

**HIAP HOE LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199400676Z)  
(the “**Company**”)

**MINUTES OF ANNUAL GENERAL MEETING**

- PLACE** : Ramada Singapore At Zhongshan Park, 16 Ah Hood Road,  
Zhongshan Room Level 2, Singapore 329983
- DATE** : 30 April 2019
- TIME** : 10.30 a.m.
- PRESENT** : Directors Present  
Mr Ronald Lim Cheng Aun  
Mr Teo Ho Beng  
Mr Roland Teo Ho Kang  
Mr Teo Keng Joo, Marc  
Mr Chan Boon Hui  
Mr Koh Kok Heng, Leslie
- Shareholders  
As set out in the attendance record maintained by the  
Company.
- By Invitation  
Ms Irene Cheah - Financial Controller  
Mr Kon Yin Tong - Foo Kon Tan LLP (Audit Partner)  
Ms Cheong Soh Mei - Foo Kon Tan LLP  
Ms Tan Sin Sin – Fon Kon Tan LLP
- In Attendance  
Ms Ong Beng Hong - Company Secretary
- NOTICE OF MEETING** : The notice convening this annual general meeting (the  
“**Annual General Meeting**”) was taken as read.
- CHAIRMAN** : Mr Ronald Lim Cheng Aun
- QUORUM** : As a quorum was present, the Chairman welcomed all  
present and declared the Annual General Meeting open.

The following resolutions were passed by way of poll, the detailed results of which are set out after each resolution:

**ORDINARY BUSINESS:**

**1. ADOPTION OF DIRECTORS’ STATEMENT AND THE AUDITED FINANCIAL STATEMENTS**

Resolution 1 on the agenda was to receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Auditors’ Report.

In view that the Directors’ Statement, the Audited Financial Statements for the financial year ended 31 December 2018, the Message to Shareholders and the Auditors’ Report were in the shareholders’ hands for the prescribed period, the Chairman proposed, with the shareholders’ permission, that the documents be taken as read.

In relation to this resolution, shareholders raised a few questions and the details of these questions and the answers in response thereto are recorded in Annex A as attached hereto.

As there were no further questions raised by the shareholders, Shareholder A seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	368,959,582	99.63
Against the Resolution	1,371,450	0.37

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Statement of the Directors and the Auditors’ Report be and are hereby approved and adopted.”

## **2. DECLARATION OF FINAL DIVIDEND**

Resolution 2 on the agenda was to declare a final dividend of 1.00 Singapore cent per ordinary share (tax exempt one-tier) in respect of the financial year ended 31 December 2018.

Shareholder B made a comment to this resolution, the details of which are recorded in Annex A attached hereto. As there were no further questions raised by the shareholders, Shareholder C seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	369,924,106	99.84
Against the Resolution	610,500	0.16

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that the final dividend of 1.00 Singapore cent per ordinary share (tax exempt one-tier) in respect of the financial year ended 31 December 2018 be and is hereby approved.”

## **3. RE-ELECTION OF MR TEO HO BENG**

Resolution 3 on the agenda is to re-elect Mr Teo Ho Beng as a Director of the Company. Under Article 106 of the Company’s Constitution, Mr Teo Ho Beng, a Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Mr Teo Ho Beng, upon re-election as a Director of the Company, remains as the Company’s Chief Executive Officer.

As there were no questions raised by the shareholders, Shareholder D seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	369,180,907	99.67
Against the Resolution	1,231,350	0.33

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that Mr Teo Ho Beng, who retires pursuant to Article 106 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

#### **4. RE-ELECTION OF MR ROLAND TEO HO KANG**

Resolution 4 on the agenda is to re-elect Mr Roland Teo Ho Kang as a Director of the Company. Under Article 106 of the Company’s Constitution, Mr Roland Teo Ho Kang, a Director of the Company, retires by rotation and being eligible, offers himself for re-election.

Mr Roland Teo Ho Kang, upon re-election as a Director of the Company, remains as the Company’s Managing Director.

As there were no questions raised by the shareholders, Shareholder E seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	368,377,132	99.53
Against the Resolution	1,755,225	0.47

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that Mr Roland Teo Ho Kang, who retires pursuant to Article 106 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

#### **5. RE-ELECTION OF MR CHAN BOON HUI**

Resolution 5 on the agenda is to re-elect Mr Chan Boon Hui as a Director of the Company. Under Article 106 of the Company’s Constitution, Mr Chan Boon Hui, a Director of the Company, retires and being eligible, offers himself for re-election.

Mr Chan Boon Hui, upon re-election as a Director of the Company, remains as the Company’s Lead Independent Director, Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee.

Shareholder F made a query regarding this resolution, the details of which are recorded in Annex A attached hereto. As there were no further questions raised by the shareholders, Shareholder B seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	357,468,557	96.57
Against the Resolution	12,709,225	3.43

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that Mr Chan Boon Hui, who retires pursuant to Article 106 of the Company’s Constitution, be and is hereby re-elected as a Director of the Company.”

## **6. APPROVAL OF DIRECTORS’ FEES**

Resolution 6 on the agenda was to approve the payment of Directors’ fees for the financial year ended 31 December 2018. It was noted that the Directors have recommended a sum of S\$160,000 as Directors’ fees for the financial year ended 31 December 2018.

As there were no questions raised by the shareholders, Shareholder D seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	368,370,482	99.52
Against the Resolution	1,761,925	0.48

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that the payment of Directors’ fees of S\$160,000 for the financial year ended 31 December 2018 be and is hereby approved.”

## **7. RE-APPOINTMENT OF AUDITORS**

Resolution 7 on the agenda was to re-appoint Messrs Foo Kon Tan LLP as the Company’s Auditors (the “**Auditors**”) and to authorise the Directors to fix the Auditors’ remuneration. It was noted that Messrs Foo Kon Tan LLP had expressed their willingness to continue in office.

As there were no questions raised by the shareholders, Shareholder B seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	369,077,931	99.67
Against the Resolution	1,203,600	0.33

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that Messrs Foo Kon Tan LLP be re-appointed as Auditors of the Company to hold

office until the next Annual General Meeting at a fee to be determined by the Directors.”

## **SPECIAL BUSINESS:**

### **8. AUTHORITY TO ISSUE SHARES**

Resolution 8 on the agenda was to grant authority to the Directors to allot and issue new shares and convertible securities in the Company, the details of which were set out in the text of the Ordinary Resolution in item 7 of the Notice of Annual General Meeting.

As there were no questions raised by the shareholders, Shareholder C seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	366,991,431	99.11
Against the Resolution	3,285,600	0.89

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in 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 (as well as adjustments to) options, 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 of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding that 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 of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such 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) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

- (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; 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 Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority 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 earlier.”

**9. AUTHORITY TO ISSUE SHARES UNDER THE HIAP HOE PERFORMANCE SHARE PLAN**

Resolution 9 on the agenda was to authorise the Directors to issue shares under the Hiap Hoe Performance Share Plan, the details of which were set out in the text of the Ordinary Resolution in item 8 of the Notice of Annual General Meeting.

As there were no questions raised by the shareholders, Shareholder E seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	366,395,563	99.00
Against the Resolution	3,698,800	1.00

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Hiap Hoe Performance Share Plan (the “**Plan**”) and to allot and issue from time to time such number of fully paid-up shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the vesting of the awards provided that the aggregate number of shares available under the Plan and any other share-based schemes which the Company may implement from time to time, and the Plan, shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a 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.”

**10. ADOPTION OF NEW CONSTITUTION**

Resolution 10 on the agenda relates to the proposed adoption of the Company's new Constitution, the details of which are set out in the Letter to Shareholders dated 8 April 2019 and text of the Special Resolution in item 9 of the Notice of Annual General Meeting.

As there were no questions raised by the shareholders, Shareholder A seconded the motion proposed by the Chairman.

The voting result of the poll was as follows:

	<b>Total Votes</b>	<b>Percentage of Total Votes (%)</b>
For the Resolution	368,607,413	99.99
Against the Resolution	54,500	0.01

Based on the above result, the Chairman declared the motion carried and the following resolution was passed:

“Resolved that the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.”

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed and thanked everyone for their attendance.

**Mr Ronald Lim Cheng Aun**  
**Chairman of the Annual General Meeting**

## Annex A

### **Questions Raised by Shareholders at The Company's Annual General Meeting Held on 30 April 2019 in Relation to The Resolutions and The Responses Made in Relation Thereto**

(Capitalised terms used in this Annex A have the same meaning as their respective definitions in the minutes of the Annual General Meeting held on 30 April 2019 and the Company's 2018 Annual Report.)

NO.	QUESTIONS	RESPONSES
<b><u>Resolution 1 – Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2018 ("FY2018") together with the Auditors' Report</u></b>		
1.	<p>i. Shareholder G referred to the Consolidated Income Statement, specifically page 41 of the Annual Report ("AR") note 8 on Fair Value changes in Financial Instruments of about S\$23.5 million and page 48, proceeds from disposal of held-for-trading investments of about \$69.9 million and purchase of the same at about \$257.0 million. Shareholder G questioned the rationale for the increase in investments as well as what the main investments are for the Company.</p> <p>ii. Shareholder G also referred to page 43 of the AR on the classification of other investment, as current asset when they are intended to be held for long term.</p> <p>iii. Shareholder G added on his queries by referring to page 97 of the AR, whether the unquoted investment in A2I Holdings were direct shares or preferential shares.</p> <p>iv. Shareholder G's last query was on how the Company managed its Forex as many other currencies have in the course of FY2018 weakened against Singapore Dollars.</p>	<p>i. Mr Teo Ho Beng ("<b>Mr Teo</b>") commented that a majority of the Company's portfolio are for long term and that the portfolio is a mixture of equity and non-equity investments like private equity, bonds and investment funds. Financial Instruments are all measured at fair value through profit or loss.</p> <p>ii. Ms Irene Cheah ("<b>Ms Irene Cheah</b>") explained that there are combination of long term and trading investments and they are classified as current assets based on the Company's business model. Mr Chan Boon Hui ("<b>Mr Chan</b>") clarified that, despite maintaining a long-term perspective on the portfolio, the assets are largely tradable and classified as current assets with flexibility to trade. Hence, they are marked to market. If the assets were to be classified as long-term investment, they will be subject to expected credit losses evaluation under the accounting standards.</p> <p>iii. Mr Chan clarified that the investment in A2I Holdings relates to the Company's investment in AccorInvest Group. It is essentially an investment vehicle that owns or leases hotels operated by the Accor Group.</p> <p>iv. Mr Teo clarified that most of the currencies have natural hedging. The Company will endeavour to borrow in the currency of the transaction or asset. Mr Chan added that whilst the accounts reflect the forex impact as a loss or gain, there's a corresponding inverse impact on the value of the loan underlying the foreign investment where the investment is hedged by borrowings in the currency of the investment.</p>

NO.	QUESTIONS	RESPONSES
2.	Shareholder B queried on whether the fluctuation in the Company's performance is due to the Company focusing on trading investments rather than on its core business as a developer.	2. Mr Teo explained that the property market in Singapore has been tough as the margin is very low, thus the Company whilst waiting for opportunities in property development has made investments in property related funds and bonds. Mr Teo assured that the Company is still focussed on real estate and hospitality and is waiting for the right opportunities.
3.	Shareholder H commented that the Company seems to be moving towards the direction of being a capital company and whether are there any measures or controls in place	3. Mr Teo explained that the Company does have an Investment committee to do market studies and research before investing. The Company also relies on recommendation from private banks and there are mandates with banks which invest on the Company's behalf. The Company also relies on research from private banks.
4.	Shareholder I queried on the qualifications of the investment committee and urged the Company to tap on Mr Chan's expertise.	4. Mr Teo clarified that Mr Marc Teo, Ms Mabel Teo and himself are in the Investment committee. Mr Marc Teo is an accountant by training and Ms Mabel Teo had been working in a private bank for 8 years managing investment portfolios and rendering investment advisory services across a broad range of asset classes before joining the Company. The Company is already tapping on Mr. Chan's expertise in his capacity as ARC Chairman and Board member.
5.	Shareholder F queried on the total number of subsidiaries in the Group (" <b>Subsidiaries</b> ") and whether the Company is able to give a copy of the financial statements of the Subsidiaries. Shareholder F also noted that the asset backing was very low and that for the benefit of the shareholders, the Company should include the actual value of the assets in the AR.	5. The Company Secretary informed Shareholder F that the list of subsidiaries are in the AR and he may obtain a copy of the financial statements of the Subsidiaries from the Accounting & Corporate Regulatory Authority. Mr Teo clarified that the Company and the Subsidiaries do valuation every year on the assets and the value is disclosed in the AR accordance to the accounting disclosure requirements.
6.	Shareholder G referred to page 126 of the AR and further queried how much was the leverage on financial investment	6. Mr Teo estimated that the leverage is approximately 50%. Mr Teo also clarified that there has never been a margin call in the past.
7.	Shareholder A commented that moving forward, he hopes the Company can consider moving back into the core business of hospitality and out of investment and asked what is the gearing of the Company? He praised the Company for not undertaking en-bloc unlike other companies.	7. Mr Teo estimated that the gearing ratio is about 0.5-0.6 thereabout. The Board will take note of the comments raised by Shareholder A.

NO.	QUESTIONS	RESPONSES
8.	Shareholder B queried about whether the audit and risk committee should have a proper framework in place to review the investments made by the investment committee and whether it should have allowed the investment committee to undertake such investments in FY2018?	8. Mr Ronald Lim clarified that the Audit and Risk Committee does review and discuss on the Investment committee strategy and performance at the Audit and Risk Committee meetings. Mr Chan further clarified that the investment portfolio is intended to realise returns for the Group while sourcing for the right opportunities in the hospitality and property markets and that the Group has had professionals dedicated to this function. The Audit and Risk Committee has identified the market volatility associated with such investment as a risk in the Group's risk register and noted that a significant component of the portfolio is in the property and hospitality related sectors.
9.	Shareholder G referred to the segmental asset segment and queried where the Company borrows from to undertake its investment and whether it is inter-company borrowings? Shareholder G also queried on the utility of segmental reporting.	9. Mr Teo clarified that the borrowings are from the banks and inter-company loans. Mr Chan clarified that segmental reporting is still useful in the review of operational performance but that in terms of leverage ratio by segment, the utility may be limited due to the inter-company loans.
<b><u>Resolution 2 – Declaration of Final Dividend of 1.00 Singapore cent per ordinary share (tax exempt one-tier) for FY2018</u></b>		
1.	Shareholder B noted that for prior year, the total dividend pay-out was 1.5 cents, including interim dividends. He noted the Company is still in a comfortable position despite the marked to market losses and if there could be an increase in the dividend pay-out for FY2018.	1. Mr Ronald Lim noted Shareholder B's feedback and mentioned that it will be one of the many considerations that the Board would take into account in its deliberations in the future.
<b><u>Resolution 5 – Re-election of Mr Chan Boon Hui who is retiring pursuant to Regulation 106 of the Company's Constitution</u></b>		
1.	Shareholder F noted that Mr Chan has been independent director since 2003 for more than 16 years and whether Mr Chan is subject to the new rules on directors serving beyond 9 years.	1. Mr Ronald Lim clarified that the new regulations will apply with effect from 2022 whereby directors serving beyond 9 years will be subject to two tier voting. Mr Ronald Lim also mentioned that any Independent Directors who has served for more than 9 years, is subject to a rigorous review. Mr Ronald Lim further mentioned that Mr Chan has constantly exercised his independent judgement at meetings and has always appropriately and objectively challenged management. He is also well-qualified and carries with him skill sets and experience which complements the diversity of the Board. In this regard, the Nominating Committee and the Board have reviewed and considered him to be effective and independent and recommended his re-election.