



## HOTEL ROYAL LIMITED

(Co. Reg. No. 196800298G)

(Incorporated in the Republic of Singapore)

**Minutes of the 49th Annual General Meeting of Hotel Royal Limited (“Company”) held at Hotel Royal (Newton), Royal Room 1, Level 3, 36 Newton Road, Singapore 307964 on Saturday, 28 April 2018 at 2.30 p.m.**

<b>Present</b>	<b>Shareholders</b>
<b>Board of Directors/Company Secretary</b>	
1. Dr Lee Keng Thon (i) Non-Executive Group Chairman (ii) Shareholder (iii) Proxy for: - DBS Nominees Pte Ltd - The Great Eastern Life Assurance Company Limited - The Great Eastern Trust Private Limited - Citibank Nominees Singapore Pte Ltd	1. Au Yong Wah Kien 2. Boey Kum Tong Francis (Mei Jintang) 3. Chan Kok Thiew Peter 4. Chan Kwee Yeow 5. Chan Sig Yam 6. Chan Toh Weng 7. Chan Wah Soon 8. Chiow Gek Inn 9. Chow Kwok Pun 10. Chuah Teong Peng 11. Fong Seng Narp 12. Fong Siew Fhong 13. Goh Chung Ong 14. Han Phat Juan 15. Heng Yiam Hwee @Heng Yam Hwee 16. Henry Chan Chee Meng (Henry Chen Zhiming) 17. Ho Hai Pang 18. Kam Dayi (Gan Dayi) 19. Kam Ee Chen @Kam See Chen 20. Kang Poh Lock 21. Koh Chin Hwa 22. Kong Ah Lay 23. Kwee Tjoe Sioe 24. Lau Kim Hup 25. Lau Swee Sang 26. Lau Tat Fong 27. Lee Chai Koon 28. Lee Liang Seok 29. Lew Mooi Yoon 30. Liao Choon Ket (Liao Junjie) 31. Liew Yok Lien 32. Low Hee Koon 33. Low Kim Koon 34. Low Moh Ngee 35. Lui Chee Meng 36. Lye Mun Sum 37. Mccallum John Charles 38. Neo Lay Hong Mrs Peh Kok Wah 39. Neo Thua Tee 40. Ng Geok Buay 41. Ng Guch Hwa 42. Ong Han Kiat 43. Ong Sing Keh 44. Ong Sze Wang (Wang Siyuan) 45. Ong Teng Chew 46. Peh Kok Wah @ Peh Wah Chye 47. Poh Hou Chieng 48. Puah Poo Boon (Pan Fuwen) 49. Shiao Chung Chiang 50. Sim Kok Pheng (Shen Guoping) 51. Sim Moh Chang 52. Soh Say Chong
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	
<b>In Attendance</b>	
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	
3. Mr Michael Ng Deloitte & Touche LLP	



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4. Ms Teow Seok Boey Deloitte & Touche LLP	53. Song Kheng Kong
5. Ms Koo Wei Jia BDO Corporate Services Pte. Ltd.	54. Tan Ah Lan
6. Mr Roy Chia BDO Corporate Services Pte. Ltd.	55. Tan Ah Soong
7. Ms Lexi Shim BDO Corporate Services Pte. Ltd.	56. Tan Beng Chuan Frederick
8. Mr Jason Lee BDO Corporate Services Pte. Ltd.	57. Tan Han Siah
9. Ms Helen Tan B.A.C.S. Private Limited	58. Tan Kah Gek
10. Ms Evelyn Ang B.A.C.S. Private Limited	59. Tan Kok Wah
11. Ms Irene Siong ZICO BPO Pte. Ltd.	60. Tan Kong Jok @Tan Kong
	61. Tan See Wah
	62. Tan Whee Li
	63. Tan Yam Muay
	64. Tay Siew Wa
	65. Teo Cheng Hai Ronnie
	66. Tiu Ing
	67. Toh Kiok Kun
	68. Wee Hian Kok
	69. Yap Hong Gek
	70. Yeo Chee Wah
	71. Yeow Meng Quee
	72. Young Siew Low
	73. Yvonne Tan Li Im
	<b>Proxies</b>
	74. Soh Suwe Proxy For Low Lan Eng
	75. Tan Seng Ho Phillip Proxy For Chan Seoh Khim Angelia
	76. Havard Chi Proxy for Meliana Riwanto
	77. Doshi Bhavik Umesh Proxy for Maybank Kim Eng Securities Pte Ltd
	78. Ang Tion Boon Proxy for Ang Kim Poh
	79. Tan Seo Hong CPF Proxy for OCBC Nominees Singapore Pte Ltd
	80. Tan Han Siah CPF/SRS Proxy For United Overseas Bank Nominees (Private) Limited
	<b>Observers</b>
	1. Chiam Heng Hsien
	2. Ho Yuet Sim
	3. Kong Yew Chye
	4. Lim Jia Ren
	5. Long Boo Teck
	6. Tan Yoik Born
	7. Teo Meow Hwang
	8. Soh Biow Leong

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.



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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 as demanded by him in accordance with the provisions of the Constitution of the Company. The Meeting also noted that under the Constitution, 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 familiarise 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.

The summary of questions raised by shareholders and the replies provided by the Non-Executive Group Chairman - Dr Lee Keng Thon and CEO - Mr Lee Chou Hock are recorded in Appendix A.

Duly proposed and seconded, the following Ordinary Resolutions No. 1 to 6 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 2017 together with 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 2017 be and is hereby approved."

**ORDINARY RESOLUTION 3 – APPROVAL OF DIRECTORS' FEES**

"It was resolved that the payment of Directors' Fees of S\$225,500 for the financial year ended 31 December 2017 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 Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company."

**RETIREMENT OF COL (RET) RODNEY HOW SEEN SHING AS DIRECTOR**

"It was noted that the retirement of COL (Ret) Rodney How Seen Shing as Director of the Company at the conclusion of the Annual General Meeting. COL (Ret) Rodney How Seen Shing has ipso facto ceased as Lead Independent Director, Chairman of the Nominating Committee and a member of the Audit and Risk Committee and the Remuneration Committee."

**ORDINARY RESOLUTION 5 - RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AS AUDITORS**

"It was resolved that Messrs Deloitte & Touche LLP 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



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be authorised to fix their remuneration.”

**SPECIAL BUSINESS**

**ORDINARY RESOLUTION 6 - AUTHORITY TO ISSUE SHARES**

“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
- (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



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- (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.”

There being no further business, the Meeting ended at 3:20 p.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 28 April 2018. Please click on the link below for details of the results of the poll.

[http://infopub.sgx.com/Apps?A=COW\\_CorpAnnouncement\\_Content&B=AnnouncementToday&F=ELJREWD1TE45BYIV&H=9dcc31da43e2a10cefd30487e01b9efad6a036fa7ce4365910832a003cb9789e](http://infopub.sgx.com/Apps?A=COW_CorpAnnouncement_Content&B=AnnouncementToday&F=ELJREWD1TE45BYIV&H=9dcc31da43e2a10cefd30487e01b9efad6a036fa7ce4365910832a003cb9789e)



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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 and CEO - Mr Lee Chou Hock.**

**Shareholder suggested the Company to label all the photos printed on the Annual Report to enhance the reader experience.**

CEO: The photos with label on some properties are part of the design and outlay of the Annual Report. To label all photos would clutter up and lessen the impact. Shareholders are encouraged to visit our Group's website at [www.hotelroyal.com.sg](http://www.hotelroyal.com.sg) to find out more about our hotels and the photos if they wish to know more about our hotel properties.

**How the Company determine the value of the property, plant and equipment in the Statements of Financial Position and how often does the Company revalue its property?**

CEO: The Group does a full valuation, at the minimum, once every three years for all its properties, and a desktop valuation in between the full valuations for all its properties.

For property, plant and equipment, any revaluation increase arising on the revaluation of freehold land is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss. In such case, the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of freehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation surplus relating to a previous revaluation increase on that asset.

Revaluation surplus on building is not recognised but impairment loss to building is charged to profit or loss.

**Will the Company declare more dividends to its shareholders in terms of cash dividend or stock dividend in view of its higher retained earnings in 2017?**

Chairman: The Company has been practising a prudent approach in dividend payment and a stable dividend pay-out had been achieved over the years. The Directors will take into consideration the Group's cash position and projected capital requirements for its business operation, properties' upgrading in New Zealand, Penang and Melaka as well as to maintain and sustain long-term growth in recommending any dividend payment.

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

Chairman: Hotel Royal Newton's permitted plot ratio has been fully utilised. Hence, the Company cannot build over the car park space.



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**Does the retained earnings of S\$102 million for the financial year ended 31 December 2017 as reported on page 88 of the Annual Report 2017 consists of pure profit?**

CEO: Kindy refer to page 88 of the Annual Report FY2017. Total equity consists of share capital, asset revaluation surplus, employee benefit reserve, fair value reserve, translation reserve and retained earnings

Retained earnings does not include the quite substantial asset revaluation surplus.

**Why does Baba House in Melaka take years to redevelop?**

Chairman: Baba House was not well maintained and had poor room occupancy, and this provided us with the opportunity to acquire this conservation heritage property in early 2015.

We did some minor refurbishment and found that the property was still under-utilised and needed major upgrading to reach its full potential. We obtained planning approvals from the relevant Melaka's authorities in late 2017, and ceased hotel operations about six months ago to commence the upgrading the Baba House.

The second phase is to redevelop the Baba Mansion, which we acquired together with an adjoining piece of government land, and to integrate them into Baba House.

**Will the Company consider to rebuild or dispose its hotels?**

Chairman: Considering the current occupancy rate of the hotels and for asset preservation, the Company has no intention to dispose any assets currently. The Board will consider to redevelop its properties at an appropriate time.