



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Sing Holdings Limited

Stock code: 5IC

Meeting details:

Date: 20 May 2020

Time: 3.00 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. In the chairman's message, it was disclosed that all the apartments in the 735-unit development, Parc Botannia, have each been issued an option to purchase, amounting to sales value of about \$730.6 million (page 4 of the annual report).

Approximately 93% of these options have been exercised. This means that the sale transactions of 7% of the units (approximately 50-55 units) have not been completed. Based on Note 15 (page 79 – Development property), the carrying value of the unsold units amount to \$60.2 million as at 31 December 2019.

The group had already reported that approximately 95% and approximately 99% of the units have been issued options in November 2019 and February 2020 respectively.

- (i) **Can management help shareholders understand the typical length of time given to buyers to exercise the options and to complete the sale?**
- (ii) **Are there delays to the exercise of the options, especially with the uncertainties caused by the pandemic? Has the group experienced significant returns or lapsing of the options for the remaining units?**
- (iii) **What is the impact on the progress of the construction at Parc Botannia due to the COVID-19 pandemic?**

Q2. The group has one on-going development project (Parc Botannia), an investment property in Australia (291-room, limited service hotel operating as Travelodge Docklands in Melbourne) and 43 light industrial units at BizTech Centre, Singapore.

There appears to be no synergy nor economies of scale among the group's investments/activities.

- (i) **Can the board help shareholders understand if it has developed a coherent growth strategy, including the capital allocation by asset class and by geography?**

In addition, when the group bought the Melbourne hotel in 2016 for A\$107 million (S\$113 million), it had taken out AUD loans amounting to S\$64 million as at 31 December 2017. The hotel had a carrying value of S\$114 million as 31 December 2017 and has slipped to S\$97.3 million as at 31 December 2019.

As shown in Note 12 (page 75 – Investment property), the group has since recognised an impairment loss in the fair value of the hotel amounting to \$(6.64) million as at 31 December 2019 and exchange differences of approximately \$(10.95) million.

Based on the disclosure in Note 22 (pages 83 & 84 – Interest-bearing bank loans), the AUD loans were fully repaid in 2019. In the previous two financial years, the AUD loan amount was S\$43 million as at 31 December 2018 and S\$64 million as at 31 December 2017.

- (ii) **Has the board deliberated on the foreign currency risks of its overseas investments?**

As disclosed in Note 34 (page 102 – Financial risk management objectives and policies: Foreign currency risk), a 5% move in the AUD will lead to S\$5.0 million in the group’s other comprehensive income.

- (iii) **Would the board help shareholders understand the reasons for eliminating the natural hedge for its overseas assets?**
- (iv) **Would the board be developing a more robust foreign currency risk management framework before it considers making any other foreign investments?**

Q3. Dr Joseph Yeong Wee Yong joined the board on 1 January 2020. The profile of Dr Yeong can be found on page 12 of the annual report. Dr Yeong is a member of the audit committee, the remuneration committee and the nominating committee and is considered an independent director.

Until April 2019, Dr Joseph Yeong Wee Yong was a director of Sing Investments & Finance Limited (“SIF”) for 22 years.

SIF and Sing Holdings Limited share the same controlling shareholder, F.H. Lee Holdings (Pte) Limited. The company’s chairman, Mr. Lee Sze Leong, is the managing director and chief executive officer of SIF. Mr. Lee Sze Hao, the managing director and chief executive officer of the company, is the brother of Mr. Lee Sze Leong. Both are directors of F.H. Lee Holdings (Pte) Limited and are deemed to be interested in the shares held by the holding company.

In addition, the independent director, Mr Tan Tong Guan, retired from SIF in April 2014 after serving on SIF for 9 years. Mr Tan Tong Guan was then appointed to the board of Sing Holdings as an independent director on 19 April 2016.

- (i) **Would the nominating committee (“NC”) help shareholders understand if it has leveraged on professional search firms when looking for appropriate director-candidates?** Doing so may enable the company to cast its net wider and further improve the diversity of the candidate pool.
- (ii) **Would the NC also help shareholders understand if it is a standard practice of the company to appoint directors who retire from the board of SIF?**
- (iii) **Did the NC consider how the relationships the two above-mentioned IDs have with the substantial shareholders would be perceived by other shareholders?**

[^]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](http://www.sias.org.sg)

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[^] 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>)