



**Securities Investors Association (Singapore)**

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**Issuer:** The Place Holdings Limited

**Security:** The Place Holdings Limited

**Meeting details:**

Date: 24 April 2019

Time: 2.00 p.m.

Venue: Meeting Room 323, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

**Company Description**

The Place Holdings Limited, formerly Eucon Holding Limited, is an integrated printed circuit board (PCB) service provider, with operations in manufacturing through both traditional and embedded PCB technologies. The Company's suite of PCB solutions being mechanical drilling, routing and PCB manufacturing are provided through its over six plants, which are located in Taiwan and Shanghai, China. The Company operates through two segments: mechanical drilling and routing services, and printed circuit board production and related processing services (PCB operations). The Company's plants include Shanghai Zeng Kang, Shanghai Yaolong, Shanghai Zhuo Kai and Shanghai Lian Han Xin, of which Shanghai Zhuo Kai provides laser drilling services and the rest offer mechanical drilling services. The Company manufactures single and double-layer counts PCBs, as well as multi-layer count PCBs of over 10 layers. The Company also provides laser drilling services at Shanghai Zhou Kai.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=E27](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=E27))

1. On 12 October 2018, shareholders approved the proposed subscription of share of Tianjie Yuntai Wanrun (Xiuwu) Property Development Co., Ltd. which holds approximately 270,500 square meters of commercial land in the South East of Mount Yuntai.

This will be the first investment by the company into the new business of development of integrated tourism and operation of tourism related “new retail” businesses.

The group had earlier diversified into the media and digital advertising business in 2016.

- (i) Has the company completed the subscription of shares in Tianjie Yuntai Wanrun (Xiuwu) Property Development Co. Ltd. (“Tianjie Yuntai Wanrun”)? If not, can management help shareholders understand the reasons for the delay?**
- (ii) Please provide shareholders the timeline for the subscription and the subsequent development and sales timeline for the clubhouses.**
- (iii) Following the subscription of shares, what is management’s oversight and control of key strategic and operation matters in the Tianjie Yuntai Wanrun?**
- (iv) As the clubhouse development by Tianjie Yuntai Wanrun is expected to cost RMB450 million, has management considered how Tianjie Yuntai Wanrun would be able to fund the development?**
- (v) Would the board find it prudent to delay further investments into the Mount Yuntai Integrated Tourist Township project until the first investment in Tianjie Yuntai Wanrun proves to be profitable?**

2. As disclosed in the Corporate Governance report, the internal audit functions are outsourced to Messrs Ernst & Young Advisory Services Sdn. Bhd. (the “Internal Auditor”), which is staffed with professionals with relevant qualifications and experience.

- (i) Would the audit committee help shareholders understand why it has engaged Messrs Ernst & Young Advisory Services Sdn. Bhd. (in Malaysia) when the operations of the group are mainly in China?**

In addition, the company has disclosed the following:

*In order to ensure and maintain a sound system of risk management and internal controls to safeguard shareholders’ interests and the Company’s assets, the Company has developed an Enterprise Risk Management (“ERM”) programme with the assistance of the Company’s internal auditor, Messrs Ernst & Young Advisory Services Sdn. Bhd.. The ERM programme has been implemented to identify, prioritise, assess, manage and monitor key risks faced by the Group, and covers, inter alia, financial, operational, compliance and information technology controls of the Group. The key risks identified are deliberated by Management, and reported to the Board, which is responsible for the effective implementation of risk management strategy, policies and*

*processes within the framework of the ERM programme. The Board will follow up on the actions required to be taken by Management to mitigate such identified risks. The AC also reviews the adequacy and effectiveness of the ERM programme periodically, and reports its findings to the Board at least once a year or as and when new significant risks are identified.*

- (ii) Can the AC confirm that Messrs Ernst & Young Advisory Services Sdn. Bhd. has been tasked to (a) assist in developing the group's ERM framework (including the risk register and controls) and to (b) conduct the internal audit as the company's outsourced internal auditor?**
- (iii) Did the AC consider if there would be any threat of self review?**
- (iv) Is the internal auditor complying with the IIA standards about independence of IA services?**

3. There were numerous changes to the board composition, with three of the current four independent directors being appointed in 2018 and after.

Mr Chng Hee Kok was appointed as member of the AC, NC and RC on 1 February 2019.

Mr Ng Fook Ai Victor was appointed as independent director, RC chairman, member of the AC and member of the NC on 31 January 2018.

Mr Foo Chiah-Shiung (Hu Jiaxiong) was appointed as independent director, NC chairman, member of the AC and member of the RC on 1 August 2018.

- (i) As Mr Foo has no prior experience as a director of a listed company in Singapore, has Mr Foo undergone relevant training to familiarise himself with the roles and responsibilities of a director of a Singapore listed company?**

As noted in the profile of the director, it was disclosed that Mr Chng is currently serving as the independent director in:

- Ellipsiz Ltd
- Samudera Shipping Line Ltd
- Full Apex (Holdings) Limited
- Luxking Group Holdings Limited
- United Food Holdings Limited, and
- Chaswood Resources Holdings Ltd.

Full Apex (Holdings) Limited has had provisional liquidators appointed, United Food Holdings Limited is undergoing a major transaction and Chaswood Resources Holdings Ltd is facing litigations and has received letters of demand.

- (ii) As Mr Chng sits on seven listed companies, would Mr Chng help shareholders understand how he is able to devote sufficient time, energy,**



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**focus and attention to the group's matters especially when many of his other commitments are undergoing major restructuring/in distress?**

Lastly, Mr Er Kwong Wah was first appointed to the board on 8 September 2006. Mr Er would have served on the board for more than 12 years. Mr Er is also the company's lead independent director.

- (iii) Does Mr Er find himself effective and have the standing of a lead independent director given his long tenure on the board?**