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: Hong Lai Huat Group Limited

Stock code: CTO

Meeting details:
Date: 30 April 2021
Time: 10.00 a.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.

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

Q1. On 15 April 2021, the company announced that the Royal Government of Cambodia had issued a lockdown order of Phnom Penh as well as the Kandal Province for a period of 14 days up to 28 April 2021 to curb the spread of the COVID-19 virus. There was already a curfew in place from 1st April 2021 to 14th April 2021 from 8pm to 5am. This would be extended for another 2 weeks in accordance with the latest lockdown order.

The company further disclosed that all local and foreign employees of the company have been vaccinated against COVID-19. The group's offices in Cambodia will be closed under the lockdown order and all employees have been instructed to work from home.

(i) **Can management help shareholders understand the number of staff it has in Cambodia and show the breakdown by business segment (agriculture division vs real estate division)?**

(ii) **What other assistance has the group provided to its stakeholders?**

(iii) As disclosed in the announcement, the Agriculture Division continues to operate with all safe guidelines in place. **Can management elaborate further on the health and safety guidelines implemented to keep its staff safe, especially during this latest outbreak? How is management ensuring compliance with the safety guidelines?**

(iv) **Can the company help shareholders understand if vaccines are widely available in Cambodia and if they are, is the take-up rate high?**

Q2. Revenue decreased by $21.3 million from $29.3 million in FY2019 to just $8.0 million in FY2020, mainly due to a reduction in property sales as a result of the COVID-19 pandemic.

In addition, the group completed D'Seaview but handover to overseas buyers was hampered due to COVID-19. D'Seaview comprises 737 residential units and 67 commercial units, which includes residential towers, office blocks, retail shop spaces and a 10-storey boutique hotel. As shown in Note 16 (page 81 – Development properties), the group now holds $23.65 million of completed development properties on the balance sheet.

(i) **Can management help shareholders understand the profile of the buyers of D'Seaview?**

(ii) **What are management's plans for the unsold completed units? With the current uncertainties in the market, coupled with the lack of foreign buyers due to the closure of borders, how will the group be able to sell the completed units?**

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

(iii) It was disclosed that the group has stepped up its digitalisation efforts for prospective buyers to view the Cambodia properties, e.g. virtual showrooms, online webinars, and signing of agreements. **What was the reach of these online activities and how effective were these digitalisation efforts, i.e. has the group managed to close out deals on these platforms?**

(iv) **For Royal Platinum, what is the sale progress? Did the group carry out a valuation for the land provided by the joint venture partner?**

Q3. The board currently comprises nine directors – three executive directors, one non-executive director and five independent directors.

The company disclosed that Dr. Wang Kai Yuen and Dr. Chen Seow Phun, John have served on the board for more than 14 years 11 months and more than 14 years 8 months since the date of their appointments on 1 May 2006 and 11 August 2006 respectively.

(i) **How was the rigorous review of the independence of long-tenured directors carried out?**

At the annual general meeting scheduled to be held on 28 April 2021, Dr. Wang Kai Yuen is retiring pursuant to Regulation 89 of the company's constitution and will offer himself for re-election.

(ii) **As independent chairman of the company, would Dr. Wang Kai Yuen be holding himself to higher governance standards and lead by example, especially in setting the tone with regard to the tenure of independent directors?**

(iii) **Similarly, for Dr. Chen Seow Phun, John, would the company be subjecting Dr. Chen Seow Phun, John to a two-tier voting for his continued appointment as an independent director?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US