group. The Chairman pointed out that by referring to page 74 of the 2019 Annual Report, the Quoted investments are NT\$ 860 million at year end, which is 16.4% of the total holdings of the Group. The Chairman elaborated that if we compare the stock market index level last Friday, i.e. 19 June 2020, to the end of 2019, the Taiwan Stock Exchange Index is only down for 4%, and in China, the Shanghai Stock Exchange Index, is down for 3%. The Chairman further elaborated that, if looking at the index more relevant to the tech sectors, such as the Nasdaq Composite Index, the stock market index level last Friday (i.e. 19 June 2020) is actually 10% higher than the end of 2019, while the Shenzhen Stock Exchange Index is 12% higher.

Second, the Chairman stated that the industry sectors most affected by COVID-19 are the transportation, leisure and retail industries. By referring to page 22 of the 2019 Annual Report, investments by industry, about 5 % of the composition of the Group's investment portfolio consists of chain store, leisure industry and some of the automotive service industry which are more affected by the present pandemic situation.

The Chairman acknowledged that looking to the future, people may be concerned about the possible impact on the economy arising from the second wave of COVID-19 as each country is gradually releasing their borders. However, in her opinion, the geopolitical problem arising from nationalism and technology and trade war between the US and China may be the black swan in the next 12 months.

In the past 3 months, many people across the globe have been staying at home for some time. The Chairman then posed the question on what is the basic need of everyday life under the circumstances. In response, the Chairman opined that there is no doubt that the world needs better quality of video screening for remote working, entertainment and education, faster speed of inter change of information and better

cyber security. The world also needs big data and AI for environment analysis for quicker vaccine development and more accurate disease testing.

The Chairman concluded by expressing her thanks to the Shareholders for their continuous support in the past few years. The Chairman declared the meeting closed and wish everyone in good health.

VOTING RESULTS

Based on the results of poll provided by the Scrutineer, the Company made the announcement through SGXNet on 23 June 2020:

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 2019, together with the Independent Auditors' Report thereon.	37,690,847	37,688,847	99.99%	2,000	0.01%
2.	To approve the declaration of a first and final dividend for the financial year ended 31 December 2019 of NT\$2.558 per share.	37,745,069	37,743,069	99.99%	2,000	0.01%
3.	To approve Directors' Fees of NT\$9.2 million for the financial year ended 31 December 2019 to the Directors of the Company.	37,718,702	37,709,402	99.98%	9,300	0.02%
4.	To re-elect Mr. Chang-Pang Chang, retiring by rotation pursuant to Bye-law 94 of the Bye-laws of the Company.	37,744,069	37,416,749	99.13%	327,320	0.87%
5.	To re-elect Mr. Kung-Wha Ding, retiring by rotation pursuant to Bye-law 94 of	37,744,069	37,713,823	99.92%	30,246	0.08%

	the Bye-laws of the Company.					
6.	To re-elect Dr. Philip N. Pillai, retiring by rotation pursuant to Bye-law 94 of the Bye-laws of the Company.	37,745,069	37,714,323	99.92%	30,746	0.08%
7.	To re-elect Ms. Shih-Ping Chen, retiring pursuant to Bye-law 100 of the Bye-laws of the Company.	37,745,069	37,705,923	99.90%	39,146	0.10%
8.	To re-elect Ms. Su-Mei Lin, retiring pursuant to Bye-law 100 of the Bye-laws of the Company.	37,744,069	37,666,387	99.79%	77,682	0.21%
9.	To re-appoint KPMG LLP as auditors of the Company and to authorize the Directors of the Company to fix their remuneration.	37,742,769	37,740,769	99.99%	2,000	0.01%
10.	To approve the Proposed Share Issue Mandate.	37,745,069	37,451,951	99.22%	293,118	0.78%
11.	To approve the Proposed Renewal of Share Buy-back Mandate.	37,734,702	36,985,894	98.02%	748,808	1.98%

There being no further business, the proceedings then concluded.

CONFIRMED AS A TRUE RECORD OF THE PROCEEDINGS

Tsui-Hui Huang
Chairman of the Meeting