

Issuer: Goodland Group Limited
Security: Goodland Group Limited

Meeting details:

Date: 25 January 2017

Time: 09:00H

Venue: Seletar Country Club, 101 Seletar Club Road, Seletar Room, Level 2, Singapore 798273

Company Description

Goodland Group Limited, an investment holding company, engages in the real estate development activities in Singapore and Malaysia. It operates through Property Development, Construction, and Property Investment segments. The company develops and sells properties; constructs residential and commercial properties; and invests in properties. It also operates as a general building contractor; and offers housekeeping, cleaning, and maintenance services, as well as engages in the upgrading works. The company was incorporated in 1993 and is headquartered in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5PC)

Q1. The group has three operating segments, being property development, construction and property investment. With the bulk of the group's assets in the property development segment, shareholders would like to get better clarity on the performance of the individual projects so that they can understand the group better.

- a) **Specifically, please provide a summary table with all the relevant and pertinent details of the development projects, including project name, location, land size, net saleable area, tenure, percentage sold, effective interest, stage of completion, and expected completion date.**
- b) **Also, please provide more details on the marketing and launch plans for:**
 - i. **T-City: the integrated township development in Ipoh, Perak, Malaysia following the groundbreaking ceremony in November 2016**
 - ii. **Development project in Siem Reap, Cambodia**
- c) **In Note 26 ((Loss)/Profit before taxation – page 102), the group recognised a write-down in value of development properties of \$1.7 million in 2016 (and \$0.8 million in 2015), a loss on disposal of investment properties (\$0.8 million) and a fair value loss on investment properties of \$0.38 million. Please identify these development and investment properties.**

Q2. The group has recognised an available-for-sale financial asset with a fair value of \$10,485,033 in 2016 (\$10,730,647 in 2015). In Note 36 on Fair value measurement, it was disclosed that the “fair value of available-for-sale financial asset, classified as Level 3, is based on the adjusted market value of the land held through the investee and applying discount for lack of liquidity and control premium”.

From the 2015 annual report, it was disclosed that the group advanced a loan of \$2,000,000 to an entity in 2012 and was granted an option to convert the loan into a 6% equity interest in that entity after a lock-in period of two years. The fair value of the conversion option was determined using the equity valuation technique based on the Black-Scholes Option Pricing model. Arising therefrom, the loan principal together with accrued interest of \$2,284,493 and fair value of the conversion option of \$8,193,822 amounting to \$10,478,315 in aggregate was transferred to available-for-sale financial assets.

From a 26 December 2014 announcement made by the company, it was stated that the entity is “Citrine Capital Pte. Ltd.”.

- a) **Can the company identify the underlying assets of Citrine Capital?**
- b) **Can the audit committee elaborate further on how the fair value of \$10,485,033 was arrived at?**
- c) **It would appear that Citrine Capital Pte Ltd holds 93,500,794 shares in the company as direct interest and a further 42,000,000 shares as deemed interest. Can the board/audit committee help shareholders understand how this cross-holding affects the fair value calculation? If so, what adjustments were made?**

Q3. The company listed Mr Kenneth Hor (Chief Financial Officer and Company Secretary), Ms Mindy Tan (Associate Director (Property)), Ms Jennifer Galon Teologo (Human Resource and Public Relations Officer) and Mr Raj Nainani (Associate Director (Projects And Contracts)) as Key Management (page 15).

In the Corporate Governance Report, under Disclosure on remuneration (page 31), the table of the key executive officers showed “Koh Chin Kim” in the first row, followed by the same four officers from the section on Key Management (page 15). As the actual

remunerations were not disclosed, it is unclear if Mdm. Koh Chin Kim received an annual remuneration package that was higher or lower than the other four.

a) Since Mdm Koh Chin Kim was identified as a “key executive officer”, could the company disclose her job scope and responsibilities?

In addition, Guideline 9.4 of the Code of Corporate Governance 2012 (CG Code) states that:

9.4 For transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

Guideline 9.4 of the CG Code requires the company to specifically disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year, in incremental bands of S\$50,000.

As disclosed by the company (page 32), Mdm. Koh Chin Kim is the mother, and Ms. Mindy Tan Bee Leng is the sister, of the Executive Directors, Mr. Ben Tan Chee Beng, Mr. Alvin Tan Chee Tiong and Ms. Melanie Tan Bee Bee.

To comply with Guideline 9.4, could the company disclose the remuneration of Mdm Koh Chin Kim and Ms. Mindy Tan Bee Leng, in incremental bands of S\$50,000?