

**TUAN SING HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
Registration No. 196900130M

MINUTES of 46<sup>th</sup> Annual General Meeting (“AGM”) of the Company held at Vine Ballroom, Metropolitan YMCA, 60 Stevens Road, Singapore 257854 on Friday 29 April 2016 at 10.00 a.m. with Mr Ong Beng Kheong presiding as Chairman of the AGM. Also present were Members, Representatives/Proxies of Members, invited Guests/Observers as recorded in the Register of Attendance, Directors and the Company Secretary.

**1. QUORUM**

- 1.1 The Company Secretary confirmed that a quorum was present and the Chairman called the 46<sup>th</sup> AGM to order slightly after 10.00 a.m upon the arrival of Mr William Liem (the “CEO”).

**2. WELCOME**

- 2.1 The Chairman welcomed Members to the 46<sup>th</sup> AGM of the Company and thanked Members for their presence.

**3. NOTICE OF AGM**

- 3.1 As the Notice of the 46<sup>th</sup> AGM had been in the hands of Members for the requisite period, the Chairman proposed that the said Notice be taken as read and Members present at the Meeting had no objection.

**4. POLL VOTING PROCEDURE**

- 4.1 The Chairman informed the Meeting that in line with current best practices and to accord due respect to the full voting rights of Members, all motions tabled at the AGM would be voted by way of a poll pursuant to Article 64 of the Company’s constitution and the poll voting would be conducted via electronic means using the Trust Poll Lite service provided by Trusted Source Pte Ltd.
- 4.2 The Chairman invited Members to watch the video instructions on how to use the electronic voting system and also invited a representative from Insight Law LLC which was the scrutineers for the AGM to explain the voting procedure in detail.
- 4.3 To allow Members to familiarise with the electronic voting system, a representative from Insight Law LLC conducted a test resolution at the Meeting. The Chairman encouraged Members to raise any questions that they might have on the voting procedure.
- 4.4 The Chairman reminded Members who did not receive a voting keypad to obtain one from the registration counter outside the meeting room.

## **5. PRESENTATION OF FY2015 PERFORMANCE**

- 5.1 The Chairman invited the Company's Chief Financial Officer, Mr Chong Chou Yuen (the "CFO") to present an overview of the Group's performance in the financial year 2015. The CFO took the Meeting through the sections on the financial highlights, and in turn invited Mr Nick Ng, Senior Vice President, Business Development to take the Meeting through the sections on the future plans and investment strategies of the Company. A copy of the presentation slides is annexed to these minutes for identification purpose.

## **ORDINARY BUSINESS**

### **6. RESOLUTION 1 AUDITED FINANCIAL STATEMENTS AND STATEMENT OF THE DIRECTORS AND REPORT OF AUDITORS**

- 6.1 The resolution to receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015 ("FY2015"), together with the Directors' Statement and Report of the Auditors thereon was proposed by Mr Leong Kok Yeow and seconded by Mr Tan Jet Shyang.
- 6.2 The Chairman invited questions from Members on the Company's FY2015 Financial Statements and Reports.
- 6.3 Mr Toh Peng Ting ("Mr Toh") took the lead in raising queries from the floor by commenting that the proposed dividend of 0.6 cent per share was low compared to the profits after tax of \$69 million, net asset value (NAV) of 74.4 cents per share, and the share price of the Company was also less than half the NAV.
- 6.4 In response, the Chairman requested Mr Toh to raise queries which were relevant to the subject matter of Ordinary Resolution 1, namely matters related to the audited financial statements for the financial year ended 31 December 2015, and to reserve his queries relating to the proposed dividend under the specific agenda item relating to the proposed dividend.
- 6.5 Mr Huang Yang Nee ("Mr Huang") noted that the completion of construction for Robinson Towers seemed to be taking longer than usual, and asked whether the Company would be adversely affected by such delay. On a separate note, he commented that the Company appeared to be highly leveraged, with debt of about S\$1 billion and available cash balance of about S\$100 million, and asked if the Company was confident of meeting its obligations in respect of such debt.
- 6.6 In reply to the first point, the CEO said that construction had been delayed due to difficulties encountered with the piling works. This was in turn due to the fact that the site consisted of 3 separate buildings, all built many years back (more than 30 years) and using different construction methods. The good news, however, was that piling works was finally going to be completed soon,

and the Company would then be able to hand over the site to the main contractor for the rest of the construction to proceed. Mr Chow Kok Kee added that the Company had also been especially cautious in undertaking the construction works, due to the site being near an MRT track.

- 6.7 In terms of whether there may be a demand for the new building when it eventually comes on-stream, the CEO said that 2018 to 2019 may not be a bad timing for it to come on-stream, since this will give some time for the current over-supply situation to resolve itself, and, apart from the current anticipated stock, there are no further major new developments expected to come on-stream until a few years after that.
- 6.8 The CFO clarified that on the financing side, the Company has managed to secure a renewal of the loan until 2018, and the project is currently expected to yield a positive cashflow after taking into account borrowing cost after its completion.
- 6.9 Further elaborating on the Group's debt position, he clarified that (i) a major part of the Group's debt was related to its investment properties which are expected to bring in recurring income which, based on current projections, are expected to yield a positive cashflow after taking into account borrowing cost. Also, the Group is expected to be able to pay down its debt by approximately another S\$200 million after the full completion of its development properties at Sennett Residence and Cluny Park Residence. The Group's borrowing cost was also manageable, considering that the interest rate on the medium term notes (MTN) issued by the Group was 4.5% per annum, and effective interest rate for other bank borrowings was about 2% per annum.
- 6.10 Mr Pee Swee Yeow ("**Mr Pee**") asked whether with the delay in the completion of the Robinson Tower project, the Group would experience any cost overruns. In response, the CEO replied that apart from interest costs, it was mainly the opportunity cost of not being able to complete the project sooner.
- 6.11 The CFO also clarified that the delay caused additional interest cost which could not be fully recovered from the liquidated damages collected from the piling contractor. This was because although the Group was able to dictate full and higher liquidated damages for the delay at the tendering stage, it had to balance the size of such right with the size of the contract and the Company's desire to invite sufficient number of tenderers.
- 6.12 Mr Pee posed a further query as to whether it was possible for the Company to consider spinning off the Group's hotel portfolio under a separate arm, so that financing could be undertaken separately for such business.
- 6.13 The CEO replied that such possibility could be one of the options for the Company to consider. He then proceeded to elaborate on the prospects and proposed plans for the Perth property as earlier presented, and said that the Company was looking to enhance and develop the retail and convention centre facilities for a start, with the hotel and serviced apartment development to

come only later.

- 6.14 Mr Toh asked for details about the CEO and CFO remuneration, to which he was duly pointed to the disclosures made on the same on page 93 of the annual report, as well as the Company's available cash balance (S\$141.7 million as at 31 December 2015), and again expressed his view that the dividend payout was unsatisfactory.
- 6.15 The CFO reiterated the point made during the earlier presentation of the Group's financial highlights, that the Company has to balance between some shareholders' desire for higher dividends and the Company's focus on achieving long-term growth, and there may be a need for shareholders to recognize that given the Company's direction and focus, the Company's shares may be less of a dividend stock and more of a long-term growth stock.
- 6.16 Mr Toh opined that there are shareholders like himself who has held the Company's shares for a long time and whose support for the Company should be recognised through paying them dividends. Mr Huang also commented that the Company's share price could be low due to its high gearing and low dividend payout.
- 6.17 The CEO said that the Company has not gone back to shareholders for additional equity fund-raising for the more than a decade, and as such, the Company has had to conserve its cash reserves to fund its growth.
- 6.18 As there were no further questions on the audited financial statements, the Chairman thanked Members for their comments and invited them to cast their votes on Resolution 1 to receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015, together with the Directors' Statement and Report of the Auditors thereon. The poll voting results for Resolution 1 was as follows:

6.19

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Business</b>				
<b>Resolution 1</b>				
To adopt the Audited Financial Statements and Reports of the Directors and the Auditors	597,280,001	99.99	55,598	0.01

- 6.20 Based on the results of the poll, the Chairman declared Resolution 1 carried.

## 7. RESOLUTION 2 FIRST AND FINAL DIVIDEND

- 7.1 Mr Teo Eng Lee proposed the resolution to approve the declaration of a first and final dividend of 0.6 cent per ordinary share (tax exempt one-tier) for the

financial year ended 31 December 2015. The motion was seconded by Mr Leong Soon Ngew.

- 7.2 Mr Huang commented that the Company's dividend yield should not be compared to the bank deposit rate as shareholders assumed certain risks in investing in the Company's shares, and since it would appear that shareholders would have to wait quite a while before the Company's current projects reach maturity, shareholders should be compensated in the interim with some dividend payout.
- 7.3 Mr Leong Kok Yeow also commented that the Company's dividend payout of 0.6 cent did not compare favourably with its earnings per share of 5.8 cents.
- 7.4 Mr Lee Chin Teck stated that he was a new shareholder, and referring to the earlier comments from the floor regarding the amounts of dividends to be paid by the Company, commented that the pertinent issue may be whether the Company would have a dividend policy (for instance, of paying a certain percentage of profits), especially after the Company is able to establish a stable stream of recurring income, and noted that in the current market, share price performance is usually linked to dividend payout.
- 7.5 The CFO pointed him to the Company's dividend policy as stated on page 100 of the annual report, and the CFO clarified that it was not likely to be feasible for the Company to commit to pay a fixed percentage of its profits as dividends as the Company has to look at its cash requirements from time to time depending on the opportunities available.
- 7.6 The CFO summed up his response to the various comments raised by shareholders regarding the dividend payout by urging shareholders to be patient and to consider the long-term growth prospects of the Company and its shares rather than to see the Company's shares as a dividend stock. He also pointed out that the Company's dividend yield for 2015 was 1.7% which compares favourably to the average of 1.2% for the entities listed by Bloomberg under "The real estate development & holding companies"
- 7.7 The CEO summed up his response to the various comments raised by shareholders regarding the dividend payout by stating that he recognised shareholders' concerns and wish for more dividends, and expressed that it was indeed a difficult decision that the Company had to make between addressing such concerns and keeping the Company on its growth track. He pointed out that the Company's asset base had in fact grown significantly only over the past few years, and the Company could consider increasing its dividends after it has had a bit more time and resource to grow. He added that if there were no need for the Company to conserve its cash reserves, it would in fact not be in the Company's interest to leave such cash reserves idle.
- 7.8 Mr Huang raised a suggestion that since the Company was paying interest rate of 4.5% per annum on the MTN issued by it, it could consider making such issue available to the shareholders for subscription, so shareholders could earn

the interest income. The CFO said in response that there was no immediate plans for further issue(s) of the MTN but will take Mr Huang's suggestion into consideration should the need arise in future.

- 7.9 As there was no further question raised, the Chairman invited Members to cast their votes on Resolution 2 to declare a first and final (tax exempt one-tier) dividend of 0.6 cent per ordinary share for the financial year ended 31 December 2015. The poll voting results for Resolution 2 was as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Business</b>				
<b>Resolution 2</b>				
To declare a first and final dividend	596,402,858	99.83	1,002,799	0.17

- 7.11 Based on the results of the poll, the Chairman declared Resolution 2 carried.

**8. RESOLUTION 3  
APPROVAL OF DIRECTORS' FEES OF S\$466,000 (2014: S\$416,000)**

- 8.1 Ms Lah Ling San proposed the resolution to approve the Directors' fees of S\$466,000 for the financial year ended 31 December 2015. The motion was seconded by Mr Teo Kay Kee.

- 8.2 Mr Toh asked why there was an increase in Directors' fees for the year, and whether it was due to an increase of their salaries and bonuses. In response, the Chairman pointed him to page 93 of the annual report and clarified that non-executive Directors were not paid any salaries or bonuses.

- 8.3 As there was no further question raised, the Chairman invited Members to cast their votes on Resolution 3 to approve the payment of Directors' fees of S\$466,000 for the financial year ended 31 December 2015. The poll voting results for Resolution 3 was as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Business</b>				
<b>Resolution 3</b>				
To approve Directors' fees	596,227,596	99.95	305,962	0.05

- 8.5 Based on the results of the poll, the Chairman declared Resolution 3 carried.

9. **RESOLUTION 4  
RETIREMENT OF DIRECTORS PURSUANT TO ARTICLE 99  
OF THE COMPANY’S ARTICLES OF ASSOCIATION**

Resolution 4(a): Re-election of Mr William Nursalim alias William Liem as a Director

9.1 Ms Lah Ling San proposed the resolution for the re-election of Mr William Nursalim alias William Liem as a Director of the Company, who retired pursuant to Article 99 of the Company’s Articles of Association. The motion was seconded by Mr Tan Hee Yeow.

9.2 The Meeting was informed that upon re-election, Mr William Nursalim alias William Liem will remain as the Chief Executive Officer of the Company.

9.3 As there was no question raised, the CEO invited Members to cast their votes on Resolution 4(a) to re-elect Mr William Nursalim alias William Liem as a Director of the Company. The poll voting results for Resolution 4(a) was as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Business</b>				
<b>Resolution 4(a)</b>				
To re-elect Mr William Nursalim alias William Liem as Director	594,523,462	99.91	555,717	0.09

9.5 Based on the results of the poll, the Chairman declared Resolution 4(a) carried.

Resolution 4(b): Re-election of Mr Chow Kok Kee as a Director

9.6 Mr Toh Peng Ting proposed the resolution for the re-election of Mr Chow Kok Kee as a Director of the Company, who retired pursuant to Article 99 of the Company’s Articles of Association. The motion was seconded by Mr Leong Kok Yeow.

9.7 The Meeting was informed that upon re-election, Mr Chow Kok Kee would remain Chairman of the Remuneration Committee, and as a member of the Audit and Risk Committee and Nominating Committee.

9.8 Mr Toh posed a request to Mr Chow Kok Kee that as Independent Director, he should consider and protect the minority shareholders’ interests with respect to the dividend payout issue. Mr Chow Kok Kee assured Mr Toh that such issue was extensively deliberated upon by the Board of Directors, and Independent Directors including himself had minority shareholders’ interests at heart on the issue.

9.9 As there was no further question raised, the Chairman invited Members to cast their votes on Resolution 4(b) to re-elect Mr Chow Kok Kee as a Director of the Company. The poll voting results for Resolution 4(b) was as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Business</b>				
<b>Resolution 4(b)</b> To re-elect Mr Chow Kok Kee as Director	597,040,783	99.99	76,383	0.01

9.11 Based on the results of the poll, the Chairman declared Resolution 4(b) carried.

## 10. RESOLUTION 5 RE-APPOINTMENT OF DELOITTE & TOUCHE LLP AS AUDITORS

10.1 The Company's Auditors, Deloitte & Touche LLP, had expressed their willingness to accept re-appointment. The Chairman called upon Members to propose and second the re-appointment of Deloitte & Touche LLP as Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting; and that Directors be authorised to fix the Auditors' remuneration.

10.2 The motion was proposed by Ms Lah Ling San and seconded by Mr Lee Poy Kok @ Lee Pui Kok.

10.3 As there was no question raised, the Chairman invited Members to cast their votes on Resolution 5 to re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. The poll voting results for Resolution 5 was as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Ordinary Business</b>				
<b>Resolution 5</b> To re-appoint Auditors and authorise Directors to fix their remuneration	596,821,492	99.99	87,500	0.01

10.5 Based on the results of the poll, the Chairman declared Resolution 5 carried.



## SPECIAL BUSINESS

### 11. RESOLUTION 6 AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE SHARES UP TO 10% OF THE ISSUED SHARES

11.1 Mr Teo Kay Kee proposed the resolution for the authority for directors to allot and issue shares up to 10% of the issued shares. The motion was seconded by Ms Lah Ling San.

11.2 As there was no question raised, the Chairman invited Members to cast their votes on Resolution 6 to authorise the Directors to allot and issue shares up to 10% of the issued shares. The poll voting results for Resolution 6 was as follows:

	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
<b>Special Business</b>				
<b>Resolution 6</b> To authorise for directors to allot and issue shares up to 10% of the issued shares	596,250,974	99.88	705,543	0.12

11.4 Based on the results of the poll, the Chairman declared Resolution 6 carried.

### 12. RESOLUTION 7 TO AUTHORISE THE DIRECTORS TO ALLOT AND ISSUE SHARES PURSUANT TO THE TUAN SING HOLDINGS LIMITED SCRIP DIVIDEND SCHEME

12.1 Ms Lah Ling San proposed the resolution for the authority for Directors to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme. The motion was seconded by Mr Chong Yu Mai.

12.2 Mr Seet Poh Kwee asked for the take-up rate for the scrip dividend scheme last year, to which the CFO replied it was about 17%.

12.3 As there was no further question raised, the Chairman invited Members to cast their votes on Resolution 7 to authorise the Directors to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme. The poll voting results for Resolution 7 was as follows:

12.4		FOR		AGAINST	
		No. of Shares	%	No. of Shares	%
<b>Special Business</b>					
<b>Resolution 7</b>					
To authorise for directors to allot and issue shares pursuant to Tuan Sing Holdings Limited Scrip					
		596,777,670	99.99	80,947	0.01

### 13. CONCLUSION

- 13.1 As no notice had been received for any other business that might properly be transacted at the Meeting, the Chairman informed Members that the formal business of the 46<sup>th</sup> AGM had concluded and he declared the Meeting closed at 12.00 p.m.

Confirmed

Chairman



# TUAN SING HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
Co. Reg No: 196900130M

## ANNUAL GENERAL MEETING

FRIDAY, 29 APRIL 2016 AT 10.00 A.M.






## EXTRAORDINARY GENERAL MEETING

FRIDAY, 29 APRIL 2015 AT 11.00 A.M.

(OR FOLLOWING THE CONCLUSION OF THE 46TH ANNUAL GENERAL MEETING)

Vine Ballroom, Metropolitan YMCA Singapore,  
60 Stevens Road, Singapore 257854

### ATTENDANCE LIST - DIRECTORS / COMPANY SECRETARY

NAME OF DIRECTORS	NUMBER OF SHARES	SIGNATURE
ONG BENG KHEONG	2,200	
WILLIAM NURSALIM ALIAS WILLIAM LIEM	0	Present
CHOO TEOW HUAT ALBERT	0	
CHOW KOK KEE	0	
DAVID LEE KAY TUAN	250,000	
MICHELLE LIEM MEI FUNG	0	
NG SIOW HOW	0	Absent with apologies
NAME OF COMPANY SECRETARY		SIGNATURE
LEE PIH PENG	0	