



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

Minutes of the 54th Annual General Meeting of Hotel Royal Limited (“Company”) held at the Hotel Royal @ Newton, Level 3, Royal Room 1, 36 Newton Road, Singapore 307964 on Friday, 28 April 2023 at 2.30 p.m.

Present

Board of Directors

Mr Yang Wen-Wei – Independent Non-Executive Chairman
Dr Tan Kim Song – Independent Non-Executive Director
Mr Lee Kin Hong – Non-Executive Director
Dr Lee Chu Muk – Non-Executive Director
Mr Lee Chou Hor George – Non-Executive Director

Shareholders

As per attendance record maintained by the Company

Absent with apologies

Mr Lee Khin Tien – Non-Executive Director

In attendance

As per attendance record maintained by the Company

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in these minutes.

Chairman of the Board of Directors, Mr Yang Wen-Wei, 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.

The Chairman took the opportunity to introduce the Directors, Chief Executive Officer, Senior Management, the representatives from the Company’s Auditors and the Company Secretary present at the Meeting.

Chairman informed that voting on all resolutions to be passed at the AGM would be conducted by poll pursuant to the Article 81 of the Company’s Constitution and Rule 730A of the Listing Manual of the SGX-ST. He then demanded for a poll pursuant to the authority avail to him in accordance with the provisions of the Company’s Constitution. The polls would be carried out electronically.

Chairman further informed the meeting 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.



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Trusted Services Pte Ltd and Finova BPO Pte Ltd were appointed as Polling Agent and Scrutineer respectively for the Meeting. A short video (PowerPoint presentation) explaining the electronic poll voting process was played at the Meeting.

The meeting noted that the Company had allowed shareholders to submit their questions in relation to the agenda of the AGM via email or post in advance. There was no question received by the Company as of the cut-off date on 23 April 2023.

Shareholders were also invited to ask questions at the Meeting. Questions raised would be answered in line with the resolutions concerned.

Chairman proceeded with the business of the AGM. The following were the resolutions passed at the AGM.

ORDINARY BUSINESS

ORDINARY RESOLUTION 1 – RECEIVE AND ADOPT THE DIRECTORS’ STATEMENT, AUDITED FINANCIAL STATEMENTS AND AUDITORS’ REPORT

Chairman informed the shareholders that the first item of the agenda was to receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditor’s Report thereon.

As the motion had been duly proposed and seconded, Chairman proceeded to address the questions which were raised by shareholders in relation to the resolution.

A shareholder enquired about the Company’s plan for its hotels in Melaka, Kuala Lumpur and Penang. In response to this question, the Chairman shared that the new hotel in Melaka, Baba House had soft launched in September 2022 and had its grand opening in January 2023. Baba House is a picturesque boutique hotel with 100 guest-rooms. Mr Lee Zongye, the Group Director of Project Development, then updated the shareholder on Royale Chulan Bukit Bintang Hotel which would be rebranded as Hotel Royal Signature (“**HR Signature**”), a new premium brand of the Group. HR Signature would be a 5-star hotel of the Group and differentiate itself from Hotel Royal Kuala Lumpur. HR Signature is currently under renovation and the Company anticipates its first phase of opening in the second half of 2023 with around 217 rooms. Mr Lee Chu Bing, the Group Director of Operations, added that Hotel Royal Penang’s past few years had been difficult and the Company took the opportunity during the Covid-19 pandemic to restructure this hotel, with a view to minimize business losses. The Group is looking into various options to re-position the hotel and would consider disposal of the hotel if deemed appropriate. The Company would timely release announcement via SGXNet if there are any material development.

Another shareholder noted that the net assets value of the Group has declined, he would like to know when the Group expects an upward trend for net asset value. Ms Teow Seok Boey, the Chief Financial Officer, explained that the revalued net assets value per share of the Group had increased from \$6.64 per share FY2018 to \$6.83 per share in FY2019. The decrease in Group’s revalued net assets value per share from FY2020 to FY2022 was mainly due to Covid-19 pandemic. Barring any unforeseen circumstances, the Company expects the Group’s revalued net assets value per share to improve in FY 2023.



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A shareholder would like to know the reason why Hotel Royal in Newton, Singapore has not been upgraded or redeveloped over the years. Mr Lee Chou Hock, the Chief Executive Officer (“CEO”), explained that this hotel is one of Group’s cash cow and its revenue would come to a halt if it undergoes major renovation or redevelopment. The Company would plan to renovate the hotel when other hotels of the Group are stabilised and generated adequate cashflow for the Group. The Company is always mindful of better utilisation of this piece of property.

Another shareholder opined that the value of the Group’s property in New Zealand, which is located at prime location, would fetch a high value if it was to be sold in the current market. Mr Lee Zongye informed that the New Zealand market, especially in Wellington, is a challenging one, because of the stringent earthquake strengthening requirements imposed by the government. The largest office tower within the complex had received an unsatisfactory earthquake rating, which would require remediation before leasing could take place. This represents a sizable lettable area that is not generating cash flow, affecting the performance and valuation of the property. If the complex were to be sold, it would likely not be from a position of strength. The initial strengthening design has been cost out and the solution turned out to be cost prohibitive. Management has since commissioned two other independent engineering firms to carry out their design exercise with the goal of producing a more cost-effective solution.

The shareholder further asked whether the Group would continue to hold the New Zealand property despite the requirement on remediation work. Mr Lee Zongye informed that all options are on the table, and any serious proposals would be studied diligently.

A shareholder asked about the CAPEX of Baba House Melaka, Mr Lee Zongye informed that the renovation cost of Baba House totalled approximately MYR 25 million, Baba House Melaka was launched in September 2022 and since then, the hotel has been faring well. The room rates have been steadily increasing, while the occupancy rates consistently out-performs the market averages by around 30% to 40%. Baba House has generally been well received. Its travelers’ ranking on TripAdvisor has improved steadily from 226 to 3 out of 265 hotels. The hotel management has also been able to cultivate a customer base that provides repeated business. This has allowed for management to explore new programs and initiatives to take advantage of the opportunity.

A shareholder would like to know whether Hotel Royal Penang is badly located, and is it viable to monetise this hotel. Mr Lee Chu Bing informed the meeting that the hotel is reasonably located. The occupancy rate was challenging. The Company is studying the market trend to determine the direction for Hotel Royal Penang. The CEO added that the property’s marketability would be enhanced if the Company is able to sub-divide Hotel Royal Penang and Penang Plaza into two separate lots. The subsidiary is in the process of applying for such sub-division but the process is very time consuming.

As there were no further questions for Resolution 1, Resolution 1 was put to the vote by poll. Shareholders and the appointed proxies were given 20 seconds to finalise and cast their votes. At the end of the voting period, Chairman declared the voting closed.

The results of the poll were as follows:

		<u>No. of Shares</u>	<u>In Percentage</u>
No. of votes “FOR”	:	87,080,388	100%
No. of votes “AGAINST”	:	0	0
Total no. of votes cast	:	87,080,388	100%



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Based on the results of the poll, the Chairman declared that Ordinary Resolution 1 carried and it was resolved:

“THAT the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors’ Report thereon be received and adopted.”

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

The Chairman informed that the Board has recommended a first and final dividend of 2.5 Singapore cents per ordinary share one-tier tax exempt for the year ended 31 December 2022.

As the motion had been duly proposed and seconded, Chairman proceeded to address the questions which were raised by shareholders in relation to the resolution.

As there were no question for Resolution 2, Resolution 2 was put to the vote by poll. Shareholders and the appointed proxies were given 20 seconds to finalise and cast their votes. At the end of the voting period, Chairman declared the voting closed.

The results of the poll were as follows:

		<u>No. of Shares</u>	<u>In Percentage</u>
No. of votes “FOR”	:	87,097,788	100%
No. of votes “AGAINST”	:	0	0
Total no. of votes cast	:	87,097,788	100%

Based on the results of the poll, the Chairman declared that Ordinary Resolution 2 carried and it was resolved:

“THAT the payment of a first and final dividend of 2.5 Singapore cents per ordinary share one-tier tax exempt for the year ended 31 December 2022 be approved.”

ORDINARY RESOLUTION 3 – APPROVAL OF DIRECTORS’ FEES

The Chairman sought shareholders’ approval to pay the amount of S\$211,000 as Directors’ fees for the year ended 31 December 2022.

As the motion had been duly proposed and seconded, Chairman proceeded to open the floor to questions in relation to the resolution.

In reply to a shareholder’s question on the reason for increasing the Directors’ fees for the financial year ended 31 December 2022, the Chairman informed that all the Directors have volunteered to take a reduction of 20% in their directors’ fees for the financial years ended 31 December 2020 and 31 December 2021 in a show of solidarity with our stakeholders during the Covid-19 pandemic. The Company proposed to restore the Directors’ fees for the financial year ended 31 December 2022 as its business has improved.



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As there were no further questions for Resolution 3, Resolution 3 was put to the vote by poll. Shareholders and the appointed proxies were given 20 seconds to finalise and cast their votes. At the end of the voting period, Chairman declared the voting closed.

The results of the poll were as follows:

		<u>No. of Shares</u>	<u>In Percentage</u>
No. of votes "FOR"	:	87,099,788	100%
No. of votes "AGAINST"	:	0	0
Total no. of votes cast	:	87,099,788	100%

Based on the results of the poll, the Chairman declared that Ordinary Resolution 3 carried and it was resolved:

"THAT the payment of Directors' Fees of S\$211,000 for the financial year ended 31 December 2022 be and is hereby approved."

ORDINARY RESOLUTION 4 - RE-ELECTION OF DR TAN KIM SONG AS DIRECTOR

The Chairman proceeded to Resolution 4 on the re-election of Dr Tan Kim Song as a Director of the Company. Dr Tan Kim Song, being eligible, had consented to stand for re-election. He would, upon re-election as a Director of the Company, remain as Chairman of Audit and Risk Committee and a member of the Nominating Committee and Remuneration Committee. Dr Tan Kim Song would be considered independent pursuant to Rule 704(8) of the Listing manual of the SGX-ST.

As the motion had been duly proposed and seconded, Chairman proceeded to address the question which was raised by a shareholder in relation to the resolution.

In reply to a shareholder's question, Dr Tan Kim Song informed that he is a professor in Economics and has been holding office as director of the Company for 8 years. He is currently the Chairman of Audit and Risk Committee and a member of Nominating Committee and Remuneration Committee.

As an Independent Director, he has assisted to provide independent insights and advices on various board matters including those regarding corporate governance, from the perspective of the common interests of all shareholders. He is mindful of his role as an independent director and has always acted accordingly.

The shareholder then asked Dr Tan for his views about management's receptivity to directors' advices. Dr Tan informed the meeting that all directors engaged in robust debate in board meetings, with the view of assisting management in navigating challenges in the business and in developing a long-term business strategy. The directors have extensive experiences in their own fields and are able to offer different perspectives and valuable insights to management. While different directors might have different views on various matters, the Board has always been able to reach a conclusion on the matters discussed, and advise the management accordingly.



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As there were no further questions for Resolution 4, Resolution 4 was put to the vote by poll. Shareholders and the appointed proxies were given 20 seconds to finalise and cast their votes. At the end of the voting period, Chairman declared the voting closed.

The results of the poll were as follows:

		<u>No. of Shares</u>	<u>In Percentage</u>
No. of votes "FOR"	:	86,955,388	100%
No. of votes "AGAINST"	:	0	0
Total no. of votes cast	:	86,955,388	100%

Based on the results of the poll, the Chairman declared that Ordinary Resolution 4 carried and it was resolved:

"THAT Dr Tan Kim Song, 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."

ORDINARY RESOLUTION 5 - RE-ELECTION OF DR LEE CHU MUK AS DIRECTOR

The Meeting noted that Dr Lee Chu Muk was due to retire pursuant to Article 117 of the Company's Constitution and he had signified his consent to continue in office. Dr Lee Chu Muk, upon re-election as a Director of the Company, would remain as a Non-Executive and Non-Independent Director of the Company.

As the motion had been duly proposed and seconded, Chairman proceeded to address the questions which were raised by shareholders in relation to the resolution.

As there were no question for Resolution 5, Resolution 5 was put to the vote by poll. Shareholders and the appointed proxies were given 20 seconds to finalise and cast their votes. At the end of the voting period, Chairman declared the voting closed.

The results of the poll were as follows:

		<u>No. of Shares</u>	<u>In Percentage</u>
No. of votes "FOR"	:	87,097,788	100%
No. of votes "AGAINST"	:	0	0
Total no. of votes cast	:	87,097,788	100%

Based on the results of the poll, the Chairman declared that Ordinary Resolution 5 carried and it was resolved:

"THAT Dr Lee Chu Muk, 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."



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The Chairman informed that Resolution 6 was to approve the re-appointment of the retiring Auditors, Deloitte & Touche LLP who had expressed their willingness to continue in office, and to authorise the Directors of the Company to fix their remuneration.

As the motion had been duly proposed and seconded, Chairman proceeded to address the questions which were raised by shareholders in relation to the resolution.

As there were no question for Resolution 6, Resolution 6 was put to the vote by poll. Shareholders and the appointed proxies were given 20 seconds to finalise and cast their votes. At the end of the voting period, Chairman declared the voting closed.

The results of the poll were as follows:

	<u>No. of Shares</u>	<u>In Percentage</u>
No. of votes "FOR" :	87,097,788	100%
No. of votes "AGAINST" :	0	0
Total no. of votes cast :	87,097,788	100%

Based on the results of the poll, the Chairman declared that Ordinary Resolution 6 carried and it was resolved:

"THAT Messrs Deloitte & Touche LLP, who have expressed their willingness to continue in office, 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 be authorised to fix their remuneration."

CONCLUSION

There being no further business arising and as no notice had been received by the Company to this effect, the Meeting ended at 3:35 p.m. Chairman thanked those present for their attendance at the Meeting.

Confirmed as a correct record of
the proceedings of the Meeting,

(SIGNED)

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YANG WEN-WEI
Chairman



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Notes:

1. The summary of questions raised by shareholders and the replies provided by the Non-Executive Group Chairman – Mr Yang Wen-Wei, CEO - Mr Lee Chou Hock and his senior managers at the AGM are recorded in these minutes. Where questions overlap or were closely related, they have been merged and rephrased for clarity.
2. 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 2023. Please click on the link below for details of the results of the poll.
[REPL::Annual General Meeting::Voluntary \(sgx.com\)](#)