



QIAN HU CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199806124N)

Minutes of the Eighteenth Annual General Meeting of the Company held at No. 71 Jalan Lekar, Singapore 698950 on Wednesday, 22 March 2017 at 11.00 a.m.

Present

Board of Directors/Company Secretary

1. Mr Kenny Yap Kim Lee
 - (i) Executive Chairman & Managing Director
 - (ii) Shareholder
 - (iii) Proxy for:
 - Qian Hu Holdings Pte Ltd
 - Ms Ang Kim Sua
 - Mr Goh Ngian Boon
 - Mr Keh Boon Kheng
 - Mr Koh Kim Hoe
 - Mr Lim Boo Hua
 - Mr Lim Peng Chuan
 - Mr Lim Yik Kiang
 - Ms Low Eng Hua
 - Mr Ng Kim Chai
 - Mr Ng Wah Hong
 - Mr Tan Boon Kee
 - Mr Tan Boon Kim
 - Mr Teoh Ai Huat
 - Mr Tho Thiam Chye
 - Ms Yap Ai Hua
 - Ms Yap Chew Ring
 - Ms Yap Chew See Susie
 - Mr Yap Hey Cha
 - Mr Yap Hock Huat
 - Mr Yap Kim Choon
 - Mr Yap Kim Chuan
 - Mr Yap Ping Heng
 - Ms Yap Saw Chin
2. Mr Alvin Yap Ah Seng (Director)
Shareholder
3. Mr Andy Yap Ah Siong (Director)
Shareholder
4. Ms Lai Chin Yee (Director/Company Secretary)
Shareholder
5. Mr Chang Weng Leong (Director)
Shareholder
6. Mr Tan Tow Ee (Director)
Shareholder
7. Ms Sharon Yeoh Kar Choo (Director)
8. Dr Ling Kai Huat (Director)

Shareholders

1. Ms Yen Siew Lian
2. Mr Ho Hai Pang
3. Mr Ng Bee Nan
4. Mr Ng Tian Zhu
5. Ms Yap Mei Yen Sally
6. Mr Chien Yuk Chun Dennis
7. Mr Manohar P Sabnani
8. Mr Soo Kwok Weng
9. Mr Ho Khwai Weng
10. Mr Chen Lin Chin
11. Mr Lim Oh Teo
12. Mr Tan See Wah
13. Ms Wong Ai Cheng
14. Mr Chin Thin Koon
15. Mr Seah Chye Ann
16. Mr Tay Geok Kheng
17. Mr Ow Yong Eng Seng
18. Mr Kho Oen Liong
19. Mr Koh Keok Miang
20. Mr Yeo Heng Kit
21. Mr Goh Lai Heng
22. Ms Han Chew Yuen Hazel
23. Mr Yew Soon Tieh
24. Mr Ee Guan Soon
25. Mr Goh Aik Tshin
26. Mr Shiao Chung Chiang
27. Mr Ng Kok Thow

Proxies

28. Mr Goh Ah Leck
Proxy for Chen Lin Chin
29. Mr Chong Kim Leong
Proxy for Mr Ng Kim Yong
30. Mr Lim Jia Ren
Proxy for Mr Ng Ah Leck @ Ng Siew Choo
31. Mr Heng Hua Chiew
Proxy for Mr Ng Ah Leck @ Ng Siew Choo
32. Mr Shiao Chung Chiang
Proxy for Mr Chan Kok Thiew Peter
33. Mr Hoe Jock Hiem
Proxy for The Estate of Yue Fook Kwok Deceased



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In Attendance

1. Ms Kum Chew Foong
KPMG LLP
2. Ms Yeo Lik Khim
KPMG LLP
3. Ms Elsa Lee
KPMG LLP
4. Ms Angeline Chiang
TMF Singapore H Pte. Ltd.
5. Mr Lee Yong Keat
TMF Singapore H Pte. Ltd.
6. Ms Ashlee Lim
TMF Singapore H Pte. Ltd.
7. Mr Iskander Namazie
M & C Services Private Limited
8. Ms Christine Loh
M & C Services Private Limited
9. Mr Eugene Lee
Complete Corporate Services Pte Ltd
10. Ms Himani Sharma
Complete Corporate Services Pte Ltd
11. Ms Lao Mei Leng
Moore Stephens LLP

Observers

1. Ms Lim Yue Li
2. Mr Yap Kok Cheng
3. Ms Pamela Ng

Chairman of the Board of Directors, Mr Kenny Yap Kim Lee, chaired the Annual General Meeting (“AGM”). Having noted that a quorum was present, he called the meeting to order.

Chairman thanked shareholders and all those present for their attendance. 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 conducted by poll. He then demanded for a poll 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.



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The meeting noted that there would be seven ordinary resolutions to be passed at the AGM. Chairman assured shareholders that they would be given the opportunity to ask questions before casting their votes by poll. As in the previous year, the polling shall be conducted in a paperless manner using a wireless handheld device.

Chairman announced that polling services would be provided by Complete Corporate Services Pte Ltd (“CCS”). Moore Stephens LLP was appointed as scrutineer. A short presentation explaining the electronic voting process was shown. A representative from CCS explained the rules on the poll voting process to the shareholders and conducted a test resolution to familiarise shareholders with electronic poll voting.

ORDINARY BUSINESS

1. Adoption of Directors' Statement and Audited Financial Statements

The following Ordinary Resolution No. 1 was proposed by Chairman and seconded by Mr Lim Oh Teo:-

“That the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2016 and the Auditors’ Report thereon be and are hereby received and adopted.”

Chairman commented that, in preparing the Annual Report 2016 (“Annual Report”), the Group has taken the initiative, where possible, to comply with the guidelines on sustainability reporting as stipulated by the Singapore Exchange Securities Trading Ltd (“SGX-ST”), as compared to the integrated reporting framework used in the Annual Report 2015. He emphasised that the management will continue to gather feedback and suggestions from all its stakeholders so as to improve on its reporting contents. The components and presentation of the Qian Hu’s annual report would gradually evolve over a period of time.

Chairman then shared with the meeting the medium to long term prospects of Qian Hu’s core business segments as follows:

i) Export of ornamental fish

The Group’s long-term goal is to gradually increase its export of ornamental fish to more than 100 countries through its export hubs in Singapore, Indonesia, Thailand and Malaysia. This would increase its global market share to 10%, with the aim to be the world’s number 1 exporter of ornamental fish.

ii) Breeding of dragon fish and other ornamental fish

Breeding is a fundamental process to strengthen the Group’s position in the value chain. The Group has started the breeding of higher demand dragon fish species, such as the Albino Silver arowana, which should generate better profit margins in the medium term. The Group will also continue to breed new species and varieties of selected ornamental fish so as to regulate the supply of these ornamental fish on a more consistent basis.

iii) Aquarium accessories

While running a highly productive and lean accessories distribution business, Qian Hu has been perpetually developing new proprietary innovative accessories products. Through the findings from a brand building exercise carried out during FY 2016, the Group is able to align its marketing effort in working towards establishing “Ocean Free” and “OF” brands to be the most recognisable amongst the aquarium accessories brands in Asia.



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Chairman then informed shareholders about the Group's new business. Leveraging its skills in innovation and technology, the Group has embarked on a new business venture dealing with the farming of antibiotic-free edible fish in Hainan Province, China, in late December 2016, with a joint venture partner ("aquaculture business"). In affirming and recognising its proven track record in breeding and farming of ornamental fish, complementing it with HYDROPURE's cutting-edge technology which creates a clean and optimum eco-system, supported by proven fish nutrition capabilities and coupled with the new business partner's expertise in herbal medications, the Group was optimistic that the new aquaculture business, if executed correctly, should be many times bigger than its existing businesses.

Chairman added that the Group has taken steps to implement its planned strategies over the past years. He was confident that the Group would meet the vision objectives as set.

Chairman then invited questions from shareholders on the Reports and Financial Statements for the financial year ended 31 December 2016 ("FY 2016").

Mr Manohar P Sabnani ("Mr Mano"), one of the shareholders present, referred to page 36 of the Annual Report and commented that the Group's profit for the year of \$322K was mainly due to tax credit amounted to \$332K. He was disappointed with the overall financial performance of the Group as it actually incurred an operating loss before tax of \$10K in FY 2016. He then sought clarification in reconciling one of the bar charts presented on page 39 of the Annual Report which reflected a loss in the 4th quarter of 2016 for ornamental fish business, while its narration indicated that "*the reliance and resilient of the ornamental fish export business continued to turn in stable revenue and generate respectable profit margins for the Group*".

Chairman admitted that the performance of the Group's dragon fish business was below expectation for the past few years. Nonetheless, with more efforts focused on the breeding of higher demand and better margins Albino species, the management envisaged that the revenue and profitability from the dragon fish business should revive in FY 2017. Ms Lai Chin Yee, Finance Director, confirmed that the ornamental fish export business was in fact sustainable and had registered respectable profits. The overall results of this business segment were dragged down by the losses incurred by the dragon fish segment.

Mr Mano moved on to urge management to closely monitor the profitability of each of its business segments, especially to contain or to reduce its operating expenses where necessary, so as to improve the overall profitability of the Group. He noted the increase in salary costs from \$12.6 million in FY 2015 to \$13.8 million in FY 2016 as disclosed on page 168 of the Annual Report. Chairman explained that the higher staff costs was mainly due to the increase in overall headcount from 507 in FY 2015 to 550 in FY 2016, following the acquisition and incorporation of new subsidiaries during FY 2016 and the setting up of a new fish farm in Thailand for the breeding of selected fish species. In addition, higher skilled and competent workers were employed to support the pilot project implemented for the Group's new aquaculture business. Chairman expressed that employees are important assets of the Group and they are the key elements in driving the Group's success. He re-iterated that these human resource investment incurred was for the long-term and was inevitable, which he believed should result in constructive contribution in FY 2017.



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Referring to page 173 of the Annual Report, Mr Mano observed that the largest revenue contributor of the Group was from its accessories business, while the plastics segment contributed a significant portion of the Group's profits. He would like to know the reason for the retail business (as mentioned on page 4 of the Annual Report as a component of the Group's business model) not presented as an individual operating segment. Noting the sluggish financial performance of the Group, Mr Mano was also concerned if Qian Hu's existing business model was functional and would like to know the plans for the growth of the Group's respective business segments.

Chairman had shared the medium to long term prospects of the Group's core businesses at the start of the meeting. He added that in moving to the next level of growth, Qian Hu has started the journey to transform itself into a company empowered by technology with in-built innovation as part of its culture. Chairman assured that Qian Hu's business model and fundamentals remain robust and strong. He asked shareholders to be patient and allow the management some time in making a return. He added that the Board is aware of the Group's long, medium and short-term needs and as the Chairman of the Group, he and the management team would continue to strategise the transformation of the Group to build a company that can last through generations, not only in sustaining profitability, but placing a high priority on the various expectations of stakeholders as well.

Ms Lai Chin Yee also clarified that as the revenue contribution from the retail business had been less than 5% of the Group's total revenue, it had been included under the accessories segment.

In reply to Mr Mano's enquiry on whether the innovative products of the Group were patented, Chairman opined that patent registration for the accessories products is a business decision and are carried out on selected products. While the management has taken all reasonable steps to secure the innovative technology and know-how, it will continue to improve on and develop new and better products/systems to withstand the impact of any possible counterfeit.

Mr Mano followed-on to comment that although it was mentioned on page 7 of the Annual Report that Qian Hu would focus on its stakeholders' needs, he felt disappointed that the Company did not declare a final dividend for FY 2016, citing, on page 44 of the Annual Report, that cash had been utilised for the renewal of the land lease in Singapore and conserved for investment in the Group's new aquaculture business in FY 2017. He recalled Chairman mentioning a few years ago that the Company would like to be a high dividend payout company.

Chairman informed that Qian Hu has been paying annual dividends since its public listing in FY 2000. It was always the Group's intention to pay dividends, nonetheless, in deciding the payment of dividends, the Group would have to take into consideration its profit growth, cash position, projected capital requirements for business growth and other relevant factors. He explained that with the on-going projects and initiatives as set out earlier, the Group would need to balance its dividend payout and its funding needs. He further elaborated that there would always be two schools of thought whereby some shareholders would support the use of the cash generated from operations for expansion purposes while other shareholders might prefer the company to incur borrowings for dividend payout. He affirmed that Qian Hu will resume its dividend payout to reward its loyal and supportive shareholders when the new business activities are on track and contribute positively.



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On the above explanation provided by the Chairman, Mr Mano was of the view that since the gearing ratio of the Group was only moderate, in order to not to send a negative signal to the public and investors, the Company should obtain bank loans for its business expansion plans instead of ceasing its dividend payout, even temporarily. Mr Mano further spoke of his dissatisfaction on the considerable amount of directors' remuneration as compared to not paying dividends to the shareholders in respect of FY 2016. Referring to page 170 of the Annual Report, he noted that the total amount of remuneration for the executive directors, amounted to approximately \$1.1 million, whereas the Group registered a loss before tax in FY 2016. He was of the view that the executive directors should draw a lower salary to fund the Group's new businesses instead of denying dividend payments to its shareholders.

Chairman acknowledged the disappointment of the shareholders. He responded that the executive directors had not received any salary revision nor bonus entitlement in FY 2015 and FY 2016. He then referred the matter to Mr Chang Weng Leong, the Chairman of the Remuneration Committee.

Mr Chang Weng Leong clarified that the remuneration paid to the executive directors, three of whom were founders of the Group, was relatively low as compared to the market. As compared with the CEOs/executive directors of other listed companies of similar size, Mr Chang opined that the absolute amount paid to these executive directors is not considered excessive. He was of the view that the directors' remuneration should not be reduced even though the Group had registered a lower profit as the factors affecting the Group's profitability could be beyond one's control. On the remunerations of the three family members disclosed on page 103 of the Annual Report, Mr Chang commented that although they are not considered senior management in terms of position, they were co-founders and did hold a position in the Company which should be remunerated in accordance with their level of contribution. Chairman then explained that, there are other managers, who are non-family members, receiving similar salary package as these three family members. However, as they are not related to the Chairman and/or executive directors, their remuneration particulars are not disclosed in the Annual Report. Mr Mano commented that he did not agree with the above rationalisation. On the contrary, he pointed out that the director's fee for the independent directors should be revised upwards to be in par with the industry practice. While the Board noted his comments, Chairman thanked him accordingly.

Another shareholder present, Ms Yen Siew Lian, requested for further elaboration on the recoverability of receivables due from Guangzhou Qian Hu Aquarium and Pets Accessories Manufacturing Co., Ltd ("GZQH"), a former subsidiary of the Group, as set out in the "Audit Committee Report" on page 108 of the Annual Report. To this, Ms Lai Chin Yee replied that the total outstanding amount due from GZQH was \$9.8 million as at 31 December 2016. The Group has entered into a repayment agreement with GZQH of which \$0.8 million would be repaid in FY 2017 while the remaining \$9.0 million would be settled by the 1st quarter of 2018. Ms Lai further informed that, as mentioned in the previous AGMs, the Group continues to have business dealings with GZQH and that GZQH would be able to repay the outstanding debts from its operating and other cash flow. Management would continue to monitor the long outstanding trade receivables due from GZQH.

Ms Yen Siew Lian continued to enquire on the lease tenure of the Singapore fish farm. Chairman informed that, as disclosed on page 150 of the Annual Report, the land lease at No 69 and 71 Jalan Lekar was granted a 10-year extension until November 2026 with an upfront payment made of approximately \$0.6 million. It was noted that the adjacent land lease at No 78 Jalan Lekar was for a period of 20 years commencing February 2008.



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Mr Mano asked whether the land office would grant further extension after these leases expire in Year 2026 and Year 2028. Chairman replied that the Company was one of the few farms who were granted a 10-year lease extension. As to the future lease terms upon renewal, he explained that the Animal and Veterinary Authority (AVA) is currently working on and would emerge with a formula (KPIs) to measure the productivity and innovation efforts implemented on the leasehold land as a basis to determine the period of lease to be granted eventually.

Mr Ho Hai Pang (“Mr Henry Ho”), another shareholder, would like to have more details on the new business venture on the farming of antibiotic-free edible fish. Chairman informed that the new farm in Hainan Province, which occupies a land area of approximately 0.4 hectare, is currently under construction and is expected to be completed in end April 2017. Due to size limitation of the farm, it would kick off with farming only the Grouper family in May 2017, primarily for the China market. As Hainan has a matured market in terms of the rearing of edible fish, there are ample resources and an established network available to support the operation. He commented that this new aquaculture business should contribute positively to the Group’s results as early as 1st quarter of 2018.

Chairman provided further details on the feasibility studies carried out earlier which have demonstrated that Qian Hu’s proprietary filtration technology, HYDROPURE, could successfully improve the water quality for edible fish while its fish nutrition know-how has successfully formulated highly nutritious feeds to produce good quality edible fish for the consumer market. In addition, the business partner’s expertise in herbal medications would help in the fish growth and upkeep them in a healthy and antibiotic-free growth environment. It is the Group’s intention to expand this business through collaborations with other farms in China or through its subsidiaries in Malaysia, Thailand and Indonesia.

In response to Mr Henry Ho’s query on the possible issues faced in the delivery of live fish while transacting through online platforms, Chairman clarified that, at present, the Group’s online platform in China was only for the sales of accessories products. He reckoned that by tapping on China’s robust and established logistics network, the Group would explore live-stock transactions via its online platform in due course.

Mr Henry Ho, referring to page 39 of the Annual Report, further sought clarification on the fluctuation in profitability of the Group’s ornamental fish business segment from quarter to quarter. Chairman explained that the profitability of the ornamental fish business was affected by the amount of revenue and sales mix registered in each quarter. To mitigate such impact, the Group has constantly tried to find ways to sustain sales value during the low sale season with an aim to stabilise its profitability throughout the year.

Making reference to page 151 of the Annual Report, Mr Soo Kwok Weng (“Mr Soo”), another shareholder present, noted that the investment property of the Group relate to a piece of freehold land parcel located at Batu Pahat, Malaysia, which was transferred to the Group as partial settlement of the outstanding amounts due from the purchasers of Kim Kang Aquaculture Sdn Bhd (“Kim Kang”), a former subsidiary of the Group, and the advances extended to Kim Kang before its disposal. He then queried whether there was a valuation done to ascertain the value of the said land and the intended use of the land parcel.



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Ms Lai Chin Yee replied that the value of the investment property of approximately \$1.59 million as at 31 December 2016 was determined based on an independent valuation exercise performed in November 2016. The land parcel is about 29 hectares and is currently leased to a third party at a rental of approximately \$90K per annum for a period of two years. Mr Soo suggested that the Group should consider disposing of the land parcel for cash as the rental income is not significant. Chairman said that while waiting for a reasonable offer, there is no immediate need in doing so as it is generating rental income. Mr Mano opined that as it is difficult to obtain freehold land in Malaysia, the Group should consider retaining the farm land for setting up its aquaculture business in the future should the business has proven lucrative. Chairman noted all these comments and would keep in view.

Responding to another shareholder, Ms Hazel Han's question on the market awareness of antibiotic-free edible fish and the marketing strategy of Group for these products, Chairman commented that the Group's aquaculture business was still in a preliminary stage. For now, the focus is to implement a sustainable eco-system with established production yield. The Group would like to expand this business globally eventually with the sales of antibiotic-free edible fish, along with its complementary products, as well as to showcase the eco-system to interested parties.

On Mr Henry Ho's query on whether the costs incurred on research & development ("R&D") could be capitalised as assets of the Group, Ms Lai Chin Yee informed that R&D costs consisted of mainly manpower costs which were expensed off as and when incurred. Chairman added that the R&D expenses could only be capitalised as assets when the R&D process was successful. As there were multiple on-going projects undertaken by the integrated R&D department, it is not cost-effective to keep track of the capitalisation and writing off of the related costs on the respective projects.

Mr Henry Ho then enquired the increase in intangible assets amounted to \$550K as disclosed on page 154 of the Annual Report. Chairman explained that the intangible asset addition was related to the acquisition of trademarks and formulation rights of certain products in FY 2016, which are amortised over 25 years.

When asked by Mr Ho Khwai Weng, another shareholder, on whether the Group intends to declare an interim dividend in FY 2017 after kicking start the aquaculture business in May 2017, Chairman replied that as this business activity is new to the Group, he was unable to comment on its progress at this stage. Nonetheless, he is committed to resume the dividend payout as soon as the Group attain better results.

As there were no further questions, Ordinary Resolution No. 1 was put to a vote by poll. Shareholders were informed to cast their votes using the handheld device provided.



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The voting results of the poll were as follow:

Ordinary Resolution 1 - Adoption of Directors' Statement and Audited Financial Statements

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes "FOR"	: 61,074,898	99.99
Number of votes "AGAINST"	: 6,500	0.01
Total number of votes cast	: <u>61,081,398</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 1 carried.

2. Re-election of Director – Mr Andy Yap Ah Siong

Chairman informed the meeting that Mr Andy Yap Ah Siong, Mr Chang Weng Leong and Ms Sharon Yeoh Kar Choo were to retire pursuant to Regulation 89 of the Company's Constitution. All the three directors had consented to offer themselves for re-election. The meeting would vote on the re-election one at a time.

The following Ordinary Resolution No. 2 was duly proposed by Chairman and seconded by Mr Tan See Wah:-

"That Mr Andy Yap Ah Siong, who retired pursuant to Regulation 89 of the Company's Constitution, being eligible and offering himself for re-election be and is hereby re-elected as Director of the Company."

As there were no questions, Ordinary Resolution No. 2 was put to a vote by poll. Shareholders were informed to cast their votes using the handheld device provided. Mr Andy Yap Ah Siong abstained from voting.

The voting results of the poll were as follow:

Ordinary Resolution 2 – Re-election of Director – Mr Andy Yap Ah Siong

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes "FOR"	: 56,768,336	99.29
Number of votes "AGAINST"	: 406,000	0.71
Total number of votes cast	: <u>57,174,336</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 2 carried.



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3. Re-election of Director – Mr Chang Weng Leong

The following Ordinary Resolution No. 3 was duly proposed by Chairman and seconded by Mr Shiao Chung Chiang: -

“That Mr Chang Weng Leong, who retired pursuant to Regulation 89 of the Company’s Constitution, being eligible and offering himself for re-election be and is hereby re-elected as Director of the Company.”

As there were no questions, Ordinary Resolution No. 3 was put to a vote by poll. Shareholders were informed to cast their votes using the handheld device provided. Mr Chang Weng Leong abstained from voting.

The voting results of the poll were as follow:

Ordinary Resolution 3 – Re-election of Director – Mr Chang Weng Leong

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	: 60,657,898	99.35
Number of votes “AGAINST”	: 398,175	0.65
Total number of votes cast	: <u>61,056,073</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 3 carried.

It was noted that Mr Chang Weng Leong would be considered an independent director of the Company, and would remain as member of the Audit Committee and Nominating Committee and the Chairman of the Remuneration Committee.

4. Re-election of Director – Ms Sharon Yeoh Kar Choo

The following Ordinary Resolution No. 4 was duly proposed by Chairman and seconded by Mr Mano: -

“That Ms Sharon Yeoh Kar Choo, who retired pursuant to Regulation 89 of the Company’s Constitution, being eligible and offering herself for re-election be and is hereby re-elected as Director of the Company.”

As there were no questions, Ordinary Resolution No. 4 was put to a vote by poll. Shareholders were informed to cast their votes using the handheld device provided.



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The voting results of the poll were as follow:

Ordinary Resolution 4 – Re-election of Director – Ms Sharon Yeoh Kar Choo

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	: 60,762,723	99.47
Number of votes “AGAINST”	: 326,750	0.53
Total number of votes cast	: <u>61,089,473</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 4 carried.

It was noted that Ms Sharon Yeoh Kar Choo would be considered an independent director of the Company, and would remain as member of the Audit Committee and Remuneration Committee and the Chairman of the Nominating Committee.

5. Approval of Directors’ Fees

The following Ordinary Resolution No. 5 was duly proposed by Chairman and seconded by Mr Shiao Chung Chiang:-

“That the payment of Directors’ fees of \$105,000/- for the financial year ended 31 December 2016 be and is hereby approved.”

As there were no questions, Ordinary Resolution No. 5 was put to a vote by poll. Shareholders were informed to cast their votes using the hand held device provided. Mr Tan Tow Ee and Mr Chang Weng Leong abstained from voting.

The voting results of the poll were as follow:

Ordinary Resolution 5 – Approval of Directors’ Fees

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	: 60,546,073	99.31
Number of votes “AGAINST”	: 419,625	0.69
Total number of votes cast	: <u>60,965,698</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 5 carried.



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6. Re-appointment of Auditors

Chairman informed the meeting that KPMG LLP had expressed their willingness to accept re-appointment as auditors of the Company.

The following Ordinary Resolution No. 6 was duly proposed by Chairman and seconded by Mr Shiao Chung Chiang:-

“That KPMG 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 authorised to fix their remuneration.”

As there were no questions, Ordinary Resolution No. 6 was put to a vote by poll. Shareholders were informed to cast their votes using the handheld device provided.

The voting results of the poll were as follow:

Ordinary Resolution 6 – Re-appointment of Auditors

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes “FOR”	: 60,705,473	99.54
Number of votes “AGAINST”	: 283,500	0.46
Total number of votes cast	: <u>60,988,973</u>	<u>100.00</u>

Chairman declared Ordinary Resolution 6 carried.

7. Any Other Business

As there was no other business, Chairman proceeded to the Special Business of the meeting.

SPECIAL BUSINESS

Ordinary Resolution

8. General Mandate to authorise the Directors to issue shares or convertible securities

The following Ordinary Resolution No. 7 was duly proposed by Chairman and seconded by Mr Ng Tian Zhu:-

“That pursuant to Section 161 of the Companies Act, Chapter 50 (the “Act”), the Constitution 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*



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- (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 15% 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 Constitution for the time being of the Company; and*



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- (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."*

As there were no questions, Ordinary Resolution No. 7 was put to a vote by poll. Shareholders were informed to cast their votes using the handheld device provided.

The voting results of the poll were as follow:

Ordinary Resolution 7 – General Mandate to authorise the Directors to issue shares or convertible securities

	<u>No. of Votes</u>	<u>In Percentage</u>
Number of votes "FOR"	: 60,671,348	99.41
Number of votes "AGAINST"	: 359,500	0.59
Total number of votes cast	: 61,030,348	100.00

Chairman declared Ordinary Resolution 7 carried.

There being no further business, the meeting ended at 12.30 p.m. Chairman thanked the support of all the shareholders of Qian Hu.

**CONFIRMED AS A CORRECT RECORD
OF THE PROCEEDINGS OF THE MEETING**

**KENNY YAP KIM LEE
CHAIRMAN**