

Issuer: LCT Holdings Limited

Security: LCT Holdings Limited

Meeting details:

Date: 30 October 2017

Time: 10.00 a.m.

Venue: Anson I & II, Level 2, M Hotel, 81 Anson Road, Singapore 079908

Company Description

LCT Holdings Limited, an investment holding company, engages in the property investment business in China. It leases commercial buildings. The company was formerly known as Longcheer Holdings Limited and changed its name to LCT Holdings Limited in September 2016. LCT Holdings Limited was founded in 2002 and is based in Shanghai, China.

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

Q1. Following the disposal of the electronics business, the group's remaining business is the property investment segment.

- a) **What is the occupancy rate of the 14,872 square meter leasehold commercial building in Xi'an? Is the investment property fully tenanted out?**
- b) **What is the average rental rate?**
- c) As disclosed in Note 26 (page 72 of the annual report), the group has total future minimum lease receivables under non-cancellable operating leases falling due within a year of RMB7.6 million and in the second to the fifth year inclusive of RM5.8 million. **Can the group disclose the weight average lease expiry?**

In the Letter to Shareholders (page 1), it was disclosed that the board "will also continue to consider all available options which are in the interests of the shareholders, including seeking out strategic opportunities that fit with our long-term vision and objectives."

- d) **Can the company restate its long-term vision and objectives for the benefit of all shareholders?**
- e) **Would the board's main focus be the technology area? What are the industries/businesses that the board will consider? Has the board also narrowed down the search to certain countries/regions?**

Q2. Mr. Tao Qiang is a Non-Executive Director. In the Corporate Governance Report (page 15), the breakdown of the remuneration of Mr. Tao Qiang is 45% in fees, 51% in salary and 4% in Other benefits.

- a) **Can the remuneration committee help shareholders understand why Mr. Tao Qiang, as a Non-Executive Director, receives a salary component that constitutes 51% of his annual remuneration package?**

Q3. Each of the three independent directors, namely Dr. Ow Chin Hock, Mr. David Hwang Soo Chin and Mr. See Yen Tarn, was appointed on 1 February 2005, 22 October 2007 and 22 October 2007 respectively.

As required by the 2012 Code of Corporate Governance, the nominating committee (NC) subjected the long tenured directors to a particularly rigorous review of their independence.

The NC comprises Mr. David Hwang Soo Chin (as Chairman), Dr. Ow Chin Hock and Mr. Du Junqi.

- a) **Can the NC confirm that no director was involved in the assessment of his own independence?**

Notwithstanding that "the NC has determined that Dr. Ow Chin Hock, Mr. David Hwang Soo Chin and Mr. See Yen Tarn's tenure in office have not affected their independence", Guideline 2.4 of the CG Code calls for the board to "also take into account the need for progressive refreshing of the Board".

- b) **What are the company's plans to ensure the progressive refreshing of the Board?**
- c) **What is the company's search and nomination process for new directors, especially independent directors?**

In addition, it was also stated that the NC and the Board are of the view that "given the scope, nature and scale of the operations of the Group, the size of the Board is appropriate and facilitates effective interaction between Board members and decision making".

- d) **Can the NC and the board justify why the current board size and composition is still appropriate given that the scope, nature and scale of the operations of the group has changed substantially following the disposal of Mentech?**