



Securities Investors Association (Singapore)

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Issuer: Goodland Group Limited

Security: Goodland Group Limited

Meeting details:

Date: 29 January 2019

Time: 9.00 a.m.

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 real estate development activities in Singapore and Malaysia. It operates through Property development, Construction, Property investment, and Other segments. The company develops and sells properties; constructs residential and commercial properties; and invests in properties, as well as provides real estate management services. It also operates corporate office functions and invests in shares; operates as a general building contractor; and provides housekeeping, cleaning, and maintenance services, as well as engages in the upgrading works. The company was incorporated in 1993 and is based in Singapore.

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

1. Would the board/management provide shareholders with better clarity on the following operational and financial matters? Specifically:

- (i) **Project development:** The group's involvement in the high-rise residential developments at 9 Amber Road and 1 Meyer Place are carried out through its 17% owned associate companies, SL Capital (3) Pte Ltd and SL Capital (5). In Note 2(a), the group has disclosed that it has significant influences (being the power to participate in the financial and operating policies decisions) but not control or joint control. **Can management elaborate further on its level of involvement in the 17%-owned associate companies? How does management value-add to the projects? How does management actively protect and enhance the interest of the group by investing in numerous minority projects?**
- (ii) **Developer's margin:** Both acquisitions were made at more than 6% above the top end of the guide price set by the owners. **What is the projected developer's margin that can be achieved given the current market conditions? Can these two development projects be profitable?**
- (iii) **Cambodia:** There is no update on the group's development project in Siem Reap, Cambodia which was first announced in June 2013. In Note 7 (Associates), no revenue has been recognised and the associate, RGL Equity (Siem Reap) Co., Ltd, is in a net liability position. **Would the CEO provide shareholders with an update on the group's project in Siem Reap? Has the project been halted?**
- (iv) **T-city:** In the 2016 annual report, the group stated that it is developing T-City, a 20.8 hectare modern motorsports-themed integrated township development in Ipoh, Perak, Malaysia. This was also the largest overseas investment to date. In both the Chairman's statement and the CEO's statement, there was no mention of any progress in T City. **Similarly, would the CEO provide shareholders with an update on T City? Has the project been halted?**
- (v) **Communications with shareholders:** **Would the board ensure that shareholders are updated on the major developments related to the group's businesses in a timely manner?**

2. On 20 August 2018, the company announced that Mr Charles Chong You Fook was appointed to the board on 13 August 2018.

- (i) **Can the company help shareholders understand the reasons for the delay in announcing the appointment of a board director?**

In addition, the nominating committee ("NC") recommended that Mr Charles Chong be appointed as an independent director and a member of remuneration and audit committees and chairman of nominating committee. Mr Chong was also designated as the Lead independent director. The board of directors has considered and concurred with the recommendation of the NC.

As disclosed in the appointment announcement, Mr Chong did not have prior experience as a director of a listed company. The company has stated that it will arrange for the director to attend appropriate training courses to familiarise himself with the roles and responsibilities of a director of a listed company.

- (ii) Can the NC/the board help shareholders understand if Mr Chong, without prior experience as a director of a listed company, would be suitably qualified and experienced to be appointed as the lead independent director?**

- (iii) Since the appointment on 13 August 2018, has the director attended any training?**

3. At the Annual general meeting scheduled to be held on 29 January 2019, the company is proposing to shareholders to approve the payment of directors' fees of \$230,000 for the financial year ending 30 September 2019. The amount of directors' fees for FY2018 was \$127,796.

The proposed directors' fees for FY2019 are almost double the fees for FY2018.

Notwithstanding that two independent directors were added to the board in FY2018, the effective board size increased by one as Mr. Wong Ming Kwong retired as a director of the company at the close of the company's Annual general meeting held on 25 January 2018.

- (i) Can the board, especially the remuneration committee, help shareholders understand the significant increase in directors' fees proposed for FY2019?**

A copy of the questions for the Annual Report for the financial year ended 30 September 2017 and 30 September 2016 could be found here:

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

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