



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

Minutes of the 46th 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, 25 April 2015 at 2.30 p.m.

Present

Board of Directors/Company Secretary

1. Dr Lee Keng Thon
 - (i) Non-Executive Chairman
 - (ii) Shareholder
 - (iii) Proxy for:
 - Aik Siew Tong Limited
 - Asia Building Berhad
 - Bank of Singapore Nominees Pte Ltd
 - Chan Tai Moy
 - Chip Keng Holding Berhad
 - DBS Nominees Pte Ltd
 - Hock Tart Pte Ltd
 - Lee Chin Chuan
 - Melodies Limited
 - The Great Eastern Life Assurance Company Limited
 - The Great Eastern Trust Private Limited
 - UOB Overseas Bank Nominees (Private) Limited
2. Col (Ret) Rodney How Seen Shing
(Lead Independent Director Non-Executive Director)
3. Professor Pang Eng Fong
(Independent Non-Executive Director)
4. Dr Tan Kim Song
(Independent Non-Executive Director)
5. Mr Ng Kok Lip
(Independent Non-Executive Director)
6. Mr Lee Khin Tien
(Non-Executive Director)
Shareholder
7. Mr Lee Kin Hong
(Non-Executive Director)
Shareholder
8. Ms Sharon Yeoh
(Company Secretary)

In Attendance

1. Mr Lee Chou Hock
(Chief Executive Officer)
Shareholder
2. Mr Lee Chou Hor George
(General Manager/Director of Group’s
Key Subsidiaries)
Shareholder

Shareholders

1. Boey Kum Tong Francis (Mei Jintang)
2. Chan Toh Weng
3. Chan Wah Soon
4. Chia Kok Yee
5. Chiam Toon Chew
6. Chiow Gek Inn
7. Chong Kwang Heng
8. Chow Kwok Pun
9. Fong Seng Narp
10. Fong Siew Phong
11. Foong Soon Hoe
12. Heng Yam Hwee @ Heng Yam Hwee
13. Ho Yeow Joo
14. Kam Ee Chen @ Kam See Chen
15. Kang Poh Lock
16. Koh Chin Hwa
17. Kong Ah Lay
18. Lau Tat Fong
19. Lee Liang Seok
20. Lee Siew Hiam
21. Lew Cheng Hwee
22. Lily Chia Soi Moey
23. Loh Ser Tiak
24. Low Hee Koon/Teo Meow Hwang
25. Low Kim Koon
26. Low Moh Ngee
27. Lui Chee Meng
28. Ng Geok Buay
29. Ng Guch Hwa
30. Ng Teo Seong
31. Ong Sze Wang (Wang Siyuan)
32. Peh Kok Wah @ Peh Wah Chye
33. Poh Hou Chieng
34. Puah Poo Boon (Pan Fuwen)
35. Seet Hong Kheng
36. Shiao Chung Chiang
37. Sim Ching Khee (Shen Zhenqi)
38. Sim Moh Chang
39. Song Kheng Kong
40. Tan Ah Lan
41. Tan Ah Soong
42. Tan Beng Chuan Frederick
43. Tan Han Chiang
44. Tan Han Siah
45. Tan Kian Chuan (Chen Jianzhan)
46. Tan Kong Jok @ Tan Kong Jeok
47. Tan Sok Hwa
48. Tan Tok Jin
49. Tan Whee Li
50. Tan Yam Muay
51. Teo Cheng Hai Ronnie
52. Tiu Ing
53. Wong Chi Wai Roy



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3. Mr Lee Chin Chuan
(Adviser)
Shareholder
4. Mrs Wong-Yeo Siew Eng
Deloitte & Touche LLP
5. Ms Teow Seok Boey
Deloitte & Touche LLP
6. Ms Angeline Chiang
Corporate Alliance Pte. Ltd.
7. Ms Hong Lee Young
Corporate Alliance Pte. Ltd.
8. Mr Tyron Voon
Corporate Alliance Pte. Ltd.
9. Ms Ashlee Lim
Corporate Alliance Pte. Ltd.
10. Ms Helen Tan
B.A.C.S. Private Limited
11. Ms Evelyn Ang
B.A.C.S. Private Limited
12. Ms Fatimah Ambia
B.A.C.S. Private Limited
13. Ms Bariati Mosbah
B.A.C.S. Private Limited

54. Yap Hong Gek
55. Yeo Chee Wah
56. Yeow Meng Quee

Proxies

57. Tan Seng Ho Phillip
Proxy For Chan Seoh Khim Angelia
58. Chiam Heng Hsien
Proxy For Chiam Xue Shan
59. Lim Jia Ren
Proxy For Chiam Xue Shan
60. Liew Mui Chin
Proxy For Chong Hong Wei (Zhang Hongwei)
61. Kam Ee Chen @ Kam See Chen
Proxy For Kam Ee Chen @ Kam See Chen
62. Tan Yoik Born
Proxy For Kam Ee Chen @ Kam See Chen
63. Young Chun Wei
Proxy For Khung Shyang Lee
64. Lew Mooi Yoon
Proxy For Low Kim Koon
65. Low Kim Koon
Proxy For Low Kim Koon
66. Chan Poh Choo
Proxy For Chan Chee Kiong/Lam Kum Kiu
67. Ng Kwong Chong
Proxy For Philip Securities Pte Ltd
68. Chong Knee Chung
Proxy For Sloane Court Hotel Pte. Ltd.
69. Lim Heng Beng
Proxy For Sloane Court Hotel Pte. Ltd.
70. Lee Kin Hong
Proxy For The Singapore-Johore Express
Pte Ltd

Observers

1. Tay Hui Key
2. Teo Meow Hwang
3. Gao Sihui Esther

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.



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Chairman then directed the use of the moby@Vote system, a meeting management platform to conduct the poll. B.A.C.S. Private Limited was appointed as scrutineers.

In order to familiarize the shareholders on the poll voting using the moby@Vote, a short video was played at the Meeting.

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 Chairman - Dr Lee Keng Thon, CEO - Mr Lee Chou Hock, General Manager/Director of Group's Key Subsidiaries - Mr Lee Chou Hor George are recorded in Appendix A.

Duly proposed and seconded, the following Ordinary Resolutions No. 1 to 11 were duly passed.

ORDINARY RESOLUTION 1 - ADOPTION OF REPORTS AND AUDITED FINANCIAL STATEMENTS

"It was resolved that the Directors' Report and Audited Accounts for the financial year ended 31 December 2014 and the Auditors' Report thereon be hereby received and adopted."

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

"It was resolved that a First and Final Dividend of 5 cents per ordinary share one-tier tax exempt for the financial year ended 31 December 2014 be approved for payment."

ORDINARY RESOLUTION 3 - DIRECTORS' FEES

"It was resolved that the payment of Directors' fees of \$200,000 for the financial year ended 31 December 2014 be approved."

ORDINARY RESOLUTION 4 - RE-ELECTION OF DIRECTOR, MR LEE KHIN TIEN

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

ORDINARY RESOLUTION 5 - RE-ELECTION OF DIRECTOR, DR TAN KIM SONG

"It was resolved that Dr Tan Kim Song, who retired pursuant to Article 102 of the Company's Articles of Association, being eligible and having offered himself for re-election, be re-elected as Director of the Company."

ORDINARY RESOLUTION 6 - RE-APPOINTMENT OF DIRECTOR, DR LEE KENG THON

"It was resolved that Dr Lee Keng Thon, who retired in accordance with Section 153(6) of the Companies Act, Cap. 50, be re-appointed as Director of the Company."

ORDINARY RESOLUTION 7 - RE-APPOINTMENT OF DIRECTOR, COL (RET) RODNEY HOW SEEN SHING

"It was resolved that Col (Ret) Rodney How Seen Shing, who retired in accordance with Section 153(6) of the Companies Act, Cap. 50, be re-appointed as Director of the Company."

It was noted that Col (Ret) Rodney How Seen Shing would continue to be the Chairman of the Nominating Committee, and a member of the Audit and Risk Committee and Remuneration Committee. He is considered independent for purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").



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ORDINARY RESOLUTION 8 - RE-APPOINTMENT OF DIRECTOR, PROFESSOR PANG ENG FONG

"It was resolved that Professor Pang Eng Fong, who retired in accordance with Section 153(6) of the Companies Act, Cap. 50, be re-appointed as Director of the Company."

It was noted that Professor Pang Eng Fong would continue to be the Chairman of the Audit and Risk Committee, and a member of the Nominating Committee and Remuneration Committee. He is considered independent for purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

MR NG KOK LIP'S RETIREMENT

The Meeting noted that Mr Ng Kok Lip has expressed his wish not to offer himself for re-appointment. The Board has accepted his decision. The Board would like to put on record its appreciation and gratitude to Mr Ng for his past services rendered to the Company.

Mr Ng Kok Lip who did not seek for re-appointment will cease to be a member of Audit and Risk Committee and Nominating Committee and will also cease to be the Chairman of the Remuneration Committee.

ORDINARY RESOLUTION 9 - RE-APPOINTMENT OF AUDITORS

"It was resolved that 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 hereby authorised to fix their remuneration."

SPECIAL BUSINESS:-

ORDINARY RESOLUTION 10 - AUTHORITY TO ALLOT AND ISSUE NEW 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
- (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 11 – 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 the Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the 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 3.48 p.m. Chairman thanked the support of all the shareholders of Hotel Royal Limited.



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Confirmed as a correct record of the proceedings of the Meeting:-

SIGNED

.....
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 25 April 2015. Please click on the link below for details of the results of the poll.

http://infopub.sgx.com/FileOpen/HRL_ResolutionsPassedAtAGM_25Apr15.ashx?App=Announcement&FileID=346077



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Appendix A

Below is the summary of questions raised by shareholders and the replies provided by the Non-Executive Chairman - Dr Lee Keng Thon, CEO - Mr Lee Chou Hock, General Manager/Director of Group's Key Subsidiaries - Mr Lee Chou Hor George.

1. Question: Most of the directors are aged over 60 to 70, is there a succession plan?

Chairman: Succession planning is an ongoing process in the Group. The appointment of Dr Tan Kim Song, 54, as Independent Non-Executive Director on 2 March 2015 forms part of the Group's succession planning process. He replaces one of the retiring directors.

2. Question: Would the Company consider declaring a special dividend or increasing the dividend rate.

Chairman: The Company did have a special dividend some years ago. In the meantime, the reason the Group sticks to the Dividend Policy is because we are still expanding and we are still looking to acquiring more properties in the Asean region. If more cash is being paid out as dividend, the Group may be short of funds when an acquisition opportunity arises.

3. Question: To conserve cash the Company could consider giving script dividend instead of cash dividend.

Chairman: The Board has previously considered the proposal and felt that giving script dividend may not be worthwhile as it may incur more costs such as fees payable to the professionals.

4. Question: How to make the Company's shares more affordable?

Chairman: Presently, shares are more affordable because SGX has recently reduced the standard board lot size from 1,000 units to 100 units.

5. Question: What is the occupancy rates of the properties listed on page 4 of the Annual Report?

CEO: The indicative occupancy rates can be found in the notes to financial statements in the properties valuation section.

Mr George Lee: The occupancy rates are as follows:-

Hotel Royal Penang	71%
Hotel Royal @ Phuket	84%
Grand Complex New Zealand	78%

Hotel Royal Bangkok was soft launched in December 2014 under a new branding. It should start contributing slowly as it usually takes some time for the market to be aware of the new brand.

For Hotel Royal Penang, the challenges faced by the Group include:

- Penang is a holiday destination and tourist arrivals are seasonal;
- there is an oversupply of hotel rooms in Penang;
- the mysterious disappearance of Malaysia Airlines flight MH370 from Kuala Lumpur to Beijing had a negative impact on Chinese tourists coming to Malaysia.

The 71% occupancy rate for Hotel Royal Penang is considered good as compared to its historical performance and against its competitors.



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6. Question: Which one of the two hotels in Singapore does better? What is the occupancy rate of Hotel Royal @ Queens?

CEO: Both hotels in Singapore are doing equally well. The occupancy rate for Hotel Royal @ Queens is over 80%.

7. Question: Please explain in layman term the different valuation methods used in different countries referred to on Pages 112 to 113 of the Annual Report. How objective is the valuation and whether there would be any change if different method is used?

Mr George Lee: Different valuation methods are used to triangulate into a value. In different countries, the valuers tend to have different preferences and acceptable practices in the valuation methods. In all the valuations that we do, we try to have different methods to triangulate into a figure which is more objective. The fair values of the properties were estimated after considering the results of various valuation methods. As there are many parameters used in the various valuation methods, valuation may change from year to year in accordance with changes in the parameters, such as circumstances in the economy.

8. Question: From shareholders' perspective how comfortable is the re-valuation surplus?

Mr George Lee: Management is responsible for providing most of the valuation inputs. These are very detailed and some data are for ten years. The professional valuers examine the inputs closely before they are used in the valuation. The valuations are also examined by the external auditors.

9. Question: Hotel Royal Newton is occupying a big plot of land, is there any plan to add in more rooms.

Chairman: The plot ratio has been fully used up. To increase the room we more or less have to tear down and re-build. The authority did not change the plot ration at all.

10. Question: The quoted bonds under the Held-For-Trading Investments on Page 103 of the Annual Report has increased substantially from S\$1 million to S\$4 million. What type of quoted bonds the Group has invested in and whether the investment would be held for short term or long term.

Mr George Lee: These quoted bonds are short-dated bonds. Some of them will be maturing soon and most will be held till maturity.

11. Question: What kind of properties the Group would be looking at for acquisition and at what value bearing mind there is only approximately S\$17million cash and cash equivalents recorded in the statement of cash flows as at FY2014.

Chairman: The Group is looking at countries where it does not have a footprint. At the moment, the Group has only footprints in Singapore, Malaysia and Thailand. The Group's first objective is to look at acquisition in Burma, Indonesia with second objective in Philippines. The Group has an available cash of S\$17 million and if required, the Group could draw-up some bank facilities.

12. Question: Notwithstanding the weaken economy for Thailand last year, the Group managed to maintain the profitability of its Thailand's operation. What is the Board's views on the outlook for Thai tourism market.

Chairman: Hotel Royal Bangkok is situated in Chinatown area and has undergone an extensive renovation. Due to the re-branding exercise, it may be slow in contributing towards the Group's revenue however the Group expects to optimistically breakeven in 1 to 2 years' time. The Burasali Resort in Phuket is doing well ever since its acquisition.



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13. Question: Why is Dr Tan Kim Song ("Dr Tan") subject to re-election at this AGM when he was only appointed as director on 2 March 2015?

Chairman: Dr Tan is subject to re-election pursuant to the Article 102 of the Company's Articles of Association as stated in the Notice of the Meeting.

14. Question: What is the audit fee for the financial year ended 31 December 2014?

Chairman: The audit fee paid to the auditors for the financial year ended 31 December 2014 was S\$239,000 as provided on page 122 of the Annual Report.

15. Question: Is the audit fee in line with the market rate?

CEO: The Board felt that the fee charged was reasonable.

16. Question: If the Company wishes to raise funds, please consider offering rights issue to all its shareholders instead of offering share placement.

Chairman: In the event of any fund raising event, the Board would surely consider offering rights issue to its shareholders.

END