



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

**EXECUTIVE SUMMARY OF LETTER TO SHAREHOLDERS**

- The purpose of this letter is to address certain allegations that were raised against the Company in the Facebook posting by a shareholder of the Company on 27 July 2018 entitled “Abhorrent board behaviour at Stamford Land AGM” (the “**Facebook Post**”) which was republished in a letter that the said shareholder wrote to the editor of Business Times on 31 July 2018 entitled “*Stamford Land board’s high-handed conduct at AGM leaves bitter taste*” (the “**BT Letter**”), on the purported events that took place at Stamford Land Corporation Ltd’s (the “**Company**”) Annual General Meeting held on Friday, 27 July 2018 (the “**2018 AGM**”).
- The Company has been wrongly accused in the Facebook Post and the BT Letter:
  - of having poor shareholder communications, specifically restricting the number of questions that each shareholder may ask to one;
  - that the Board of Directors (the “**Board**”) and Management had asked a shareholder who attended the 2018 AGM to quench his thirst in the toilet; and
  - of having poor corporate governance by paying the Chairman of the Board (the “**Executive Chairman**”) and the Chief Executive Officer (“**CEO**”) remuneration at the expense of not paying more dividends.
- The Company sets out in paragraphs 1 to 19 of the letter to shareholders, its response to these allegations, save to say at this point, that:
  - there were no restrictions to the number of questions a shareholder may ask at the 2018 AGM;
  - neither the Board nor Management had asked any shareholder to quench their thirst in the toilet;
  - the considerations in the payment of the remuneration of the directors are independent of the considerations in the declaration of dividends;
  - as explained at the 2018 AGM, the remuneration of the Executive Chairman and the CEO rose in accordance with the formula adopted by the Board following the advice of independent human resource consultant, which were then reviewed by the independent Remuneration Committee of the Board (“**RC**”), and adopted by the Board (with each of the directors abstaining from voting on his own remuneration); and
  - as explained at the 2018 AGM, the Company took into account the potential earnings forecast of the Company, the sustainability of the current dividend over the course of the next few years and the resources required for Stamford to undertake any projects for the coming years, when declaring its dividends.

## **LETTER TO SHAREHOLDERS**

Dear Shareholders

### **STAMFORD LAND CORPORATION LTD CLARIFICATION ON EVENTS AT ANNUAL GENERAL MEETING 2018**

1. We would like to assure shareholders that whatever had been stated in the Facebook Post and BT Letter does not factually represent what had transpired at the 2018 AGM. The background and an actual account of what took place is set out below.

#### **Background**

2. During the 2016 Annual General Meeting (the “**2016 AGM**”), certain shareholders made irrelevant and baseless derogatory comments and behaved in a disruptive manner which affected the smooth flow of proceedings.
3. Following the 2016 AGM, to ensure that questions by the shareholders remained relevant, and were addressed fairly, the Company adopted the Rules of Engagement (the “**Rules**”) to deal with the communications between the Board and all shareholders.
4. At the 2017 Annual General Meeting (the “**2017 AGM**”), the Company implemented the Rules and accordingly, the proceedings were conducted smoothly and without disruptions.

#### **Events at the 2018 AGM**

5. At the 2018 AGM:
  - a. the Rules were adopted to ensure questions by shareholders are addressed fairly and shareholders were informed about the Rules;
  - b. shareholders were informed that the Board and Management will do their best to answer every question that shareholders may have;
  - c. shareholders were informed that if any person was found to be disruptive, uncooperative, or anyone who willfully creates a nuisance to fellow shareholders in the proceedings, the Chairman had the right to ask that person to leave the 2018 AGM; and
  - d. to ensure that all shareholders are treated fairly, shareholders were requested to ask one question per turn. When all shareholders had completed their initial question, the Board will then return to the shareholders who had more than one question to raise.
6. The 2018 AGM began with Management addressing various questions from the Securities Investors Association (Singapore) (“**SIAS**”), questions that were raised by the SIAS as part of its initiative amongst listed companies, with the support of the SGX, to improve corporate governance by reviewing annual reports and inviting companies to address these questions. The SIAS is considered “the voice” for minority shareholders and often engages with corporations in relation to good Corporate Governance practices.
7. However, a shareholder of the Company objected to the SIAS questions being raised on the basis that SIAS was not a shareholder of the Company. The Board deliberated on the said shareholder’s request and for the following reasons decided that the order of proceedings, as

fixed in the agenda, should be maintained, and that the SIAS questions would be read and answered:

- a. the Company shares the view of SGX that listed companies should work closely with organisations such as SIAS which represents the interest of retail and minority shareholders, and which plays an important role in shareholder communications; and
  - b. the SIAS had raised a series of probing, insightful and coherent questions, which the Board felt were relevant and beneficial in addressing concerns of all shareholders. These questions related to (i) the performance of the sale of units at Macquarie Park Village, (ii) the future of Dynons Plaza, and (iii) succession planning and the role of the Nominating Committee.
8. Notwithstanding the decision and at the request of the Board, the said shareholder continued to make long statements, and despite numerous requests from the Board, refused to sit down, which disrupted the proceedings for about 15 minutes to the detriment of other shareholders.
  9. Much was also made about the fact that ushers at the 2018 AGM had requested shareholders to show their voting slips before asking questions. The right to ask questions are granted to shareholders of the Company, and not persons who were not authorised and trespass the AGMs. The Company had as a precaution implemented these measures to prevent such unauthorised access and trespass.
  10. Neither the Board nor Management had told any shareholder who attended the 2018 AGM to quench their thirst in the toilet, as alleged in the Facebook Post and the BT Letter.

#### **Shareholders' Feedback**

11. Prior to the 2018 AGM, the Company had invited shareholders to write-in with their questions so that the Board and Management may address those questions at the AGM comprehensively. Even during the 2018 AGM, shareholders were encouraged to write to the Board and Management after the 2018 AGM so that their question may also be addressed. Furthermore, the Company has an Investor Centre website (<http://stamfordland.listedcompany.com/>) which is set up to provide timely, high quality information to investors on the internet. The Company also has a dedicated email for prompt response to shareholders.
12. During the question and answer session of the 2018 AGM, the same shareholder who interrupted the SIAS questions, was the first speaker and he spoke at length on three issues: Remuneration of the executive directors, the roles of the Chairman, Deputy Executive Chairman and CEO, and the dividends.
13. The Company addressed all the issues raised by him. For the avoidance of doubt and for the benefit of all shareholders, the Company would briefly set out the responses given to the said shareholder at the 2018 AGM, at paragraphs 14 to 19 of this letter.

#### **Executive Directors Remuneration**

14. The Company has observed good corporate governance in the determination of the remuneration of the Executive Chairman, the Deputy Executive Chairman and the CEO, which is in compliance with the 2012 Code of Corporate Governance, in that:
  - a. Following a complaint at the 2016 AGM from one shareholder, advice from AON Hewitt, an international independent professional human resource consultant, was sought in connection with the remuneration of the Executive Chairman and the CEO. AON Hewitt had advised the RC that the remuneration of the Executive Chairman and the CEO was inadequate and should be revised upwards. Further, they recommended the adoption of a formula such that a part of the remuneration is pegged to the financial

performance of the Company. The RC only consists of all independent directors. This was reiterated at the 2018 AGM; and

- b. The RC deliberated and reviewed AON Hewitt's report and the remuneration of all members of the Board (with each member of the RC abstaining from his own remuneration), and the recommendations of the RC were adopted and approved by the Board (with the Executive Chairman, Deputy Executive Chairman and the CEO abstaining from his own remuneration, respectively). The RC only consists of independent directors of the Board. This was reiterated at the 2018 AGM.
15. In FY2017/2018, the application of the remuneration formula, which was proposed by Aon Hewitt and endorsed by the RC, resulted in an increase in the total remuneration for the Executive Chairman and the CEO, in line with the improvement in performance of the Company for the same financial year.
16. It is not true that "the company has three CEOs, effectively", as claimed in the Facebook Post. In relation to the roles of the Executive Chairman, Deputy Executive Chairman and the CEO, all three (3) individuals were separately involved in the management of the Company, whose business includes both property development and hospitality, with:
- (i) the Executive Chairman being involved in all aspects of strategic planning, business development and all key decisions of the different aspects of the management and operations of the Company;
  - (ii) the Deputy Executive Chairman being involved in specific key projects of the Company, assisting the Executive Chairman in his responsibilities, if required; and
  - (iii) the CEO being involved in the day-to day management and operations of the Company, including but not limited to the oversight of finance, human resource and corporate governance.
- Unlike other hospitality companies which outsources the management of its hotels, the Company not only owns, but manages its chain of hotels by itself, which requires a high level of involvement by the Executive Chairman, Deputy Executive Chairman and the CEO.
17. The Executive Chairman, Deputy Executive Chairman and the CEO collectively devoted 112 years building up the Group to what it is today. Each of their contribution is important for the growth and development of the Company. The Company has not suffered any losses ever under their management.

### **Dividends**

18. With respect to the dividend issue, the Company has observed good corporate governance and the Board had given due deliberation in the determination of the dividend to be declared. The Board had explained at the 2018 AGM its considerations in declaring this year's dividend, which includes, the potential earnings forecast of the Company, the expiry of the Dynons Plaza lease in 2020, 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 years.
19. The Board considers it important to balance between dividend pay-outs to shareholders and monies retained to fund the growth of the Company. Despite the current challenging market conditions and environment, the Company has continued to perform well while preserving reserves and little or no debt, and demonstrating sustainable profitability. The Board has made and continues to make decisions in the greater interest of the Company and all its shareholders.

**Conclusion**

20. During the past 26 years, the Company has held all its AGMs smoothly without any disruptions, where shareholders concerns were addressed without incident. Even at the 2017 AGM, where disruptive shareholders did not attend, the proceedings went smoothly without any disruptions. However, the disruptions in the 2016 AGM and the 2018 AGM by certain shareholders' attempting to dictate the proceedings, has demonstrated the importance of the implementation of the Rules to ensure that other shareholders are not adversely affected by these disruptions.
21. The Board trusts that this letter will serve to assure shareholders that the events that transpired at the 2018 AGM are far from what was set out in the Facebook Post or the BT Letter. Shareholder communication is important to the Company. Since the 2018 AGM, the Board and Management have met a number of minority shareholders, some with significant stakes in the Company. These minority shareholders are highly appreciative of the work of Management and the performance of the Company.
22. All constructive feedback are welcome and valued by the Board and Management. The Board and Management will continue to engage shareholders on the important issues regarding the Company.

For and on behalf of  
the Board of Directors

Lee Li Huang  
Company Secretary

31 August 2018

**About Stamford Land Corporation Ltd.**

Listed on the Mainboard of the Singapore Exchange ("SGX"), Stamford Land Corporation Ltd. ("Stamford") is the largest independent owner-operator of luxury hotels in Australia and New Zealand. With a portfolio of prime hotels and investment properties in Australia and New Zealand's key cities, Stamford is well-known for its development of first-rate residential and commercial properties.

With its targeted approach in luxury brand positioning, Stamford has achieved unparelled success in its hotel and property development businesses in Australia and New Zealand. Its brand is celebrated for its exceptional locations, luxurious accommodation and stellar service quality. Stamford has also been ranked among Singapore's top 100 brands by Brand Finance, an independent, leading international brand valuation consultancy. For more information, please visit [www.stamfordland.com](http://www.stamfordland.com).

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