



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: World Class Global Limited

Security: World Class Global Limited

Meeting details:

Date: 25 April 2019

Time: 3.00 p.m.

Venue: 55 Ubi Avenue 1, #06-05, Ubi 55, Singapore 408935

Company Description

World Class Global Limited, a real estate company, engages in the property development and investment activities primary in Malaysia and Australia. It undertakes various property development projects, including residential, commercial, and mixed use developments. The company was incorporated in 2013 and is based in Singapore. World Class Global Limited is a subsidiary of Aspiat Corporation Limited.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=1E6)

1. As noted in the chairman’s statement, AVANT, the group’s 56-storey residential development located in the heart of Melbourne’s central business district, was completed ahead of schedule in July 2018 and Australia 108, the other mega-residential project in Melbourne’s CBD, has progressed to level 70 out of 101 levels.

The piling works for Nova City (residential project in Cairns) has also been completed.

- (i) **Would management help shareholders understand its long term growth plans?**
- (ii) **Please update shareholders on the plans and development timeline for its other land bank.**
- (iii) **What is the occupancy rate and rental yield of the group’s investment properties?**
- (iv) **In Penang, the group currently operates six hotels, with a total of 85 rooms, in Georgetown and will be looking to add a seventh hotel, with a total of 36 rooms in FY2019. Has the board evaluated the scale of its hotel business? Can the hotel operations be scaled up meaningfully to become a key contributor of revenue and profit for the group?**

2. In the Corporate governance report, under the section titled Remuneration matters, the group shows the remuneration of directors.

Remuneration of Directors

A breakdown showing the level and mix of the remuneration of each individual Director for FY2018 is set out below:

Remuneration bands	Director	Salary ⁽¹⁾ (%)	Bonus, performance bonus (%)	Directors’ fees ⁽²⁾ (%)
Between S\$2,250,000 and S\$2,500,000	Ng Sheng Tiong	12.53	87.47	–
S\$250,000 and below	Koh Wee Seng	–	–	100.00
	Koh Lee Hwee	–	–	100.00
	Ong Tuen Suan	–	–	100.00
	Yeoh Seng Huat Geoffrey	–	–	100.00
	Tan Seng Chuan	–	–	100.00

Notes:

(1) Inclusive of salary, allowances and Central Provident Fund contributions.

(2) Directors’ fees are subject to the approval of Shareholders at the forthcoming AGM.

(Source: Company annual report)

As seen in the table above, the executive director received a remuneration package of between \$2.25 million and \$2.5 million in FY2018, of which 87% was due to bonus and performance bonus.

The remuneration, bonus of the executive director and profit of the group in FY2017 and FY2018 is summarised in the table below:

	FY2017	FY2018
Remuneration band	Between S\$1,750,000 and S\$2,000,000	Between S\$2,250,000 and S\$2,500,000
Salary	15.66%	12.53%
Bonus, performance bonus	84.34%	87.47%
Profit/(loss) for the year (\$ '000)	(9,274)	22,602
Total comprehensive income attributable to owners of the company (\$ '000)	(8,628)	7,481

The remuneration committee has disclosed that the executive director is remunerated as a member of the management and receives a basic salary component and a variable component which is the annual bonus, based on the performance of the group as a whole and their individual performance.

- (i) Would the remuneration committee help shareholders understand if the remuneration package of the executive director was in line with the group's remuneration policy (i.e. performance-based)?**

Guideline 8.1 of the 2012 Singapore Code of Corporate Governance states that:

A significant and appropriate proportion of executive directors and key management personnel's remuneration should be structured so as to link rewards to corporate and individual performance. Such performance-related remuneration should be aligned with the interests of shareholders and promote the long-term success of the company. It should take account of the risk policies of the company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. There should be appropriate and meaningful measures for the purpose of assessing executive directors and key management personnel's performance.

Specifically, in FY2017, when the group reported a loss for the year of \$(9.3) million, the executive received a total remuneration of between \$1.75 million and \$2 million, consisting 84.34% as bonus.

- (ii) Can the RC explain and quantify how it has evaluated the performance of the executive director and the performance of the group and also help shareholders understand how the remuneration commensurate with performance?**

- (iii) Would the RC consider how it could finetune the compensation structure of its key executives to ensure better alignment with the minority shareholders?**

3. The attendance of directors at board and board committee meetings is shown in the table below:

Name of Director	Board		Audit Committee		Nominating Committee		Conflicts Resolution Committee		Remuneration Committee	
	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Koh Wee Seng	4	4	5	4*	1	1	1	1*	1	1
Ng Sheng Tiong	4	4	5	4*	1	1*	1	1*	1	1*
Koh Lee Hwee	4	4	5	5	1	1*	1	1*	1	1*
Ong Tuen Suan	4	4	5	5	1	1	1	1	1	1
Yeoh Seng Huat Geoffrey	4	4	5	5	1	1	1	1	1	1
Tan Seng Chuan	4	4	5	5	1	1	1	1	1	1

* By invitation

(Source: Company annual report)

It is observed that the non-independent directors (including the executive directors) are invited to all board committee meetings. Basically, all the directors attend board committee meetings whether they are members of the board committee or not.

- (i) Can the board help shareholders understand if it is the usual practice for non-board committee members (including the executive director) to attend the board committee meetings?**
- (ii) Were there specific agenda items or reasons to invite the executive director and non-independent directors to all the board committee meetings?**
- (iii) What is the dynamics of the board committee meetings when the board committee members may be reviewing and discussing matters that are related to or affect the executive director?** Such board committee meetings would have included agenda items on performance assessment and remuneration of the executive director and on the audit/financial reporting/internal controls of the group.
- (iv) Do the invited directors also actively participate in the discussions during the board committee meetings?**