

STAMFORD LAND CORPORATION LTD
(the “**Company**”)
(Company Registration No.: 197701615H)
(Incorporated in the Republic of Singapore)

Minutes of the 40th Annual General Meeting (“AGM” or “Meeting”)

Date and Time : Friday, 27 July 2018 at 10 a.m.

Place : Singapore Chinese Cultural Centre, Multi-Purpose Hall (Level 7),
1 Straits Boulevard, Singapore 018906

Present : As per attendance sheet

1. Welcoming Address

- 1.1 The master of ceremonies welcomed all attendees to the 40th AGM of the Company. He informed everyone that the proceedings were recorded and he would be assisting the Chairman, Mr. Ow Chio Kiat (the “**Chairman**”), chairman of the Board of Directors (the “**Board**”) who will be chairing these proceedings on the procedural aspects of the AGM. He then introduced Ms. Lee Li Huang, the Chief Financial Officer (“**CFO**”) and Company Secretary; and thanked Ernst & Young LLP, the auditors of the Company, for their attendance.
- 1.2 The emcee then passed the time to Chairman to chair the Meeting.

2. Quorum

- 2.1 The Chairman welcomed shareholders and board members for their attendance. Upon confirmation of the requisite quorum, the Chairman called the AGM to order.

3. Chairman’s speech

- 3.1 The Chairman informed that annual general meeting proceedings are an important forum for all shareholders, directors and management alike. The last annual general meeting was smoothly conducted and the Chairman encouraged all communications continue to be based on principles of respect, fairness and making statements that are relevant.
- 3.2 He added that (i) any shareholder using this forum to further his or her agenda would be asked to leave the Meeting. Defamatory allegations and unwarranted accusations will not be accepted; and (ii) to avoid repetition of the debacle in one of the previous years as well as ensuring all shareholders have the opportunity to raise questions, grandstanding and hogging of the microphone will not be tolerated. The rules of engagement that had been laid out in the annual general meeting held in 2017 would continue to apply. The floor would be briefed of the rules later.
- 3.3 The Chairman then invited the Chief Executive Officer (“**CEO**”), Mr. Ow Yew Heng, to move to the routine business of the AGM.

4. Notice

- 4.1. With the consent of the Members, the Notice of AGM dated 12 July 2018 (“**Notice of AGM**”) was taken as read.
- 4.2. The CEO informed the Meeting that (a) to streamline the proceedings, he, in his capacity as a shareholder, would be proposing all motions on the Agenda and no seconder would be called as it is not required by law; and (ii) Chairman had been appointed as proxy by a number of shareholders and that he would be voting in accordance with their instructions.

5. Q&A Session

- 5.1 The floor was informed that the Company had received questions from: (i) the Securities Investors Association (Singapore) (“SIAS”); and (ii) questions by shareholders that had been invited in the Notice of AGM to send in their questions in advance. These questions would be answered before the Q&A session is opened to the floor.
- 5.2 At this juncture, Mr. Manohar P Sabnani (“**Mr Sabnani**”) objected to the reading of the SIAS questions and the answers provided by the Board and management. He stated that SIAS is not a shareholder of the Company; he commented that SIAS’s questions should not be read out and answered in the Meeting and that shareholders in attendance should be given sufficient time to raise questions.
- 5.3 He further commented that questions received in advance from shareholders should take secondary priority after questions from the shareholders in attendance.
- 5.4 On Mr Sabnani’s objections, the Board informed the floor that it would deliberate whether to proceed with the Q&A from SIAS.
- 5.5 The Board, after deliberation, decided to proceed with answering the questions from SIAS and shareholders as planned. It was explained that there were only 3 questions from SIAS and that these questions addressed some of the shareholders’ questions and were relevant. Shareholders were assured that the Board would try to answer all questions that shareholders put forward and that the Board will continue to answer questions from shareholders after the AGM.
- 5.6 The Board explained its decision on why the Meeting will continue to be conducted in accordance with the procedures set by the Board following its deliberation on Mr Sabnani’s objection.
- 5.7 There being no further comment from shareholders, the emcee moved on to the SIAS questions.

Q&A from SIAS

- 5.8 The questions from SIAS were flashed on screen and the emcee read out the questions and the Board’s and management’s corresponding replies (**Appendix I**).

Q&A from shareholders that gave advanced notice of their questions

- 5.9 The questions from shareholders were flashed on screen and the emcee read out the questions followed by explanation and comments by respective board members and CFO (**Appendix II**).

Q&A from the Meeting

- 5.10 Before the floor was opened for question, shareholders were assured that the Board and management would do their best to answer any questions and to address any concerns that shareholders may have.
- 5.11 The emcee was then called upon to brief the floor of the rules of engagement as follows:
- There should be respect and courtesy extended in all communications between fellow shareholders, members of the Board and management. Communications should be polite and respectful and there should not be any shouting or raising of voices.
 - Questions and/or any statements made should not be defamatory, malicious or intended to cause embarrassment to any shareholders, directors or management, or to serve one’s personal agenda.

- Questions should be relevant to the proceedings, the Company, the matters discussed or the material within the Annual Report. Irrelevant questions will not be entertained or answered.
 - To ensure fairness and so that every shareholder is given an opportunity to raise their questions to the Board, the Chairperson will recognise one question from one shareholder in turn. If there is more than one question from any particular shareholder, these will be answered or addressed after all the other shareholders have raised their respective questions. In this respect, the Board asked that shareholders prioritise their questions. Shareholders may wish not to raise questions that have already been answered earlier.
 - When a shareholder has been invited by the Chairman of the proceedings to ask his question, the shareholder is encouraged to stand up and the mike will be passed to him by the ushers. The Board will proceed to answer his question after he had returned the mike and sat down. Shareholders were reminded that each shareholder should ask one question at a time. If a shareholder has more than one question, these will be answered or addressed after all the other shareholders have raised their respective questions.
- 5.12 The purpose of these rules was to ensure that principles of respect, fairness and relevance are maintained at the proceedings. Thus, the Board sought shareholders' cooperation to follow the mentioned rules to ensure fairness and effectiveness of the Meeting. It was reiterated that the Board together with management would endeavour to answer questions that shareholders put forward.
- 5.13 The Meeting was informed of the Chairman's right to request any person who is disruptive, uncooperative or who willfully creates a nuisance to fellow shareholders in the proceedings to leave the meeting. If the individual does not respect the directions of the Chair, proceedings will be stood down, and the authorities might be involved. The emcee then made mention of a blog post relating to the AGM that was held two (2) years ago wherein the Chairman was accused of threatening to sue shareholders for seeking more dividends. The emcee noted that the blog post made allegations that Chairman had committed certain criminal acts, which were untrue and dishonest. The Chairman, after responding to the allegations, had been accused by shareholders of being combative and argumentative. These were highlighted to show how unreasonable particular individuals can be, and blogs whose reports are clearly biased, inaccurate and incomplete.
- 5.14 The emcee stated that the Board and management were very keen to address all questions of shareholders and thus had invited shareholders to raise questions in advance in the Notice of AGM. Shareholders were encouraged to write in after the AGM and the Board and management will continue to address those questions.
- 5.15 The floor was then invited for questions (**Appendix III**).
- 5.16 After addressing questions from the shareholders, the Chairman invited the emcee to brief the floor of the voting procedures.
- 6. Appointment of Scrutineer and Voting Procedures**
- 6.1 Pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), all proposed resolutions as set out in the Notice of AGM be conducted by way of poll. For efficient running of the proceedings, the conduct of vote count and tabulation and announcement of results be deferred after completion of the voting procedures at the Extraordinary General Meeting ("**EGM**") which would be held immediately after the AGM.
- 6.2 The Meeting was further informed on the appointments of (a) Entrust Advisory Pte. Ltd. as Scrutineer to scrutinise the polling procedures and process and certify the results of the poll; and (b) Tricor Evatthouse Corporate Services as Polling Agent.

- 6.3 There being no question raised on poll voting procedures, the CEO proceeded with the proposed resolutions.

ORDINARY BUSINESS

7. ORDINARY RESOLUTION 1

Audited Financial Statements for financial year ended 31 March 2018 ("FY2018") together with the Directors' Statement and Auditor's Report

- 7.1 The Directors' Statement and Auditor's Report and the Audited Financial Statements were set out on pages 51 to 120 of the annual report for FY2018. With the consent of the Meeting, the statement and the report were taken as read.

- 7.2 Upon being proposed by the CEO, the following motion was put to vote by poll:

"That the Audited Financial Statements for the financial year ended 31 March 2018 together with the Directors' Statement and Auditor's Report thereon be received and adopted"

**8. ORDINARY RESOLUTION 2
Declaration of Final Dividend**

- 8.1 The Board had recommended the payment of a final tax exempt (one-tier) dividend of 1.0 Singapore cent per ordinary share for FY2018 and such dividend would be paid on 13 September 2018 after the passing of this resolution.

- 8.2 Upon being proposed by the CEO, the following motion was put to vote by poll:

"That a final tax exempt (one-tier) dividend of 1.0 Singapore cent per ordinary share for the financial year ended 31 March 2018 be approved for payment"

- 8.3 At this juncture, Mr Sabnani informed the Board that he had questions for this motion. In response to the CEO's comment to raise question after all motions are duly proposed, Mr Sabnani commented that the Board should allow for questions after each resolution and all resolutions including re-election of directors should not be lumped into one vote. Upon confirmation that Mr Sabnani had one question for this motion, the Board deliberated and agreed to accept Mr Sabnani's question.

- 8.4 Mr Sabnani then suggested to the Board that consistent declaration of expectable dividends helped to improve the share price. He stated that the share price of the Company five years ago was higher as higher dividends were declared although earnings and NAV were lesser compared to recent years where the Company had higher earnings and NAV but its share price is lower as lower dividends were declared. Mr Sabnani opined that the share buy-back would not help in enhancing the share price. He further commented that the Company had wrongly compared its dividend yield to other listed hospitality groups when the comparison should be made to REITS such as OUE Hospitality.

- 8.5 The Chairman responded that the Company will fully consider what Mr Sabnani had said and the comparison was with hotel companies as mentioned earlier.

**9. ORDINARY RESOLUTION 3
Directors' fees for financial year ending 31 March 2019 ("FY2019")**

- 9.1 It was explained that this proposed resolution, if passed, will facilitate payment of Directors' fees for FY2019 on a quarterly basis.

- 9.2 Upon being proposed by the CEO, the following motion was put to vote by poll:

“That the Directors’ fees of up to S\$280,000 payable quarterly in arrears for the financial year ending 31 March 2019 be approved”

10. ORDINARY RESOLUTIONS 4 AND 5

Re-election of Mark Anthony James Vaile and Lim Teck Chai, Danny

10.1 Mark Anthony James Vaile and Lim Teck Chai, Danny were retiring by rotation pursuant to Regulation 89 of the Company's Constitution, and they being eligible, had signified their consent to continue in office.

10.2 It was informed that Mark Anthony James Vaile will, upon his re-election as Director, remain as Chairman of the Audit and Risk Management Committee and member of the Nominating and Remuneration Committees.

10.3 Upon being proposed by the CEO, the following motion was put to vote by poll:

“That Mark Anthony James Vaile be re-elected as a Director of the Company”

10.4 It was informed that Lim Teck Chai, Danny will, upon his re-election as Director, remain as Chairman of the Nominating Committee and member of the Audit and Risk Management and Remuneration Committees.

10.5 Upon being proposed by the CEO, the following motion was put to vote by poll:

“That Lim Teck Chai, Danny be re-elected as a Director of the Company”

11. ORDINARY RESOLUTION 6

Re-appointment of Auditors

11.1 The last item of the Ordinary Business was to deliberate the re-appointment of Ernst & Young LLP (“EY”) as auditors for FY2019 and to authorise the Directors to fix their remuneration. EY have expressed their willingness to continue in office.

11.2 Upon being proposed by the CEO, the following motion was put to vote by poll:

“That Ernst & Young LLP be re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration”

SPECIAL BUSINESS

12. ORDINARY RESOLUTION 7

Share Issue Mandate

12.1 The Meeting ensued with the deliberation on special business of the Agenda. It was explained that the motion is to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act (Chapter 50) and the Listing Manual of the SGX-ST. With the consent of the Meeting, the text of the Resolution 7 as set out in the Notice of AGM was taken as read.

12.2 Upon being proposed by the CEO, the following motion was put to vote by poll:

“That authority be and is hereby given to the Directors to:

- (a) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or**

- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for: (1) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (2) any subsequent bonus issue, consolidation or sub-division of Shares;
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable requirements under the Companies Act (Chapter 50) and the Constitution of the Company for the time being; and
- (iv) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

13. ORDINARY RESOLUTION 8

Authority to offer and grant options and/or awards, and to issue new shares in accordance with the Stamford Land Corporation Ltd Share Option Plan 2015 (“SLC Share Option”) and Stamford Land Corporation Ltd Performance Share Plan 2015 (“SLC PSP”)

- 13.1 The CEO explained that the last item on the Agenda is to authorise the Directors to offer and grant

options and/or awards, and to allot and issue shares in the Company pursuant to the SLC Share Option and SLC PSP. With the consent of the Meeting, the text of the Resolution 8 as set out in the Notice of AGM was taken as read.

13.2 Upon being proposed by the CEO, the following motion was put to vote by poll:

“That authority be and is hereby given to the Directors to:

- (a) offer and grant options in accordance with the provisions of the Stamford Land Corporation Ltd Share Option Plan 2015 and/or grant awards in accordance with the provisions of the Stamford Land Corporation Ltd Performance Share Plan 2015 (together the "Share Plans"); and**
- (b) allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Stamford Land Corporation Ltd Share Option Plan 2015 and/or such number of fully paid Shares as may be required to be issued pursuant to the vesting of awards under the Stamford Land Corporation Ltd Performance Share Plan 2015,**

provided always that the aggregate number of Shares to be issued pursuant to the Share Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.”

14. Adjournment the Meeting

14.1 There being no notice received for transacting any other business at the AGM, the AGM adjourned at 11.41 a.m.

15. Re-convening the AGM and Declaration of Poll Results

15.1 The AGM re-convened at 12.21 p.m. with the CEO, on behalf of the Chairman, called the Meeting to order for declaration of poll results. Based on the poll results projected on the screen as follows, the CEO, on behalf of the Chairman, declared all resolutions tabled at the AGM carried:

15.2

Ordinary resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Business					
Resolution 1					
Adoption of the Audited Financial Statements and the Directors' Statement and Auditor's Report	439,325,100	439,102,100	99.95%	223,000	0.05%

Ordinary resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Resolution 2 Declaration of Final Tax Exempt (One-Tier) Dividend	439,335,100	438,839,000	99.89%	496,100	0.11%
Resolution 3 Approval of Directors' Fees for financial year ending 31 March 2019	439,320,100	437,066,200	99.49%	2,253,900	0.51%
Resolution 4 Re-election of Mark Anthony James Vaile as Director	439,307,100	436,945,900	99.46%	2,361,200	0.54%
Resolution 5 Re-election of Lim Teck Chai, Danny as Director	438,916,300	436,718,300	99.50%	2,198,000	0.50%
Resolution 6 Re-appointment of Auditor	439,243,100	438,525,100	99.84%	718,000	0.16%

Ordinary resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Special Business					
Resolution 7					
Authority to allot and issue Shares	438,803,400	422,859,300	96.37%	15,944,100	3.63%

Resolution 8 Authority to offer and grant options and/or awards, and to issue new Shares in accordance with the provisions of Stamford Land Corporation Ltd Share Option Plan 2015 and the Stamford Land Corporation Ltd Performance Share Plan 2015	438,803,400	423,116,100	96.42%	15,687,300	3.58%
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16. Conclusion

- 16.1 The formality of business of the AGM had been concluded; on behalf of the Chairman, the CEO declared the Meeting closed at 12.23 p.m.

Signed as a true record of the proceedings

Ow Chio Kiat
Chairman of the Meeting

Date: 3 September 2018

STAMFORD LAND CORPORATION LTD

SIAS Q&A FOR 40th ANNUAL GENERAL MEETING

1. With the handing over of 361 units at Macquarie Park Village (“MPV”), the total settlement at MPV reached 535 units. The group expects to complete the hand over of the remaining 177 units in the next financial years (page 3 of the annual report).

- (i) Can management clarify if the remaining units are all fully sold and are scheduled to be handed over to the buyers by the end of the financial year 31 March 2019 (assuming no material changes during the settlement), or would the handing over extend to future years?

The Board's and Management's response: Of the initial phases, there remains only a few remnant units which are returned to the market for sale due to purchaser's failure to complete the sale. Of these units, deposits have been duly forfeited.

For the additional 60 units, sales are progressing with 13 out of the 60 units already sold based on the last information received. Sales are progressing steadily. Sales are unpredictable as many factors affect the take up of units.

- (ii) What is the progress of the ongoing sale of the 60 additional units under the Urban Activation Precinct at Melbourne Tower?

The Board's and Management's response: Marketing of the remaining 60 units had just commenced in May 2018. As of today, 13 out of 60 have been sold.

- (iii) Given that there is good visibility to the completion of MPV, can management estimate the return on investment (ROI) from the entire project over the entire lifecycle, including the opportunity costs of the ceasing operations of Stamford Grand North Ryde?

The Board's and Management's response: The Company is not in a position to provide the ROI for its individual investments. Feasibility studies were carried out when considering the viability of projects and investments, before the same are undertaken. Project budgets are monitored closely.

- (iv) For other developments such as The Stamford Residences (Auckland), what is the ROI (with holding costs considered) given that three units remain unsold?

The Board's and Management's response: The Company is not in a position to provide the ROI for its individual investments. Feasibility studies were carried out when considering the viability of projects and investments, before the same are undertaken. Project budgets are monitored closely.

2. The “Valuation of investment properties” is a key audit matter (“**KAM**”) highlighted by the Independent Auditor in their report on the Audit of the Financial Statements. Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period. As noted in the KAM, the carrying value of investment properties is S\$127.4 million as at 31 March 2018, including a carrying value of S\$110.78 million for Dynons Plaza.

- (i) Can management elaborate further on the key assumptions used in the valuation of Dynons Plaza?

The Board’s and Management’s response: The key assumptions may be found at page 118 Note 33(d) of the Annual Report.

- (ii) With a single asset in Perth (being Dynons Plaza), what can the group leverage on as it tries to secure new tenants for Dynons Plaza?

The Board’s and Management’s response: We don’t quite understand the question. Dynons Plaza is a standalone Grade A office building in the Group’s portfolio of properties, which are largely hotels.

- (iii) Is the group looking to lease out the building to a single tenant? What are the opportunities to reposition the asset to a multi-tenant lease? Is that an option being considered by the group?

The Board’s and Management’s response: All options and possibilities are considered. We are in discussions with various potential tenants either for the occupancy of the whole building or for the lease of part of the buildings. Whichever arrangement that we eventually decide on will be based on the best deal we are able to achieve for the Group.

3. In the Corporate Governance Report, the nominating committee (NC) has stated its deliberations under succession planning for the board and management, as follows (page 32):

Succession planning is an important part of the corporate governance process. The NC seeks to refresh the board membership progressively and in an orderly manner, to avoid losing institutional memory.

Currently, there is an informal succession plan for management put in place by the Chairman. Going forward and at the relevant time, the NC will look into such plan in close consultation with the Chairman.

- (i) Would the NC elaborate further on when it assesses to be the appropriate time to formalise the succession plan for management?

The Board’s and Management’s response: The NC is kept informed and full aware of the succession plan for management. This is an ongoing process.

- (ii) Would the NC be overseeing the implementation of a succession and leadership development plans for the senior management to ensure smooth transition?

The Board’s and Management’s response: NC will always have oversight over succession and leadership development plans.

- (iii) In addition, as one of the key terms of reference of the NC is to review the board succession plans for directors, would the NC clarify if there is formal succession for board directors, including chairman, in place?

The Board’s and Management’s response: The NC has oversight over the succession plans of every position on the Board and the Board Committees. Notwithstanding, the Board is robust, and collectively there is enough expertise and experience on the Board to ensure continuity and to meet any contingencies.

STAMFORD LAND CORPORATION LTD

**Q&A FROM SHAREHOLDERS THAT GAVE ADVANCED NOTICE OF THEIR QUESTIONS
FOR 40TH ANNUAL GENERAL MEETING**

- Q1. We noted you have been buying shares in the Company since your appointment as a Director. Why are you buying shares? Are you helping the Chairman to plan/prepare for a general offer and ultimately privatisation?**

Mr. Danny Lim addressed this question.

This relates to Mr. Danny Lim's acquisition of shares of the Company. Mr. Danny Lim disclosed that he had purchased 393,800 shares in the Company. As a capital market lawyer, he will come across companies in the course of work and he will make personal investments. He prefers good and steady companies and since he has been given the privilege to work closely with the directors and Management of the Company, he is comfortable with his investment in the Company. Necessary announcements would be made as and when he makes further acquisition.

In terms of the speculations in this question, he said there is absolutely no basis behind them and he will not entertain them because they are not truthful.

- Q2. I noted there were fair value write downs of Dynons Plaza in the last 3 years, \$12.0M in FY2018, \$10.9M in FY2017 and \$23.4M in FY2016. However, there was no significant reduction in executive directors' remuneration in these 3 years. This seems to imply that they were able to draw higher remuneration in earlier years when there were fair value gains but are not affected in later years when there were fair value losses. Could you please explain?**

Mr. Danny Lim addressed this question.

Mr. Danny Lim explained that write downs are based on established accounting principles and policies, and the Board does not have control over this. Before any write downs are done, they must be backed by independent surveys conducted by reputable surveyors and valuers and the Board does not have control over them. Management has no discretion as to whether or not write downs should be effected. This is done in consultation with auditors and write downs take into account certain factors, e.g. terms of existing lease of Chevron and the general leasing conditions in Perth.

He explained that the write downs are a separate issue from the remuneration of executive directors. Pursuant to the comments that the Board received in past annual general meetings, the Board engaged an external reputable consultant, Aon Hewitt, to advise the Board on executive directors' remuneration. Currently, their remuneration comprises of a fixed component and a variable component. Variable component is dependent on the Group's overall financial performance. Based on the audited accounts, the Group had done well and will continue to do so, and hence his view that the executive directors should be properly remunerated for their work and effort.

- Q3. Why have dividends decreased when profits are increasing?**

The CFO addressed this question.

The CFO clarified that the dividends have not decreased and are maintained at 1 cent per share for FY2017 and FY2018, and a 100% increased from 0.5 cent per share for FY2016.

The considerations for maintaining the current dividend is a question of sustainability. When deriving at the decision to maintain the dividend of 1 cent, the considerations include:

- the potential earnings forecast of the Company taking into consideration its future projects and investments;
- the sustainability of the current dividend over the course of the next few years; and
- the resources required for the Company to undertake any projects in the coming year.

The chart on dividend yield was flashed in the Meeting. CFO explained that the Company's average dividend yield for the past 18 years is 6%, which is comparatively higher than the STI Index of 4%. The dividend yield and payout of the Company with other companies within the same industry was flashed in the Meeting. The slide showed that the Company's dividend ratio is comparable, if not better, than some of these companies. The Company may not have the highest dividend payout amongst the listed companies within SGX, but have fared remarkably well compared to some other companies.

Q4. Dividend payout had remained constant at 1 cent per share for FY2017 and FY2018 while directors' remuneration had increased significantly. This question was raised in an investor forum which we usually will not be addressing since it is not an official channel for communications with shareholders. However, given the frequency of this question, the Board has decided to address this question today.

Mr. Danny Lim addressed this question.

These questions relate to two separate issues.

Mr. Danny Lim explained that on the amount of dividends to pay, sustainability and predictability are taken into consideration. Dependent on the investment objectives, most investors will look for high dividend payments without risk to the continued performance of the company. The answer to that is sustainability of dividend payments.

On the separate issue of Management or directors' remuneration, the Company requires good, competent people to steer the Company to such performance and growth. The Group had done well and continues to do well, and therefore, the remuneration of these directors and Management should be commensurate with their contribution and responsibilities.

As Mr. Danny Lim had explained earlier, the remuneration of executive directors consists of fixed and flexible components.

Q5. I refer to page 119 of the Annual Report. The directors' remuneration has gone up quite significantly from \$4.6M in FY2017 to \$6.9M in FY2018. Why is this so?

Mr. Mark Vaile addressed this question.

Mr. Mark Vaile explained (i) the remuneration had a fixed and variable component as explained earlier in this Meeting and the variable component is linked to the Company's performance; (ii) following queries and complaints regarding directors' remuneration from past annual general meetings, the Board appointed Aon Hewitt, an independent HR compensation consulting firm widely recognised for work with real estate developers and investment companies, to review the remuneration and incentive framework of all executive directors of the Group. Examples of real estate companies that Aon Hewitt had worked with were given; and (iii) Aon Hewitt adopts a unique methodology/approach to review the competitiveness of executive directors' compensation. The methodology follows a set of criteria that determine the relevant market benchmark, such as, the ownership model, size, industry and financial track record of each comparator company. The executive directors' compensation is then compared with the relevant market benchmark.

Management had no influence in the review carried by Aon Hewitt, or the proposal following their review. The Remuneration Committee, headed by the independent members of the Board, took into consideration the Aon Hewitt's report and proposal and made recommendation to the Board. The Board, with the executives abstaining, approved the recommended upward adjustments given by Aon Hewitt. The Board took a further step and adopted Aon Hewitt's recommendation to further align the remuneration of the executive directors to the financial performance of the Company.

Furtherance on the comments to introduce claw backs, the Board viewed that it is not necessary as the executive directors' remuneration are subject to financial performance to begin with. The claw backs as mentioned under the Code of Corporate Governance 2012 relate to reclamations in the event of misstatement of financial results or misconduct resulting in financial loss of company. In the Company's case, the executive directors of the Company are hugely invested in the success of the Group, therefore, it is not necessary.

It was through Aon Hewitt's work that the Company realized the need to adjust executive directors' salaries to take into consideration remuneration and reward for the results the Company achieved and also to incorporate an element of retention into the remuneration packages.

Mr. Mark Vaile reiterated that the variable component is directly linked to the performance of the Company.

STAMFORD LAND CORPORATION LTD

Q&A FROM THE MEETING FOR 40th ANNUAL GENERAL MEETING

1. Mr Sabnani sought the Board's explanation for being asked to show his polling slip before the microphone was handed to him. He commented that this is not necessary as he was a shareholder and he had registered as a shareholder at the registration counter. The CFO explained that it is a procedural check whether the speaker is a shareholder or proxy as the Company was holding its AGM and extraordinary general meeting ("EGM") later.
2. Mr Sabnani opined that spending time setting out the rules of engagement and incidents which occurred two years ago and were not relevant to the present AGM was a waste of time. He also objected to the Board spending time on answering questions from: (i) SIAS; and (ii) questions posted in advance by shareholders who remained anonymous.
3. Mr Sabnani added that it was incorrect to restrict the number of questions from shareholders. Unless there were objections from other shareholders, he hoped that the Chairman could allow him to ask a few questions. He asserted that the Companies' Act entitled shareholders to attend the AGM and the Board should give shareholders as much time as they required to ask questions. He then referred the Board to page 30 of the Annual Report on Code of Corporate Governance stating that Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management at AGMs and other shareholders meetings.
4. The Chairman requested Mr Sabnani to sit down since he had made a long statement. The Chairman mentioned that he wished to reply to the statements that Mr Sabnani had made and reminded Mr Sabnani that he was to ask questions, and not to make long statements. However, Mr Sabnani refused to sit down and insisted on continuing. The Chairman requested for the microphone to be removed from Mr Sabnani, however Mr Sabnani refused. The Chairman stated that as the Chairman of the Meeting, he had the right to decide how the proceedings should be conducted.
5. Mr Danny Lim then suggested the floor to raise questions pertaining to the Annual Report after the Chairman provided his response to Mr Sabnani's comments.
6. Mr Sabnani claimed that Chairman's intention to remove his microphone was a threat and requested for a copy of the minutes of the AGM. Again, the Chairman reiterated for Mr Sabnani to sit down and replied that the proceedings would be minuted. By asking multiple questions, Chairman noted that Mr Sabnani was doing so at the expense of other shareholders and commented that Mr Sabnani acted in the same manner at the AGM held two years ago, where he was grandstanding and interrogating the Chairman. Then Mr Sabnani had refused to pass the microphone to others even though other shareholders raised their hands to ask questions. Mr Sabnani denied Chairman's comment.
7. The Chairman reiterated that while Mr Sabnani was allowed to ask questions, he was not allowed to interrogate the Board or make long statements. The Chairman then asked Mr Sabnani if he had a question to ask.
8. Mr Sabnani referred the Board to page 30 of the Annual Report. He commented that pursuant to the Code of Corporate Governance, there should be clear division of responsibilities between leadership of the Board and the Executives and each of them have their own roles. He noted that the Company had a CEO, a Deputy Executive Chairman and an Executive Chairman. He then requested the Board to explain the differences in the roles of these people and inquired about the need for a Deputy Executive Chairman.

He then further referred to page 38 of the Annual Report on the remuneration of the Executive Chairman, Deputy Executive Chairman and CEO which totalled approximately S\$7 million, and the mentioned executives are family members and controlling shareholders of the Company. He then sought RC and independent directors to explain (i) justification of the mentioned executive directors' remuneration; (ii) their view on how the Company addresses the requirements on corporate governance code that recommends a separate chairman and CEO. He commented that the

Company actually has 3 CEOs and the Company should only have a non-executive chairman and a CEO. Remuneration of non-executive chairman is also lesser than the executive chairman; and (iii) justification for high remuneration paid to Executive Chairman. The total remuneration paid to Executive Chairman is S\$5 million, which is three (3) times higher than the aggregate total remuneration of the top five (5) key management personnel.

9. Chairman replied that he had been running the Group for more than 30 years and this has been the structure in place year after year. He pointed out that the Group is thriving and profitable under this structure and if this structure works for the Group, he did not see the logic behind Mr Sabnani's query. Chairman then passed the time to the independent directors to respond.
10. Mr Danny Lim continued by referring to the appointment of the independent HR consultant to review the remuneration package of the Board and also stated that the Group has historically and continues to do well. So long as Management performs well and the Company's position remains good, then the executives should continue to be remunerated well.
11. Mr Sabnani then requested for an answer to the different roles performed by the Executive Chairman, Deputy Executive Chairman and CEO. Chairman requested for Mr Sabnani to sit down and that he will answer the question thereafter.
12. Mr Sabnani refused to sit down and continued to insist on a reply. Chairman stated that Mr Sabnani was not giving him the opportunity to answer. Mr Sabnani sat down. Chairman stated that he does not need to justify to Mr Sabnani how he runs the Company profitably. The Group no longer has any gearing and was poised to embark on more expansions. Chairman was of the view that no detailed explanation was required for his daily tasks and duties as the financial records and performance of the Group speaks for itself. He then invited questions from other shareholders.
13. Next question came from Mr Liu Dao Xian. He began by expressing his appreciation for the Board and their hard work. His question related to the lower dividend yield for the past two (2) years compared to the earlier years. He requested for the Chairman to share his insight on how Chairman can share the Company's profits with the minority shareholders.
14. Chairman stated that it is reasonable that when a Company does well, it shares its fruits with its shareholders. He mentioned that he is the biggest shareholder of the Company and he would like to draw bigger dividends if he could. With reference to charts presented by the CFO earlier, he stated that the Company's stocks can be considered a high dividend yielding stock. However, since a high-interest rate environment is coming and cognisant of the fact that the Company must expand in an uncertain economy, the Group must be more careful. While Chairman agreed he drew historically high pay this year, he noted that he did not receive any pay increase or bonus for the early ten (10) years of the Group's inception. Chairman added that there were headwinds in sight for the Group, including the expiring Chevron lease in Dynons Plaza and high interest rates. He stated that the Group must be prepared. Chairman agreed that he had a conservative style of management but stated that the Group has only come so far because of this. He then shared data regarding an investment he made in another company and compared it to if he had invested that money in the Company.
15. Mr Danny Lim added that, in recognising the challenging environment, there will be distress assets and opportunities. With a war chest, the Company can take advantage of these opportunities. From a long-term investment perspective, it makes sense for the Company from a sustainability viewpoint.
16. The next question came from Mr Woo Siew Cheong ("**Mr Woo**"), who confirmed his support of the Company. He asked if the Board has plans to privatise the Company, with reference to the share buy-back mandate to be considered at the EGM.
17. Mr Woo acknowledged the Board's explanation on factors that had been taken into considerations in recommending dividends. Mr Danny Lim then stated that Mr Mark Vaile and himself did not know of any plans to privatise the Company. With regard to the share buy-back, Mr Danny Lim stated that many companies had such an option on an annual basis but do not use them. From the Company's perspective, share buy-back supports the share price as it means the Company thinks the share price is undervalued. Secondly, if shareholders prefer to realise their value in the shares, this is an option. For long-term investors, their share denomination increases as there are less shares. Mr Danny Lim categorically stated that the share buy-back was not for the benefit of the major shareholders but for the minority shareholders.

18. Mr Mark Vaile added that as a capital management strategy, when discussing dividends and share buy-back, one has to consider many different factors to decide on how capital management strategies can be done. On one hand, the Company can directly reward shareholders from dividends, or on the other, through a share buy-back to consolidate value in shares so that shareholders' stock value increases.
19. The next question came from Madam Ng Poh Mui, who expressed her support for the Company. She stated that she was disappointed regarding: (i) the fact that Mr Benedict Tan and Mr Clement Ong, the Company's legal officers, were not available to speak to her despite numerous calls; and (ii) the dividend yield for the past two years was not attractive compared to the financial years before and that the Company had elected to initiate a share buy-back mandate.
20. Chairman apologised for Mr Benedict Tan and Mr Clement Ong's failure to respond and explained their position in the Company. In responding to the issue of the share buy-back, he stated that he did not believe in a share buy-back for the longest time as to do so required a lot of money such as consultants or paying accounting fees to initiate the mandate, especially where the Company does not have much cash. However, in the current situation, since the share price is not trading, in his view, at its full value, the Company may use surplus funds to purchase shares to consolidate the share value. To address her question and Mr Woo's comments regarding the share value, he stated that this does not change the Company's strategy. Chairman remained very active in the Company but in difficult times the Company must be more conservative and more prepared.
21. The next question came from Mr Foong Swee Kong ("**Mr Foong**"). He commented that the Company had surplus of cash this year, and that directors and staff were rewarded but shareholders were not.
22. Chairman disagreed. He stated that the staff were given their normal increments and the executive directors' increase arose as a result of complaints raised by shareholders two years ago, which triggered concern from the two independent directors that resulted in the engagement of Aon Hewitt to review the directors' remuneration packages. There were checks and balances in place to ensure that Aon Hewitt's recommendation was reasonable. For all the reasons the Board had given, the shareholders know that they are investing in a conservative company. With all the headwinds the Group will face in the coming years, Chairman requested for shareholders to be patient and the Board will do its best.
23. Mr Foong also inquired as to why no refreshments were provided at the AGM.
24. Chairman stated that there have been earlier AGMs held at hotels such as Fullerton and Amara. However, due to misconduct, especially at the buffet lines, the Group gained a bad name with these hotels, who refused to entertain future bookings from the Group. He then called on the CFO to elaborate further.
25. CFO went on to state that the Group moved on to give vouchers for the past three years but noted that the vouchers were not fully utilised and this resulted in wastage. Further, in recent years, other listed companies such as Singtel, Singapore Press Holdings and UOB Kay Hian are moving away from giving vouchers. The Board decided that the AGM should focus on shareholder engagement such as corporate governance and corporate financial performance in deciding to move away from giving vouchers.