

Issuer: Imperium Crown Limited

Security: Imperium Crown Limited

Meeting details:

Date: 6 October 2017

Time: 10.00 a.m.

Venue: Singapore Polytechnic Graduates' Guild, Poolside Events Room, Level 1, 1010 Dover Road, Singapore 139658

Company Description

Imperium Crown Limited, an investment holding company, engages in the property investment and development activities in Japan and Singapore. The company's property portfolio includes residential, retail, and office properties. It is also involved in real estate agency activities. The company was formerly known as Communication Design International Limited and changed its name to Imperium Crown Limited in June 2015. Imperium Crown Limited was founded in 1995 and is based in Singapore.

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

Q1. Can management provide better visibility of the operations of the group. Specifically:

- **Wonder Stone Park:** In the Portfolio Highlights (page 7 of the annual report), The Wonder Stone Park is said to be rated “AAAA” by the China National Tourism Administration. In the circular to shareholders dated 15 June 2017, it was stated that the “Wonder Stone Park is currently a tourist site with an “AAAA” rating under the Tourist Attraction Rating Categories of China” (page 16 of Letter to shareholders dated 15 June 2017).

In Note 28 (page 79 – Events after end of reporting year), it was disclosed that the group had completed the acquisition of 60% equity interests in Global Entertainment Media Pte Ltd (“GEM”), which owns a 50-year operating rights to the Wonder Stone Park in Shandong Province, China.

- a) Can management provide shareholders with better visibility on the current status of the Wonder Stone Park, including the visitor numbers, the ticket prices and the corporate website?
 - b) Can management confirm that the Wonder Stone Park is rated AAAA by the China National Tourism Administration?
 - c) As announced by the China National Tourism Administration on 26 May 2017 (http://www.cnta.gov.cn/xxfb/jdxwnew2/201705/t20170526_826680.shtml), it had reviewed the ratings of the attractions and have delisted or downgraded the attractions. Can management confirm if the “山东省费县中华奇石城景区” mentioned in the news release of the China National Tourism Administration is the same asset that the company has acquired?
- **Development West:** On 28 April 2017, the company announced that it had completed the acquisition of Development West Pty Ltd for a consideration of \$2.46 million (Note 13 – page 66). As disclosed in Note 13 (page 65 – Investments in subsidiaries), the company has recognised an allowance of \$2.448 million as at 30 June 2017, two months after the acquisition.
 - a) (iv) Can management elaborate further on the development timeline for One Richardson?
 - b) (v) What the reasons for the delay in the construction of One Richardson? Does Richardson Trust have sufficient resources to complete the construction and hand-over the units to the buyers?
 - c) (vi) How much of the delay was expected? What were the level of due diligence efforts by the company prior to the completion of the acquisition?
 - d) (vii) How many of the 70 one-bedroom, two-bedroom and three-bedroom luxury apartments have been sold?

Q2. In the Corporate Governance Report (page 25), the company has disclosed that the company had granted a payout of S\$48,000 to Mr Lyn Hian Woon for “early termination”. In the announcement titled “Cessation as Executive Director and Chief Executive Officer” dated 23 August 2016, the reason for cessation given was “to pursue personal interest the resignation of Mr Lyn Hian Woon as Executive Director and Chief Executive Officer”.

Mr Lyn Hian Woon was appointed as a Director of the Company at an EGM held on 30 June 2016.

- a) Can the company clarify if Mr Lyn had resigned? In the announcement dated 23 August 2016, the reason given for Mr Lyn’s cessation was “to pursue personal interest”.

- b) **If Mr Lyn had resigned, can the board and the nominating committee help shareholders understand the justification for a \$48,000 payout for his “early termination”?**

Q3. As disclosed in the Corporate Governance Report (page 14), Ms Pok Mee Yau was appointed as an Independent Director of the company and a member of the audit committee, the nominating committee and the remuneration committee(RC) on 28 February 2017. Ms Pok Mee Yau was subsequently appointed as the Chairman of the RC on 25 August 2017.

Ms Pok Mee Yau is a partner in JLC Advisors LLP (a legal firm) which had provided professional services to the group and had received fees of \$151,000 in 2017. This is disclosed in Note 3 (page 54 – Related party transactions).

- a) **Can the company help shareholders understand the specific nature of the services rendered by JLC Advisors LLP?**
- b) **As Ms Pok is the only independent director on the board with legal expertise, would Ms Pok be frequently asked to review work carried out by JLC Advisors LLP, which she is a partner of?**

The company has made the following disclosure in the Corporate Governance Report (page 18):

“The NC is also responsible for determining annually, the independence of Directors. In doing so, the NC takes into account the circumstances set forth in Guidelines 2.3 and 2.4 of the Code and any other salient factors. The Independent Directors, namely Mr Chen Yeow Sin, Mr Poh Wee Chiow, Roger and Ms Pok Mee Yau, have confirmed that they do not have any relationship with the Company, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors’ independent business judgement with a view to the best interests of the Company. The NC has reviewed and determined that the said Directors are independent”.

- c) **Would the company consider disclosing the director fees for Ms Pok Mee Yau?**
- d) **Can Ms Pok elaborate further on the reasons why the provision of legal services by JLC Advisors (including the professional fees of \$151,000) would *not interfere, or be reasonably perceived to interfere, with the exercise of her independent business judgement with a view to the best interest of the company?***
- e) **Would the nominating committee also justify the basis on which it had “reviewed and determined” that Ms Pok is independent?**

A copy of the questions for the Annual Report for the financial year ended 30 June 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Imperium%20Crown%20Ltd>

The company’s response could be found here: ---