Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: A-Smart Holdings Ltd.

Stock code: BQC

Meeting details:
Date: 27 November 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q1. As noted in the portfolio review, the group has three key business segments, namely property development and real estate investment, print and media and other investments.

In the property development and real estate investment segment, the group's focus is in Timor-Leste which is looking to develop its tourism industry.

The group is currently developing Timor Marina Square in Dili, which consists of two blocks of mixed development properties (23-storey and 19-storey respectively), comprising retail, office, serviced apartments and luxurious residential apartments. The group has terminated a CBD project although it was in the midst of studying the feasibility of developing a seafront resort along the coastline in Dili until the COVID-19 pandemic struck.

(i) **Can management help shareholders understand the experience and track record of the group in real estate development, especially in a frontier market like Timor-Leste?**

(ii) **How has the pandemic affected Timor-Leste? What are the ground sentiments, particularly in Dili?**

(iii) **How dependent is the economy of Timor-Leste (especially the real estate sector) on foreign investment by neighbouring countries such as Australia and Indonesia, and by China?**

(iv) **Can management elaborate further on the plans for Timor Marina Square? Would the group be selling the retail, office and residential apartment units to individual buyers? What are the plans for the serviced apartment? What is the targeted completion date for Timor Marina Square? How does the group intend to fund the development of Timor Marina Square?**

(v) **What is the level of control and oversight of the day-to-day operations in Dili?**

(vi) **How does the board monitor the group's operations and ensure that its foreign operations are conducted in a professional manner (including observing the group's anti-bribery and anti-corruption policies), with zero tolerance to any unethical behaviour?**

Q2. As seen in Note 24 (page 57 – Operating segments), the print media segment reported lower revenue of $5.1 million but achieved a better segment result of $879,000.

(i) **Can management elaborate further on the reasons for the better performance in the print media segment?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

(ii) **How sustainable is the improved performance of the print media segment?**

In addition, under the smart technologies segment, the group launched its smart food waste digester system which has been well received by the market. The group has secured nine confirmed orders with several others currently in advanced negotiations.

(iii) **Can management elaborate further on the business model of the food waste digester system?**

(iv) **What is the size of the addressable market?**

Q3. The board comprises of 6 directors, namely a non-executive chairman, 3 non-executive directors and 2 independent directors.

Name of Director	Position held on the Board	AC	NC	RC
Ma Weidong	Non-Executive Chairman	-	Member	Member
Lim Huan Chiang	Executive Director and Chief Executive Officer ("**CEO**")	-	-	-
Loo Kenneth	Non-Executive Director	-	-	-
Darlington Tseng Te-Lin	Non-Executive Director	Member	-	-
Sam Chong Keen	Lead Independent Director	Member	Member	Member
Chu Hongtao	Independent Director	Chairman	Chairman	Chairman

(Source: Company annual report)

Listing Rule 710 of the SGX Listing Manual requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 **(CG Code 2018)**, the provision from which it has varied, ***the reason for the variation***, and the explanation(s) on how the practices it had adopted are consistent with the intent of the relevant principle [emphasis added].

On page 19, the board has stated that "there is a strong and independent element as the independent directors make up one-third of the board". However, under Provision 2.2 of the Code of Corporate Governance 2018 that was issued by the Monetary Authority of Singapore, independent directors are to make up a ***majority*** of the board where the chairman is not independent [emphasis added].

(i) **Can the board clarify if it is familiar with the CG Code 2018 and the SGX Listing Rules?**

(ii) **Would the board be disclosing the underlying reason(s) to deviate from Provision 2.2 of the CG Code 2018, as required by Rule 710?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

(iii) **What are the board's near-term plans to reconstitute the board to comply with the CG Code 2018?**

In addition, the NC and the board has stated that it has adopted the Code's criteria of an independent director and are of the view that all independent directors have satisfied the criteria of independence. The board has claimed that no independent director has served on the board beyond nine years from the date of his first appointment.

The profile of Mr Sam Chong Keen is shown on page 14 and reproduced below:



SAM CHONG KEEN
Lead Independent and Non-Executive Director

Mr Sam Chong Keen was first appointed Independent Non-Executive Director on 5 December 2001. Since then, he has served the Group as Chief Executive Officer from 2006 to 2008 and as Non-Executive Chairman from 2014 to 2015. Mr Sam was appointed the Lead Independent Director on 9 July 2015.

Mr Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress, Intraco Ltd, Comfort Group Ltd, VICOM Ltd, Lion Asiapac Ltd, Lion Teck Chiang Ltd, Jade Technologies Holdings Ltd, Sino-Environment Technology Group Limited and Parkson Retail Asia Limited.

Mr Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Cooperative Federation.

Mr Sam holds a Bachelor of Arts (Honours) in Engineering Science & Economics and a Master of Arts from University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.

It can be clearly seen that Mr Sam Chong Keen was first appointed to the board on 5 December 2001. Under Guideline 2.4 of the Code of Corporate Governance 2012, the independence of any director who has served on the board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

It is clear that the tenure is based on the date of the director's **first** appointment, and not based on the date of appointment as independent director.

(iv) **Would the nominating committee (NC) be reviewing if Mr Sam Chong Keen has exceeded the threshold under Guideline 2.4 of the 2012 Code and would be subject to particularly rigorous review of his independence?**

In addition, the company has stated that Mr Sam Chong Keen was appointed as the lead independent director on 9 July 2015 in his biography (page 14; abstract shown above). On page 20 of the annual report, Mr Sam Chong Keen's appointment date as lead independent director was stated as 29 November 2013. It is clear that Mr Sam Chong Keen is so closely associated with the group in the past 19 years that there is confusion over the actual date of appointment as lead independent director. Since his first appointment to the board on 5 December 2001, Mr Sam Chong Keen has also served as executive director and CEO.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Further details of the appointments of Mr Sam Chong Keen in the group can be found on page 21.

(v) **Did the NC consider the perceived independence of Mr Sam Chong Keen when it reviewed his independence?**

(vi) **Would the NC elaborate further on its board diversity policy?**

(vii) **How does the current search and nomination process support the group's board diversity policy?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US

^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)