



**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](mailto:admin@sias.org.sg) [www.sias.org.sg](http://www.sias.org.sg)  
UEN No: S99SS0111B  
GST Reg No: M90367530Y

**Issuer:** Hanwell Holdings Limited

**Stock code:** DM0

**Meeting details:**

Date: 18 June 2020

Time: 2.00 p.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.

**Q1.** Since the COVID-19 outbreak started in Singapore in February/March 2020, several incidents of panic buying have been reported in the news. The group has a strong position in the food distribution and food manufacturing segment, which include distributing the “Royal Umbrella” rice brand and tofu manufacturing.

- (i) **How has management responded to the surge in demand during this pandemic?**
- (ii) **What arrangements have the group made to secure its food supplies even during a crisis?**
- (iii) **Going forward, would the group be making adjustments to its inventories/stockpiling, sourcing and distribution policies?**
- (iv) **How much of its manufacturing processes have been automated to reduce the reliance on manpower?**

**Q2.** The valuation of Million Cube Limited (“Million Cube”) has been the focus of the independent auditor as a key audit matter in their Report on the audit of the financial statements. In 2018, the company has stated that the group was engaging the buyer to discuss the revised completion date and the settlement of the remaining consideration. The carrying value of Million Cube was \$44.73 million.

The total consideration for Million Cube was HKD 307 million (or approximately \$53.3 million at the current exchange rate). As at 31 December 2018, the group has received HKD 200 million, or 65% of the agreed sale consideration. And a further HKD 2.2 million was received in March 2019.

On 15 November 2019, the company announced that the group received a further sum of SGD5 million, equivalent to approximately HKD28.8 million at an exchange rate of SGD1.00 to HKD5.76. The total consideration received would add up to HKD 231 million. The group further announced that, pursuant to a recent settlement agreement, it had agreed to waive the outstanding sum of HKD 76 million and fully and completely discharged the purchaser. The purchaser was released of the balance of the payment obligations under the agreement dated 20 March 2014.

As disclosed in Note 16 (page 115 – Asset held for sale), the total amount waived was S\$13.3 million. A loss from disposal of \$5.45 million was recorded.

- (i) **Can the board help shareholders understand the rationale for waiving the HKD 76 million? What was the benefit to the group to waive off the balance payment of HKD 76 million?**
- (ii) **Has the board carried out a revaluation of the underlying assets?**

- (iii) **Was this approved by the independent directors and by the audit committee?**

**Q3.** The board consists of seven directors of whom one is the executive chairman, one is an executive director, one is a non-independent non-executive director and four are independent directors.

- (i) Currently, the chief executive officer (“CEO”) role is vacant. The company has stated that it endeavors to source for a suitable candidate to fill the vacancy of the CEO (page 24). The company has been searching for a CEO for as far back as 2012. **Can the board help shareholder understand the efforts and the progress made in the search for a suitable CEO? How is the company carrying out its CEO search?**
- (ii) As executive chairman, Dr Allan Yap did not attend any of the 4 board meetings held in the year. In 2015, 2017 and 2018, Dr Yap attended two out of the four meetings each year. In 2016, Dr Yap attended one of four meetings. In the past 5 years, Dr Allan Yap, as executive chairman, attended 7 out of the 20 board meetings. **How effective is the executive chairman at discharging his duties if the executive chairman does not attend the formal board meetings? Would the nominating committee help shareholders understand if it has reviewed the effectiveness of the chairman to lead the board?**
- (iii) In addition, under the disclosure of remuneration, it was shown that Dr Allan Yap received a remuneration package that included 34.48% (2018: 42.24%) in profit sharing (page 33). At Tat Seng, where Dr Yap is also the executive chairman, he received 55.35% (2018: 62.70%) in profit sharing. **As the company consolidates the financial results of Tat Seng, would the remuneration committee help shareholders understand if Dr Allan Yap is getting the profit share of Tat Seng’s results twice?**

^ 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.**

^ 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-acramas-and-sgx-regco-update-guidance-general-meetings>)



**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](mailto:admin@sias.org.sg) [www.sias.org.sg](http://www.sias.org.sg)  
UEN No: S99SS0111B  
GST Reg No: M90367530Y

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

