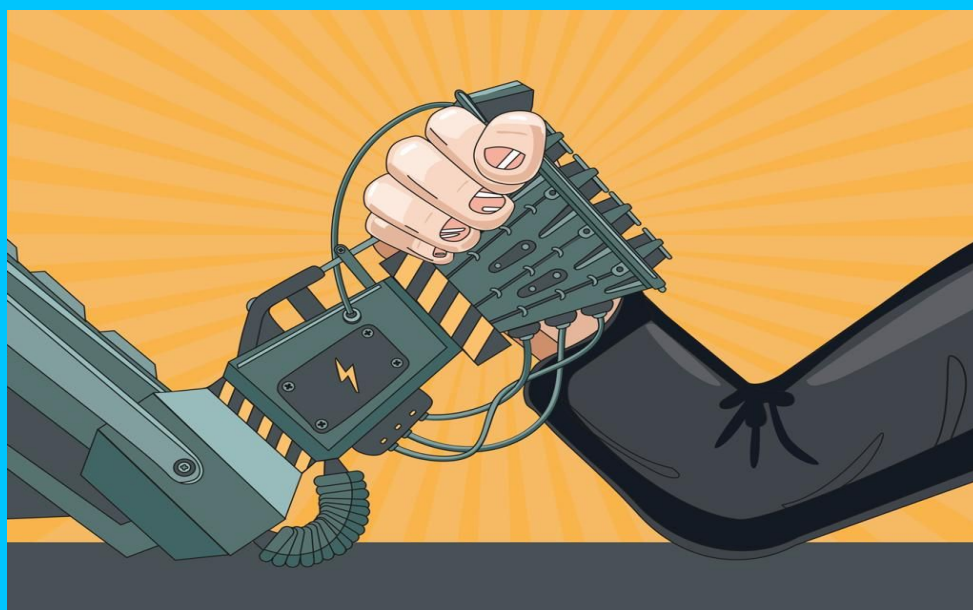


What shareholders, issuers and regulators should know about general meetings of shareholders in Singapore

THE SINGAPORE REPORT ON SHAREHOLDER MEETINGS

The Rise of Virtual Meetings



VOLUME 4

MAK YUEN TEEN

First published in March 2021

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Mak Yuen Teen

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THE SINGAPORE REPORT ON SHAREHOLDER MEETINGS

Volume 4

The Rise of Virtual Meetings

AUTHOR

MAK YUEN TEEN

WEBSITE: www.governanceforstakeholders.com

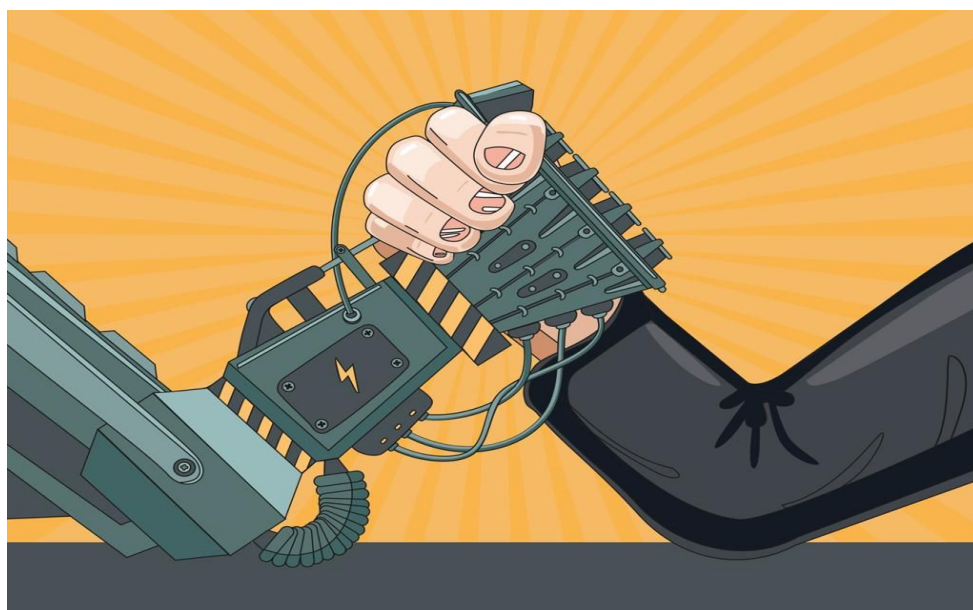
EMAIL: bizmakyt@nus.edu.sg

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What shareholders, issuers and regulators should know about general meetings of shareholders in Singapore

THE SINGAPORE REPORT ON SHAREHOLDER MEET

The Rise of Virtual Meetings



VOLUME 4

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The author would like to thank the following: Chew Yi Hong, who collaborated on the three previous reports on shareholder meetings, for his inputs in the planning stage and guidance on key aspects of the project; Michelle Lee and Soh Xin Yi who led the analysis, co-ordinated the report preparation and assisted with data collection; Deepa Arul, Vidhi Killa, Daniel Chng Xue Yong and Gan Ga-Rei who assisted with data collection, desktop research and other aspects throughout the project; Jamie Allen and his team at the Asian Corporate Governance Association for their insights on practices in other Asian markets; Lya Rahman, adviser and council member of the Institutional Investors Council Malaysia regarding the experience in Malaysia; Yap Jia Rern at Azeus Systems for sharing how a virtual AGM works with the company's AGM@Convene system and its with virtual AGMs for listed companies and other organisations in Singapore. However, the author is responsible for the content in this report and any errors.

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Preface

In 2015, Chew Yi Hong and I published the first-ever report on shareholder meetings in Singapore. We followed that up with two further reports in 2016 and 2017. These three reports covered all AGMs (including back-to-back AGMs and EGMs) and standalone EGMs held from 2014 to 2016 by issuers with a primary listing on the Singapore Exchange (SGX). They contain extensive findings on key issues and trends relating to shareholder meetings and a number of recommendations for issuers and regulators.

Our recommendations included a call for greater use of technology, such as webcasting of meetings and electronic online voting. We did not advocate that physical meetings be replaced by virtual meetings, as we consider face-to-face interactions involving shareholders, directors, management and auditors at shareholder meetings to be important. We felt that webcasting of meetings and electronic online voting would improve shareholder participation. Disappointingly, issuers did not embrace greater use of technology in the way we had hoped for.

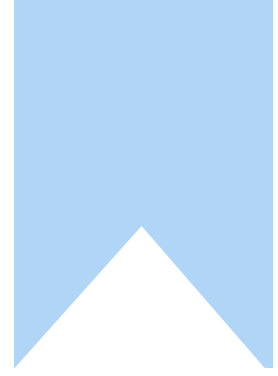
Then the Covid-19 pandemic struck and suddenly most meetings held in 2020 were virtual meetings which relied extensively on technology. Virtual meetings conducted followed measures introduced by the Government and rules and guidance issued by regulators. The virtual meetings were almost exclusively conducted using webcasts which did not allow for interactions at the meetings. Electronic online voting was not used (except by one company in 2020). Issuers failed to leverage on available technology to more fully engage with shareholders.

Late last year, I decided that it was time to undertake another study on shareholder meetings conducted by listed issuers in Singapore - this time with a focus on virtual meetings held in 2020. Yi Hong, my collaborator on the previous reports and regular collaborator in other projects, was unable to work with me on this latest report due to other commitments. However, he provided extensive inputs and guidance on this latest report.

I hope that issuers, investors, regulators and other stakeholders will find this report to be interesting and useful.

Hopefully, we do not have to wait for another pandemic for issuers to more fully embrace technology in conducting shareholder meetings. Technology, however, should not undermine the ability of shareholders to hold issuers and directors accountable and exercise their rights.

Mak Yuen Teen



THE SINGAPORE REPORT ON SHAREHOLDER MEETINGS



VOLUME 4

In a Nutshell

2020

ABOUT THE STUDY

COVERAGE AT A GLANCE

744 ISSUERS



623 ANNUAL
GENERAL MEETINGS¹



121
EXTRAORDINARY
GENERAL MEETINGS



BASED ON PUBLIC
INFORMATION



ALL ISSUERS WITH
MEETINGS IN 2020

NUMBER
OF MEETINGS

532
ISSUERS 1

84
ISSUERS 2

12
ISSUERS 3

2
ISSUERS 4

15 DELISTED
COMPANIES



¹ UNLESS STATED OTHERWISE, THE TERM ANNUAL GENERAL MEETING ("AGM") INCLUDES BACK-TO-BACK AGM PLUS EGM

2020

ABOUT THE STUDY

DETAILED PROFILE OF ISSUERS

% OF PUBLIC FLOAT

44 ISSUERS **> 70%**

130 ISSUERS **50% - 70%**

455 ISSUERS **< 50%**



MARKET CAPITALISATION

72%
(LESS THAN
\$300 MILLION)



12%
(\$300 MILLION
TO \$1 BILLION)



13%
(\$1 BILLION OR
MORE)



3% delisted but are included in the report as they held a meeting in 2020

FINANCIAL YEAR END



62%



13%



11%

2020

KEY FINDINGS



THE SINGAPORE REPORT ON SHAREHOLDER MEETINGS THE RISE OF VIRTUAL MEETINGS VOLUME 4

Only six issuers conducted a virtual AGM in 2020 with “live” Q&A with only one which allowed “live” voting.

AGMs conducted virtually were as short as seven minutes long, with a mean (median) duration of 26 minutes (20 minutes) and the largest number of issuers having a duration of 15 minutes.

Three issuers held their 2020 virtual AGMs within 90 days of the financial year-end. 20 issuers took more than six months to hold their AGM in 2020.

The average notice period for AGMs peaked in 2020 was just over 21 days, higher than each of the three prior years. Two issuers only gave 13 clear days’ notice in 2020, shorter than the mandatory minimum 14-day period

Most issuers had a cut-off time of 72 hours for shareholders to register for the virtual AGMs/EGMs in 2020.

Nearly half the issuers had a cut-off time of 48 hours to submit proxy forms, with all others having a 72-hour cut-off time, except for one which had a cut-off time of 24 hours.

A majority of meetings (55%) had a cut-off time of three days for submission of questions

Six issuers did not publish detailed minutes for their virtual meetings on SGXNET. Eight issuers did so after the deadline of a month imposed by SGX Regco.

Total shares voted and public float shares voted at AGMs showed an increase from 2017 to 2019 before dipping in 2020. Shares voted were somewhat lower for virtual meetings compared to physical meetings in 2020.

From 2017 to 2019, April remained the busiest month for AGMs, followed by July and October. In 2020, June became the busiest month, followed by October, May and September.

The online investor survey shows a clear preference for hybrid meetings, followed by face-to-face meetings, compared to fully virtual meetings. Respondents attended fewer meetings and voted less frequently at meetings which were held virtually in 2020. They were on the whole dissatisfied with their experience of virtual meetings in 2020.

A desktop survey of 18 other markets, supplemented by inputs from experts in certain markets, show that most markets allow virtual meetings, with some already doing so before the onset of the pandemic, and virtual meetings becoming a permanent feature in certain markets.

Twenty-seven companies implemented two-tier voting in 2020 before it is mandatory, with 34 independent directors in these companies going through the two-tier vote. Two out of the 34 directors did not pass the two-tier vote and left their boards.

Recommendations



Recommendation 1

Issuers that hold virtual meetings should provide for “live” Q&A and “live” voting to improve shareholder engagement. “Live” Q&A should be fully interactive rather than using chat messages that are not visible to other shareholders.



Recommendation 2

Regulators should strongly encourage issuers to introduce online voting before and during shareholder meetings. They should explore making this mandatory in the near future. Traditional methods of voting in person or by proxy may be impediments to promoting share investing among younger, more technology-savvy investors.



Recommendation 3

Regulators considering reforms in the conduct of shareholder meetings should ensure that the rights of shareholders are not adversely affected. Shareholders should not be expected to vote their shares before their concerns have been satisfactorily addressed.



Recommendation 4

Regulators should consult retail investors before they proceed to introduce fully virtual meetings post-pandemic, given the clear preference of retail investors for hybrid meetings, followed by face-to-face meetings. They should recognise that institutional investors are often able to meet directors and management in private face-to-face meetings, and fully virtual meetings will deny retail investors the same opportunity.



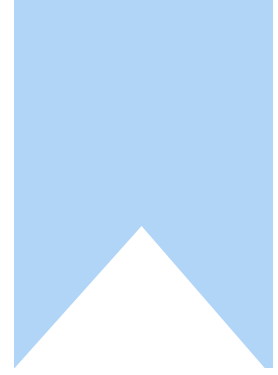
Recommendation 5

Investors should exercise their voting rights to hold issuers and their directors accountable. Where issuers are not transparent and have not provided strong reasons to support key resolutions, they should vote against the resolutions.



Recommendation 6

Minority shareholders should ask questions about board renewal and succession planning at AGMs, especially for issuers with long-serving independent directors. In cases where companies have been performing poorly and continue to retain long-serving independent directors, they should vote against the re-election of these directors.



THE SINGAPORE REPORT ON SHAREHOLDER MEETINGS



VOLUME 4

Main Report

Introduction

The COVID-19 pandemic has drastically changed the way general meetings were conducted in 2020, with most meetings by SGX-listed issuers held virtually.

The shift to virtual meetings followed the issue of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (Order) on 13 April 2020 by the Ministry of Law. The Order prescribed alternative arrangements for the conduct of general meetings, although physical meetings were still permissible if doing so would not breach prevailing safe distancing measures.

On the same day, the Accounting and Corporate Regulatory Authority (ACRA), the Monetary Authority of Singapore (MAS) and Singapore Exchange Regulation (SGX RegCo) issued a checklist to guide listed and non-listed entities on the conduct of their general meetings during the period where elevated safe distancing measures are in place. The checklist includes provisions regarding the notice of meeting, publishing all documents relevant to the general meeting on SGXNET, the opportunity to ask questions and vote, the conduct of meetings, as well as the uploading of minutes of meetings on SGXNET.

On 7 April 2020, SGX Regco had, in consultation with ACRA and MAS, granted an automatic 60-day extension for all issuers with financial year-ends on or before 31 March 2020. Issuers must issue their annual reports at least 14 days before the AGM but those with 31 December 2019 must still do so by the original date of 15 April 2020. For companies whose AGM were scheduled between 16 April to 31 July 2020, ACRA also granted an automatic 60-day extension to hold their AGM.

Many companies used the extension and as a result, the peak month for AGMs shifted from April in previous years to June in 2020.

After the initial checklist was released on 13 April 2020, it was updated on 27 April and 22 June 2020. On 1 October 2020, ACRA, MAS and SGX Regco further updated the checklist and encouraged issuers to continue to conduct virtual shareholder meetings after temporary legislative relief was extended allowing entities to hold AGMs by electronic means up to 30 June 2021. The updated checklist now encourages issuers to adopt enhanced digital tools at their general meetings to facilitate shareholder engagement, such as allowing for real-time remote electronic voting and real-time electronic communication. The alternative arrangements apply for the period starting on 27 March 2020 and ending on 30 June 2021, and do not apply to meetings that are further adjourned beyond this applicable period.

About this Report

This report examines all annual general meetings (AGMs) and extraordinary general meetings (EGMs) held from 2017 to 2020 by issuers with a primary listing on SGX. Back-to-back AGMs and EGMs are treated as AGMs. A main focus of the report is the conduct of virtual shareholder meetings in 2020. It also compares trends in issues such as clustering of shareholder meetings and shareholder voting for virtual meetings conducted in 2020, with physical meetings conducted between 2017 and 2019.

The findings on the conduct of shareholder meetings are based on the notices, results and minutes of general meetings, and annual reports published on SGXNET, supplemented by other relevant sources.

The report also presents the findings of an online survey of Singapore retail investors regarding their experiences and views about virtual shareholder meetings. Measures taken by other markets on the conduct of shareholder meetings in response to the pandemic are also discussed.

Finally, the report presents findings on issuers which implemented two-tier voting for independent directors in 2020, ahead of its January 2022 effective date under SGX listing rules. All except one company which implemented two-tier voting early did so through a virtual AG

PART I

STUDY OF SHAREHOLDER MEETINGS - 2017 TO 2020



Overview of Issuers and Meetings

Issuers with at least one general meeting conducted between 2017 and 2020 are included in this study. Secondary listings are excluded as they are not required to comply with most of the SGX listing rules, including those relating to the conduct of general meetings. Issuers with dual primary listings which are complying with the rules of the overseas exchange are also excluded.

Delisted issuers are included in the study as long as they held at least one AGM or EGM between 2017 to 2020.

A. Profile of Issuers

Of the 630 issuers covered in this report which held at least one meeting in 2020, 84 (13%) have market capitalisation of \$1 billion or more ("large caps"), 77 (12%) have market capitalisation of \$300 million to less than \$1 billion ("mid caps"), and 453 (72%) have market capitalisation of less than \$300 million ("small caps"). Sixteen issuers (3%) delisted, but conducted meetings in 2020 and are thus also included in this report. Of these 16 delisted issuers included in this study, 15 delisted in 2020.

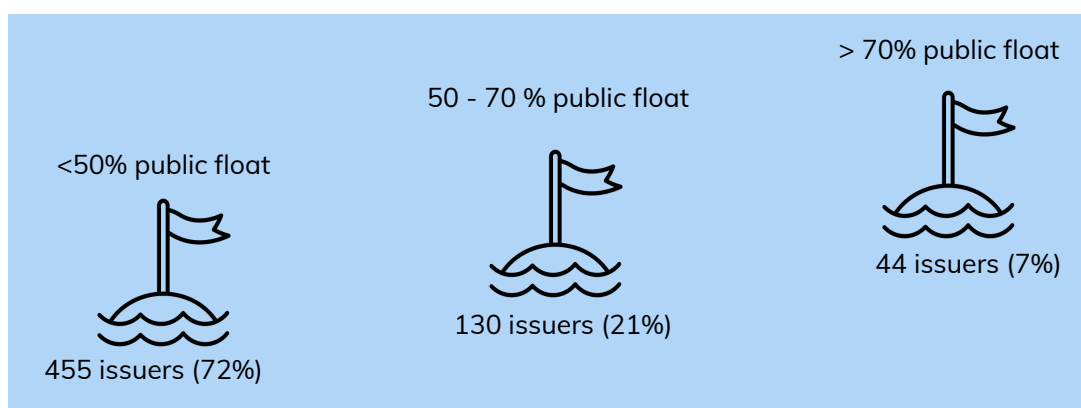


Figure 1. Number of issuers by their public float

In 2020, only 44 issuers (7%) have a public float of more than 70%, with 130 (21%) having a public float of between 50 and 70%. The majority of issuers are tightly controlled, with 455 (72%) having a public float of less than 50%. The percentage of tightly controlled companies has increased slightly over the last four years, from 69% in 2017 to 72% in 2020.

The number of issuers which are not compliant with rule 723 of the SGX rulebook by having a public float of less than 10% was one in 2017, one in 2018, two in 2019 and one in 2020.

In 2020, one company did not comply with the SGX requirement to disclose public float information. One company was non-compliant with this SGX requirement in 2017, with another two non-compliant companies each in 2018 and 2019.

B. Number and Type of Meetings

This report covers AGMs (comprising standalone AGMs and back-to-back AGMs and EGMs) and standalone EGMs conducted by 686 (2017), 669 (2018), 657 (2019) and 630 (2020) issuers across the four years. In total, 826, 807, 782 and 744 meetings respectively were conducted between 2017 to 2020.

A breakdown of the number of AGMs and EGMs for each year from 2017 to 2020 is shown in Figure 2.

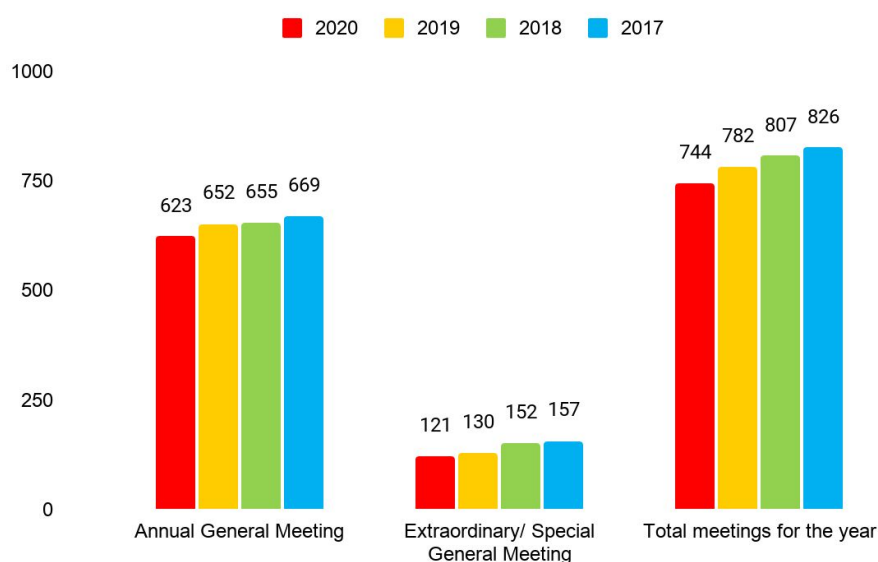


Figure 2. Number of meetings conducted each year between 2017 and 2020

The meetings conducted in 2020 comprise 623 AGMs (84%) and 121 EGMs (16%).



Figure 3. Number of meetings conducted in 2020

Out of the 630 issuers included in 2020, 532 issuers (85%) had only one meeting, 84 (13%) held two meetings, 12 (2%) held three meetings, and two (0.3%) held four meetings, the most number of meetings conducted by any issuer in 2020.

The total number of meetings conducted decreased from 826 meetings in 2017 to 744 meetings in 2020, due to a decrease in both the number of AGMs and EGMs. The decline in meetings over the last four years is in part due to the fall in number of primary listings on SGX.

The percentages of issuers that conducted different numbers of meetings each year have remained relatively constant over the period from 2017 to 2020.

In 2020, there were no companies conducting more than one AGM. in contrast, two AGMs were conducted by two companies respectively in 2018 and 2019 due to their earlier AGMs being delayed. The companies are:

2018: Jason Holdings Limited

2018: Serrano Limited

2019: TT International Limited

2019: Yorkshire Holdings Limited

Findings and Recommendations

In this part of the report, we present detailed findings on meetings held in 2020, with a particular focus on virtual meetings. Comparisons are made with previous years in certain areas. This is then followed by an analysis of the clustering of meetings for each year from 2017 to 2020.

A. Mode of Meetings in 2020

Prior to the announcement on 13 April 2020 by the Ministry of Law on the alternative arrangements for general meetings, 58 face-to-face or physical meetings were conducted. After the announcement, four more physical meetings were conducted, while the remaining 682 meetings held post-April were conducted virtually.

The four physical meetings comprised the combined AGM/EGM of GL Limited held on 23 October 2020 and A-Smart Holdings Ltd. on 27 November 2020, and AGM by Mermaid Maritime Public Co Ltd. on 29 April 2020 as well as British and Malayan Holdings Limited on 23 October 2020.

In its Letter to Shareholders, GL explained that its decision to conduct a physical meeting was due to its bye-laws prohibiting virtual general meetings, although a similar explanation was not offered by A-Smart Holdings or British and Malayan Holdings. The latter allowed shareholders to participate in the AGM by live audio if the number of shareholders who wished to attend exceeded the number who can be accommodated at the venue.

Despite the physical meetings, both GL and British and Malayan Holdings requested their shareholders to submit questions in advance, while a similar request was not made by A-Smart Holdings.

In the case of Mermaid Maritime, the AGM on 29 April 2020 was held in Thailand, despite the curfew imposed by the local government to stop the spread of the coronavirus which took effect on 3 April 2020. As the Thai government issued a travel ban for all foreigners entering Thailand, shareholders in Singapore were given the option to watch a live webcast of the meeting, as well as to vote and submit questions prior to the AGM.

Looking at the types of virtual meetings conducted, 581 issuers opted for a webcast and audiocast of the general meetings without a “live” Q&A, while six issuers conducted their AGMs through a “live” webcast and audiocast with a “live” Q&A (with one having a separate virtual information session), with three of them using chat messages for the Q&A. Among these six, Azeus Systems was the only issuer that held an AGM with both “live” Q&A and “live” voting in 2020.

Live webcast/audiocast with separate virtual information session	Live webcast/audiocast and live Q&A	Live webcast/audiocast live Q&A and live voting
<ul style="list-style-type: none"> • iFast Corporation Limited 	<ul style="list-style-type: none"> • Asiaphos Limited • China Everbright Water Limited • Grand Venture Technology Limited • VicPlas International Ltd 	<ul style="list-style-type: none"> • Azeus Systems Holdings Limited

Figure 4. Issuers and their mode of meetings



Recommendation 1

Issuers that hold virtual meetings should provide for “live” Q&A and “live” voting to improve shareholder engagement. “Live” Q&A should be fully interactive rather than using chat messages that are not visible to other shareholders.



Recommendation 2

Regulators should strongly encourage issuers to introduce online voting before and during shareholder meetings. They should explore making this mandatory in the near future. Traditional methods of voting in person or by proxy may be impediments to promoting share investing among younger, more technology-savvy investors.

Interactive Shareholder Meetings: Listed Issuers Falling Behind

According to Azeus Systems, one of the major service providers in the virtual meetings space in Singapore, these are the overall statistics including for overseas meetings for their clients:

- 12% of meetings have “live” Q&A.
- 10% of meetings have “live” Q&A and “live” voting.

In Singapore, the majority of Azeus clients that have “live” Q&A and/or “live” voting are associations, societies and non-listed issuers, such as the Singapore Institute of Directors and Securities Investors Association (Singapore).

B. Duration of Virtual Meetings

The lack of interactions at virtual meetings inevitably means that meetings can be expected to be short. We collected information on the start and end times of virtual meetings conducted in 2020 from the minutes. Not all minutes disclosed this and a small number of issuers did not post minutes for virtual meetings.

Figure 5 shows the distribution of duration (in minutes) for the virtual AGMs conducted in 2020 for which information on duration is available. The duration ranges from seven minutes to 185 minutes, with the average AGM lasting 26 minutes. The median duration of the AGMs is 20 minutes, while the mode is at 15 minutes, with 73 AGMs having this duration.

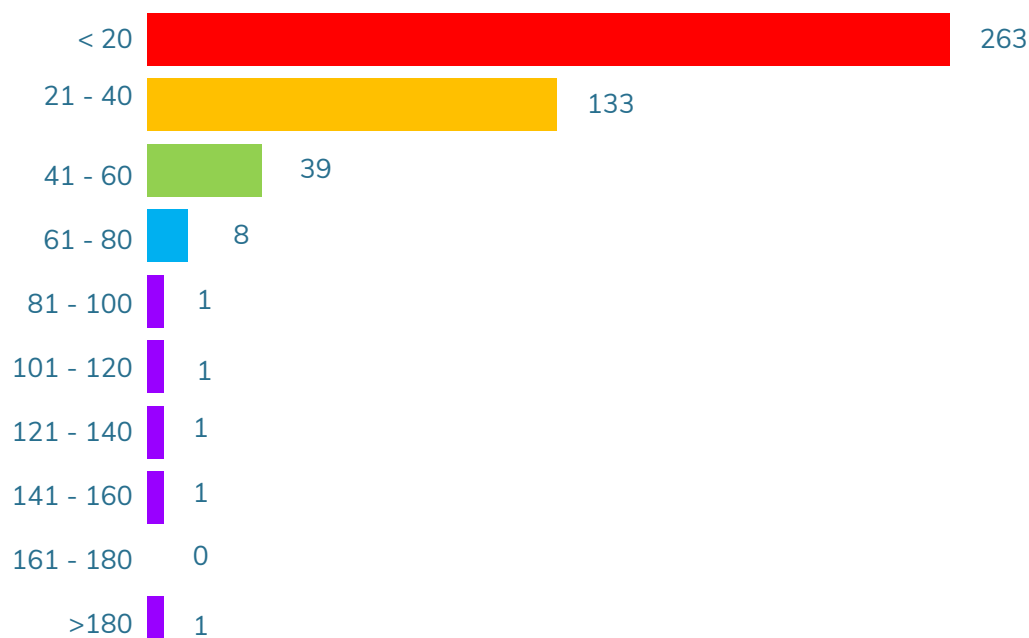


Figure 5. Distribution of AGMs by their duration (in minutes)

2020'S SHORTEST ANNUAL GENERAL MEETINGS

Baker Technology Limited	7	Pollux Properties Ltd.	8
Hiap Tong Corporation Ltd.	7	Santak Holdings Limited	8
3cnergy Limited	8	Advanced Systems Automation Limited	9
China Mining International	8	Wing Tai Holdings Limited	9
Clearbridge Health Limited	8		
Megroup Ltd.	8		



2020'S LONGEST ANNUAL GENERAL MEETINGS

Tianjin Zhong Xin Pharm Group	185
China Everbright Water Limited	123
Centurion Corporation Limited	119
Mindchamps Preschool Limited	110
Ouhua Energy Holdings Limited	105
Frasers Hospitality Asset Management Pte. Ltd.	100
Yangzijiang Shipbuilding (Holdings) Ltd.	90
China Aviation Oil (Singapore) Corporation Ltd.	85
Frasers Centrepoint Asset Management Ltd.	82
SIIC Environment Holdings Ltd.	82



Figure 6. Issuers with the shortest and longest AGMs in 2020 (in minutes)

C. Timeliness of AGMs during Pandemic Year

After the onset of the pandemic, issuers with financial year-ends on or before 31 March 2020 were given a 60-day extension to hold their AGM. Nevertheless, some issuers were still able to hold their AGM in a relatively timely manner. Figure 7 below shows the issuers that were fastest to hold their AGM in 2020 after the extension was granted and alternative arrangements for virtual meetings introduced.

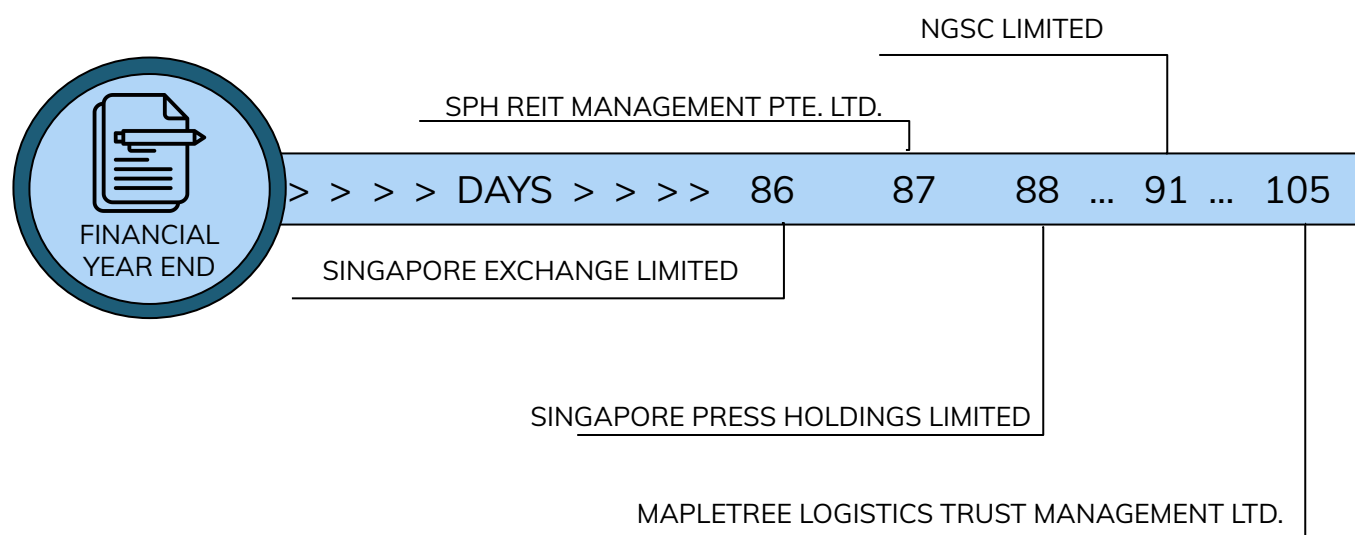


Figure 7. Fastest issuers to hold their AGMs during Covid-19 period

In contrast, there were issuers which were late in holding their AGM in 2020, even after taking into account the 60-day extension granted for issuers. Figure 8 shows the 20 issuers that took more than six months to hold their AGM in 2020.

2020 SLOWEST TO CONDUCT ANNUAL GENERAL MEETING

Sino Grandness Food Industry Group Limited	339	Accrelist Ltd.	240
Advanced Holdings Ltd.	304	Ayondo Ltd.	230
Alpha Energy Holdings Limited	297	Luzhou Bio-Chem Technology Limited	227
Mirach Energy Limited	258	QT Vascular Ltd.	216
Eagle Hospitality Reit Management Pte. Ltd.	244	Lafe Corporation Limited	212
United Food Holdings Limited	244	KOP Limited	211
TT International Limited	242	Singapore Myanmar Investco Limited	210
Ley Choon Group Holdings Limited	241	Renaissance United Limited	209
GCCP Resources Limited	240	Blackgold Natural Resources Limited	196
Jubilee Industries Holdings Ltd.	240	Rich Capital Holdings Limited	192

Figure 8. Issuers that took more than 6 months to hold their AGM in 2020

In 2017, 2018 and 2019, the issuers that took the longest time to hold their meetings took 332, 299 and 333 days respectively.

D. Alternative Arrangements for Virtual Meetings

In conjunction with the checklist issued by ACRA, MAS and SGX Regco on 7 April 2020, SGX Regco waived compliance with the listing rules relating to the conduct of shareholder meetings if issuers comply with provisions it set out relating to matters such as notice of meetings, documents relating to the meetings, questions from shareholders, voting, proxy forms, and conduct of meetings. In this section, we examine how issuers which held virtual meetings in 2020 implemented the key matters covered in the alternative arrangements.

i. Notice of meeting

Issuers are required to issue the notice of meeting at least 14 clear days before the date of meetings where there are only ordinary resolutions, and at least 21 clear days for meetings with special resolutions. The number of days' notice excludes the date of notice and date of meeting.

The checklist issued by ACRA, MAS and SGX Regco on the alternative arrangements for virtual meetings reiterates the above minimum notice periods. Additionally, it strongly encouraged issuers to provide at least 21 calendar days' notice to shareholders.

Under the alternative arrangements for virtual meetings in 2020, issuers which chose to defer their meetings were required to issue an updated notice with the new meeting time and date, as well as the arrangements for the conduct of the meeting, including how shareholders can register for the meeting, vote and ask questions.

In 2020, most issuers planning to hold their physical AGMs in the earlier stages of the circuit breaker in April and May of 2020 chose to defer their meetings in line with the waiver granted. These companies issued a notice of deferment to their shareholders, informing them of the postponement of the meeting date, but did not specify the updated meeting date immediately.

Figure 9 shows the distribution of notice periods for 2020 AGMs and EGMs.

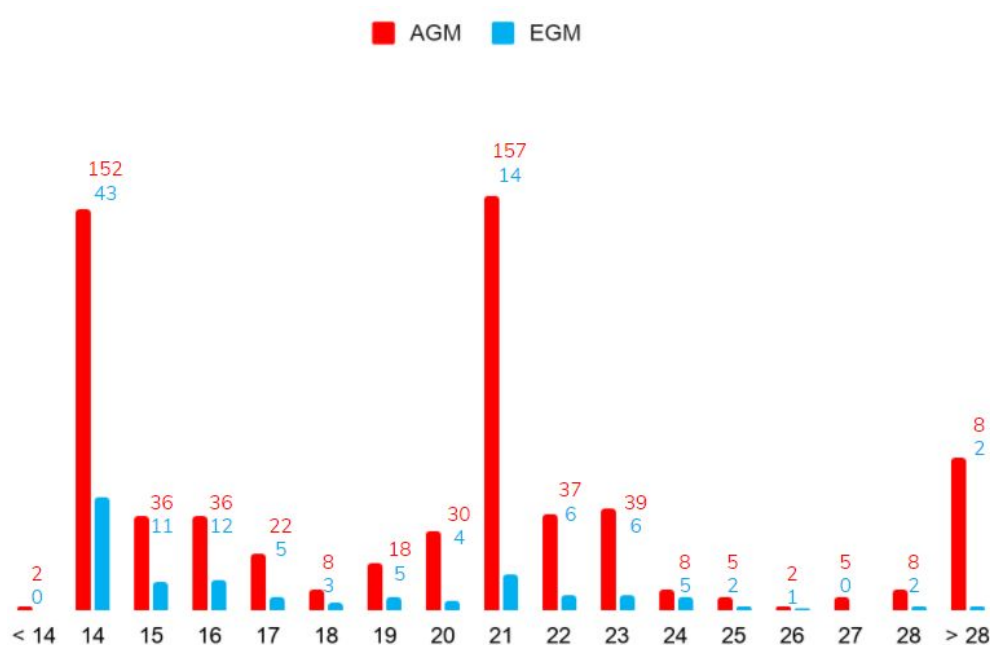


Figure 9. Distribution of notice periods for 2020 AGMs and EGMs (in days)

The notice period based on the number of clear days has seen an increasing trend between 2017 and 2020, from an average of 17.6 days to 21.2 days. In 2018 and 2019, the average notice period was 17.7 and 18.9 days respectively. The mean notice period for 2020 was well above the minimum of 14 days under SGX rules for meetings without special resolutions, and slightly above the 21 days' notice that issuers were strongly encouraged to give for virtual meetings.

For issuers that held virtual meetings in 2020, 53% gave less than the 21 days' notice strongly encouraged by SGX.

Two issuers - Renaissance United and TT International - only gave 13 clear days of notice for their virtual AGMs in 2020, which is not in compliance with the listing rules. The numbers of issuers which failed to give at least 14 clear days of notice in 2017, 2018 and 2019 were 3, 3 and 1 respectively.

At the other end of the spectrum, there were issuers that had very long notice periods. Figure 10 shows the issuers with the longest notice periods for AGMs in 2020.

ISSUERS WITH THE LONGEST NOTICE PERIODS	
AP Oil International Limited	80
Beng Kuang Marine Limited	80
Hotel Royal Limited	78
Yongnam Holdings Limited	76
Sinjia Land Limited	74
Hor Kew Corporation Limited	74
Mindchamps Preschool Limited	74
Multi-Chem Limited	72
Soilbuild COstruction Group Ltd.	71



Figure 10. Duration of notice period (clear days)

ii. Time to register

The checklist provided by SGX did not specify a cut-off time by which shareholders had to register for the AGMs/EGMs.

Figure 11 shows the distribution of cut-off times for shareholders to register for 2020 virtual AGMs/EGMs, thereby providing shareholders with less time to register. Some issuers appear in the table multiple times due to multiple virtual meetings. The mean number of hours was 75 hours, and the median cut-off time was 124 hours.

ISSUERS WITH THE LONGEST CUT-OFF TIME TO REGISTER	
China Kunda Technology Holdings Limited	240
Pollux Properties Ltd.	240
Asia Vets Holdings Ltd.	192
Singapore E-Development Limited (EGM)	192
Net Pacific Financial Holdings Limited	192
Singapore Reinsurance Corporation Limited	188.5
Singapore E-Development Limited (AGM)	184.5
Singapore E-Development Limited (EGM)	184.5



Figure 11. Cut-off time to register (in hours)

Only four issuers had a cut-off time of less than 48 hours, with two of them having a 47.5-hour cut-off, one having a 43.5-hour cut-off and another having a 25-hour cut-off. Nordic Group, which had a 25-hour cut off for registering and submitting questions, initially announced a physical AGM, and then announced a “live” webcast three days before the AGM.

iii. Time to vote

The checklist provided by SGX did not specify a cut-off time in which shareholders had to appoint a proxy to vote. However, in the Companies Act, Section 181 states that the cut-off time for the submission of proxy forms is 72 hours, which has been extended from the previous cut-off time of 48 hours to allow companies more time to prepare for meetings. A shorter cut-off time before the AGM for voting is preferable for shareholders as it allows them to make voting decisions closer to the time of the AGM.

About half of the virtual meetings in 2020 had a cut-off time of 72 hours, with another 330 meetings (49.25%) having a 48-hour cut-off time. Grand Banks Yachts had the shortest cut-off time of just 24 hours. It is apparent that many issuers have continued with the 48 hours’ cut-off time that was in place previously.

iv. Time given to submit questions

For virtual meetings in 2020, SGX Regco mandated that issuers give shareholders the opportunity to ask questions within a reasonable time period prior to the commencement of the meeting. Shareholders must also be adequately informed of the time limit for submission of questions or queries, for example, at least 72 hours before the meeting. SGX Regco did not mandate any specific time period.

All substantial and relevant questions, and subsequent clarifications and follow-up questions, are to be addressed prior to or at the meeting. Questions answered prior to the meeting may be communicated through publication of the questions and answers on SGXNET and, if available, on the corporate website and/or other virtual information session. Issuers were also given the option, and were encouraged to adopt real-time electronic communication methods, such as through video-conferencing, tele conferencing or live chat to allow questions to be raised during the meeting.

Figure 12 shows the distribution in cut-off time (in days) for shareholders to submit questions, based on the time between the deadline for submitting questions and the time of the meeting. A total of 351 meetings (55%) had a cut-off time of three days.

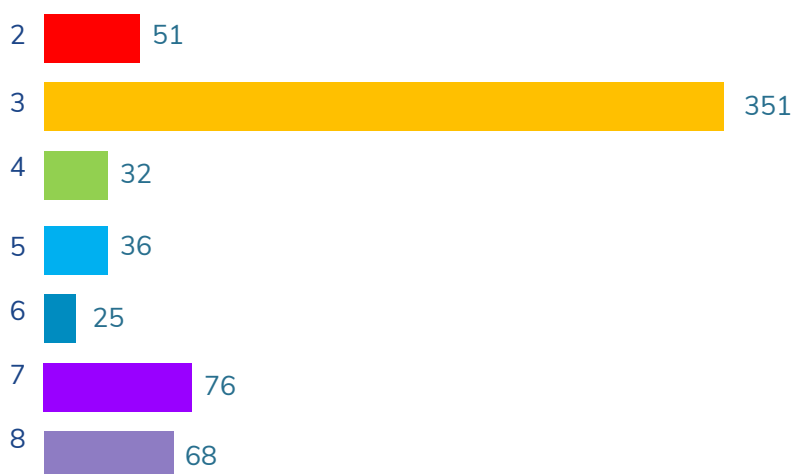


Figure 12. Distribution of cut-off time for shareholders to submit questions (in days)

Nordic Group had a cut-off time of just 25 hours to submit questions for its AGM, although it initially planned a physical AGM before announcing three days before the AGM that there will be a “live” webcast. It is the only issuer with a cut-off time of less than 48 hours. There are 50 virtual AGMs and EGMs with a cutoff of 48 hours to ask questions.

Figure 13 shows the issuers that had the longest cut-off time (in hours) for shareholders to submit their questions. To be clear, some issuers state that any substantial questions received after the cut-off time will be addressed at the meeting. In addition, a longer cut-off time may allow an issuer to post its answers before the cut-off time for shareholders to vote, allowing shareholders to vote on a more informed basis.



Figure 13. Issuers with the longest cut-off time for shareholders to submit questions (in hours)

The worst issuers are those that require shareholders to submit questions early, and only answer the questions after the cut-off time for voting or at the meeting itself - or not answer them at all!

As best practice, we believe that issuers should continue to accept questions even during the meeting, by providing “live” Q&A, and also allow shareholders to vote “live” at the meeting. Only then can a virtual meeting preserve the rights available to shareholders for physical meetings.

v. Disclosure of detailed meeting minutes

For 2020 virtual meetings, SGX Regco mandates that issuers must publish detailed minutes of the meetings within one month of the meeting date on SGXNET as well as the company’s website, if available. The meeting minutes should record substantial and relevant comments or queries from shareholders as well as the responses from the board of directors and the management of the company. Most issuers complied with this requirement, either incorporating the responses to shareholder’s questions with the meeting minutes or as a separate document on SGXNET.

The mean number of days issuers took to upload minutes was 19.42 days, with a median value of 21 days.

There were a few issuers that did not comply with the SGX requirement to upload minutes on SGXNET, namely Elec & Eltek International, Hatten Land, Lorenzo international, MMP Resources, Ossia International and Singapore Technologies Engineering.

Elec and Eltek International held its AGM physically in Hong Kong, and Singapore shareholders attended the AGM via video conferencing. Despite the physical attendance allowed in Hong Kong for their AGM, the company strongly discouraged its shareholders from doing so. Singapore shareholders were initially provided access with a conference room in Singapore to view the live AGM conference. However, this was cancelled after further guidelines were issued on the conduct of AGMs.

Hatten Land posted an announcement on 11 November 2020 - 11 days after the AGM - which was titled "Minutes" but it was the results of the AGM which it had already posted earlier. It has not posted minutes at the time of writing of this report. Singapore Technologies Engineering posted the minutes on its website but not on SGXNET.

Some uploaded minutes on the day the meeting was held. However, timeliness of uploading minutes may also be affected by whether the meeting addressed substantive questions from shareholders, which may therefore require more time for minutes preparation, or just dealt with mostly procedural matters. There were 35 issuers that uploaded minutes on the day of the AGM.

However, there were also a number of issuers that failed to upload their AGM minutes within the one-month guideline. The issuers that took longer than a month to upload minutes are shown in Figure 14.



Figure 14. Issuers who uploaded their minutes of AGM after one month (in days)

Many issuers used general titles (e.g. Annual General Meeting), instead of specifying the documents uploaded (e.g. Responses to Shareholders' Questions or Minutes of Annual General Meeting). Issuers should use more precise and clear wordings when posting meeting minutes (and other announcements) on the SGXNET website. This would make it easier for shareholders to find the necessary information.

E. Shares Voted at Meetings

In examining shares voted at AGMs, we used the resolution for each meeting with the highest total votes. We then calculated two measures of shares voted using the resolution with the highest votes. For the first measure, we divided the number of votes by total number of shares. For the second measure, we assume that the difference between the shares voted and the non-public float shares represents the number of public float shares voted. In other words, we assume all non-public float shares are voted, up to the total number of shares voted. If the total number of shares voted was less than non-public float shares, we assume none of the public float shares were voted. We then divided the estimate of the public float shares voted by the total number of public float shares. This second measure provides an estimate of the extent to which small shareholders voted their shares.

We compare both measures across the four years from 2017 to 2020. For 2020, we also compare physical meetings and virtual meetings. We are particularly interested in the second measure to provide an indication of whether virtual meetings had led to a decline in shares voted by small shareholders. Service providers have indicated that attendance at virtual meetings has fallen substantially compared to previous years, which could have affected voting by these shareholders, and the investor opinion survey we conducted (reported later in this report) indicates that virtual meetings have affected voting by retail investors.

Virtually not
there...

Issuers are not required to disclose the number of shareholders present at shareholder meetings. A major service provider shared that their clients experienced a 70 to 80 percent decline in attendees for virtual meetings held in 2020 compared to physical meetings in previous years. A report by Boardroom, another major service provider, estimated that attendance at virtual meetings in 2020 slid by 70 percent.

Figure 15 shows the number of AGMs with different levels of shares voted over the years 2017 to 2020. Figure 16 shows the number of AGMs with different levels of estimated public float shares voted over the same period. Over each of the four years, the most common levels of shares voted at AGMs were 60-70% and 71-80%. In each of the last four years, the estimated public float shares voted was less than 10% for more than 60% of AGMs, with this percentage hitting its highest level in 2020.

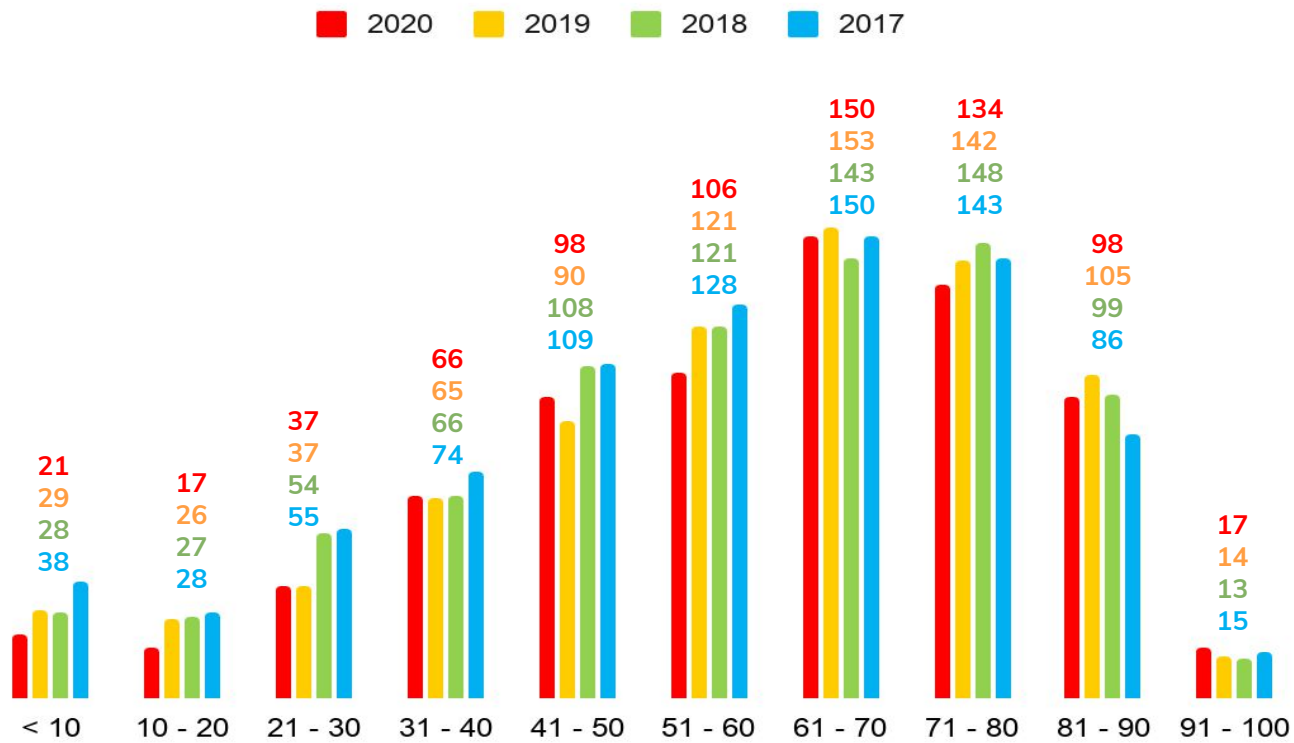


Figure 15. Estimated Public Float Shares Voted for 2017-2020 AGMs

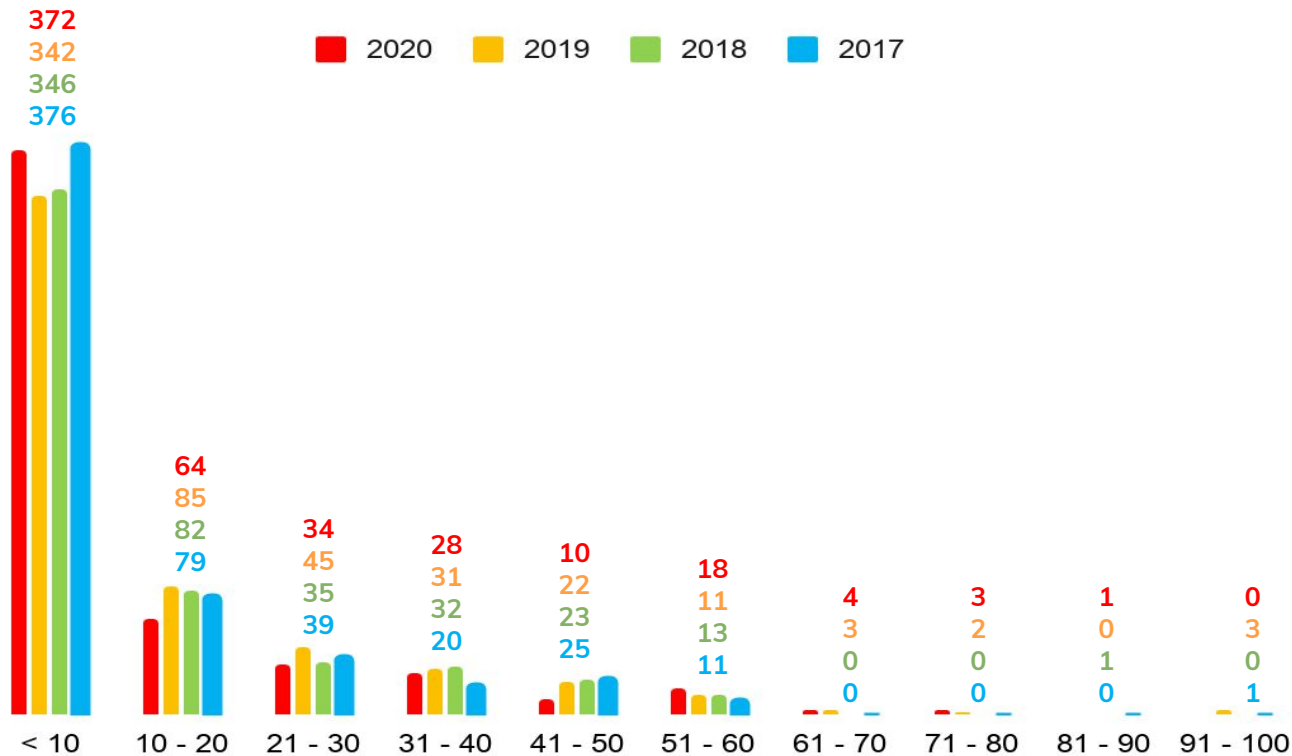


Figure 16 Estimated Public Float Shares Voted at 2017-2020 AGMs

The median percentage of total shares voted and estimated public float shares voted at AGMs both increased from 2017 to 2019 before dipping in 2020 as can be seen in Figure 17. The same trends can be observed for mean shares voted.

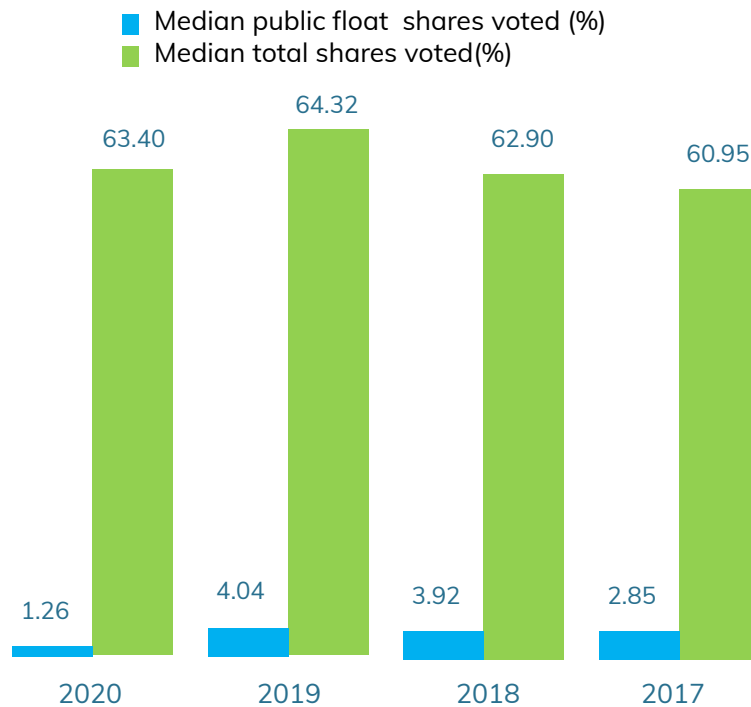


Figure 17. Median shares voted between 2017 - 2020

For 2020 AGMs, there is some evidence that shares voted were higher for physical compared to virtual AGMs (Figure 18), although it should be borne in mind that most AGMs in 2020 were virtual. The median percentage of total shares voted for virtual AGMs was about four percent lower than for physical AGMs, while the mean was about three percent lower. For the percentage of estimated public float shares voted, the mean was also lower for virtual meetings although the median was identical.

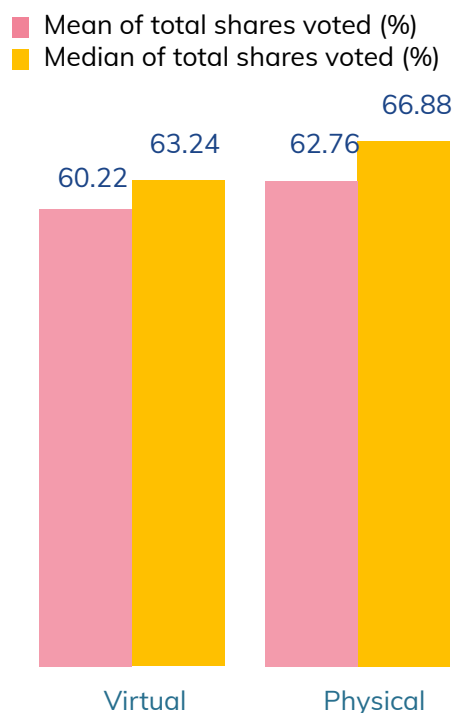


Figure 18. Mean and median shares voted in 2020 AGMs

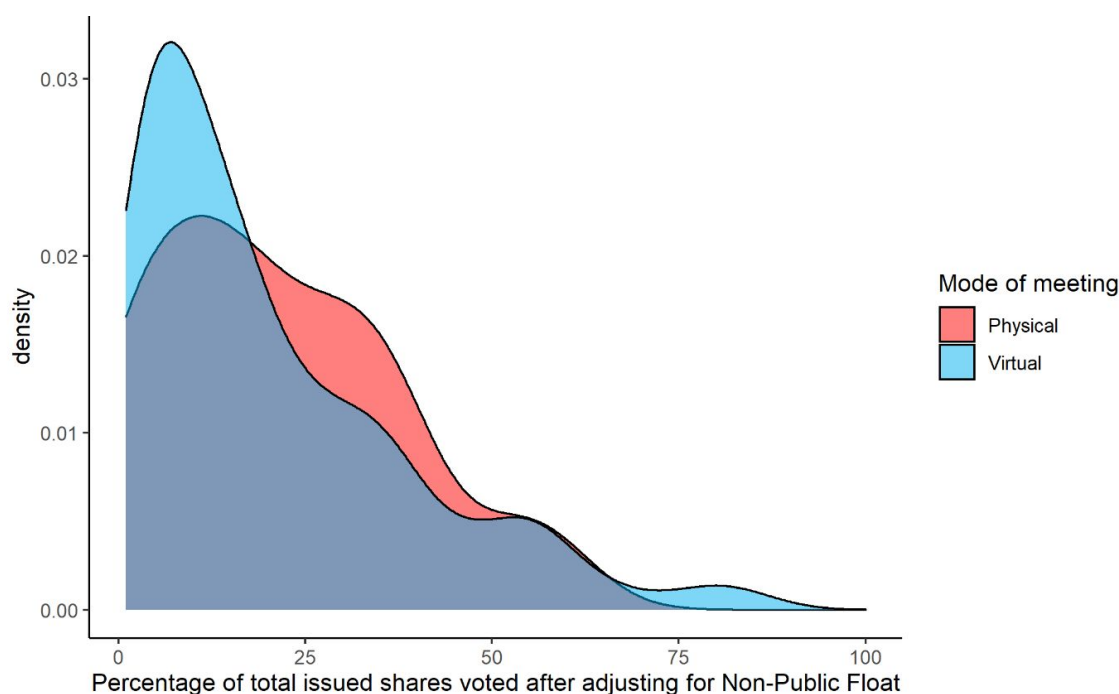


Figure 19. Estimated Public Float Shares Voted at 2020 Physical and Virtual AGMs

From Figure 19 above, we can also observe that for the physical meetings before the circuit breaker in 2020, the graph has a broader and shorter peak at approximately 12% of the estimated public float shares voted - approximately 22% of meetings fell under this category. For virtual meetings, the peak is taller and narrower, indicating a higher proportion of meetings (approximately 32%) with around 12% of estimated public float shares voted.

F. 2020 Virtual Meetings - An Empty Glass

As the findings from the investors opinion survey in a later part of this report show, retail investors were on the whole highly dissatisfied with virtual meetings conducted by SGX-listed issuers in 2020. This is hardly surprising for various reasons.

First, most Singapore investors are used to physical meetings. Singapore regulators have done little to promote greater use of technology and issuers have not been proactive. Many investors were unprepared for the sudden change to fully virtual meetings - such as having to register in advance for meetings, submit questions, vote ahead of time, and print out proxy forms.

Second, the alternative arrangements adopted were in several areas arguably not pro-shareholder. For example, a “live” webcast/audiocast was the de minimis mode specified by the regulators. Not surprisingly, nearly all issuers opted for this. Only six issuers conducted their meetings with a “live” Q&A in some form, including just one which provided for both “live” Q&A and “live” voting.

It is good that the updated guidance issued on 1 October 2020 encourages issuers “to adopt enhanced digital tools at their general meetings, such as allowing for real-time remote electronic voting and real-time electronic communication.” While issuers that are truly interested in engaging with shareholders may implement such “best practice”, the concern is that shareholder meetings for most issuers will continue to be the way they were for nearly all issuers that conducted virtual meetings this year – with shareholders only being able to observe and listen, and often having to vote before their questions are satisfactorily answered.

The way virtual meetings were conducted in 2020 is particularly unsatisfactory when shareholders have serious concerns about a company, such as in the case of Raffles Education Corporation.



Recommendation 3

Regulators considering reforms in the conduct of shareholder meetings should ensure that the rights of shareholders are not adversely affected. Shareholders should not be expected to vote their shares before their concerns have been satisfactorily addressed.

Raffles Education Corporation: Shareholders in the Dark

On 21 September 2020, a substantial shareholder of Raffles Education Corporation (REC) sent a list of questions relating to a REC joint venture and a proposed transaction, attention to its lead independent director, eight days before the voting deadline for REC’s EGM to be held on 30 September 2020. However, REC only posted its responses to the questions on 29 September, at 5.30pm. That was after the deadline for shareholders to vote their shares, which was 10am the day before.

Shareholders who voted their shares would not have been aware that a substantial shareholder had raised substantive questions. If they had known, it could have influenced how they voted. Further, REC’s responses raised further concerns and questions which could also have influenced how other shareholders vote.

Issuers should be required to disclose substantive questions they have received from shareholders within a reasonable time before the voting deadline, and post answers to these questions before the voting deadline.

G. Clustering of Meetings

For issuers that held 2020 AGMs, 62% have a December year end, 13% have a March year end and 11% have a June year end.

SGX-listed issuers are required to hold their AGMs within four months after their financial year end unless they are granted a waiver from listing rule 707 which prescribes this deadline. However, in light of COVID-19, issuers with financial year ends from 31 December 2019 and 31 March 2020 were granted an automatic 60-day extension to hold their AGM.

In 2020, the number of AGMs peaked in June, with 301 (48%) AGMs held that month, as shown in Figure 20. The next busiest months for AGMs were October followed by May, with 71 (11%) and 61 (10%) AGMs. In 2019, 389 (60%) AGMs were held in April, followed by July and October, which had 90 (14%) and 69 (11%) meetings. The peak months for AGMs in 2017 and 2018 were similar to 2019. Figure 21 shows the distribution of all meetings (AGMs and EGMs) across the months over the period from 2017 to 2020.

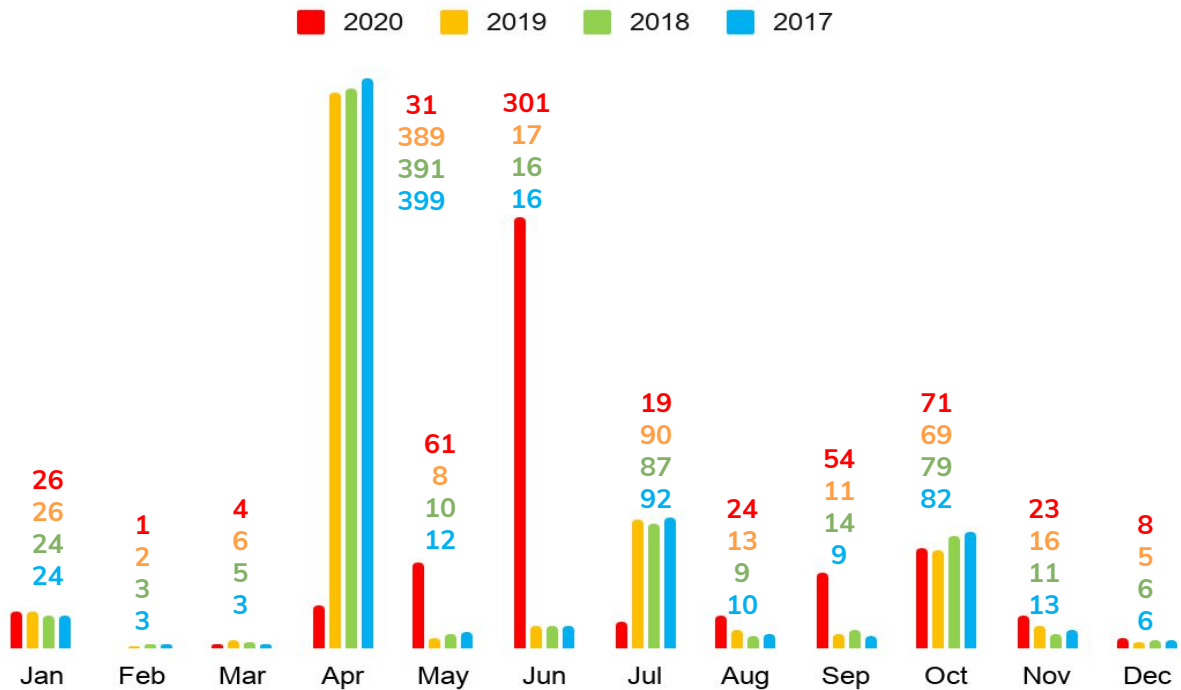


Figure 20. Number of AGMs in each month across the years

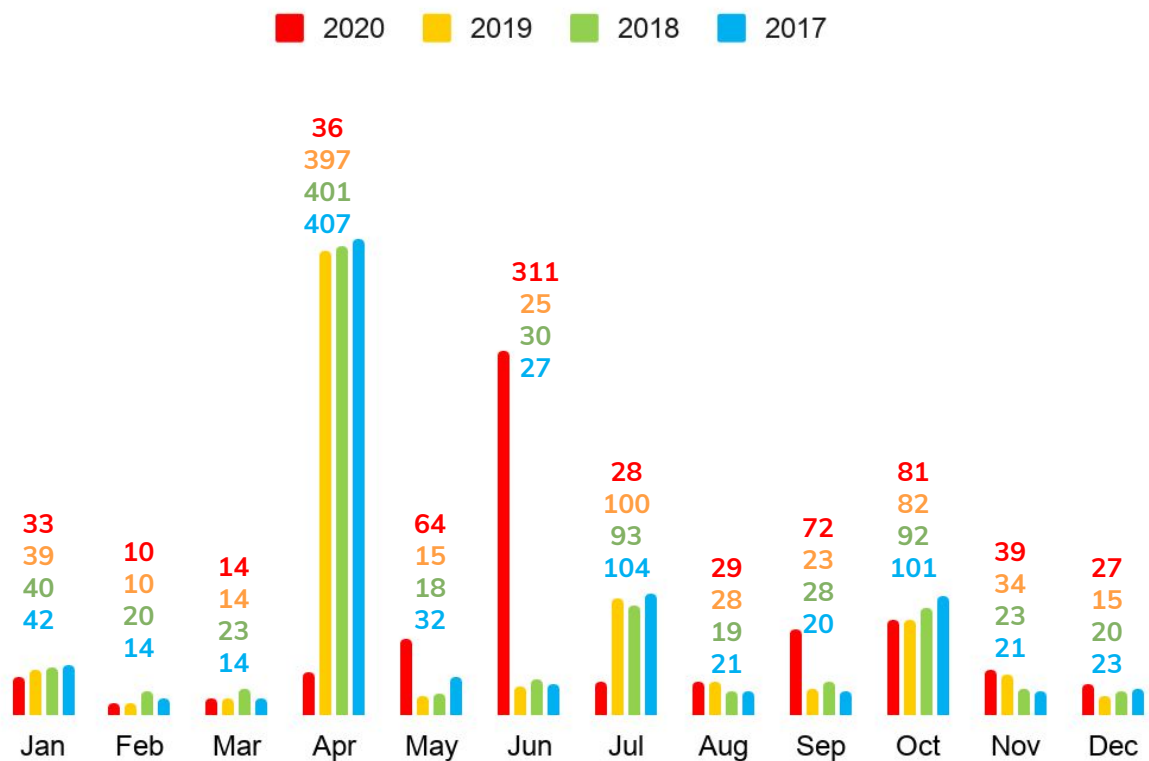


Figure 21. Number of AGMs and EGMs in each month across the years

The 60-day extension for AGMs which were originally required to be held between 16 April 2020 and 31 July 2020 has led to a shift in the busiest month in 2020 from April to June, with many issuers still holding their AGMs in the latest possible month. October remained a rather popular month for AGMs in 2020 with the time extension - similar to prior years when July and October were the most popular months after April. In 2020, May and September also became busier months compared to prior years.

However, the number and percentage of AGMs held in the busiest month of June in 2020 was still lower than in the month of April in previous years, with a number opting to hold their AGMs in May instead of the last month of June.

In our 2015 report on shareholder meetings, we recommended that regulators could consider allowing listed issuers up to five months to hold their AGMs to reduce the clustering problem. Based on the 2020 experience, a 60-day extension did help to reduce the clustering to some extent. However, if an extra month is provided, the regulators should consider limiting the number of AGMs that can be held on any particular day or week.

In 2020, there were 164 days with at least one meeting, indicating that approximately 63% of the working days for the year were used for shareholder meetings.

With virtual meetings, the travel time between meetings can be saved, allowing investors to attend more meetings. Additionally, issuers can upload a recording of their meetings on their website so that investors who are unable to attend the “live” meeting can still keep abreast of what was discussed. However, there are benefits from face-to-face meetings which virtual meetings, even those that fully leverage on technology, will find hard to replicate. The long-term solution in our view is hybrid meetings, allowing shareholders to either participate face-to-face or virtually.

PART II

SURVEY OF INVESTORS' OPINIONS ABOUT VIRTUAL MEETINGS

ONLINE SURVEY

Lorem ipsum dolor sit amet, coectetur adi sed do eiusmod tempor ncididunt.

[Learn more](#)



A. Profile of Investors

An online survey of retail investors was conducted to seek their views about virtual shareholder meetings. A total of 186 responses were received. Figure 22 shows the profile of the respondents in terms of gender, age, number of companies invested in, average number of shares held in each company and average value of those shares.

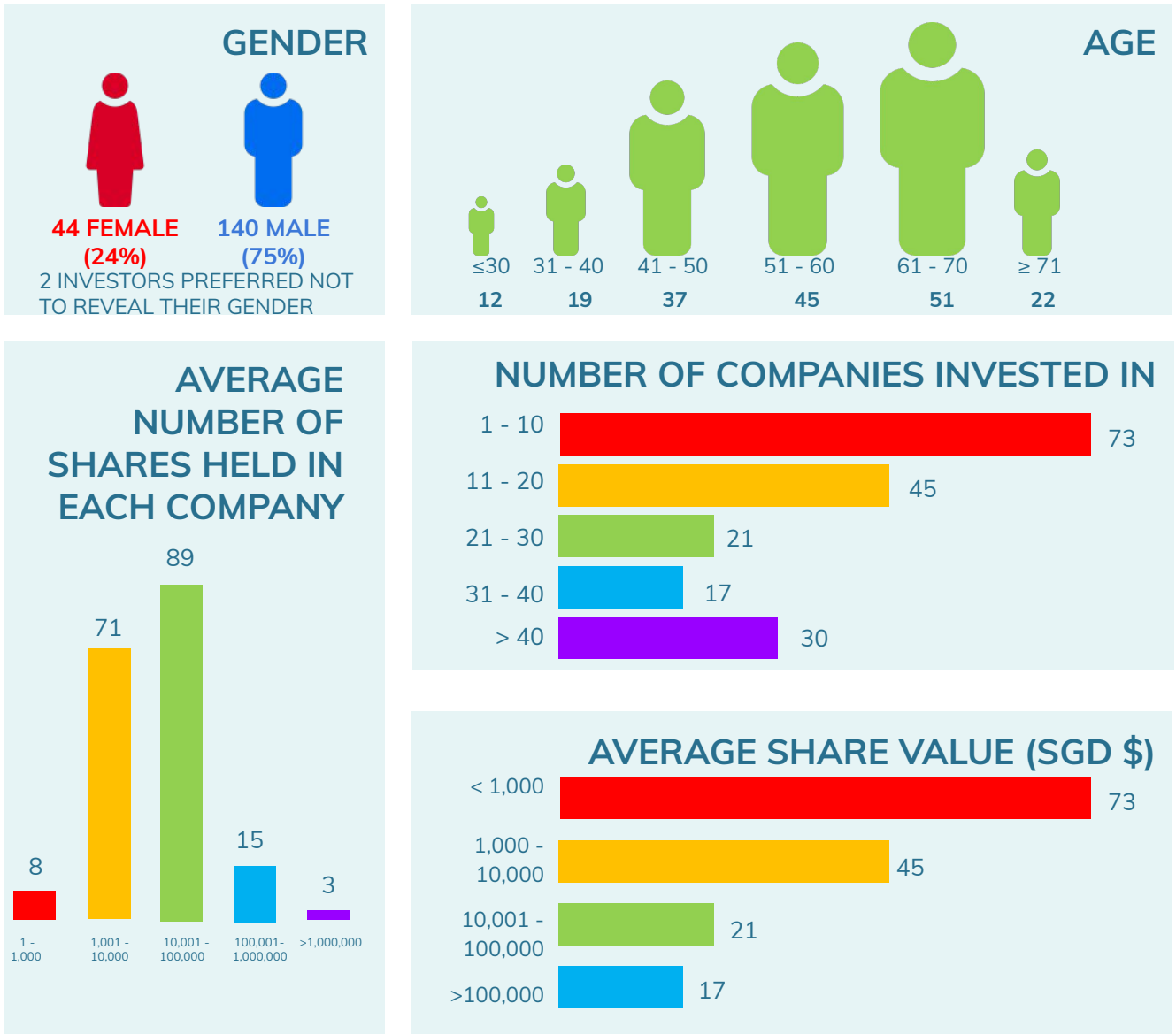


Figure 22. Investors profile

Of the 186 respondents, 140 (75%) are male and 44 (24%) are female. The largest number of respondents were in the 61-70 age group, making up 27% of all respondents, The largest group of respondents, accounting for 39% of the respondents, are invested in one to 10 companies. In terms of average number of shares held, the largest group of respondents - 48% - hold 10,001 to 100,000 shares. 46% of the respondents hold shares worth between \$10,001 to \$100,000 on average, with another 40% having average share value of \$1,001 to \$10,000.

B. Attendance at AGMs

The number of meetings attended in 2020 by the respondents declined substantially compared to 2019, as shown in Figure 23. The percentage of respondents who attended six or more meetings in 2020 was substantially lower compared to 2019, and more respondents did not attend any AGMs in 2020 compared to 2019.

Overall, 44 (24%) respondents did not attend any physical AGMs in 2019, 70 (38%) attended 1 to 5 meetings, 30 (16%) attended 6 to 10 meetings, 15 (8%) attended 11 to 15 meetings and 27 (15%) attended more than 15 meetings. For 2020, 85 out of the 186 (46%) respondents did not attend any AGM - nearly double compared to 2019 meetings. Of the respondents who attended virtual AGMs in 2020, 80 (43%) attended between 1 to 5 meetings, 14 (8%) attended 6 to 10 meetings, 3 (2%) attended 11 to 15 meetings, while 4 (2%) attended more than 15 meetings.

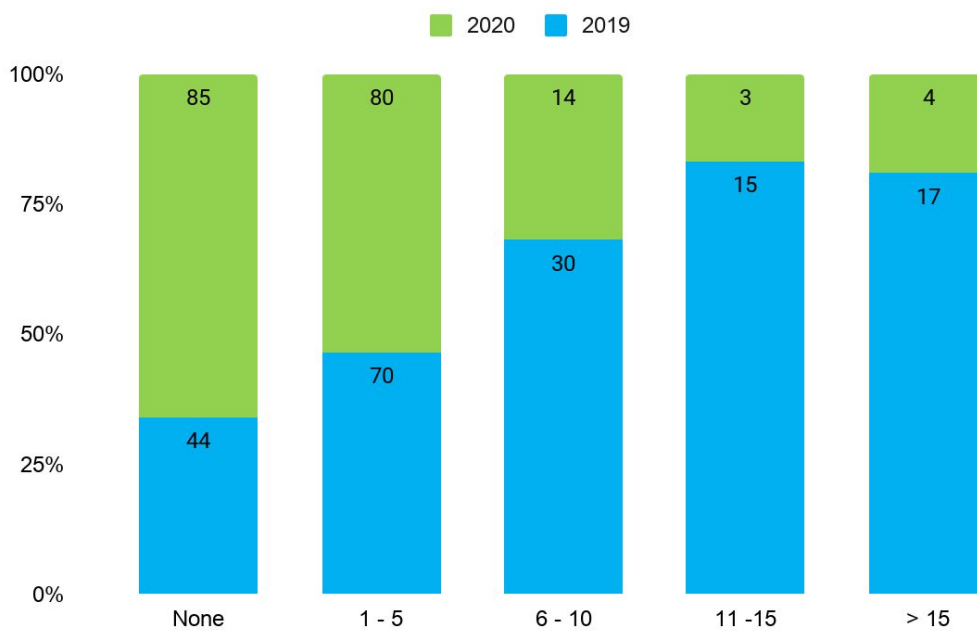


Figure 23. Attendance at 2019 and 2020 AGMs

C. Factors affecting attendance

Across the different age groups, respondents were consistent in identifying “concerns about the company” as the most important factor affecting their decision as to whether to attend AGMs, with 78 (42%) respondents choosing this option (Figure 24). The next most important factor was the meeting agenda (17%), followed by the timing of the AGM (16%) and the amount of investment in the company (14%). Location (6%) and the door gift or food provided at AGMs (3%) had the least impact on investor attendance.

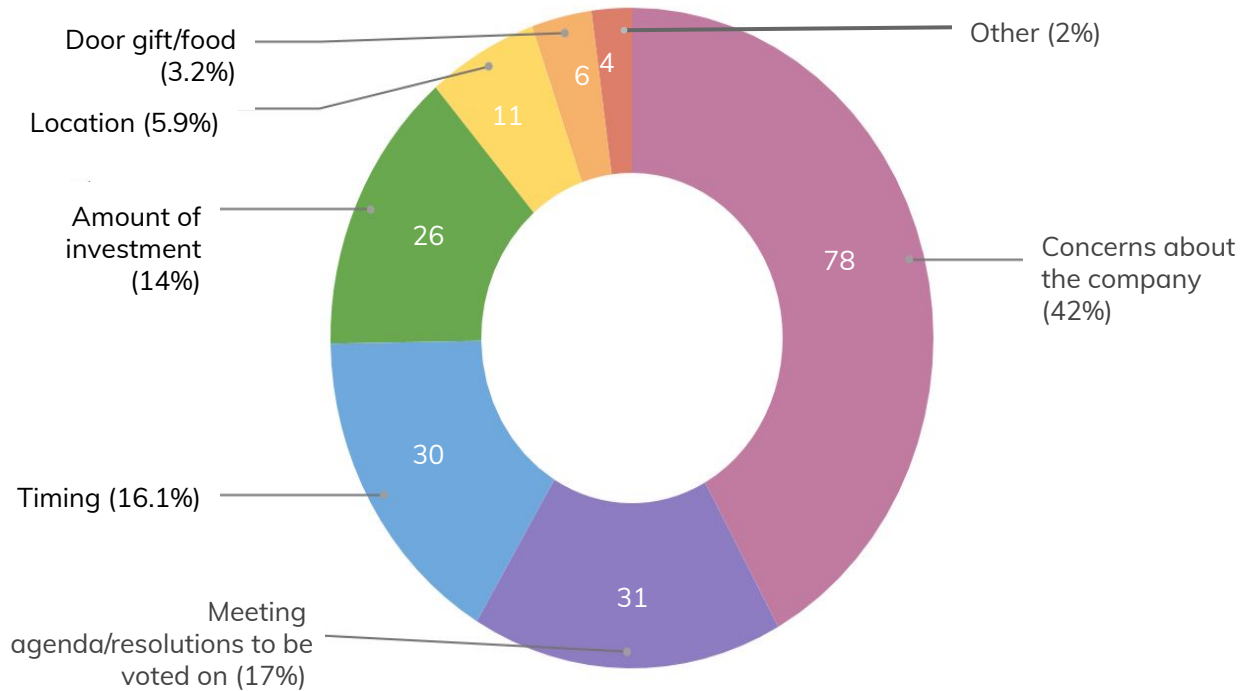


Figure 24. Factors affecting AGM attendance

Similarly, for respondents with relatively smaller investments (average value of investment of less than \$10,000) and relatively larger investments (average value exceeding \$10,000), “concerns about the company” is also the most important factor which affects their decision to attend AGMs.

D. Preferred Mode of AGMs

The survey also sought investors' opinions about the preferred mode of AGMs - face-to-face, hybrid or virtual. Overall, there was a clear preference for hybrid meetings, with 69% preferring this mode, versus 28% for face-to-face and 3% for virtual only meetings.

We also examined whether the preferences are different across those who have attended more meetings in 2019.

Across the respondents who have different levels of attendance at 2019 AGMs, there is a clear preference for hybrid meetings (128 respondents), followed by face-to-face meetings (52 respondents). Only six respondents who did attend any AGMs in 2019 expressed a preference for virtual meetings, while those who were most active in attending 2019 AGMs have a preference for face-to-face meetings compared to hybrid meetings. For those investors who attended at least one AGM in 2019, none preferred virtual meetings.

Recommendation 4



Regulators should consult retail investors before they proceed to introduce fully virtual meetings post-pandemic, given the clear preference of retail investors for hybrid meetings, followed by face-to-face meetings. They should recognise that institutional investors are often able to meet directors and management in private face-to-face meetings, and fully virtual meetings will deny retail investors the same opportunity.

E. Conduct of Virtual AGMs

Next, we asked respondents about their preference regarding how virtual meetings should be conducted. Four-fifths of these respondents (149 out of 186) preferred virtual AGMs with “live” Q&A and “live” voting, followed by 20 respondents who preferred “live” Q&A without “live” voting and 17 respondents who preferred to attend webcasts or audiocasts without “live” Q&A or “live” voting. In other words, only nine percent of respondents preferred the format used by most issuers to conduct their 2020 AGMs. The preference for “live” Q&A with “live” voting was consistent across investors who attended different numbers of virtual AGMs in 2020, although slightly lower for those who attended very few meetings and those who attended a lot of meetings.

Of the 110 respondents who attended at least one virtual AGM in 2020, we looked at how they felt about their experience regarding virtual AGMs and the reasons cited for feeling this way. Seventy-eight investors found such meetings unsatisfactory, while 20 investors found the virtual meetings satisfactory (Figure 25). Another 12 investors found the virtual AGMs highly satisfactory. When asked why, 43 out of the 78 investors gave a reason.

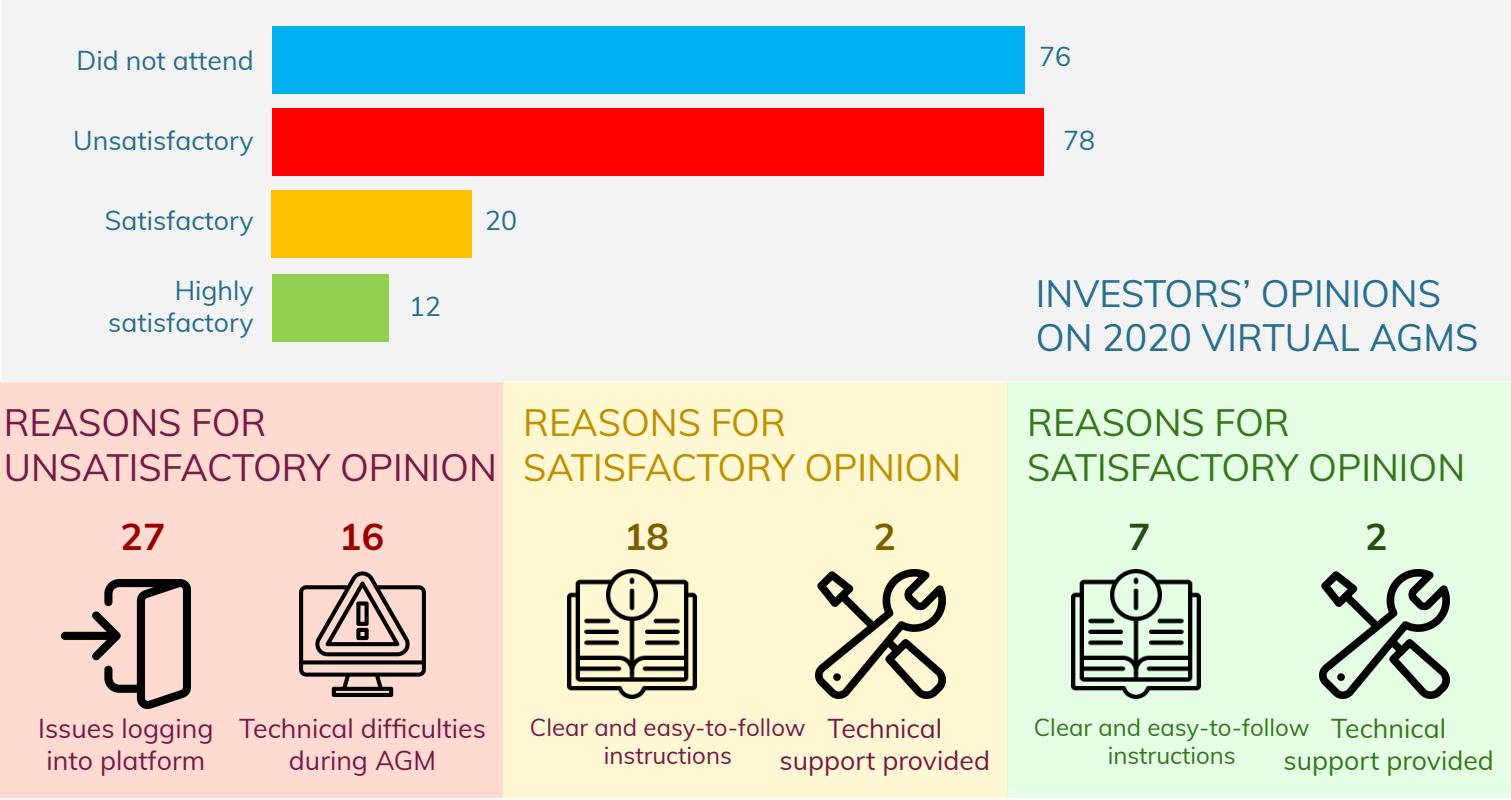


Figure 25. Investors' opinions and corresponding reason for opinion

Figure 25 shows that the main reasons for an unsatisfactory AGM experience include issues logging into the platform hosting the AGM meeting, and technical difficulties encountered during the AGM. However, for those who felt the virtual AGMs were unsatisfactory, 18 out of 20 (90%) nevertheless felt that they were given clear and easy to follow instructions to register and participate.

While 12 respondents were highly satisfied with the virtual AGMs they attended, five of them nonetheless faced problems such as technical difficulties and difficulties logging in. Meanwhile, 35 investors who rated the virtual AGMs they attended appreciated the clear and easy-to-follow instructions and the technical support provided.

As investors may not be familiar with the way AGM meetings are conducted, issuers can provide easily understandable instructions and technical support to improve their virtual AGM experience, and decrease the frustrations encountered along the way. Increasing the accessibility of the AGM platform would also go a long way in decreasing the dissatisfaction felt by investors.

F. Voting of Shares

More than just attending meetings, it is important for investors to exercise their voting rights in an informed manner. In 2019, 145 respondents (78%) voted their shares for at least one issuer, compared to 70 (38%) who did so in 2020 (Figure 26). Twenty-three respondents (12%) said that they exercised their voting rights in the same number of issuers in 2019 and 2020, while 43 (23%) cited the 2020 AGM format as a reason for voting their shares less frequently in 2020. Reasons cited for not voting at the 2020 meetings include not bothering due to the virtual AGM format (52 responses), not having a printer to print out the proxy forms (8), a general disinclination towards exercising their votes (43) and missing the voting deadline (13).

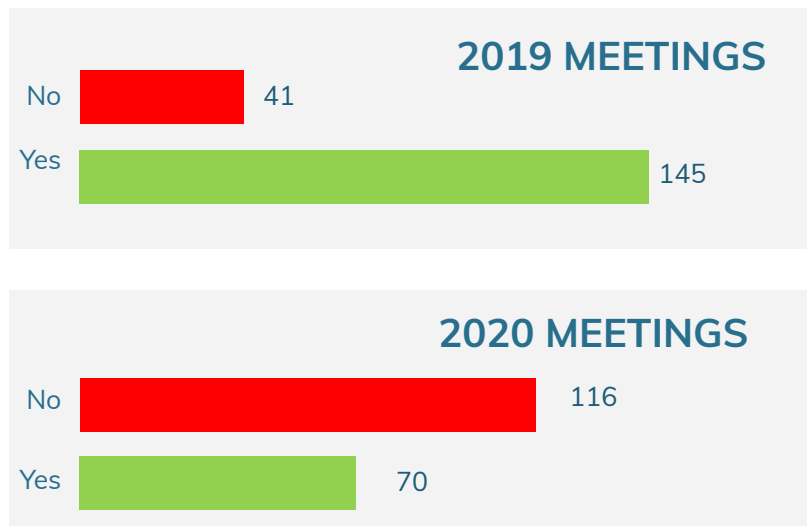


Figure 26. Exercise of voting rights in 2019 and 2020



Recommendation 5

Investors should exercise their voting rights to hold issuers and their directors accountable. Where issuers are not transparent and have not provided strong reasons to support key resolutions, they should vote against the resolutions.

G. Sentiment Analysis

When asked about their thoughts on how the 2020 AGMs were conducted, investors gave a wide range of responses (Figure 27). Overall, there were more negative than positive sentiments felt by investors, with 48 negative sentiments and 38 positive ones shared.

The more common negative sentiments given were the words “difficult”, “unsatisfactory”, “meaningless” and “worse”, while the more common positive sentiments given were “good”, “well” and “like”.

Negative sentiments were more specific. For instance, the words “difficult” and “lagged” shed light on some problems faced by respondents in attending AGM meetings, whereas positive sentiments such as “good” and “like” only indicated investors’ perceptions of the meetings without going into why they liked them.

NEGATIVE				POSITIVE	
Difficult	5	Lagged	1	Good	9
Unsatisfactory	3	Lame	1	Well	7
Meaningless	3	Limited	1	Like	5
Worse	2	Lose	1	Important	3
Cramped	1	Madness	1	Easy	3
Delays	1	Nonsense	1	Better	3
Deny	1	Painful	1	Proper	2
Disadvantage	1	Perfunctory	1	Positives	2
Disadvantages	1	Pointless	1	Effective	2
Distressed	1	Problem	1	Conveniently	2
Drawback	1	Problems	1		
Embarrassing	1	Revert	1		
Erode	1	Rubbish	1		
Evasive	1	Scrap	1		
Hastily	1	Terrible	1		
Impersonal	1	Tricky	1		
Incorrect	1	Useless	1		
Irresponsible	1	Vague	1		
Issue	1	Worst	1		
Issues	1				

Figure 27. Contribution to sentiments based on sentiment analysis

PART III

VIRTUAL AGMs AROUND THE WORLD



A. Regulators Respond

The onset of COVID-19 has resulted in regulators all over the world implementing measures relating to the conduct of AGMs in 2020. Desktop research, supplemented by inputs from experts in certain markets, was used to gather information on the following:

1. Whether purely virtual AGMs were permitted
2. Duration of the revised measures
3. Time extensions given, if any
4. Eligibility for time extensions, and
5. Whether measures override company articles or constitution

The 18 markets covered are Australia, Belgium, Brazil, Canada, China, Finland, France, Germany, Hong Kong, India, Italy, Malaysia, Taiwan, Thailand, Vietnam, United Arab Emirates (UAE, Dubai), United Kingdom (UK) and the United States (US, Delaware).

B. Regulators on Virtual AGMs

Table 1 shows the regulations relating to virtual AGMs in various markets around the world. In some markets, virtual AGMs were already permitted before the Covid-19 pandemic. The table also shows extensions of time for the conduct of 2020 AGMs given to companies in response to the pandemic.

Table 1: Global Regulations for Virtual AGMs

Market	Purely Virtual AGM Permitted?	Duration of Measures	Extension Given	Eligibility to Apply for Extension	Measures Allowed to Override Company Articles?
Asia					
China	No (only hybrid meetings are allowed)	Permanent	Two additional months after the 2019 annual report is disclosed, but no later than 31 August 2020.	Only for listed companies which are not able to publish the 2019 annual report by 30 April 2020.	No
Hong Kong	No (only hybrid meetings are allowed)	Permanent	No extension	Not applicable	No
India	Yes	Temporary - until 31 December 2021	Three months extension (by 30 September 2020)	Only for companies with FYE 31 December 2019 (all companies) and FYE 31 March 2020 (top 100 companies).	Yes

Table 1 continued

Market	Purely Virtual AGM Permitted?	Duration of Measures	Extension Given	Eligibility to Apply for Extension	Measures Allowed to Override Company Articles?
Asia					
Malaysia	Yes	Temporary - latest update on 5 March 2021 allowing virtual, hybrid or in-person meetings	On application to Companies Commission of Malaysia ("CCM") - three months extension.	No restriction to extension	Yes
Taiwan	No (only hybrid meetings are allowed)	Permanent	On application to concerned authority	Not available	No
Thailand	Yes	Permanent (as long as companies fulfil the regulations of the Ministry of Commerce "MOC")	No automatic extension	A waiver can be requested if the statutory deadlines are not met. The companies will have to state reasons for the delay in holding AGM.	No
Vietnam	Yes	Permanent	Two months extension (within six months from FYE)	No restriction to extension	No, articles will need to be amended in case of conflict
Australasia					
Australia	Yes (ASIC strongly recommends hybrid meetings)	Temporary - until 21 March 2021	ASIC will not take action ("No Action" status) if AGM is postponed for two months. Further extension requires application.	Companies with AGM deadline before 31 May 2020.	Yes

Table 1 continued

Market	Purely Virtual AGM Permitted?	Duration of Measures	Extension Given	Eligibility to Apply for Extension	Measures Allowed to Override Company Articles?
Europe					
Belgium	Yes	Temporary - until further notice	Additional 10 weeks from the legal deadline	The normal AGM deadline must be between 1 March 2020 and 30 June 2020.	Yes
Germany	Yes	Temporary - until the end of 2021	Four months extension	No restriction to extension	Yes
Finland	Yes	Temporary - until further notice	Extension of up to twelve months, provided it falls within 30 September 2020	Only for companies with FYE between 30 September 2019 and 31 March 2020.	Not available
France	Yes	Temporary - until further notice	Additional three months from the legal deadline	Only for companies with FYE between 30 September 2019 and 10 August 2020. Auditor's report on financial statements must not be issued before 12 March 2020.	Yes
Italy	Yes	Temporary - as long as state of emergency remains in effect	Six months from the legal deadline	Not available	Yes
United Kingdom	Yes	Temporary - until 31 March, 2021	Extension of up to six months, provided it falls within 30 September 2020	The normal AGM deadline must be between 26 March 2020 and 30 September 2020.	Yes

Table 1 continued

Market	Purely Virtual AGM Permitted?	Duration of Measures	Extension Given	Eligibility to Apply for Extension	Measures Allowed to Override Company Articles?
North and South America					
Brazil	Yes	Permanent	Three months extension	Only for companies with FYE between 31 December 2019 and 31 March 2020.	No
Canada	Yes	Permanent	(a) Extension of six months, provided it falls within 31 December 2020 (b) Any date in 2020, irrespective of their FYE	(a) Applicable to federal business, not-for-profits and cooperatives (b) All those listed on Toronto Stock Exchange and TSX Venture Exchange	Yes
United States (Delaware)	Yes	Permanent	According to the "Emergency" bylaws, the board of directors may take any action for the AGM, including postponing it to any date or time by giving notice to its stockholders.	Only in light of an emergency situation for the company.	Yes, permissible over and above the company constitution, in case of emergency
Middle East					
UAE (Dubai)	Yes	Temporary - Until further notice	Two months extension	No restriction to extension	No

In the United Kingdom (“UK”), many companies were unable to extend their AGM deadlines due to the expiry of their prior year’s resolutions. Most resolutions in the UK have a validity of 15 months after the AGM. Companies in Germany, Vietnam and Brazil generally opted to conduct a virtual AGM on the original dates, rather than applying for extension. In China, companies reportedly chose not to publish their 2019 annual report before the stipulated deadline of 30 April 2020, in order to qualify for the AGM extension.

In addition to the extension of AGM deadlines, authorities in some markets eased restrictions on the submission of company financial statements. The Tokyo Stock Exchange (“TSE”) extended the deadline to submit annual financial statements from 45 days after the financial year-end to three months. It currently states that the financial disclosures will be accepted “whenever they are settled”, as long as it is done in a timely manner. The Securities and Exchange Commission (“SEC”) in the US also issued conditional regulatory relief by providing a grace period of 45 additional days beyond the legal deadline to file disclosures and quarterly reports. Russia, too, witnessed its reporting deadline being pushed from 120 days after the financial year-end to 210 days in 2020.

C. Conduct of Virtual AGMs

While regulators prescribed the reporting and AGM deadlines, and whether the AGM can be virtual, other matters such as deadlines for submission of questions were less rigid. Table 2 shows the specific rules in different markets for virtual meetings[6].

Some Asian markets like China, India and Taiwan also implement compulsory online voting for AGMs.

Table 2: Conduct of Virtual AGMs – Mode and Structure

Market	Technology Used	Submission of Questions	Measures Allowed to Override Company Articles?
Asia			
China	Safe, economical and convenient network	Flexible	In-person, online or electronic means (online voting must be available) Domestic investors - prior to or during the AGM Foreign investors - prior to AGM (one week before the AGM)
Hong Kong	Telephone, video-conference or electronic means	Prior to AGM	In-person, proxy, or online means For online means - during the AGM, real-time voting allowed
India	Video-conference or audio-visual means, hybrid means	Anytime during or prior to the AGM	Electronic or online means (online voting must be available) For online means - in advance of or during AGM, real-time voting allowed

Table 2: Conduct of Virtual AGMs – Mode and Structure

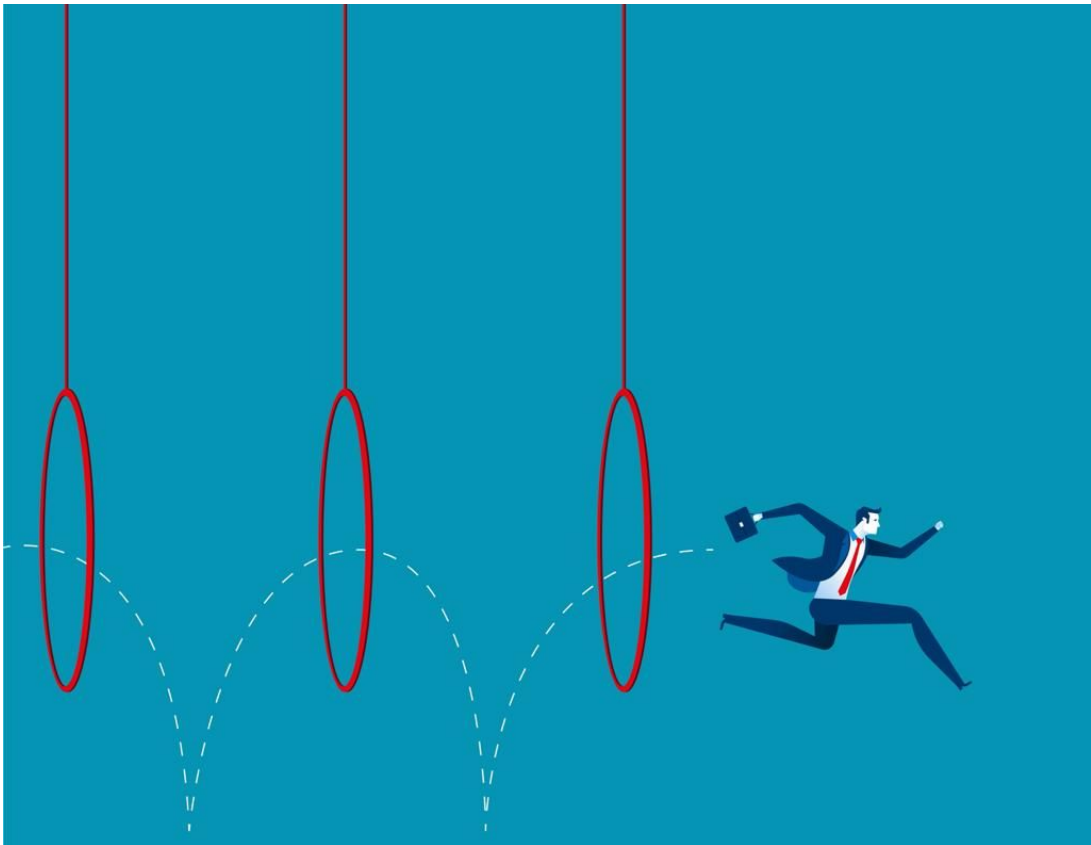
Market	Technology Used	Submission of Questions	Measures Allowed to Override Company Articles?
Asia			
Malaysia	Electronic means. However, the physical meeting venue must be in Malaysia with the chairperson physically present.	Prior to AGM within the respective stipulated deadlines, or at AGM.	Proxy or online means - during the AGM
Taiwan	In-person meetings, means using visual communication	Questions can be sent to the Investor Relations Department at any time Real-time Q&A only if present in-person	Electronic, proxy or online means (online voting must be available) – at least two days prior to the AGM
Thailand	Audio and video communication technology	Flexible	Non-secret votes - by voice, signs or electronic messages Secret votes - by online questionnaires
Vietnam	Telephone or electronic means	At least three working days prior to AGM	In-person, proxy, or online means
Australasia			
Australia	Electronic means	Live Q&A as much as possible	Online or proxy means – in advance of or during AGM, real-time voting allowed

Table 2: Conduct of Virtual AGMs – Mode and Structure

Market	Technology Used	Submission Questions of	Measures Allowed to Override Company Articles?
Europe			
Belgium	Telephone, video-conference or electronic means	At least four days prior to AGM	Proxy or online means For online means - during the AGM (subsequent to identity verification)
Germany	Telephone, video-conference or electronic means	At least two days prior to AGM	Proxy or online means - prior to or during the AGM
Finland	Electronic means	Not available	Mail, online or proxy means For online means- prior to the AGM
France	Teleconference or video-conference means	Prior to AGM	Mail, online, proxy or written means For online means - prior to and during the AGM
Italy	Electronic means	Not available	Mail, telecommunication or proxy means
United Kingdom	Telephone or electronic means	Prior to AGM	Proxy
North and South America			
Brazil	Telephone or electronic means, with uninterrupted connection	Questions and communications via a virtual site	Online means - during the AGM Remote voting forms - prior to AGM
Canada	Webcast, teleconference, electronic means, in-person meeting	Anytime during or prior to the AGM	Online means - during the AGM Proxy - prior to AGM
United States (Delaware)	Teleconference, video-conference or electronic means	Anytime during or prior to the AGM	Mail, online, proxy or written means
Middle East			
United Arab Emirates (Dubai)	Electronic means; information emitted by SMS and emails.	Only on the working day prior to AGM (One Day)	Online means - during the AGM Remote forms - prior to AGM

PART IV: SPECIAL FOCUS

TWO - TIER VOTING FOR INDEPENDENT DIRECTORS



A. Early Implementation of Two - Tier Voting

Starting from January 2022, the SGX Listing Rules require independent directors (IDs) who have served beyond nine years to be subject to a two-tier vote of (i) all shareholders; and (ii) all shareholders, excluding directors, the chief executive officer, and their associates. If the IDs fail the two-tier vote, they can continue to serve on the board as non-independent directors.

Although the new rule has not come into effect, 27 companies had already implemented two-tier voting for their IDs in 2020, involving 34 IDs. All, except one, implemented two-tier voting in a virtual AGM.

B. Tenure of Independent Directors in Two - Tier Voting

The tenure of these IDs ranged from seven to 27 years, with a mean and median tenure of 16 years and 14 years respectively. Thirty-two of the IDs have served for nine years or more. The other two IDs have served for seven years each, but will exceed nine years during their latest terms. Figure 28 shows the tenure of the 34 IDs who were elected through a two-tier vote in 2020.

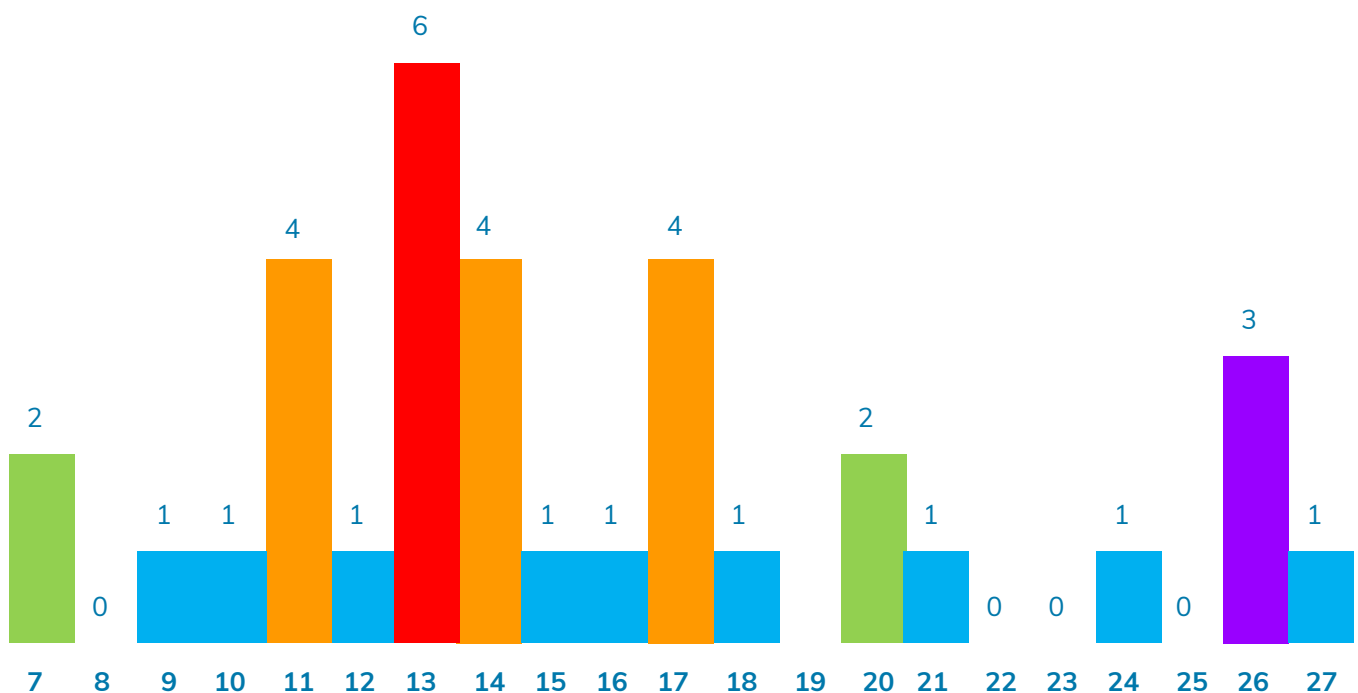


Figure 28. Tenure of IDs elected through two-tier vote

The IDs with the longest tenures who stood for re-election through two-tier voting in 2020 were Dr Tan Tat Wai (NSL Limited), Sam Chong Keen (Stamford Tyres Corporation Limited) and Francis Lee Choon Hui (Sunright Limited), with 27, 26 and 26 years of tenure respectively.

C. Voting Outcomes

Twenty-nine of the IDs obtained 100% approval for both the first and second-tier votes. Two IDs failed to pass the two-tier vote, Ng Jwee Phuan @ Frederick (Eric) of Chasen Holdings Limited and Francis Lee Choon Hui of Sunright Limited. Mr Ng did not pass both the first and second-tier votes, receiving 33.03% and 0% of “for” votes respectively, while Mr Lee did not pass the second-tier vote, with a “for” vote of 43.5%. Both have since left their boards, although Mr Lee was initially re-designated as a non-independent non-executive director before resigning about two months later.

Figure 29 shows the number of IDs who received total approval and number who did not, for the first-tier and second-tier votes.

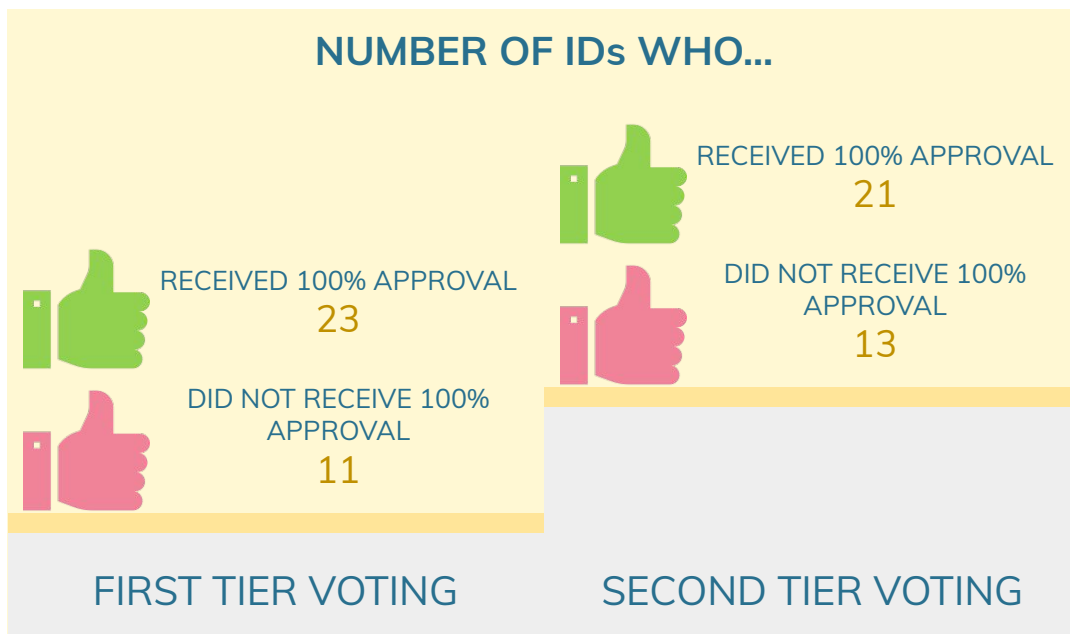


Figure 29. Number of IDs who received total approval and those who did not for first and second tier voting

D. Shares Voted in Two - Tier Voting

Figure 30 shows the proportion of the total shares voted on two-tier voting for independent directors. For first tier votes, 20% of companies had a little more than 75% of their total shares voted. For second tier votes, the graph peaks at around 5% of total shares, with 30% of companies in this category.

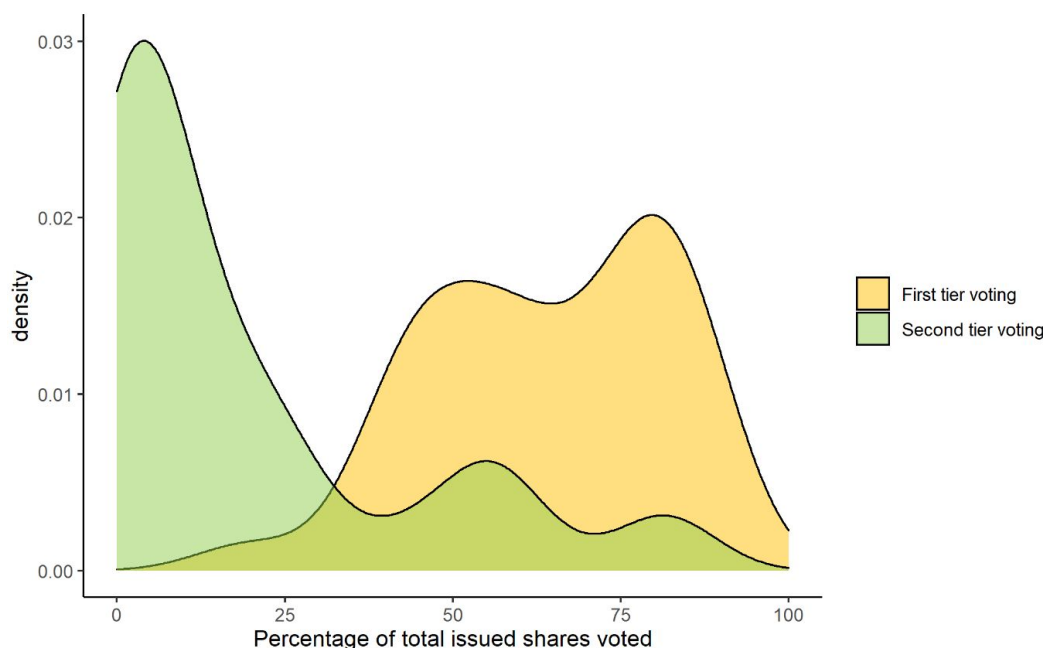


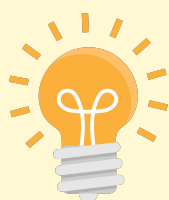
Figure 30. Shareholder voting in two-tier voting

The mean and median percentage of shares relative to the total number of shares which voted on the first-tier vote was 65% and ranged from about 20% to 87%. The percentage of shares that voted on the second-tier vote has a median of 9%, ranging from 0.1% to about 81%.

In Singapore, the second-tier vote only excludes the votes of directors, CEO and their associates, which means that the votes of substantial and even controlling shareholders are also counted for the second-tier vote as long as they are not directors, CEO or their associates. Therefore, not surprisingly, when the total number of second-tier votes is compared to the total number of public float shares, the percentage exceeds 100% in seven cases and is as high as 434%. The second-tier vote as implemented in Singapore is not a “minority shareholders” vote, unlike other countries that implemented two-tier voting.

In 21 cases, there were zero votes against in the second-tier vote. In another eight cases, the votes against were less than five percent of all votes cast for the second-tier vote. The low percentages of votes against for the second-tier vote may be partly due to a combination of general minority shareholder apathy when it comes to voting their shares and these shareholders not attending virtual meetings in 2020. However, it could also be that minority shareholders do not recognise long-serving IDs as an issue.

Minority shareholders should step and exercise their voting rights.



Recommendation 6

Minority shareholders should ask questions about board renewal and succession planning at AGMs, especially for issuers with long-serving independent directors. In cases where companies have been performing poorly and continue to retain long-serving independent directors, they should vote against the re-election of these directors.

PART V: LOOKING AHEAD





Looking Ahead

In August 2020, ACRA launched a public consultation on proposed amendments to the Companies Act (CA) based on the recommendations of the Companies Act Working Group (CAWG). One of the recommendations is as follows: “The CA should be amended to introduce an enabling provision that clarifies that unless the constitution provides otherwise, a company may hold general meetings digitally and in more than one location. It may be necessary to amend specific provisions in the CA to address any ambiguity as to how shareholders’ rights may apply to digital meetings.”

The CAWG recommended that the enabling provision allowing companies to hold digital shareholder meetings “should be neutral with respect to the type of technology that is used to hold the meetings, and allow companies to decide whether and how digital general meetings, by providing for this specifically in the constitution”.

We believe that the authorities should proceed cautiously in deciding whether to allow fully digital or virtual shareholder meetings. While 2020 was a unique year with issuers facing considerable business challenges, and it is understandable for regulators to introduce measures to help issuers, the way virtual meetings were conducted in 2020 arguably disenfranchised shareholders.

Our survey of retail investors shows a clear preference for hybrid meetings, followed by face-to-face meetings, and we believe that is the way forward. If fully virtual meetings are allowed, there should be “live” Q&A which is fully interactive and replicates as closely as possible the interactions in physical meetings. In addition, electronic online voting before and during the meeting should be mandatory for fully virtual meetings. Shareholders should only be expected to vote on resolutions when they are satisfied that their questions are adequately addressed by directors and management. This is not possible without “live” voting at shareholder meetings.

We believe that there are benefits from face-to-face interactions involving shareholders, directors, management and auditors that are difficult to replicate in a fully virtual meeting, in the same way that fully virtual board meetings are unlikely to be as effective as face-to-face ones.

We hope the findings and recommendations from this report will contribute to the debate about virtual shareholder meetings and be considered before introducing them permanently into the Singapore landscape.

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ABOUT THE AUTHOR

Mak Yuen Teen is an associate professor at the NUS Business School, National University of Singapore, where he specialises in corporate governance. He served on the Corporate Governance Committee which developed Singapore's first code of corporate governance, and on two out of the three committees which subsequently revised the Code in 2005 and 2018. Currently, he serves on the Corporate Governance Advisory Committee under the Monetary Authority of Singapore. Professor Mak has served on the audit advisory committees of two UN agencies based in New York. He conducts training for directors, regulators and senior professionals in Singapore and the region, has written extensively and produced reports on many different areas in corporate governance, and often writes about corporate governance issues in specific companies. He has received awards for his work in corporate governance from the minority investors' bodies in both Singapore and Malaysia, and was recognised as a CG Pioneer by the Singapore Institute of Directors. Prof Mak regularly posts on corporate governance on his website