



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: Stamford Land Corporation Ltd

Stock code: H07

Meeting details:

Date: 28 July 2020

Time: 2.30 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. The COVID-19 pandemic has affected businesses especially the hospitality and travel industries globally as borders were closed and governments put in place lockdown measures to stop the spread of COVID-19. In the message to shareholders (page 4), the chairman has stated the following:

*Before long, COVID-19's insuperable spread across the globe had caused seismic disruptions to everyday life. Our hotels had to be **shuttered down in April 2020**. This is a **disaster of unprecedented scale**. A longer period of stress may have to be factored in before our business returns to normalcy. [emphasis added]*

- (i) **With the chairman describing the pandemic as a disaster of unprecedented scale, did the board and management consider the need to update the market on the group's operations and to alert shareholders and potential investors that the hotels were shuttered?** In January 2020, SGX RegCo reminded listed companies on the need to disclose both materially price sensitive as well as trade sensitive information¹.
- (ii) **Would the board be reviewing its practices to better meet its continuous disclosure obligations?**
- (iii) **For the benefit of shareholders and other potential investors, would the company elaborate further on the negative impact caused by the pandemic on its hotel operations in the different cities (and countries) since March 2020?**
- (iv) **With the closure of the hotels and months (if not longer) before normalcy can be expected, does the group have sufficient working capital to tide it over this challenging period?**

Q2. On 26 July 2019, the company announced the following in relation to the purchase of the investment property, 8 Finsbury Circus in London, United Kingdom:

The Board of Directors of Stamford Land Corporation Ltd (the "Company") wishes to announce that the Company and Ow Global Pte. Ltd. ("Ow Global"), through their respective subsidiaries, have today completed the acquisition of the property located at 8 Finsbury Circus, London, United Kingdom (the "Property", and the acquisition of the Property, the "Acquisition"), through a special purpose vehicle incorporated in the British Virgin Islands.

¹ <https://www.sgx.com/media-centre/20200108-opening-remarks-tan-boon-gin-ceo-singapore-exchange-regulation-2h-fy2020>

Upon the completion of the Acquisition, the Company through its wholly-owned subsidiary SLC Investments 2 Pte. Ltd. ("SPV 1"), owns 60% interest in the Property, with the other 40% interest owned by Aquamarine Investments 1 Pte. Ltd. ("SPV 2"), a wholly-owned subsidiary of Ow Global.

- (i) **Can management help shareholders understand how 8 Finsbury Circus ("8FC") is held by the company via its subsidiaries?**
- (ii) In the annual report, the company has referred to 8FC as an investment property alongside Dynons Plaza and the #09-01 unit at Southpoint Building.

INVESTMENT PROPERTIES			
Name	Address	Tenure	Description
DYNONS PLAZA (PERTH)	905 Hay Street, Perth, Western Australia	Freehold	14-storey commercial building and 2-storey commercial and retail buildings
8 FINSBURY CIRCUS (LONDON)	8 Finsbury Circus, London EC2, United Kingdom	Freehold	10-storey commercial building with ancillary retail units
SOUTHPOINT BUILDING (SINGAPORE)	200 Cantonment Road #09-01 Southpoint Singapore 069763	Leasehold	One floor of office building

Would it be more appropriate, and factually right, to indicate in the annual report that the group holds only a 60% interest in the London property?
 On page 4, the chairman made reference to "the acquisition of 8 Finsbury Circus" which might give shareholders the impression that the listed company wholly acquired 8FC.

In Note 28 (page 107 - Amount due to non-controlling interests), it was disclosed that the group recognised amount due to non-controlling interests of \$54.6 million which is subject to interest rate at the weighted average of 3.5%.

- (iii) **Would the board, especially the independent members of the audit and risk management committee ("ARMC"), help shareholders understand the nature and reason for the amount of \$54.6 million due to non-controlling interests? Is this related to the group's acquisitions of 8FC?**
- (iv) **If so, would the amount of \$1.896 million paid to Ow FC (40) Pte Ltd as payments of interest expense be related to that \$54.6 million sum? This \$1.896 million amount shown on page 54 of the annual report is recognised as an interested person transaction.**

In the company's announcement dated 26 July 2019, the ARMC stated that, for the purposes of Rule 916(2) of the Listing Manual, the risks and rewards of the investment in 8FC are in proportion to the respective interest and the terms of the arrangement are on normal commercial terms, and are not prejudicial to the interests of the company and its minority shareholders.

- (v) **Again, if the \$54.6 million was from Ow FC (40) Pte Ltd and if it bears interest of 3.5%, would the ARMC help shareholders understand if the overall risks and rewards of 8FC are still in proportion to the respective interest?** For the group's GBP borrowings, the interest rates range from just 1.3% to 2.0% in 2020.

Q3. At the annual general meeting scheduled to be held on 28 July 2020, four directors, namely Ow Cheo Guan, Mark Anthony James Vaile, Lim Teck Chai, Danny and Huong Wei Beng would be retiring and seeking their re-election.

The additional information on directors seeking re-election can be found on pages 140 to 147.

The profile of Mr Lim Teck Chai, Danny can be found on page 8 of the annual report. As disclosed, Mr Lim Teck Chai, Danny is also a director on Kimly Limited, Advancer Global Limited and Choo Chiang Holdings Ltd. As noted in the disclosure on page 147, Mr Lim Teck Chai, Danny is an independent director of Kimly Limited, which had on 29 November 2018, announced that it was subject to investigations in relation to a possible offence under the Securities and Futures Act (Cap. 289) of Singapore by the Commercial Affairs Department and Monetary Authority of Singapore. Mr. Lim Teck Chai, Danny was interviewed by the Commercial Affairs Department in connection with the ongoing investigations. Mr. Danny Lim is not personally the subject of such investigation.

In his full-time role in a large law firm, Mr. Danny Lim is currently a partner in the Capital Markets and Mergers & Acquisitions Practice Group, advising on all aspects of corporate legal advisory and transactional work, both locally and regionally.

- (i) **Given that Mr Lim is a partner in a large law firm, and that Mr Lim already has three other directorships on listed companies (including one that has ongoing investigations by the Commercial Affairs Department), how does Mr Lim ensure that he is able to afford sufficient time, energy and attention to the affairs of the group?** This is an especially critical period for the group in view of the challenges in the hospitality segment which has been described as a "disaster of unprecedented scale".
- (ii) **If re-elected at the annual general meeting, would Mr Lim help shareholders understand if he has plans to reduce his other commitment and to focus his attention and energy on matters of the group?**

Separately, Mr Huong Wei Beng is also seeking his re-election at the annual general meeting. Mr Huong Wei Beng is an independent director on Singapore Shipping Corporation Limited which has the same controlling shareholders and the same set of executive directors as the company. The nominating committee had referenced Provision 2.1 of the Code of Corporate Governance 2018 which states that an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company [emphasis added].

- (iii) **Given Mr Huong Wei Beng's directorship on Singapore Shipping Corporation Limited and therefore his relationship with the substantial shareholders and its officers, how did the nominating committee evaluate the above and what are the considerations to deem Mr Huong Wei Beng as an independent director given that his existing relationship could be reasonably perceived to interfere with the exercise of the director's independent business judgement?**

^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)

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>)